

# Agenda

## Cabinet

Date: **Thursday 22 June 2017**

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Time: **2.00 pm**

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Place: **The Council Chamber - The Shire Hall, St. Peter's Square, Hereford, HR1 2HX**

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Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

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If you would like help to understand this document, or would like it in another format, please call Sarah Smith on (01432) 260176 or e-mail [sarah.smith1@herefordshire.gov.uk](mailto:sarah.smith1@herefordshire.gov.uk) in advance of the meeting.

# Agenda for the meeting of Cabinet

## Membership

**Chairman**                      **Councillor AW Johnson**  
**Vice-Chairman**              **Councillor PM Morgan**

**Councillor H Bramer**  
**Councillor DG Harlow**  
**Councillor JG Lester**  
**Councillor PD Price**  
**Councillor P Rone**  
**Councillor NE Shaw**

## Agenda

		Pages
1.	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>To receive any apologies for absence.</p>	
2.	<p><b>DECLARATIONS OF INTEREST</b></p> <p>To receive any declarations of interest by Members in respect of items on the Agenda.</p>	
3.	<p><b>MINUTES</b></p> <p>To approve and sign the minutes of the meeting held on 4 May 2017.</p>	11 - 14
4.	<p><b>QUESTIONS FROM MEMBERS OF THE PUBLIC</b></p> <p>To receive questions from members of the public.  <i>Deadline for receipt of questions is 5:00pm on Monday 19 June.</i>  <i>Accepted questions will be published as a supplement prior to the meeting.</i></p>	
5.	<p><b>QUESTIONS FROM COUNCILLORS</b></p> <p>To receive questions from councillors.  <i>Deadline for receipt of questions is 5:00pm on Monday 19 June.</i>  <i>Accepted questions will be published as a supplement prior to the meeting.</i></p>	
6.	<p><b>END OF YEAR CORPORATE BUDGET AND PERFORMANCE REPORT 2016/17</b></p> <p>To inform cabinet of the revenue and capital outturn for 2016/17, including the treasury management outturn report and debts written off, and invite cabinet members to consider performance for the year.</p>	15 - 72
7.	<p><b>BUDGET PLANNING/CONSULTATION</b></p> <p>To agree budget priority consultation arrangements to inform the budget setting process for 2018/19 development of the medium term financial strategy (MTFS).</p>	73 - 78
8.	<p><b>AWARDING HONORARY TITLES - POLICY STATEMENTS</b></p> <p>To approve the policy statements relating to the criteria upon which the council would seek to award Honorary Freeman/Freewomen titles.</p>	79 - 84



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- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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- The Shire Hall is a few minutes walking distance from both bus stations located in the town centre of Hereford.

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The Chairman or an attendee at the meeting must take the signing in sheet so it can be checked when everyone is at the assembly point.

## Guide to Cabinet

The Executive or Cabinet of the Herefordshire Council consists of a Leader and Deputy Leader and six other Cabinet Members each with their own individual programme area responsibilities. The current Cabinet membership is:

Councillor AW Johnson (Leader) (Conservative)	Corporate Strategy and Budget
Councillor H Bramer (Conservative)	Contracts and Assets
Councillor DG Harlow (Conservative)	Economy and Corporate Services
Councillor NE Shaw (Conservative)	Financial Management and ICT
Councillor PM Morgan (Deputy Leader) (Conservative)	Health and Wellbeing
Councillor PD Price (Conservative)	Infrastructure
Councillor P Rone (Conservative)	Transport and Roads
Councillor J Lester (Conservative)	Young People and Children's Wellbeing

The Cabinet's roles are:

- To consider the overall management and direction of the Council. Directed by the Leader of the Council, it will work with senior managers to ensure the policies of Herefordshire are clear and carried through effectively;
- To propose to Council a strategic policy framework and individual strategic policies;
- To identify priorities and recommend them to Council;
- To propose to Council the Council's budget and levels of Council Tax;
- To give guidance in relation to: policy co-ordination; implementation of policy; management of the Council; senior employees in relation to day to day implementation issues;
- To receive reports from Cabinet Members on significant matters requiring consideration and proposals for new or amended policies and initiatives;
- To consider and determine policy issues within the policy framework covering more than one programme area and issues relating to the implementation of the outcomes of monitoring reviews.

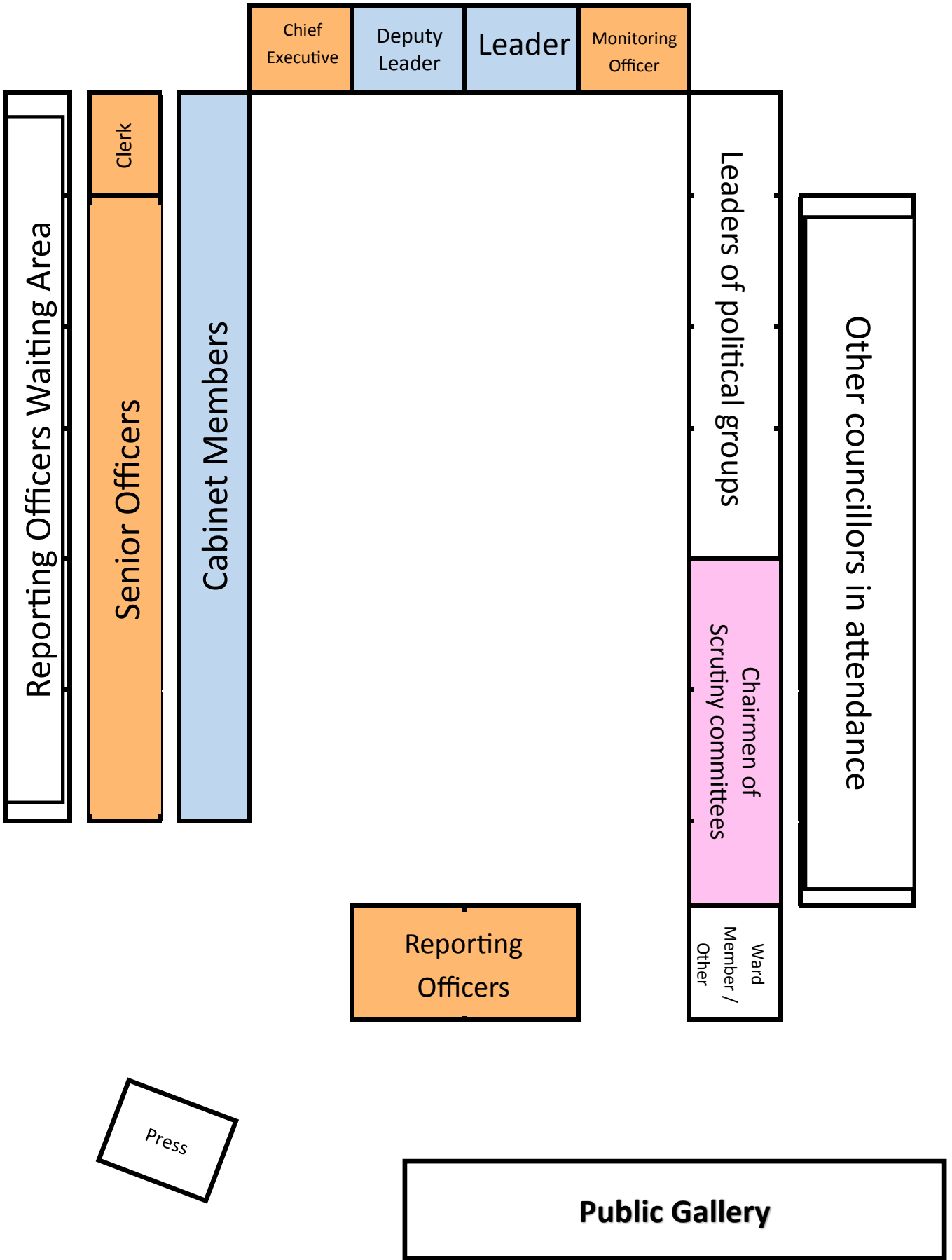
### Who attends cabinet meetings?

On the next page you will find a layout plan of the room showing who is sitting where. Coloured nameplates are used which correspond to the colours on the plan as follows:

Pale blue	Members of the cabinet, including the leader of the council and deputy leader – these are the decision makers, only members of the cabinet can vote on recommendations put to the meeting.
Orange	Officers of the council – attend to present reports and give technical advice to cabinet members
Pink	Chairmen of scrutiny committees – attend to present the views of their committee if it has considered the item under discussion
White	Political group leaders – attend to present the views of their political group on the item under discussion
	Other councillors may also attend as observers but are not entitled to take part in the discussion.









HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Cabinet held at Council Chamber, The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Thursday 4 May 2017 at 2.00 pm**

**Present:** Councillor AW Johnson (Chairman)  
 Councillor PM Morgan (Vice-Chairman)  
 Councillors H Bramer, DG Harlow, PD Price and P Rone

Cabinet support members in attendance Councillors EJ Swinglehurst  
 Group leaders in attendance Councillors JM Bartlett, TM James, RI Matthews and AJW Powers  
 Scrutiny chairmen in attendance Councillors PA Andrews and WLS Bowen  
 Other councillors in attendance: Councillors J Hardwick and D Summers  
 Officers in attendance: Alistair Neill, Geoff Hughes, Martin Samuels, Claire Ward, Andrew Lovegrove and Chris Baird

**83. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Lester and Shaw.

**84. DECLARATIONS OF INTEREST**

None

**85. MINUTES**

A group leader asked that a response be given to the question raised at the previous meeting regarding any conditions attached to the rural services grant which would prevent its use to support rural transport. The question was allowed as it was also potentially applicable to an item on the agenda for the meeting. The chief finance officer confirmed that there were no such conditions.

**Resolved:** That the Minutes of the meeting held on 6 April 2017 be approved as a correct record and signed by the Chairman.

**86. ALLOCATIONS FOR THE ADDITIONAL FUNDING FOR ADULT SOCIAL CARE**

The report was introduced by the cabinet member for health and wellbeing. Herefordshire council had been granted an additional £7.3m funding for adult social care over the three years 2017/18 to 2019/20. The additional funding had been announced after the council had set its budget for 2017/18. The cabinet member noted that the adult social care system was under pressure and that any additional funds were welcome.

The director for adults and wellbeing summarised the report. He highlighted that:

- the social care system was under pressure due to a number of factors including the rise in the population of over 75s and those of working age with a disability
- due to reductions in funding, 25% fewer people were receiving care in their own homes
- the rise in the national living wage and pension requirements stretched available funding and with high levels of employment it was hard to find staff willing to do the work for the living wage
- the additional funding was required to be spent on top of the budget which had already been set by the council
- Herefordshire would receive £3.6m to be spent in 2017/18 with a similar sum spread over the following two years
- conditions were attached to the additional funding by the government as set out in the appendix to the report and the government would monitor the council's use of the additional funding.

The director gave some examples of the projects under consideration for use of the additional funds. These included:

- expanding the capacity of the community connectors team to help make better use of resources available in their local area;
- expanding the in house rapid response service;
- working to improve resilience of care providers;
- developing better use of data to predict demand; and
- expanding physiotherapy capacity and the falls prevention service.

The director explained that it was a decision for the council how to spend the additional funds, within the conditions set by the government. The health service had to agree how the money was spent but did not have a veto on it.

As the funding was non-recurrent and had to be spent within the financial year it was allocated for, approval was being sought from cabinet to delegate decision making on expenditure of the funds to the director for adults and wellbeing. Consultation would take place with the cabinet member for health and wellbeing and the section 151 officer on any decisions taken by the director.

In the discussion that followed the following points were raised.

A group leader noted the increasing emphasis on community support and asked what policies were in place to encourage family members of those in need of care to take more responsibility. The director of adults and wellbeing highlighted a pilot scheme in Leominster which aimed to raise awareness of support available in the community and connect those in need of support with these services and voluntary groups. It was intended that this approach be rolled out across the county.

The potential role of parishes to help co-ordinate support services within local communities and the importance of the involvement of health partners was noted. Policies that would prevent or delay the need for formal care or hospital admission were seen as the best way to reduce demand on the care system.

A scrutiny chair noted that any extra funding was welcome, even if it came with strings attached. However volunteers could not completely take on the role of the council.

The cabinet member for infrastructure noted the difficulty in spending the money allocated for the current financial year within the specified conditions. He asked whether

some funding could support voluntary groups. He also noted that it could be difficult to get value for money across the county.

The leader stated that as the additional funding was a one off payment there was an inherent problem in making payments to volunteers as the council would not be able to sustain this in subsequent years.

The director of adults and wellbeing highlighted work done to increase the percentage of care users receiving direct payments which allowed them to make choices about where they sourced their services. Where care users received direct payments they were more likely to spend that money on services within their local community. Some very small sums of money might be allocated to help support community groups.

A group leader noted that in kind help could be as useful for community groups as financial support. She asked whether the council was struggling with care packages being handed back through lack of funding and whether the additional funding would increase the amount being given to care providers?

The director for adults and wellbeing responded that the council had very few care packages handed back but that it did take longer than the council would like for some packages to be picked up in the first place. He went on to say that there had to be a balance between paying a fair rate for care and paying a rate that worked for the council. The rates offered by the council allowed employers to meet their responsibilities under the national living wage and in relation to pension entitlements, however fewer staff were currently willing to do the work at national living wage rates. As the additional funding was non recurrent it was not intended that it be used to increase hourly rates as this could not be sustained for future years.

The cabinet member for health and wellbeing stated that the home care market and care home market was fragile and that increasing rates of pay would increase ongoing costs. Investment in other ways such as improving use of technology would support providers without increasing ongoing pay costs.

A cabinet support member suggested that the council could look to use some of the additional funding to support training and bursaries as a way to support recruitment and retention in the care sector. The director of adults and wellbeing responded that the council would be looking at investments in this area. Evidence showed care homes with a full time qualified manager were more likely to be rated as good. The council would be looking at ways to support training, for example by backfilling staff when they were on training courses. The council would also be looking at using the apprenticeship levy to support apprentices working in care homes.

