

Annual Council Budget 2021/2022

Council budget and savings programme consultation 2021/2022

Have your say

Currently, Herefordshire Council is faced with finding up to £16 million (worst case scenario) in savings/additional income or a combination of both for the next financial year.

This year the uncertainty and funding pressure is made worse by financial pressures at national and local levels due to the ongoing Covid-19 pandemic which has made it difficult to anticipate how much funding the council will receive in future years from council tax and business rates.

This budget consultation is about helping us to make preparations in areas where cost reductions may need to be made so that we can build a balanced budget for 2021/2022.

Herefordshire Council is currently consulting on its budget, council tax levels for next year, and its overall savings plan. Each year, we ask council tax payers for their views before agreeing our budget and council tax.

This is your opportunity to comment on the council's priorities, its council tax and its proposals to improve services and increase efficiency.

It is important that you have a say in how we shape services in the future and our budget consultation is a key part of this. Please send us your views by **Friday 8 January 2021**.

Background: The Wider Context of Funding

All local authorities continue to experience constraints on spending, alongside increasing demand for some of their services. To balance the books, local authorities must continue to review what they do and how they do it.

Additionally, there is currently uncertainty over the amount of funding we will have in future and levels of funding from the government have yet to be confirmed, and the ongoing Covid-19 pandemic has made it hard to be sure how much funding we will receive.

However, Herefordshire Council has a successful track record of delivering savings and has already delivered substantial savings of £90 million. Through early planning and carrying out a range of efficiency measures, the council has protected frontline services and minimised the impact of spending reductions.

To reduce the continually increasing gap between our available resources and our expenditure, we will need to make further reductions in spending. Whilst the value and timing of such cost reductions is predicated on the level of financial support provided by central government and the impact of Covid-19 on the council's finances and demand for our services, the council is looking to make preparations for areas where cost reductions may need to be made.

Savings of this level would involve continued changes to our role and the services we provide and we will continue to review our priorities, as shown in the [County Plan summary](#), to make sure our more limited resources are focused on our 'core' activities.

We are consulting the public on three topics:

1 The Council Budget & Savings Programme

At this stage in the council's budget setting process, the level of government funding to be made available by MHCLG is not yet known and major changes planned to the Local Government Finance System in 2021/22 have been delayed by MHCLG due to the pandemic. The council has made sensible assumptions based on the information available to us now whilst taking into account the current impact of Covid-19 being felt against council tax and business rates.

Taking into account these assumptions, the council is facing a worst case budget gap of up to £16 million for the next financial year. This will need to be revisited once the government's settlement is announced in late December, however, we need to plan at this stage for the worst case scenario.

Including spending of £80 million on council maintained schools, the council is budgeting to spend £320 million in 2021/2022.

For this level of expenditure, for an average Band D property in Herefordshire, the Council Tax per month in 2021/2022 would equate to £137.69 (last year £131.15) and the till receipt below shows how this is broken down on a monthly basis.

This situation in having to find large scale savings is common across all local authorities and Herefordshire Council has been adept in the past at managing. Through financial planning over the medium term and effective management of its reserves, the council has been able to develop a Transformation & Savings Programme that allows time for sustainable implementation and meaningful consultation, be that either internally with staff or externally with members of the public.

2 Council Tax and Social Care Precept

In 2016/2017 the Government allowed local authorities with social care responsibilities to raise an additional 2% council tax 'precept' to support vulnerable people. This flexibility was subsequently increased to allow local authorities to increase the precept to 3% per annum.

The government's Spending Review 2020 on 25 November 2020 confirmed that the core council tax limit will remain at 2% and a social care precept of 3% will also be permitted (5% in total). Given this new flexibility from government, the council would be keen to utilise and protect the delivery of valued services.

The increase in council tax is subject to approval by Full Council in February 2021, and the feedback we get through this consultation helps local Councillors make a final decision.

A rise of 1.99% in 2021/2022 would contribute £2.2 million towards local council services, and coupled with a 3% social care precept would contribute a further £ 3.2 million. This would mean an increase of approximately £ 78.53 per year (or equivalent to £6.54 per month) for a band D household.

3 Potential schemes to support vulnerable residents

There is growing evidence that people are struggling financially as a result of the Covid-19 pandemic. As applications to our Council Tax Reduction Scheme have increased compared to previous years, the council is considering ways to help its most vulnerable residents.

We would like to hear your views on two ideas. Firstly, whether residents would be willing to pay more Council Tax if the increase helped residents on low incomes.

Secondly, whether residents would support the introduction of a voluntary Community Contribution Scheme. A number of councils across the country have either introduced, or are considering introducing, a voluntary contribution scheme to fund residents' priorities, for example, supporting local children and young people to create the best start in life.

The council is considering introducing a voluntary scheme to provide additional funding for residents' priorities, if the decision is taken to progress this, then there will be a further consultation on the detail of how the scheme will be operated.

What happens next?

Herefordshire Council must in law set a balanced budget for the next financial year (2021/2022) by the middle of March 2021 and have a strategy in place for dealing with the budget gap. Once the government settlement to local authorities is announced in late December, the council will be able to determine the actual budget gap which is currently being considered, as worst case scenario, as up to £16 million.

The information gained from this consultation will be used to inform our budget and the results will be published in February 2021 on the council website.

Find out more and have your say

- **Individual Residents** and **Organisations/Businesses** can complete our [online survey](#)
- For any queries or if you wish to submit your response by email please contact us at: researchteam@herefordshire.gov.uk

Timeline

Consultation opens: Friday 18 December 2020

Consultation closes: Friday 8 January 2021 at 23.59

Consultation documents – printable versions

[Budget 2021/2022 information document](#)

[County Plan on a page](#)

[Printable copy residents survey](#)

[Printable copy organisations survey](#)



Charges per month (average Band D property) 2020/21

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** Daily life **	
* Waste, Cleansing	11,99
* Environmental Health	1,39
* Roads and bridges	5,35
* Care of public spaces	1,10
* Schools and education	100,13
* Public, School and community transport	5,53
* Libraries, records and customer services	0,47
** Looking after Adults **	
* Older People in residential / nursing care	14,71
* Older people supported at home	10,11
* Disabled adults	29,57
* Lifestyles services (substance abuse, sexual health)	2,87
* Health improvement (Public Health nursing, health checks, smoking cessation)	5,73
* Housing	0,54
** Looking after children **	
* Child protection	4,33
* Children in care	20,17
* Children with special needs	3,34
** Local government running costs **	
* Election, governance and legal services	3,46
* Directors & Staff costs	0,18
* Organisational administration	1,25
* IT, Council Tax and Benefits admin, invoices and payments	5,39
* Insurance and property maintenance	4,48
* Capital finance - Debt repayment	7,04
* Capital finance - Interest payments	11,81
** Economic growth **	
* Economic development and regeneration	1,56
* Broadband - rural rollout	0,15
* Planning	0,20
	252,85
** Income that supplements council tax **	
* Investment Property income	(2,97)
* Car parking	(6,39)
* Capital finance - Interest received	(2,01)
* Public Health grant	(7,70)
* National Education funding	(96,09)
TOTAL TO PAY (per month)	£137,69

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