A group leader asked how councillors would be kept up to date with how the additional funding had been used. The cabinet member for health and wellbeing replied that it would be included in the text of the normal quarterly report presented to cabinet.

**Resolved that:**

**(a) the following principles be adopted to guide the allocation and prioritisation of the additional funding of £7,311,000 over three years (2017/18 to 2019/20):**

- To support market development and sustainability for social care providers in Herefordshire
- To support short term health initiatives that demonstrate future benefit to

residents, and across the health and social care system

- To integrate services through joint pathways and not building functions and services silos
  - To utilise a pilot approach to new initiatives to enable the evidence of benefits and learn from what works in practice
  - To invest in systems to identify and track individuals to demonstrate the evidence of need and outcomes
  - To invest in initiatives that prevent or delay the need for formal care and prevent hospital admission
  - To invest in technology enabled care to support the care workforce challenge across the health and social care system;
- (b) **the director for adults and wellbeing, following consultation with the cabinet member for health and wellbeing and the section 151 officer, be authorised to determine the detailed allocation of the funding having regard to these principles and any national conditions associated with the funding; and**
- (c) **in exercising the authority referenced in recommendation b above, the director for adults and wellbeing report to cabinet in the quarterly corporate performance reports, how the funding has been allocated and the outcomes achieved from its use.**

The meeting ended at 2.40 pm

**CHAIRMAN**



<b>MEETING:</b>	<b>Cabinet</b>
<b>MEETING DATE:</b>	<b>22 June 2017</b>
<b>TITLE OF REPORT:</b>	<b>End of year corporate budget and performance report 2016/17</b>
<b>REPORT BY:</b>	<b>Chief finance officer and assistant director environment and place</b>

## **Classification**

Open

## **Key decision**

This is not a key decision.

## **Wards affected**

County-wide

## **Purpose**

To review revenue and capital outturn for 2016/17, including the treasury management outturn report, debts written off and invite cabinet members to consider performance for the year.

## **Recommendation(s)**

**THAT:**

- (a) performance and financial outturn, including debt write off for 2016/17 as set out in appendices A, B, D and E are reviewed and the cabinet identifies any additional actions to be considered to achieve improvement;**
- (b) the treasury management outturn report at appendix C be recommended to Council for approval; and**
- (c) the annual performance report at appendix F be approved for publication.**

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Further information on the subject of this report is available from Andrew Lovegrove, chief finance officer on (01432) 383519 and Richard Ball, assistant director environment and place on (01432) 260965

## Alternative options

1. Cabinet may: choose to review financial and operational performance more or less frequently; or request alternative actions to address any identified areas of under-performance, including referral to the relevant scrutiny committee.

## Reasons for recommendations

2. To provide assurance that progress is being made towards achievement of the agreed revenue budget and service delivery targets, and that the reasons for major variances or potential under-performance are understood and are being addressed to the cabinet's satisfaction.
3. An annual performance report has been produced to provide an accessible summary of key performance during the previous year and areas of focus for the coming year to aid communication of the council's priorities and performance.

## Key considerations

4. Ahead of the commencement of the external audit, the unaudited accounts are available for review on the council's website at [https://www.herefordshire.gov.uk/downloads/download/660/council\\_accounts\\_201617](https://www.herefordshire.gov.uk/downloads/download/660/council_accounts_201617).
5. The 2016/17 outturn is an underspend of £600k which has been added to the general reserve balance.

Directorate	Gross Budget	Net budget	Outturn before year-end account movements	Outturn Over/(under)
	£000	£000	£000	£000
Adults and wellbeing	80,143	51,826	52,268	442
Children's wellbeing	26,210	21,905	22,107	202
Economy, communities & corporate	68,384	45,674	44,795	(879)
Directorate total	<b>174,737</b>	<b>119,405</b>	<b>119,170</b>	<b>(235)</b>
Other budgets and reserves	152,621	28,574	28,209	(365)
<b>Outturn</b>	<b>327,358</b>	<b>147,979</b>	<b>147,379</b>	<b>(600)</b>

6. Council approved the revenue budget of £147.979m in February 2016 and a further breakdown of directorate budgets against forecast spend is provided in appendix A.
7. Council approved the corporate plan 2016/17-2019/20 in February 2016, framed around the key priorities to:

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- enable residents to live safe, healthy and independent lives;
  - keep children and young people safe and give them a great start in life;
  - support the growth of our economy; and
  - secure better services, quality of life and value for money.
8. The supporting delivery plan for 2016/17 was approved by cabinet in April 2016 and the budget is managed in recognition of managing need and the council's relationship with communities.
  9. Progress is measured through a number of agreed performance measures. These have been selected because they demonstrate progress towards achievement of the council's priorities and also provide an overview of the council's performance from a resident's perspective. The databooks, which are available on the council's website, contain the latest performance outturns available. Where monitoring information is only available annually, these measures will be reported at the point it becomes available.
  10. Appendix D provides an overview of performance during 2016/17. Whilst 55% (68% at the end of January) of performance measures showed a positive shift in performance, some 39% (32% at the end of January) performed worse than the same period last year. A summary of performance and the challenges faced within each directorate is included below in paragraphs 12-70.
  11. Appendix F provides an overview of progress made against the Corporate Delivery Plan 2016/17 and the council's priorities.

### ***Adults and wellbeing (AWB)***

12. Adults and wellbeing ended the financial year with an overspend position of £442k. This is an adverse movement of £166k relative to the end of January report.
13. The £442k is broken down between an over spend of £1.2m relating to client budgets and an under spend of £732k within the non-client budgets.
  - a. The client budget overspend of £1.2m is mostly due to demand and cost pressures within physical support domiciliary care, but also cost pressures within learning disability domiciliary care.
  - b. The under spend in the non-client budgets mostly relates to vacancies within the operational teams due to difficulties with recruitment.
14. The movement in variance relative to January is largely accounted for in the physical support area of the client budgets. This is due to both increases in demand for packages of care and under recovery of client income.

### *What is going well?*

15. The spring budget 2017 recognised that adult social care services are under significant pressure nationally; and as a consequence, the chancellor announced an additional £2bn for councils to spend on adult social care over the next three years (2017/18 to 2019/20). Of this, the allocation for Herefordshire is £7.3m. There is a national criteria that the money must be invested in reducing the impact on NHS, specifically aiding discharge from hospital.
16. A recommendation has been made to cabinet to delegate authority to the Director of Adults and Wellbeing in authorising the detailed allocation of the funding having

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regard of the key principles and any national requirements associated with the funding.

17. The issuing of the Better Care Fund (BCF) guidance has been significantly delayed however Herefordshire has been developing the plan in line with the policy framework for the implementation of the statutory BCF plan. The plan will be for a two year period, 2017-19, to align with NHS planning timetables and to give areas the opportunity to plan more strategically which was first announced in the Government's Spending Review of 2013 and established in the Care Act 2014 and it sets out the proposals for going beyond the BCF towards further integration by 2020.
18. Following an increase to the Disabled Facilities Grant budget as part of the Better Care Fund allocation, the service has this year funded 177 DFGs. Whilst this is a small increase on last year, there are a significant number of projects currently in development. The DFG budget has almost doubled to £1.558m this year and the most recent projections suggest we are only £26k short of reaching that target spend. To achieve the increased spend, the service has increased the amount of staff assessing for DFGs and increased the amount spent on the physical improvements to houses. It is nationally recognised that DFGs represent good outcomes for service users; allowing them to remain in their own home for longer and delay the requirement for costly residential home placements.
19. In order to ensure a better DFG process, we are also re-designing the structure and operational procedures of our Home Improvement Agency. We are currently working with Foundations, the Government body which supports Home Improvement Agencies, to streamline the service. This review is being scoped at the moment, and will include widening the case worker role; making that post responsible for the whole DFG process from referral to completion, only handing technical tasks to surveyors to minimise dependence on the limited surveyor resources available, and also decreasing the amount of paperwork required.
20. In the year we have converted the assistive technology and telecare services into a cost recovery model; this has opened up access to the service to anyone, regardless of whether they meet Care Act eligibility criteria, for a small weekly charge. This has enabled us to support people with a wider range of needs, in a wider range of settings, using a wider range of technologies. This has resulted in the service now receiving an average of 100 applications and referrals per month.
21. As a result of the moving and handling project, a total reduction of £85k has been identified from existing support packages in the last 7 months of 2016/17. Additionally, a total of £36k has been saved by preventing increases in support plan costs. These reductions have been achieved by provision of advice or alternative equipment provision with an outcome of decreasing or maintaining the numbers of carers required for activities or decreasing or maintaining the amount of time required for carers. In addition to savings, this is a much better outcome for the people in receipt of care; 2 carers manually moving a client is far more intrusive and through the use of equipment, caring for clients with a single person retains much more dignity for the cared for.
22. The council has recently been successful in obtaining a Housing & Technology grant of £285k, to help develop a greater range of housing options across property type and location, providing assistive technology to maximise choice, enhance safety, security and independence, and encourage better use of care and support resources. Specifically, this project is looking to fit technology in 14 of the current supporting living schemes, supporting 81 individuals, which will meet individual's needs in a less

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intrusive way than current traditional care methods. In addition, it should allow us to meet care needs in a more cost effective method.

23. In addition to this grant, the Strategic Housing team were successful in obtaining a grant of £502k from DCLG. This grant is to be used to help build capacity locally to develop and deliver housing in the longer term; investing in Community Land Trusts, supporting the Mandorla and Larkrise co-housing groups to review their development schemes, investing in self-build projects which will support affordable housing, supporting parish councils with plans/ambitions to develop local housing schemes and temporary investment in AWB's housing development capacity in order to support the previous points.
24. A further £93k has been received from DCLG to improve the prevention of rough sleeping. This will be used to support two temporary posts; a rough sleeping prevention officer and a part time research post to ensure that prevention work is targeted at the highest risk groups of the Herefordshire population.
25. In the year, we have finalised a Direct Payment strategy, setting out how we will deliver personalised care planning and support whilst increasing the take-up of direct payments. The following priorities were identified: Raise awareness and improve staff knowledge of policy and process; ensure processes in administration and monitoring are efficient and effective; Raise awareness of direct payments with people in need of care and support and; enable closer working with commissioners, children's services and care providers. As a result of the strategy and the resultant actions, the directorate has driven its direct payment take up significantly and is now just short of our long term stretch target of 40% (currently 38.3%). In addition to driving up the numbers of people using this method of sourcing their care, we have also rolled out pre-paid cards to a greater proportion of users. At the end of March just over a quarter of DP recipients were receiving payments in this way. This is an easier way of receiving payments for service users, and also a more efficient way of administering payments from a council perspective. In addition, the DP team have monitored accounts closely, resulting in a little over £1m of over-payments being recalled; some of this is as a result of identifying closing balances and some where service users have not utilised the full amount of their prescribed care.
26. The new unified care home contract with the CCG went live on 3 April. As a result of this all care homes will default to the new terms and conditions of the contract. The changes from net to gross payments has been a complex change with new interfaces being developed between our internal systems to enable the council to invoice service users for client and third party contributions. The team have been repurchasing placements ready for the changes to be implemented. The majority of spot purchase placements will be moving to the new payment process, with 157 clients remaining on the old payment terms until we receive further information from the provider. A number of communications have been sent to providers and internal staff, to update them on the changes to the contract and ensure a smooth transition.
27. Our final year end position for completion of reviews was 74% of clients in receipt of long term care receiving a review in the reporting year. Whilst this is short of our very aspirational target of 100%, this does represent significant improvements in performance from 2015/16 (of 62.6%). Informal feedback around the region would also indicate that this is above average performance. Regular reviews are important to ensure that a client continues to get the right level of care; minimising risks where clients have deteriorated and where appropriate reducing formal care to maximise independence. In the coming 12 months, it is envisaged that performance will be further improved as a result of the current pathway development work and also

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mobile working initiatives.

28. Recognising the importance of protecting and promoting people's independence, resilience, ability to make choices and maximising wellbeing, our social care services operate and continue to develop a strengths based model of practice. This looks first at what people can do with their skills and resources, what the people around them can do and what support is available within their local communities. In order to maximise the impact of our model of delivery and improve the customer journey through social care, a large programme of pathway development work is currently underway. This work includes a focus on service improvements in the following key areas:
- response times and support when customers are in contact with ASC;
  - access to information, advice, signposting and guidance;
  - clearer and more direct links to contracted and 'recognised' services;
  - a more 'agile' urgent care response;
  - improved assessment and review times;
  - support and care planning that builds on strengths and links customers more effectively to their communities;
  - a programme of community development including the introduction of 'Talk Community' sessions; and
  - improved engagement with Primary and Secondary Care providers.
29. The mapping of community assets and community opportunities in the West area of the county by our Community Connectors and is almost complete. This includes information about the type of opportunities available, their capacity and the people who they are appropriate for. These have been recorded in a dynamic community menu and are cross referenced against the content in WISH. The Community Connectors are now mapping resources in the East of the county.
30. The number of website hits has increased again for Quarter 4 with 5,722 hits and we saw the highest number of monthly hits since its launch during March with 2,124 hits. The WISH hub moved into the City Library at the end of January and they have also seen an increase in numbers visiting the WISH hub. Quarter 1 is focused on scoping the system development requirements to improve the website which will include bringing the Adults and Children's sections into a single context website and changes to the website design and information architecture.
31. Throughout 2016/17 Healthy Lifestyle Trainers (HLT) supported 492 people with one to one behavioural support. In addition to individual support, Healthy Lifestyle Trainers are trained to build effective relationships within communities. In 2016/17 HLT engaged with 450 community activity groups, from this they signposted 1,522 people to other activities, events and services.
32. Of the people who engaged with one to one support, 55% went on to achieve their Personalised Health Plan through support offered by a HLT at a time and place to suit the individual. Those engaging with the service are empowered to take more responsibility for improving their own physical and emotional wellbeing by working with a dedicated health trainer to set goals to improve general wellbeing, increasing confidence and motivation to enable them to change. On completion of the support people's wellbeing improved by 17% and their confidence in their ability to achieve intended results by 10%. Furthermore, 12.5% of people also reported feeling healthier. In addition, participant's: reduced their BMI; reduced alcohol consumption; took part in increased levels of physical activity; increased consumption of fruit and

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Further information on the subject of this report is available from Andrew Lovegrove, chief finance officer on (01432) 383519 and Richard Ball, assistant director environment and place on (01432) 260965

veg; and reduced/stopped smoking.

33. We continue to work with AddAction, our substance misuse service following variable completion rates for their alcohol, opiate and non-opiate treatment programmes. These results are below the set targets (8% for opiates, 52.5% for non-opiates and 38.5 for alcohol) and as a result a service improvement plan has been agreed with the provider; actions include regular auditing of caseloads and individual cases, linking with wider stakeholders and the full roll out of a new naloxone programme.

#### *Challenges*

34. Following a lack of interest from providers in our Helped to Live at Home, the decision not to proceed to contract award was made during the last quarter. As a result, those involved have reflected on the residual risks from not awarding new contracts, the option available to mitigate these risks and any lessons learnt. The tender exercise revealed the fragile nature of the local market and the primary focus going forward will be to work closely with local providers to improve sustainability and enhance the customer experience.
35. To this end, emerging proposals currently under consideration include; creating a new open framework arrangement of approved providers which will run concurrently and subsequently supersede the existing HACS framework which expires 31 March 2018; devising and implementing a market shaping plan; devising pilots to test new approaches and models of service delivery and appointing a market engagement officer to deliver strategic and commercial support to providers.

#### ***Children's wellbeing (CWB)***

36. Children's wellbeing overspent by £202k for the full year. This a £280k improvement from the quarter 3 forecast outturn. The improvement is due to no court ordered placements being made, this had been provided for at £100k as a placement can be made by a court at any point in the year. In addition the redundancy provision has not been required at the level previous forecast.
37. The outturn position reflects the success of the reduction in the agency social care staffing, which created the large overspend in 2015/16, and will now deliver a full year impact in 2017/18. The directorate has been successful in moving to more permanent social care staffing. Child placement costs have remained reasonably consistent throughout the year and the anticipated savings due to appropriate changes in the policy on special guardianship are now starting to take effect. This will contribute to savings for the medium term financial strategy in 2017/18 and 2018/19.

#### *What is going well?*

38. At the end of Quarter 4 the number of children subject to a child protection plan is 117. This sustained reduction in children at risk of significant harm has attracted regional interest and reflects concerted effort by directorate and local safeguarding board colleagues. We can be confident that this profile accurately reflects the experience of children within the county because it has been in place since the summer of 2016. A review of those children whose plans were discontinued has found no evidence of inappropriate decision making or children being left at risk of harm without a service.
39. A new approach to referral management has been in place for six months and has enabled the directorate to have a more accurate picture of demand. It is a concern

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that the majority of referral do not meet the local safeguarding board threshold for a social care service however a recent review of children who are re-referred did not find cases of the same child being referred repeatedly for the same reason. Children were re-referred either for a new reason or because concerns had emerged about a sibling. The decision-making at the point of referral was validated by the review.

40. The majority of new social work assessments are now completed within the statutory timescale which is a notable improvement on Quarters 1 and 2 when the majority were not.
41. The directorate has seen a net increase in the number of foster carers recruited by the local authority and this is contrary to local and regional colleagues who have struggled to maintain their numbers. This will enable us to place more looked after children locally and also avoid the additional costs associated with the use of the private sector.
42. 72% of pupils across Herefordshire achieved a Good Level of Development in 2015/16 at the end of the Foundation Stage. This exceeded the England average of 69.3% and resulted in top quartile performance. We are aiming for top quartile performance in all measures by end of 2017/18.
43. 90.1% of pupils in Herefordshire were in Good or Outstanding primary schools, as recorded in Ofsted's Annual Report 2015/16. This is a 2% improvement on the previous year and a 22% improvement from 2011/12. Herefordshire Children's Wellbeing has been operating a different model of school improvement for 3 years now, in advance of the national changes and budget reductions which focuses on improving attainment and progress for all pupils, to give them a great start in life. Achieving this will also improve Ofsted ratings for settings. This approach was recently commended in the national MJ Achievement Awards which is of credit to schools and staff in Herefordshire.
44. During 2016/17, the council supported 151 disabled children with short breaks through commissioned services and direct payments. Some children will have received a single short breaks resource, while others will be in receipt of a package of support. Targeted daytime activities, which do not require a social care assessment, were accessed by 69 children. Of those children that have had a social care assessment, 68 children were supported with direct payments, 40 accessed specialist daytime activities and 20 accessed specialist overnight short break in family based or residential setting. Planned work to recommission the short breaks offer was completed during 2017, and will continue to be monitored to address any market gaps. As part of the new offer from April 2017, the council has launched a new targeted short breaks allowance scheme, which is not subject to a social care assessment and can provide families of c.175 target children with up to £350 per year to purchase short breaks activities of their choice. By mid-April, 55 applications for allowance had been received, with 46 being approved. Further applications are expected during the year ahead, and numbers are expected to grow in year two as the scheme becomes better known.
45. As part of the Children and Families Act 2014, Education, Health and Care (EHC) Plans were introduced from September 2014, replacing Statements of Special Educational Need. From receiving the initial request for statutory assessment of a child's special educational needs, Local Authorities have a maximum of 20 weeks to complete the process and issue a final EHC Plan (a reduction from 26 weeks for Statements of SEN). The success against this statutory deadline is a key performance measure and we are currently completing 91.5% within the timescale;

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nationally this is just over 50% and Herefordshire is the highest performing Authority in the West Midlands.

46. The directorate has taken proactive steps to manage the budget and has successfully implemented savings plans that are delivering the medium term financial strategy. Whilst placement budgets always contain an element of volatility the overall position indicates robust budget management taking place in 2016/17.

### *Challenges*

47. During this quarter the number of our Looked after Children has increased to 303 rather than reducing. As noted in the commentary for Quarter 3, we have introduced a new Threshold of Care Panel to ensure that all new placements meet the appropriate criteria and completed an analysis of our LAC population to identify young people who will leave our care as they reach 18 or are due to be placed in permanent care, such as adoption or special guardianship. We believe our LAC population will reduce during 2017 as a result of this study and work is currently underway to quantify the number and timescales. If we can meet needs of young people who are on the verge of admission to care through an intensive Edge of Care intervention this figure should be increased. Further discussion within the service has identified two key areas for future improvement: the return of children home and the approval of permanency alternatives for those children not able to return home, such as Special Guardianship Orders. Analysis of our current LAC population to identify those children who could be subject to permanency arrangements is underway. The recent move of operational social work staff to Nelson House will support a more coherent response to young people who are in our care with a particular focus on ensuring that those children who can safely return home do so promptly.
48. For the last two quarters the majority of referrals to the Multi Agency Safeguarding Hub have not resulted in a social work assessment. This means that they have not evidenced the appropriate level of need as outlined in the local safeguarding children's board's guidance. Analysis has highlighted a wide variation in professionals' understanding of this multi-agency guidance. This is a concern because it means that children are less likely to receive appropriate support at the right time if their needs are not consistently assessed and it also means that professionals are spending time of referring to the MASH that could be used more productively.
49. 68.4% of pupils in Herefordshire were in Good or Outstanding secondary schools, as recorded in Ofsted's Annual Report 2015/16. This has fallen in the last quarter as a result of recent inspections. Recent Ofsted monitoring reports for academies currently graded as inadequate have been positive. Attainment and Progress 8 scores, the most recent measures by national government, indicate that secondary schools overall performance was in line with the national average. Herefordshire local authority is working with schools through the Herefordshire School Improvement Partnership approach to highlight schools at high risk of poor outcomes and is also developing its relationship with the regional schools commissioner and academy and multi academy trust boards to challenge poor performance and clarify what actions are being undertaken to enable pupils to have a great start in life.
50. The focus for learning and achievement this academic year include:
- Attainment at KS2 with a particular focus on maths;
  - Attainment of pupils eligible for free school meals across most key stages; and
  - Attainment of LAC pupils.

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### ***Economy, communities and corporate (ECC)***

51. ECC underspent its budget by £879k. This is a favourable movement of £236k relative to the end of January cabinet report.
52. The underspend includes £750k in respect of the waste disposal contract reflecting reduced disposal costs during the commissioning of the Energy from Waste facility. The facility successfully passed commissioning and is now fully operational. As per the agreed contract, the gate fees have increased since the conclusion of commissioning and therefore the financial benefit is a one-off for 2016/17. This was previously reported to cabinet in the quarter 2 report, 3 November 2016.
53. The movement in variance relative to quarter 3 is largely accounted for in the communities service area, by the modern records invest to save project. The two year investment required to achieve the approved MTFS savings will now be largely incurred in 2017/18, managed within existing ECC budgets. The savings are still anticipated to be delivered by 2018/19, as per the MTFS.

#### *What is going well?*

54. The budget process went well, there was extensive engagement with all stakeholders enabling a wide range of views and opinions to be expressed. The MTFS process to ensure that all savings were fully costed and the implications were understood went well, with all budget holders confirming their agreement to the impact of the savings on their budgets.
55. The South Wye Transport Package has been progressed during the year. The package includes the Southern Link Road which will form the first phase of a Hereford Bypass and a complementary package of measures in the South Wye area. Planning permission for the Southern Link Road was secured in the summer of 2016 and detailed design and land negotiations are continuing in accordance with the programme which aims to commence works on site by the end of 2018. A comprehensive public consultation on the Active Travel Measures that would form the complementary elements of the package was carried out during the autumn and the results are being analysed to feedback to cabinet later in the summer.
56. In summer 2016, Cabinet gave approval for work to commence on the development of a Hereford Transport Package which will include a bypass of Hereford to the west of the city. Since then a programme of technical work has been carried out to provide the information required to develop the scheme, including a wide range of surveys and travel/traffic data collection. The Hereford Bypass has been included within the recently published Midlands Connects regional transport strategy and the first round of public consultation on the Hereford Transport Package has commenced. As a complex major project there is significant technical work to be carried out and public consultation will form a major part of the development of the proposals over the coming year.
57. The construction of the City Centre Link Road has progressed well. Subject to continued good progress, it is anticipated that works will be complete by the end of 2017. The completion of the road will enable the delivery of complementary active travel measures on the existing network which will include the provision of a Transport Hub at the railway station. The development of these measures will be subject to further public consultation during the coming year.

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58. The Fastershire broadband programme includes encouraging businesses and individuals to make the most of the fibre connection and general use of the internet. This includes 262 attendance at business session taking place monthly; and 128 individuals attending introduction to the internet courses in 15 courses that can last between one and five sessions per course. The majority of premises in the county can now access a fibre broadband services, with new phase of deployment agreed to reach premises not included the first phase.
59. Hereford Library reopened on 30 January 2017. As well as a surge in use of 16,957 visitors in February 2017 (compared to 3,933 in January when based at the temporary library at the Town Hall), there were 565 new members signing up for library cards.
60. A great deal of work has taken place to produce and agree the new constitution, this outlines the role, functions and methods of work of the local authority.
61. The elements of the Accommodation Strategy due to be delivered in 2016/17 were on time and within budget.
62. Working in partnership with Herefordshire Tertiary Education Trust, the council enabled the development and submission to Government of a Green Book Business Case seeking funding support towards the development of NMiTE, the proposed University for Herefordshire. Growth Deal funding of £8m in support of the delivery of the new University was announced on 8 March, representing a significant milestone towards securing the delivery of this transformational ambition for the county. Formal confirmation of additional funding from the Department for Education is still awaited.
63. The council continues to perform very strongly in the delivery of neighbourhood development plans by comparison to national benchmarks. There are currently 18 adopted neighbourhood plans in Herefordshire, this is the most in any one county in England; 6% of all adopted NDPs in England are within Herefordshire. Herefordshire also have 108 designated neighbourhood areas which again means the council has the most designated neighbourhood areas in any single county.
64. The Invest Herefordshire Economic Vision was adopted by Full Council on 16 December 2016, setting a clear and ambitious programme of key projects and investment opportunities across the county. The strategy identifies the ambitions and intentions of a range of stakeholders and partners who will work jointly with the council to make Herefordshire a great place to live, work and learn. The next stages involve a launch event for the Vision in June 2017, followed by a programme of themed events around the county.
65. Construction of EnviRecover, our joint Energy-from-Waste facility we share with Worcestershire County Council, was completed in March 2017. This follows a 33-month construction programme, which has seen the facility built on time and to specification. EnviRecover is located on the Hartlebury Trading Estate near Kidderminster, Worcestershire. The facility will turn 200,000 tonnes per year of residual waste from local authority collections in Herefordshire and Worcestershire into power, exporting in excess of 15.5 megawatts of electricity to the national grid.
66. Completion of EnviRecover reduces Herefordshire Council's reliance on landfill. Recyclable materials collected from households in green bins have been sent for recycling at a sister facility, EnviroSort, since 2009, now general household rubbish from black bins is sent to EnviRecover to make power. Only small amounts of waste not suitable for recycling or to be used as fuel to make power are now sent for landfill.

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## *Challenges*

67. The National Planning Policy Framework indicates that where a local planning authority cannot demonstrate a five year supply of deliverable housing sites relevant policies for the supply of housing should not be considered up-to-date and housing applications should be considered in the context of the presumption in favour of sustainable development.
68. In July 2016 the housing supply for Herefordshire was identified as being 4.49 years. Overall, housing supply has significantly increased in recent years and proactive work to bring forward the strategic housing sites in the Local Plan is continuing with two major applications (at Holmer West and Hildersley in Ross-on-Wye) being approved by Planning Committee in the last year. However, the demonstration of a five year supply is likely to remain challenging at least until the strategic sites identified in the Core Strategy begin to deliver significant numbers of housing completions.
69. Face to face contact for customer services was 39,274 visits in 2016/17 – this was slightly over target of 38,004. The nature of the contact will vary, but primarily concerned with support people’s claims for housing and housing benefits and therefore the level of contact will depend on people’s circumstances. Development of the new website’s functionality will support the reduction in contact levels though there will continue to be some need for face to face support for people who need it.

### **Capital outturn**

70. The capital outturn for 2016/17 is attached at appendix B and shows that capital investment totalled £55.8m in 2016/17. This compared to an approved budget of £77.0m with the differences detailed in the appendix being mainly slippage on various investment schemes including Colwall School. The underspent budgets will be carried forward to fund spend in future years.

### **Other budgets and reserves**

71. The underspend of £365k represents lower cost of debt due to prolonged lower interest rates, as detailed in appendix C.

## **Community impact**

72. Regularly reviewing performance with a view to identifying actions which will deliver further improvement in outcomes or efficiencies helps ensure the council achieves its corporate plan priorities. Transparently reporting performance supports the council in being accountable to the community.

## **Equality duty**

73. There are no specific implications in the report. As regards demonstrating due regard to the council’s public sector equality duty (PSED), as part of our decision making processes we ensure that individual directorates and service areas assess the potential impact of any proposed project, leading to fairer, transparent and informed decisions being made.

## **Financial implications**

74. Included within the report.

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## Legal implications

75. There are no legal implications arising directly from the recommendations of this report. Financial reporting requirements state that the treasury management outturn be reported to full Council. Reporting of debt write off is in accordance with the financial procedure rules which were in force during the reporting period.

## Risk management

76. The council is required to close the 2016/17 accounts by 30 June 2017 which includes the approval of statutory statements by the chief finance officer. Failure to meet statutory deadlines carries a reputational risk for the council in relation to its corporate governance role.
77. The risks associated with any delivery plan objectives and projects are entered onto the relevant service or directorate risk register and escalated as appropriate. The corporate risk register is available on the council's website and an overview of the significant risks is included within appendix E.

## Consultees

78. None in relation to this report. The development of the delivery plan was informed by the evidence base already gathered during the year and which includes user, resident and partner feedback where available.

## Appendices

- Appendix A Revenue outturn 2016/17
- Appendix B Capital outturn 2016/17
- Appendix C Treasury management outturn 2016/17
- Appendix D Debts over £2k written off between 1 October 2016 and 31 March 2017
- Appendix E Scorecards: Adults and wellbeing  
Children's wellbeing  
Economy, communities and corporate  
Organisation wide
- Appendix F – Annual performance report

## Background Papers

- [Adults and wellbeing databook](#)
- [Children's wellbeing databook](#)
- [Economy, communities and corporate databook](#)
- [Corporate risk register](#)

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## Revenue Outturn 2016/17

Service	Budget	Outturn	Outturn	Change
			over/(under)	Since
	£000	£000	£000	January
				£000
Adults and wellbeing	51,826	52,268	442	166
Children's wellbeing	21,905	22,107	202	(280)
Economy, communities and corporate	45,674	44,795	(879)	(236)
<b>Directorate total</b>	<b>119,405</b>	<b>119,170</b>	<b>(235)</b>	<b>(350)</b>
Other budgets and reserves	28,574	28,209	(365)	0
<b>Total</b>	<b>147,979</b>	<b>147,379</b>	<b>(600)</b>	<b>(350)</b>

## Adults Wellbeing: Revenue Outturn

30

Service	Net Budget	2016/17 Outturn	2016/17 Over/ (Under)spend	January Over/ (Under) spend	Movement in Variance Adv /(Fav)
	£000	£000			
Learning Disabilities	16,533	17,292	760	1,141	(381)
Memory and Cognition/Mental Health (Inc Safeguarding)	7,157	6,222	(935)	(750)	(185)
Physical Support	17,935	19,587	1,652	958	694
Sensory Support	629	325	(304)	(250)	(54)
<b>Client Sub-Total</b>	<b>42,254</b>	<b>43,426</b>	<b>1,173</b>	<b>1,099</b>	<b>74</b>
Operations	5,909	5,371	(538)	(813)	275
Commissioning	2,603	2,732	129	367	(238)
Directorate Management	(219)	(199)	20	(125)	145
Public Health	109	109	0	0	0
Transformation & Safeguarding	1,171	828	(342)	(252)	(90)
Use of one off reserves/grants	0	0	0	0	0
<b>Non Client Sub-Total</b>	<b>9,573</b>	<b>8,841</b>	<b>(731)</b>	<b>(823)</b>	<b>92</b>
<b>Adult's Wellbeing</b>	<b>51,827</b>	<b>52,267</b>	<b>442</b>	<b>276</b>	<b>166</b>

## Children's Wellbeing: Revenue Outturn

31

Service	Net Budget	2016/17 Outturn	2016/17 Over/ (Under)spend	January Over/ (Under) spend	Movement in Variance Adv / (Fav)
	£000	£000			
Additional Needs	2,749	2,465	(284)	(389)	105
Children's Commissioning	1,629	1,497	(132)	(239)	107
Commissioning Management	(888)	(1,086)	(198)	(132)	(66)
Development and Sufficiency	1,990	1,942	(48)	17	(65)
Education Improvement	261	250	(11)	1	(12)
<b>Education &amp; Commissioning</b>	<b>5,741</b>	<b>5,068</b>	<b>(673)</b>	<b>(742)</b>	<b>69</b>
Safeguarding and Review	635	625	(10)	0	(10)
Early Help and Family Support	849	774	(75)	(1)	(74)
Fieldwork	2,536	2,321	(215)	(32)	(183)
Looked After Children	10,370	11,801	1,431	1,298	133
Safeguarding Development	439	367	(72)	44	(116)
Safeguarding & Early Help Management	1,171	1,038	(133)	(41)	(92)
<b>Safeguarding &amp; Family Support</b>	<b>16,000</b>	<b>16,926</b>	<b>926</b>	<b>1,268</b>	<b>(342)</b>
<b>Directorate</b>	<b>163</b>	<b>112</b>	<b>(51)</b>	<b>(44)</b>	<b>(7)</b>
<b>Children's Wellbeing</b>	<b>21,904</b>	<b>22,106</b>	<b>202</b>	<b>482</b>	<b>(280)</b>

**ECC: Revenue Outturn**

32

Service	Net Budget	2016/17 Outturn	2016/17 Over/ (Under)spend	January Over/ (Under) spend	Movement in Variance Adv /(Fav)
	£000	£000			
Directors	629	610	(19)	(20)	1
Environment and Place	25,921	25,146	(775)	(717)	(58)
Resources	10,692	10,718	26	24	2
Growth	2,049	1,837	(212)	(170)	(42)
Communities	6,383	6,484	101	240	(139)
<b>ECC Total</b>	<b>45,674</b>	<b>44,795</b>	<b>(879)</b>	<b>(643)</b>	<b>(236)</b>



## 2016/17 Capital Outturn

Capital spend for 2016/17 totals £55.8m. This includes £3.7m on Gloucestershire broadband infrastructure which forms part of the Fastershire broadband contract hosted by Herefordshire. It also includes £11.4m on principal loan payments for an energy from waste plant as part of the joint PFI arrangement with Worcestershire.

**Table A - 2016/17 Outturn compared to 2016/17 budget**

Scheme	Sept 2016/17 budget £000	2016/17 investment £000	Total spend to 31.03.17 £000	Comments
<b>Children's Wellbeing</b>				
Colwall Replacement School	4,800	2,267	2,300	Works continue on providing a new school
Peterchurch Primary School	1,000	-	6	Internal remodelling works yet to commence
Schools basic need	666	-	-	Annual grant allocated to schools budget
Schools capital maintenance grant	1,205	814	-	General capital maintenance of schools estate
<b>Adults and Wellbeing</b>				
Disabled Facilities Grant	1,734	1,578	-	Individual grants awarded through an application process, enabling independent living
<b>Economy, Communities &amp; Corporate</b>				
Leisure Centre Improvements	2,784	1,957	9,225	Works to improve leisure facilities now complete
Local Transport Plan	11,633	12,279	-	Annual grant funded programme of capital works to highways, footways and bridges.
HCCTP (including link road)	12,124	10,215	27,790	Construction work in Hereford City
Corporate accommodation	1,082	1,467	1,485	Works across corporate estate
Data centre consolidation	1,170	940	940	Upgrade of servers
Fastershire Broadband	6,605	6,638	15,641	Investment in broadband infrastructure in Herefordshire and Gloucestershire.
LED Street Lighting	905	411	5,161	Phased installation of LED

Solar Panel Installations	1,671	40	503	street lighting Photovoltaic instalment at various locations
South Wye Transport Package	1,000	1,629	3,612	Accelerated spend funded from LEP growth deal
Hereford Enterprise Zone	3,150	1,405	6,476	Continued investment in serviced plots
Hereford library	909	564	655	Renovation works carried out
Energy from Waste plant	16,588	11,418	34,830	EnviRecover plant now operational, in addition to principal loan payments an effective loan interest rate of £5.2m has accrued to 31 March
Marches and Worcestershire LEP RBG Scheme	833	323	-	Capital grant support to small businesses to refurbish redundant buildings
Highway depots	800	322	322	Upgrade works to highways depots
IT network upgrade	500	-	-	Update of IT network
Software upgrade	500	-	-	Software to enable remote access to desktops
Property estate enhancement	500	500	-	Works carried out across the property estate determined by need
Other schemes	4,877	1,018	-	
<b>Total</b>	<b>77,036</b>	<b>55,785</b>		

## Capital Receipts Reserve

The capital receipts reserve totalled £4.1m at 31 March 2017, a net increase of £3.7m from 1 April 2016, movements in year are summarised in the table below.

**Table B**

	£m
Opening Reserve Balance	0.4
Plus total capital receipts	5.8
Less funding of 2016/17 capital spend	(2.1)
<b>Closing Balance as at 31.03.17</b>	<b>4.1</b>

The carried forward balance and future capital receipts will fund approved capital scheme spend in future years.





## Annual Treasury Management Report 2016/17

**1. Introduction**

- 1.1. The council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management. Before the start of every year the Code requires local authorities to produce Prudential Indicators and a Treasury Management Strategy Statement detailing the policies and objectives of the council's treasury management activities for the forthcoming year. This outturn report compares actual activity to those policies and objectives.
- 1.2. The council borrows and invests substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of these risks are central to the treasury management strategy.

**2. Economic Background**

- 2.1. Two major events had a significant influence on financial markets during 2016/17; the UK EU referendum on 23 June and the election of President Trump in the USA on 9 November with both events resulting in uncertainties in economic market rates.
- 2.2. **Growth:** After a disappointing 2016 quarter 1 of only +0.2% GDP growth (GDP), the three subsequent quarters of 2016 came in at +0.6%, +0.5% and +0.7%, nearly the fastest rate of growth of any of the G7 countries.
- 2.3. **UK Monetary Policy:** On 4 August the Monetary Policy Committee (MPC) cut the bank rate from 0.5% to 0.25%, but remained at 0.25% for the rest of 2016/17.
- 2.4. **Inflation:** Inflation has risen rapidly due to the effects of the sharp devaluation of sterling after the referendum. In February 2017, the latest CPI inflation figure had risen to 2.3%, above the MPC's inflation target of 2%

**3. Borrowing**

- 3.1. The council continues to access lower cost short-term loans from other local authorities rather than more expensive longer term debt due to the differential between short and longer-term interest rates. This policy is expected to continue in 2017/18 but should this differential decrease and short term borrowing costs increase, the council will begin securing additional fixed long term debt to fund its borrowing requirements.
- 3.2. In 2016/17 the weighted average interest rate paid on council borrowing was 3.24% (3.42% in 2015/16). The weighted average cost of long term borrowing was 3.83% compared to 0.76% for short-term borrowing (being the gross cost including brokers' commission of between 0.03% and 0.10%).
- 3.3. It is council strategy to maintain borrowing and investments below their underlying levels by using "internal borrowing", utilising usable reserves. This maintains borrowing and investment balances to a minimum.
- 3.4. During 2016/17 there was major volatility in Public Works Loan Board (PWLB) rates with rates falling during quarters one and two to reach historically low levels, before rising significantly during quarter three and then partially easing back towards the end of the year. This enabled the council to replace some short-term loans with longer-term finance. In 2016/17 the following longer term loan was taken out from the PWLB:

## Annual Treasury Management Report 2016/17

Amount Borrowed	From	To	Period	Type of loan*	Interest Rate
£7m	30/06/16	30/06/46	30 years	Maturity	2.45%
*Maturity = Interest only instalments every six months over the period of the loan, with the principal repaid at the end of the loan period.					

3.5. The premium charged by the PWLB for the early repayment of PWLB debt remained too expensive for existing loans in the council's portfolio to be repaid and rescheduled. No rescheduling activity was undertaken in 2016/17 and this will continue to be constantly considered.

3.6. Borrowing activity during the year is summarised below:

Borrowing Activity in 2016/17	01/04/16 Balance £m	New Borrowing £m	Debt Maturing £m	31/03/17 Balance £m
Short-term borrowing	46.50	51.00	(69.50)	28.00
Long-term borrowing	149.95	7.00	(8.46)	148.49
<b>TOTAL BORROWING</b>	<b>196.45</b>	<b>58.00</b>	<b>(77.96)</b>	<b>176.49</b>
Other long-term liabilities*	25.56	33.39	(1.21)	57.74
<b>TOTAL EXTERNAL DEBT</b>	<b>222.05</b>	<b>91.39</b>	<b>(79.17)</b>	<b>234.23</b>
<i>*Other long term liabilities represent existing commitments under PFI arrangements included in the medium term financial strategy inclusive of the energy from waste plant which became operational during the year</i>				

3.7. Total borrowing decreased by £20.0m due to repayments exceeding the need to borrow to fund capital programme spend in 16/17.

3.8. The council's underlying need to borrow as measured by the Capital Financing Requirement (CFR). As at 31/03/2017 this totalled £305.8m. The difference of £71.6m between the CFR and total external debt represents internal borrowing from usable reserves and working capital alongside the outstanding loan balance with Mercia waste of £38.1m.

3.9. The council's capital financing costs in 2016/17 were as follows.

Capital financing costs for 2016/17:	Budget	Outturn	Over / (under) spend
	£m	£m	£m
<b>Minimum Revenue Provision</b> (provision for repayment of loan principal)	<b>10.7</b>	<b>10.7</b>	<b>-</b>
<b>Interest payable on all loans</b>	<b>6.4</b>	<b>6.1</b>	<b>(0.3)</b>
<b>TOTAL</b>	<b>17.1</b>	<b>16.8</b>	<b>(0.3)</b>

## Annual Treasury Management Report 2016/17

3.10. The variances to budget have arisen from:

- Short-term variable interest rates being lower than expected resulting in an interest cost saving

#### 4. Investments

4.1. The council invests significant funds, representing income received in advance of expenditure plus balances and reserves. During 2016/17 the council's investment balances averaged at £15m and ranged from £30m in December 2016 to £2m in February 2017.

4.2. Security of capital remained the council's primary objective. Investment income remained low due to the continued low interest rate environment.

4.3. Investments held at the start and end of the year were as follows:

Investments	01/04/16 Balance £m	Investments Made £m	Maturities/ Withdrawals £m	31/03/17 Balance £m
Instant Access Accounts	5.00	281.71	(283.74)	2.97
Notice Accounts	2.50	-	(2.50)	-
<b>Total</b>	<b>7.50</b>	<b>281.71</b>	<b>(286.24)</b>	<b>2.97</b>
<b>Decrease in investments</b>				<b>4.53</b>

4.4. Interest received during the year was as follows:

Month	Average amount invested		Average rate of interest earned		Budget £000	Interest earned £000	(Surplus) /deficit £000
	Actual £m	Budget £m	Actual %	Budget %			
Apr-16	13.4	30	0.61	0.40	10	6	(4)
May-16	13.1	30	0.50	0.40	10	6	(4)
Jun-16	16.3	30	0.49	0.40	10	6	(4)
Jul-16	19.2	30	0.49	0.40	10	8	(2)
Aug-16	13.8	30	0.42	0.40	10	5	(5)
Sep-16	12.2	30	0.36	0.40	10	4	(6)
Oct-16	13.4	30	0.32	0.40	10	4	(6)
Nov-16	23.8	30	0.27	0.40	10	5	(5)
Dec-16	19.2	30	0.27	0.40	10	4	(6)
Jan-17	13.9	30	0.28	0.40	10	3	(7)
Feb-17	8.9	30	0.29	0.40	10	2	(8)
Mar-17	7.2	30	0.29	0.40	10	2	(8)
<b>Outturn</b>					<b>120</b>	<b>55</b>	<b>(65)</b>

4.5. The interest received in the year was below budget due to lower balances being maintained,

Annual Treasury Management Report 2016/17

reducing the need to borrow.

- 4.6. The average interest rate achieved during 2016/17 was 0.38%, slightly lower than budgeted. This compares favourably with the generally accepted benchmark of the average 7-day London Inter-Bank Bid (LIBID) rate of 0.20%.
- 4.7. In addition to interest earned on balances, interest from the energy from waste plant loan to Mercia waste, totalling £2.3m, has been set aside to fund increased waste disposal costs in future years.

**5. Compliance with Prudential Indicators**

- 5.1. The Council complied with its Prudential Indicators, Treasury Management Policy Statement and Treasury Management Practices for 2016/17 as detailed in Annex 1. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.



## Annual Treasury Management Report 2016/17

## Annex 1

**Performance Indicators****1. Treasury Management Indicators**

The council measures and manages its exposures to treasury management risks using the following indicators.

**1.1 Interest Rate Exposures**

This indicator is set to control the council's exposure to interest rate risk. The indicator sets upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed.

	<b>2016/17 Approved Limit</b>	<b>2016/17 maximum exposure</b>
<b>Upper Limit for Fixed Rate Exposure</b>	100%	100%
<b>Upper Limit for Variable Rate Exposure</b>	50%	22%

The above indicator relates to net debt, if the council has variable rate investments at the same level as its variable rate debt it is deemed to have no variable rate exposure (all council investments are regarded as being at variable rate because no investments are for more than one year). Throughout 2016/17 the council's investments were lower than its variable rate short-term borrowing.

**1.2 Maturity Structure of Fixed Rate Borrowing**

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

<b>Maturity Structure of Fixed Rate Borrowing</b>	<b>Lower Limit %</b>	<b>Upper Limit %</b>	<b>Actual Fixed Rate Borrowing 31/03/17 £m</b>	<b>% Fixed Rate Borrowing 31/03/17</b>
Under 12 months	0%	20%	<b>5.48</b>	<b>4%</b>
12 months and within 24 months	0%	20%	<b>5.49</b>	<b>4%</b>
24 months and within 5 years	0%	20%	<b>13.09</b>	<b>9%</b>
5 years and within 10 years	0%	20%	<b>27.83</b>	<b>19%</b>
10 years and within 20 years	0%	40%	<b>28.48</b>	<b>19%</b>
20 years and within 30 years	0%	40%	<b>25.86</b>	<b>17%</b>
30 years and within 40 years	0%	40%	<b>22.26</b>	<b>15%</b>
40 years and within 50 years	0%	40%	<b>20.00</b>	<b>13%</b>
<b>Total</b>			<b>148.49</b>	<b>100%</b>

Two LOBO ("Lenders Option then Borrowers Option") bank loans of £6m each are repayable in 2054 however if the lenders seek to increase the interest rate charged, currently 4.50%, the council has the opportunity to repay the loans.

**1.3 Upper Limit for Total Principal Sums Invested Over 364 Days**

The purpose of this limit is to contain exposure to the possibility of financial loss that may arise as a result of the council having to seek early repayment of the sums invested.

## Annual Treasury Management Report 2016/17

Upper Limit for Total Principal Sums Invested Over 364 Days	2016/17 Approved £m	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m
<b>Total</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>

During 2016/17 no long-term investments were made for a period exceeding 364 days.

## 2. Prudential Indicators

### 2.1 Estimates of Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on council tax.

Capital Expenditure	2016/17		2017/18 Estimate £000	2018/19 Estimate £000
	Estimate £000	Actual £000		
<b>Total</b>	<b>75,075</b>	<b>55,785</b>	<b>73,272</b>	<b>65,938</b>

Capital expenditure has been and is expected to be financed or funded as follows:

Capital Financing	2016/17		2017/18 Estimate £000	2018//19 Estimate £000
	Estimate £000	Actual £000		
Capital grants	24,343	33,628	39,071	41,082
Capital receipts	7,900	2,092	9,745	2,125
Revenue funding	-	495	-	-
Prudential borrowing	42,532	19,570	24,456	22,731
Other	300	-	-	-
<b>Total</b>	<b>75,075</b>	<b>55,785</b>	<b>73,272</b>	<b>65,938</b>

Generally prudential borrowing finance is provided where the return on the investment exceeds the debt financing cost.

## 3. Capital Financing Requirement (CFR)

Estimates of the council's cumulative maximum external borrowing requirement for 2016/17 to 2018/19 are shown in the table below:

Capital Financing Requirement	2016/17 Approved £000	2016/17 Actual £000	2017/18 Estimate £000	2018/19 Estimate £000
<b>Total CFR</b>	<b>316,677</b>	<b>305,828</b>	<b>209,552</b>	<b>224,174</b>

Total debt is expected to remain at or below the CFR during the forecast period.

## Annual Treasury Management Report 2016/17

**4. Authorised Limit and Operational Boundary for External Debt**

The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit or Authorised Limit. This is a statutory limit which should not be breached.

The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit.

	<b>2016/17 Approved Operational Boundary £m</b>	<b>2016/17 Approved Authorised Limit £m</b>	<b>Actual External Debt as at 31/03/17 £m</b>
Borrowing	295.0	305.0	176.5
Other Long-term Liabilities	30.0	40.0	57.7
<b>Total</b>	<b>325.0</b>	<b>345.0</b>	<b>234.2</b>

**5. Ratio of Financing Costs to Net Revenue Stream**

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2016/17 Approved %</b>	<b>2016/17 Actual %</b>	<b>2017/18 Estimate %</b>	<b>2018/19 Estimate %</b>
Net Revenue Stream	143,529	147,979	<b>145,025</b>	<b>141,641</b>
Financing Costs	17,096	16,771	<b>17,859</b>	<b>17,750</b>
<b>Percentage</b>	<b>11.9%</b>	<b>11.3%</b>	<b>12.3%</b>	<b>12.5%</b>

**6. Adoption of the CIPFA Treasury Management Code**

This indicator demonstrates that the council has adopted the principles of best practice.

The council has incorporated the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* into its treasury policies, procedures and practices.



**Debt write offs during the period 1 October 2016 to 31 March 2017**

- 1 The finance procedures rules require the chief financial officer to report details of amounts over £2k written off to Cabinet for information purposes two times per annum.
- 2 The table below sets out individual debts written off exceeding £2k for the period 1 October 2016 to 31 March 2017:

<b>Date of original invoice</b>	<b>Date debt written off</b>	<b>Amount £000</b>	<b>Income type</b>
<b>1 October 2016 to 31 March 2017</b>			
20/01/2006, 28/11/2015 & 28/01/2016	31/12/2017	6	Benefit overpayments Deceased
29/02/2016, 01/03/2017	31/03/2017	2	Benefit overpayments Insolvency
19/07/2012, 23/09/2013 & 26/01/2016	28.02.2017	2	Benefit overpayments Insolvency
Abacus to Agresso on 07/10/2015 plus 12/11/2015 & 17/10/2016	31/03/2017	4	General Debtors Deceased
2016/17 demand	31/03/2017	15	Business Rates
2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2015/16 & 2016/17 demands	20/03/2017	3	Business Rates
2014/15, 2015/16 & 2016/17 demands	12/01/2017	10	Business Rates
2013/14 demand	22/03/2017	5	Business Rates
2016/17 demand	31/03/2017	18	Business Rates
2016/2017 demand	22/03/2017	3	Business Rates
2013/14 & 2015/16 demands	12/01/2017	6	Business Rates
01/04/16 – 14/11/16 demand	31/03/2017	2	Business Rates
2014/15 & 2015/16 demands	10/01/2017	3	Business Rates

Appendix D

<b>Date of original invoice</b>	<b>Date debt written off</b>	<b>Amount £000</b>	<b>Income type</b>
2014/15 & 2015/16 demand	13/01/2017	23	Business Rates
2016/17 demand	31/03/2017	11	Business Rates
2015/16 demand	10/01/2017	3	Business Rates
2015/16 & 2016/17 demand	02/03/2017	3	Business Rates
2016/17 demand	31/03/2017	4	Business Rates
2016/17 demand	31/03/2017	9	Business Rates
2016/17 demand	31/03/2017	12	Business Rates
2014/15, 2015/16 & 2016/17 demand	31/03/2017	3	Council Tax
2010/11, 2011/12, 2012/13, 2013/14, 2014/15 & 2015/16 demands	31/03/2017	5	Council Tax
2015/16 & 2016/17 demand	13/03/2017	3	Council Tax
2012/13, 2014/15, 2015/16 & 2016/17	31/03/2017	3	Council Tax
2011/12 demand	10/10/2016	3	Council Tax
2015/16 & 2016/17 demand	02/03/2017	3	Council Tax
2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17 demands	22/03/2017	6	Council Tax
2012/13/ 2013/14/ 2014/15	31/03/2017	5	Council Tax
2009/10, 2010/11, 2011/12 & 2012/13 demands	20/03/2017	6	Council Tax
2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2015/16 & 2016/17 demands	20/03/2017	13	Council Tax
2012/13, 2013/14, 2014/15, 2015/16 & 2016/17 demands	07/02/2017	4	Council Tax
2011/12, 2012/13 & 2013/14 demands	31/03/2017	2	Council Tax
2011/12, 2012/13, 2013/14 & 2014/15 demands	13/03/2017	2	Council Tax
2011/12, 2012/13, 2013/14, 2014/15, 2015/16 & 2016/17	31/03/2017	3	Council Tax

Date of original invoice	Date debt written off	Amount £000	Income type
demands			
2013/14, 2014/15, 2015/16	31/03/2017	5	Council Tax
2013/14, 2014/15, 2015/16 & 2016/17 demand	17/01/2017	3	Council Tax
2015/16 & 2016/17	17/01/2017	2	Council Tax
2011/12, 2012/13, 2013/14, 2014/15 & 2015/16 demands	22/11/2016	10	Council Tax
2014/15, 2015/16 & 2016/17	20/03/2017	2	Council Tax
<b>TOTAL</b>		<b>227</b>	
<b>1 April 2016 to 30 September 2016</b>			
2012/13, 2013/14 & 2014/15	27/09/2016	3	Council Tax
2010/11, 2011/12, 2012/13, 2013/14 & 2014/15	27/09/2016	4	Council Tax
2013/14 demand	16/04/2016	10	Business Rates
<b>TOTAL</b>		<b>17</b>	

- 4 Individual debts under £2k written off in the same period totalled £214k (£34k for 1 April 2016 to 30 September 2016) giving a total amount written off of £441k (£51k for 1 April 2016 to 30 September 2016). Debts are only written off once full debt recovery processes are completed, occasionally debt previously written off becomes payable if the debtors circumstances change. The council works closely with statutory bodies when deciding to write off debt. Legislative processes can take many months, or even years if the debtor is on low income, to conclude before a write off is sanctioned.
- 5 Debts written-off represent a very low proportion of income collected per annum as shown in the table below:

	2014/15 £000	2015/16 £000	2016/17 £000
Total amount written off	1,040 (0.61%)	1,245 (0.63%)	492 (0.26%)
Council tax charged	84,101	87,022	92,097
Business rates charged	46,592	48,526	47,610
General debtors charged	39,130	62,314	50,842

- 6 The finance procedure rules stipulate that authorisations for writing off debt exceeding £20k the chief financial officer shall seek agreement from the relevant Cabinet member responsible for resources.
- 7 For the period 1 October 2016 to 31 March 2016, there was one case exceeding £20k (no cases for 1 April 2016 to 30 September 2016):
  - a write off of £23,104.18 relating to Business Rates where the company was dissolved on 31 May 2016.



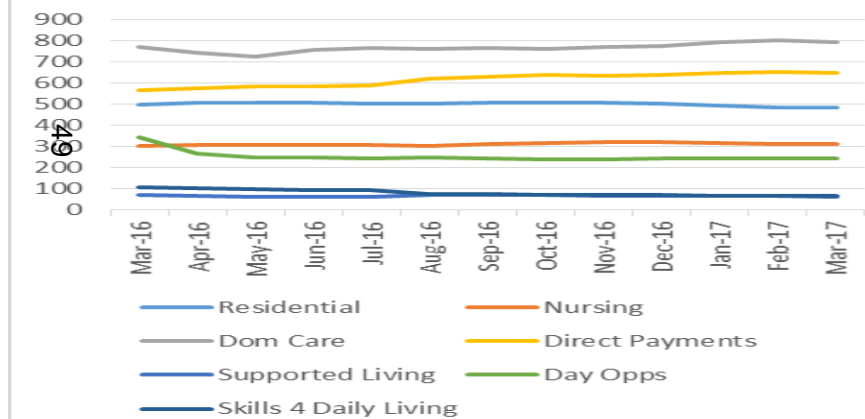
# AWB scorecard

Staffing	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
FTE	261	264	267	264	265	267	266	263	268	264	266	267
Headcount	293	294	294	291	292	296	295	292	297	296	297	298
Permanent Costs (£k)	816	635	735	725	748	779	753	731	771	743	716	624
Absence - days lost per FTE	15.3	15.7	16.2	15.9	15.6	15.4	14.9	14.5	14.7	14.8	14.6	14.2
Turnover (annualised) - based on FTE	12.3%	11.8%	11.5%	11.5%	10.9%	10.7%	10.6%	10.8%	12.2%	12.2%	10.6%	10.6%

## Performance Management update

There are some improvements in areas such as U65 admissions, Direct Payment take-up and households in temporary accommodation, however there remain challenges in raising areas such as timeliness of service and completion of safeguarding investigations. Reviews completion has increased significantly over the last 12 months. The drop in mandatory training above is in relation to the annual refresh for all staff of Information Governance and Health & Safety modules. \* Several performance measures are subject to change as part of the validation of our statutory returns.

## Service User Numbers



## Notes

\* Measures identified in italics in the indicator section are cumulative measures

## Indicators

Measure	Target	Latest Period	Trend
Permanent admissions - U65	15	10.2	Mar
Permanent admissions - 65+	455	648.8	Mar
Social Care Delayed Transfers	2.7	5.7	Feb
Reablement - 91 days after discharge	80%	83.5%	Mar
Safeguarding - closures in 28 days	80%	40.1%	Mar
Safeguarding - outcomes met	80%	50.4%	Mar
Direct Payment recipients	40%	38.3%	Mar
Timeliness of Service (28 days of referral)	80%	31.5%	Mar
Reviews undertaken	80%	74.0%	Mar
Affordable housing units delivered		136	Mar
Households in temporary accommodation	45	32	Mar
NHS Health checks	60%	45%	Feb

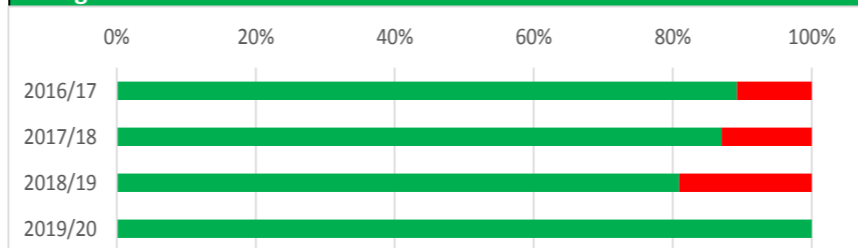
## Risk Management

Risk	L	I	Risk Mitigation	
DOLS Capacity	4	5	20	Staff Training, additional legal support, constant re-evaluation of prioritisation. BIA training programme
Increased risk of provider failure as a result of increases to living wage and additional pension duties	5	5	25	QAF implemented. Provider failure policy and procedures in place.
Early termination of day opportunities contract by Brandon Trust	5	4	20	Direct Award and engagement with providers for range of spot purchases. Mobilisation and TUPE of existing services
Little interest in the H2L@H tender has left the authority at risk of increased handbacks and cost uncertainty	4	4	16	Currently assessing options prior to the end of the current HACS framework on 31/03/2018. Regular H2L@H Board meetings
Increasing demand for SC services is creating pressure on the social care workforce	5	5	25	Working with providers to support their business development. Further consideration required

## Risk Management updates

Consideration has been given to the directorate risk register in the last quarter and the highest risks have been updated in the table above. A lot of our risks at the moment relate to the provider market and provider failure.

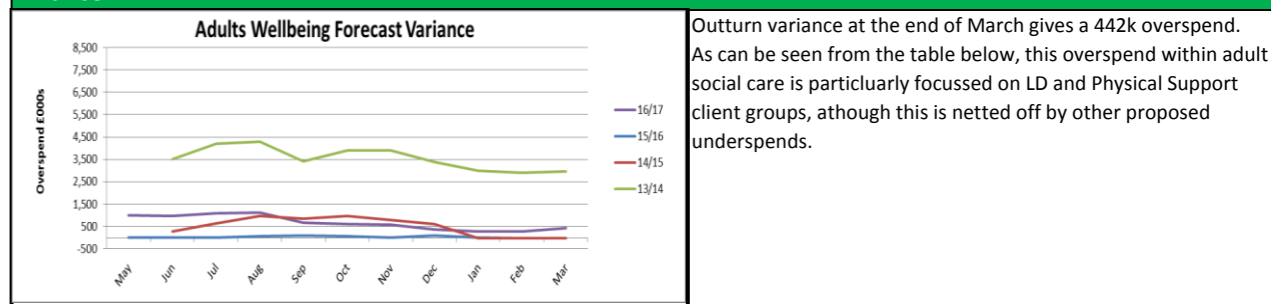
## Savings



## Programme

PROGRAMME OVERSIGHT	2017	2018
<b>Prevention Programme</b>		
Prevention Approach	LA	CG
Connecting Communities	WVCA	CG
Careers Strategy	KA	CG
WISH Phase 2	KA	CG
<b>Pathway Programme</b>		
<b>Pathway Design</b>		
Pilot 1 - Carol Role	SV	CG
Pilot 2 - Jane Role	SV	CG
Pilot 3 - Mike Role	SV	CG
Pilot 4 - Alex Role	SV	CG
Talk Community	SV	CG
Assessment & Care Planning	SV	CG
Strength Based Assessment Training	SV	CG
Integrated/ Sub Pathway Design	SV	CG
Discharge pathway design	SV	CG
Process Redesign	SV	CG
Integrated Early years (CWB/PH)	PH	CG
<b>Commissioning Programme</b>		
Adult Social Care Commissioning		
Help to Live at Home (H2L@H)	ST	CG
Managing the Care Home Market (Unified Contract)	ST	CG
Wall Street (Service Redesign)	ST	CG
LD Health DG - Service redesign	ST	CG
Transforming Care/development of L11 roadmap and implementation	ST	CG
Supported Living Framework	ST	CG
Alleg (Redesign)	ST	CG
Market Position Statement	ST	CG
Vision Links	ST	CG
Inflationary uplift (3 Year settlement negotiation)	SK	CG
BCF and Integration		
Healthwatch (Commissioning)	AP	CG
Reablement - Service Development	SV	CG
BCF Submission (Plan development)	AP	CG
Public Health (contract mgmt review)	AP	CG
Telecare & Assistive Technology (TECS)	AP	CG
Kingston Court	AP	CG
Primcare/OOH contract variation	AP	CG
RAMC/RS	AP	CG
Community Capacity & Wellbeing		
Young Persons Housing	KA	CG
Housing Allocation policy	KA	CG
Homepoint (Redesign)	KA	CG
LD Housing (Plan delivery)	KA	CG
Advocacy commissioning	KA	CG
Carers contract redesign (HCS)	KA	CG
Crossroads (Carers Wellbeing - Contract variation)	KA	CG
Brandon Trust	KA	CG
Housing development	KA	CG
Refugees (Programme co-ordination)	KA	CG
Market Management B Contracts	KA	CG
Share (Contract variation and service development)	KA	CG
Wish (Contract variation and service development)	KA	CG
<b>Digital Wellbeing Programme</b>		
EDRMS	SV	CG
Portal Development and Implementation	SV	CG
<b>Public Health Programme</b>		
Health & Wellbeing Network Model	PH	CG

## Finance



Outturn variance at the end of March gives a 442k overspend. As can be seen from the table below, this overspend within adult social care is particularly focussed on LD and Physical Support client groups, although this is netted off by other proposed underspends.

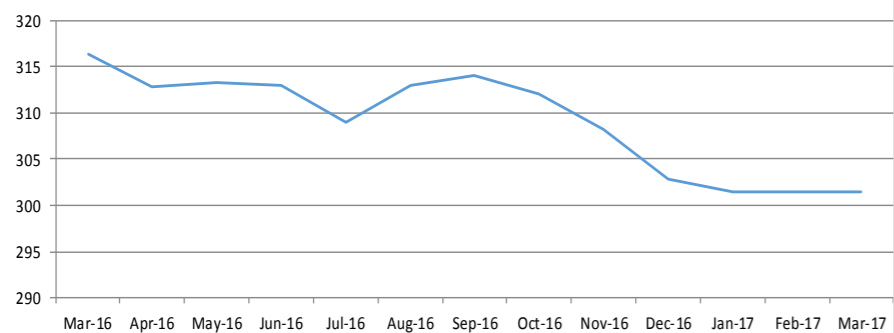
## Outturn Detail

Service	Net Budget	2016/17 Outturn	2016/17 Over/(Under)spend	January Over/(Under) spend	Movement in Variance Adv/(Fav)
	£000	£000	£000	£000	£000
Learning Disabilities	16,533	17,292	760	1,141	(381)
Memory and Cognition/Mental Health (Inc Safeguarding)	7,157	6,222	(935)	(750)	(185)
Physical Support	17,935	19,587	1,652	958	694
Sensory Support	629	325	(304)	(250)	(54)
<b>Client Sub-Total</b>	<b>42,254</b>	<b>43,426</b>	<b>1,173</b>	<b>1,099</b>	<b>74</b>
Operations	5,909	5,371	(538)	(813)	275
Commissioning	2,603	2,732	129	367	(238)
Directorate Management	(219)	(199)	20	(125)	145
Public Health	109	109	0	0	0
Transformation & Safeguarding	1,171	828	(342)	(252)	(90)
Use of one off reserves/grants	0	0	0	0	0
<b>Non Client Sub-Total</b>	<b>9,573</b>	<b>8,841</b>	<b>(731)</b>	<b>(823)</b>	<b>92</b>
<b>Adult's Wellbeing</b>	<b>51,827</b>	<b>52,267</b>	<b>442</b>	<b>276</b>	<b>166</b>

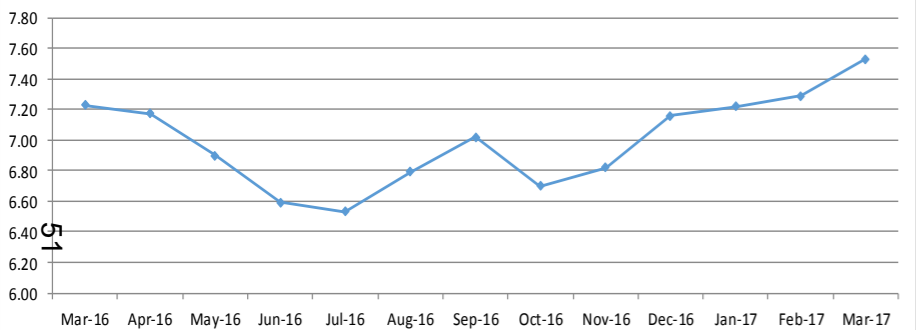


Staffing																
	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
FTE	319	316	319	316	313	313	309	313	314	312	308	303	301	301	301	301
Headcount	373	367	370	367	361	360	361	357	362	363	360	354	348	348	348	347
Permanent Costs (£k)	1,024	1,026	1,009	979	1,019	824	957	950	928	951	936	935	934	934	953	912
Absence - days lost per FTE	7.53	6.92	7.20	7.23	7.17	6.90	6.59	6.53	6.79	7.02	6.70	6.82	7.16	7.22	7.29	7.53
Turnover (annualised)	14%	15%	15%	19%	19%	19%	18%	19%	18%	17%	17%	17%	19%	19%	19%	18%

FTE trend

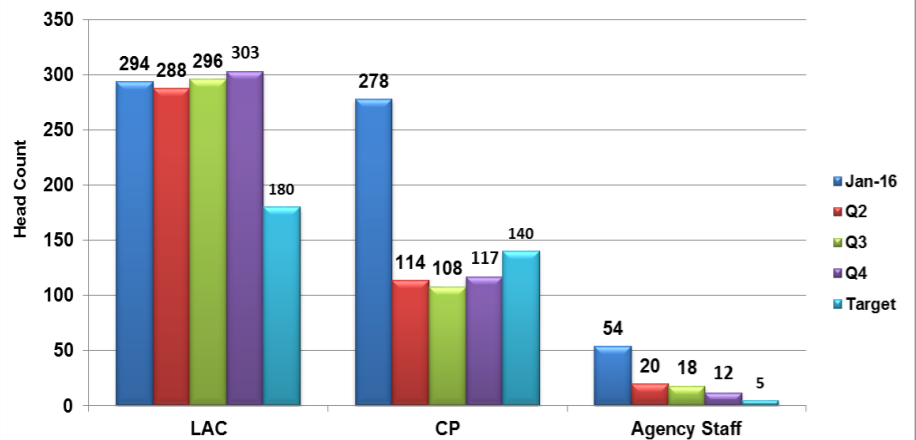


Absence - days lost per FTE



Numbers of children and Agency Staff

Reducing Demand in Safeguarding and Family Support



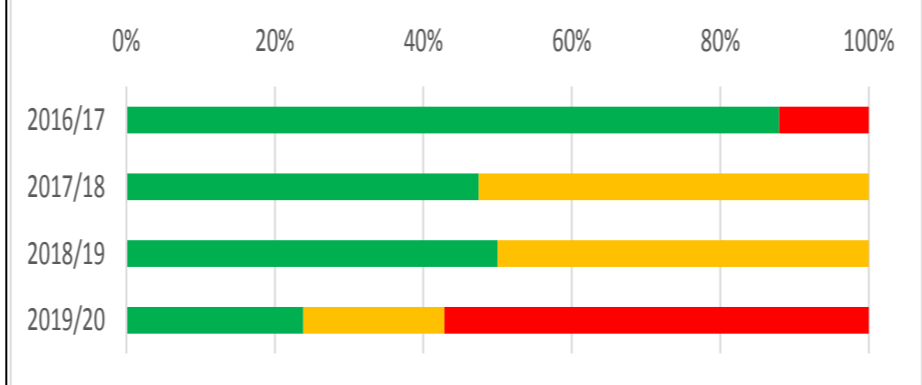
Indicators

Performance Measure	Target 2016/17	Outturn		Frequency	Polarity	Direction of Travel
		2015/16	2016/17			
Reduce the attainment gap at age 16 between free school meal pupils and their peers	15 pts difference in Attainment 8 score	13 <sup>1</sup>	ANNUAL FSM pupils Att8 = 39.6 All other pupils Att8 = 50.0: Attainment GAP = 10.4	Annual	Smaller is better	new indicator
Increase the proportion of pupils attending a school and or setting that is good or outstanding	Primary 88%	88.0%	92.6%	Monthly	Greater is better	▲
Increase the proportion of pupils attending a school and or setting that is good or outstanding	Secondary 87%	87.0%	80.0%	Monthly	Greater is better	▼
Herefordshire Children are at or above the national comparative indicator of attainment and progress at 16	48.0	48.4 <sup>1</sup>	ANNUAL Attainment 8 = 49.3 Progress 8 = 0.02 (lower confidence interval -0.07, upper 0.03)	Annual	Greater is better	▲
Improve education outcomes at age 5	70.0%	65.0%	ANNUAL 29.87% (1574/5269) *Jan-Oct	Annual	Greater is better	▲
Reduce the number of children being referred to children's social care for a service	41.34% (2333/5643)	-	43.3% (254/587) *Nov-Dec	Quarterly	Lower is better	▲
Decrease the number of children requiring accommodation help from the local authority	287	296	303	Quarterly	Lower is better	▼
Reduce the number of 16-19 year olds not in education, employment or training	4.20%	4.5% **	3.8%***	Monthly	Lower is better	▲

Risk Management

Risk Reference Number	Risk Description	Risk Rating (before controls)	Existing Controls in Place	Risk Rating (after controls)
CR.034	<b>Short Breaks Recommissioning IF/AS:</b> Short breaks recommissioning is delayed <b>THEN:</b> Significant reputational damage may be caused	16	DLT and CEX have been made aware of the situation with the CCG funding; this risk is to be managed through BCF and dispute resolution processes	12
NEW	<b>Early Help IF/AS:</b> The new early help strategy is not implemented quickly and effectively <b>THEN:</b> The child protection system will come under pressure again; <b>OR</b> children and their families will be waiting for support which if not available within a reasonable time, may lead to an increase in risk of harm.	16	Implementation programme under development	12

Savings



Programme

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Developing the 0-25 Service	Agree mgmt & hosting arrangements for	Implement service changes	Develop and agree model for the interaction of AWB staff with the CWB service	Implement model								
CwD Transformation: The Integrated Pathway	Develop the local offer and design referral, panel and assessment processes	Prepare systems and processes for the integrated pathway pilot	Pilot the integrated multi-way (6 months) and multi-agency processes	Initially delayed, IP pilot underway, informing the development of multi-agency								
CwD Transformation: Recommissioning Short Breaks	Service Redesign - initial engagement	Tender development including consultation	Procurement	Award contracts	Contract mobilisation. Majority of commissioned services operational for April 2017.							
CwD Transformation: Personal Budgets	Develop recommendations for tripartite personal budgets (education, health, social care)	Finalise each agencies processes	Formalise and agree a tripartite protocol	Internal briefings and comms to public								
CwD Transformation: Transition Outcomes	Engagement in development of the corp. housing strategy. Planning for developing	Develop sustainable supported internship project	Develop a broader range of supported internships. Develop work based upon the outcomes of the housing strategy.	Conversations with partners ongoing to ensure the project is appropriately staffed to support CWD requirements fed into the rescoping/planning of the long term JSNA planning								
CwD Transformation: Integrated Needs Assessment	Agree requirements	Plan with SI Team	Undertake needs assessment (tbc)									
Safeguarding and Early Help: Single Assessment	Review options and agree model	Implementation planning	Service readiness	Go live	Monitor and adjust							
Safeguarding and Early Help: Outcome Focussed Planning			Agree process/ tools	Implementation planning	Service readiness	Go live						
WISH (online)			PA directory, events directory, tools, marketplace, assessment/calculators									Planning for Phase 2 development
Early Years			Engagement									Soft Market Testing

Outturn Detail

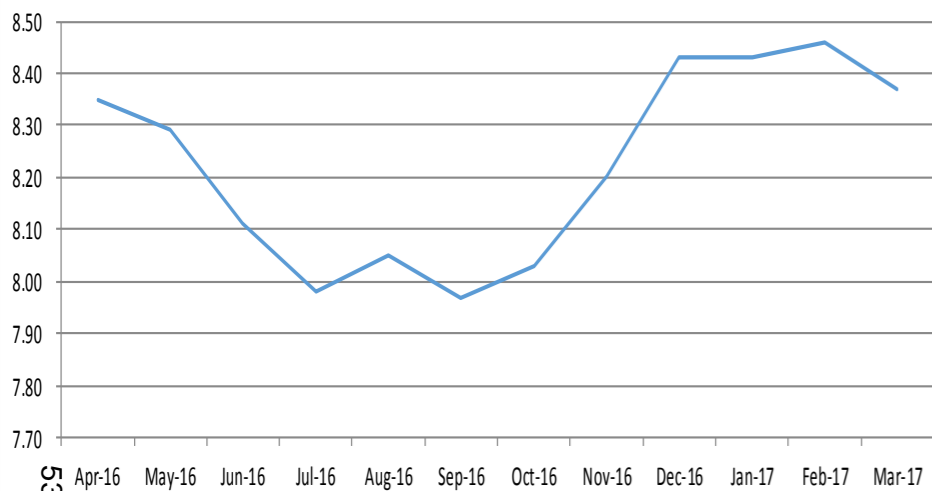
Service	Net Budget £000's	Forecast Outturn £000's	Projected Over/ (Under) spend £000's	January Projected Over/ (Under) spend £000's	Movement in Variance Adv / (Fav) £000's
Additional Needs	2,749	2,465	(284)	(389)	105
Children's Commissioning	1,629	1,497	(132)	(239)	107
Commissioning Management	(888)	(1,086)	(198)	(132)	(66)
Development and Sufficiency	1,990	1,942	(48)	17	(65)
Education Improvement	261	250	(11)	1	(12)
<b>Education &amp; Commissioning</b>	<b>5,741</b>	<b>5,068</b>	<b>(673)</b>	<b>(742)</b>	<b>69</b>
Safeguarding and Review	635	625	(10)	0	(10)
Early Help and Family Support	849	774	(75)	(1)	(74)
Fieldwork	2,536	2,321	(215)	(32)	(183)
Looked After Children	10,370	11,801	1,431	1,298	133
Safeguarding Development	439	367	(72)	44	(116)
Safeguarding & Early Help Management	1,171	1,038	(133)	(41)	(92)
<b>Safeguarding &amp; Family Support</b>	<b>16,000</b>	<b>16,926</b>	<b>926</b>	<b>1,268</b>	<b>(342)</b>
Directorate	163	112	(51)	(44)	(7)
<b>Childrens Wellbeing</b>	<b>21,904</b>	<b>22,106</b>	<b>202</b>	<b>482</b>	<b>(280)</b>

Children's wellbeing overspent by £202k for the full year. This is a £280k improvement from the quarter 3 forecast outturn. The improvement is due to no court ordered placements being made, this had been provided for at £100k as a placement can be made by a court at any point in the year. In addition the redundancy provision has not been required at the level previous forecast.

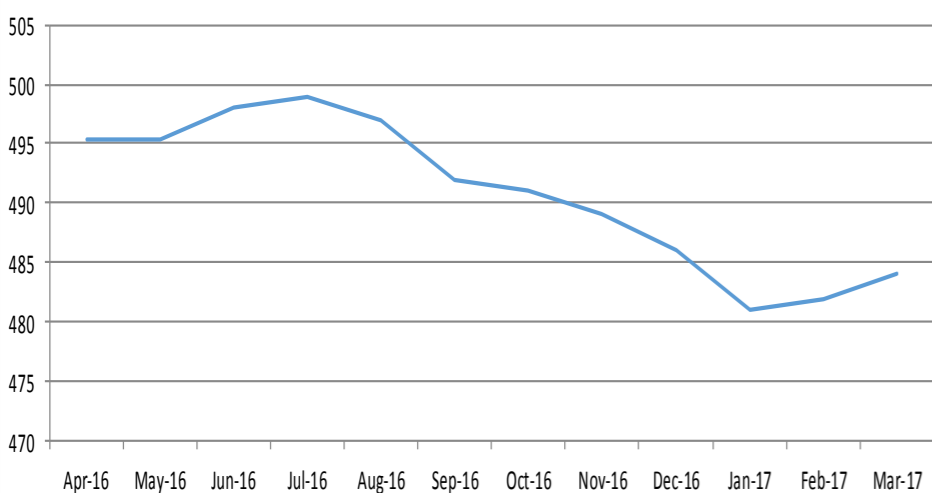


Staffing	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
FTE	495	495	498	499	497	492	491	489	486	481	482	484
Headcount	600	602	605	604	601	595	593	590	585	580	582	583
Permanent Costs (£k)	1,582	1,213	1,445	1,420	1,409	1,408	1,422	1,412	1,408	1,482	1,375	1,407
Absence -days lost per FTE	8.35	8.29	8.11	7.98	8.05	7.97	8.03	8.20	8.43	8.43	8.46	8.37
Turnover (annualised) - based on FTE	9.78%	9.29%	9.40%	9.88%	9.95%	8.79%	9.02%	9.05%	9.62%	10.44%	9.93%	9.14%

Absence-days lost per FTE



FTE trend

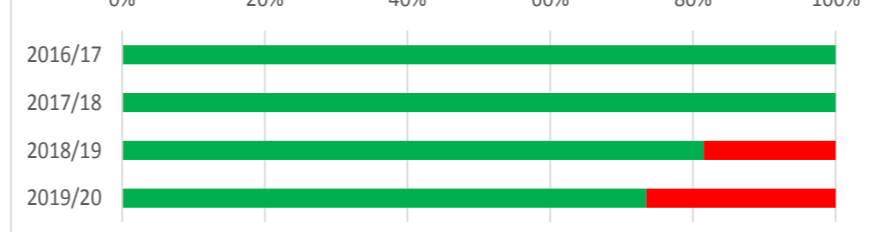


Performance Measure	Target 2016/17	Outturn	Direction of Travel
Household energy consumption in Herefordshire	44% (2014 target)	46% (2014)	▲
No. of assets and services transferred (devolved services market towns)	24 (17 assets and 7 services)	9	▼
Reduce anti-social behaviour	<6568	6382	▲
% of known funding applications securing external funding (65%)	65%	68%	▲
No of business start-ups still operating after 24 months		77.2% (2015)	▲
Increase the net new business rates received	>187	112	▼
Number of social enterprise business start-ups supported (new and existing)	30 (new)	161	▲
Increase median workplace based earnings	>421.90	445.7	▲
Reduce the gap between Herefordshire and the West Midlands in median workplace based earnings	14%	14.4%	◀▶
Increase overall employment rate	Reduce-Increase 2015/16 outturn	75.7% (Dec 16)	▼
Increase number of businesses supported to meet their potential	48	54	▲
Deliver 7.4 hectares of employment land in the county by March 2017	7.4		
Minimise the number of people killed or seriously injured in road traffic collisions	79 (3-yr rolling avg)	94 (provisional 3-yr rolling avg to Dec)	▼
Improve the condition of principal roads	Threshold 5-7-10	6	▲
Improve the condition of non-principal roads	Threshold 5-7-10	7	◀▶
Improve the condition of unclassified roads	Threshold 25-28-31		
Overall satisfaction with the condition of highways	Threshold 42-46-50		▼
Increase levels of cycling (Hereford only)	107		▼
Improve bus punctuality	90%		▼
Improve average journey time for multiple routes across the urban area in the morning weekday peak period	19 minutes		▼
Greater number of premises with the potential to access superfast broadband services	78% by 31/12/16		▲
Supply of ready to develop housing sites	No target set		
Reduce anti-social behaviour in Hereford City	<918		
Net additional homes provided – support the development of 850 homes across the county by March 2017	850		
Investment achieved through the EU, Government and other funding programmes	£8million	£9,996,467	▲
Increase the number of jobs created through targeted interventions (such as the Enterprise Zone)	400 (EZ)	436 (EZ)	▲
Improve processing rates for planning applications (major planning applications)	60%	82.00% (provisional data)	▲
Reduce the amount of residual household waste per household per year	540 kg		▼
Reduce CO2 emissions from Herefordshire Council's operations	32		
Increase the number of new council tax registrations	>717	592	▼
Improve collection rates for Council Tax	98.4%	97.97%	▲
Improve collection rates for Business Rates	98.8%	98.59%	▲
Improve the processing of housing benefit claims (new claims and changes of circumstances)	13.5 days	16.36 days	▼
No. of customer self-serve transactions (Web Transactions (Apply/Book/Pay/Report it))	(New data set)	20,146 (to Feb)	▲
Reduction in substantive posts being filled by agency workers, reducing overhead costs	70	55	▲
Spend within the council's overall budget	£142m	Forecast £800K underspend	
Achieve £10.9 million savings in 2016/17	£10.9m	£10.9m	
Increase mandatory training compliance for all eligible staff	100%	89%	▼
Compliance with the IG Toolkit	76%		▼
Improve web satisfaction	75%	64%	▼
Reduce absence (sickness rates) (average days per employee)	10	9.6	▼
Improvement in employee engagement index (measured through staff survey)	45%		

**Risk Management**

There are no significant risks still rated Red after controls

**Savings**



**Programme**

<b>Hereford City Centre Link Road</b>	Royal mail accommodation works continue. Phase 1 completed at end of March and handed over to Royal Mail. Phase 2 works have commenced. Main roadworks progressing - works programme aim to finish by end 2017. Delay compensation events being scrutinised and programme reviewed. Works continuing at Station approach and in middle section of the site.
<b>High Town Refurbishment inc. Parking Strategy</b>	Phase 1 works complete. OSP statutory consultation and residents parking consultation concluded on 6 January 2017 and feedback provided to local and cabinet members. OSP objection report drafted for cabinet member decision by end April 2017. Widemarsh TRO made.
<b>Enterprise Zone development / sales / jobs</b>	Enterprise Zone Members' Board met in March to review progress in 2016/17 and agree priorities for 2017/18. Skylon Tower application was determined and approved at planning committee on 7th April. Construction on 2 sites has been completed. Work is well underway on a third which should be completed and occupied in Q1. Growth Deal funding approved as part of a funding package for the construction of a Cyber Security Centre on the South Magazine.
<b>South Wye Transport Package</b>	Detailed design works continue. Business Case development is progressing. Cabinet approved report to commence land negotiations on 20 October. Active Travel Measures consultation ended 25 October 2016. Feedback is being analysed and consultation report is due to be finalised in April 2017. Cabinet decision regarding ATM is currently scheduled for May 2017.
<b>Hereford Transport Review including the Hereford bypass</b>	2016/17 programme of works is progressing. Route option appraisal progressing. Travel surveys are continuing. A programme of surveys to continue over Spring/Summer. Preparation for consultation in early 2017 ongoing. Consultation launched on 4 April 2017 with a series of exhibition previews and public exhibition.
<b>Waste Strategy</b>	The Energy from Waste plant is now commissioned. It is undergoing testing and the councils are working with the contractor to resolve any outstanding issues. The plant is working as expected and generating power. Councillor and Director briefed on Charity Tipping, they have provided direction for report which will now be written.
<b>Local Transport Plan</b>	COMPLETED PROJECT. The Local Transport Plan was adopted by full Council in May 2016.

**Budget outturn**

Service	Net Budget	2016/17 Outturn	2016/17 Over/(Under)spend	January Over/(Under) spend	Movement in Variance Adv // (Fav)
	£000	£000	£000	£000	£000
Directors	629	610	(19)	(20)	1
Environment and Place	25,921	25,146	(775)	(717)	(58)
Resources	10,692	10,718	26	24	2
Growth	2,049	1,837	(212)	(170)	(42)
Communities	6,383	6,484	101	240	(139)
<b>ECC Total</b>	<b>45,674</b>	<b>44,795</b>	<b>(879)</b>	<b>(643)</b>	<b>(236)</b>



**Budget forecast**

Service	Budget	Outturn	Outturn	Change
	£000	£000	over/(under) £000	Since January £000
Adults and wellbeing	51,826	52,268	442	166
Children's wellbeing	21,905	22,107	202	(280)
Economy, communities and corporate (ECC)	45,674	44,795	(879)	(236)
<b>Directorate total</b>	<b>119,405</b>	<b>119,170</b>	<b>(235)</b>	<b>(350)</b>
Other budgets and reserves	28,574	28,209	(365)	0
<b>Total</b>	<b>147,979</b>	<b>147,379</b>	<b>(600)</b>	<b>(350)</b>

**Significant corporate risks**

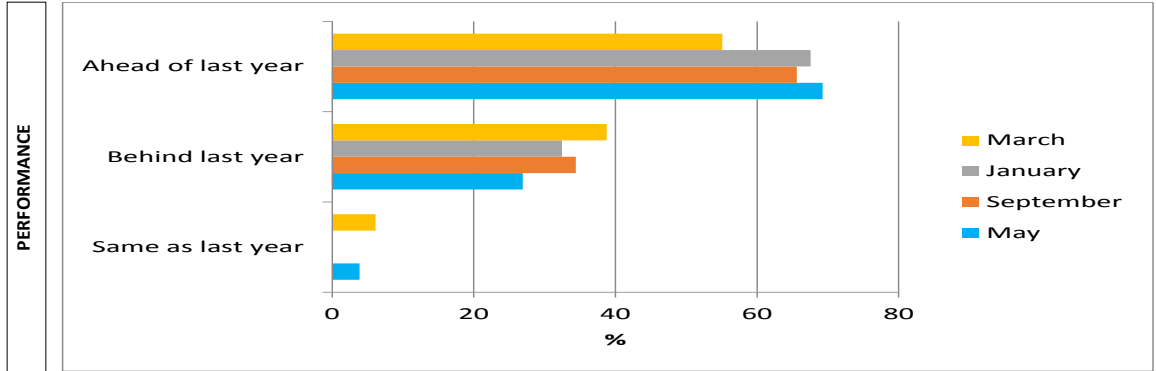
The following risks from the Corporate Risk Register are still red after controls have been put in place. Further details are available in the relevant directorate's overview:

**Demographic Pressures**  
Continued demographic pressures require significant savings to be made or reductions in levels of dependency to manage rising levels of demand across council services.

**Integration**  
The scale and pace of integration work required internally to the council and across health and social care proves to be undeliverable and a new model for integrated and financially viable health and social care pathways does not emerge.

**System resilience and urgent care**  
The role and responsibility of adult social care alongside system and process is not clearly set out in relation to system resilience and urgent care

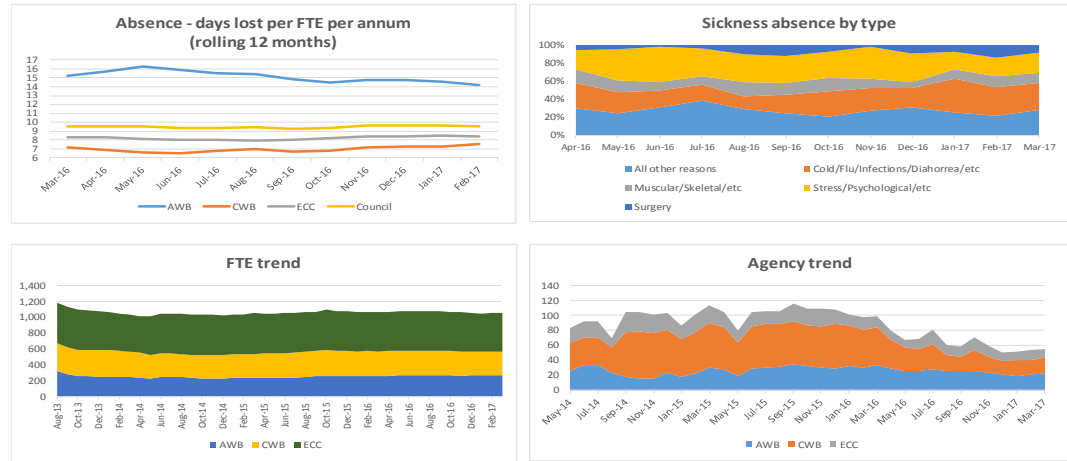
**Direction of travel (measures compared to last year)**



**RISK**

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
FTE	1069	1073	1077	1072	1075	1074	1069	1060	1056	1047	1050	1053
Headcount	1254	1256	1260	1252	1255	1254	1248	1236	1230	1224	1227	1228
Agency FTE	80	67	69	80	60	58	70	59	50	51	53	55
Permanent Costs (£k)	3,417	2,672	3,137	3,095	3,085	3,138	3,111	3,078	3,113	3,159	3,044	2,943
Absence - days lost per FTE	9.54	9.54	9.50	9.35	9.38	9.48	9.30	9.33	9.60	9.63	9.63	9.57
Turnover (annualised) - based on FTE	13.1%	12.7%	12.5%	12.9%	12.5%	11.8%	11.8%	11.9%	13.0%	13.4%	12.7%	11.9%

**WORKFORCE**







# Annual Performance Report 2016/17

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# Foreword

by The Leader and Chief Executive of Herefordshire Council

Welcome to Herefordshire Council's Annual Performance Report. This is a summary of progress made by the council in 2016/17, alongside our priorities for 2017/18 and is intended to provide feedback to our county's residents in an accessible way. We hope you find it achieves this.

The council continued to work within a substantially reduced direct grant from central government, with nearly £60 million in savings achieved by the start of 2016/17, and plans developed in-year to deliver the further savings required of £27.5 million by the end of the decade. It is worth noting that council tax is important, though it only delivers 26% of total funding for services.

Whilst the need to work with much less has meant we have had to adapt, change and reprioritise, it has not reduced the council's ambition to keep improving and delivering for the residents of the county.

As you will see in the following pages, major projects have progressed: the City Link road moved forward and will be completed in 2017/18; the Southern Link road, the first stage of the city bypass, gained planning permission; Fastershire rolled out across the county so that most premises can now access high speed broadband; plans for a new University were approved by government; and the new Energy from Waste plant at Hartlebury, was completed on-time and within budget and is now taking all our county's domestic waste. These are all major projects and really contribute to a better, positive future for the county.

And every day, our staff support thousands of vulnerable people in the county – be they older vulnerable residents, children and young people at risk or residents with learning disabilities – those residents remain our priority.

There are many reasons why we are looking ahead with great optimism at the future for Herefordshire. Indeed, in 2016/17, we launched a new vision for economic development for the county that sets out our ambition and optimism.

We look forward to reporting our progress on this next year.

**Councillor Tony Johnson, Leader of Herefordshire Council**  
**Alistair Neill, Chief Executive, Herefordshire Council**

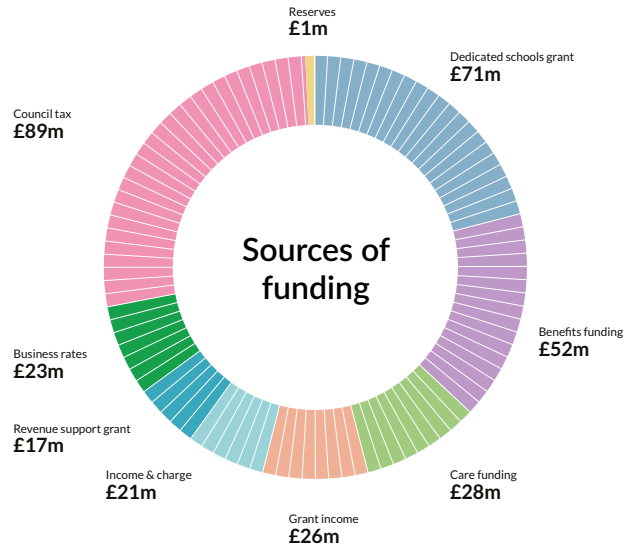
# Making less go further

Like all councils, Herefordshire faces significant financial challenges as funding goes down and costs and demand, particularly in adult social care, go up.

## Where our money comes from

The council spends around £328 million providing services for residents and businesses in Herefordshire.

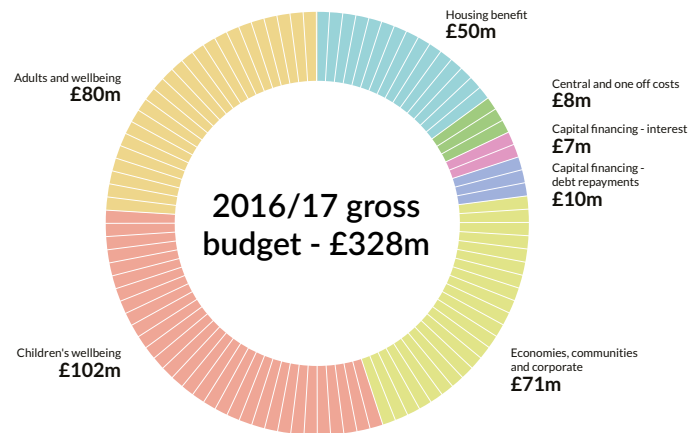
These are the various sources of funding:



## Where we spent the money

Our spending plans need to maintain financial stability, deliver efficiencies and support investment in priority services. Our plans must demonstrate value for money and maintain service quality even though the funding available is reducing. We have a medium term financial strategy which sets out how we are going to tackle this, making improvements to how we do things, so that we can be more efficient. We have already delivered £59.5 million worth of savings between 2010-2016, and will deliver a further £27.5 million of savings by 2019/20.

This is how last year's budget was spent:



In managing the financial pressures, the council's strategic and corporate plans set out its vision for the county to support a strong, diverse and enterprising business base, operating in an exceptional and connected environment where the transfer of technology and skills foster innovation, investment and economic growth.

We will continue to deliver services, but we will make changes. This involves modernising working practices to avoid making cuts, focussing on the efficient operation of core services through service redesign and operational efficiency. We

are taking a more commercial approach to how we run our services. We are looking at our fees and charges and will look to increase them to cover our costs. This means that those who use services will pay for them without a subsidy from council tax payers.

Modernising our customer services by encouraging more people online is making us more efficient and also leading to savings.

## Enable residents to live safe, healthy and independent lives

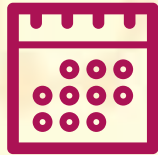


**95%** uptake of childhood immunisation



Ranked **5th** of **152** English authorities by our adult social care customers in their quality of life

## Keep children and young people safe and give them a great start in life



**Educational attainment** ranked in the **2nd Quartile** nationally of local **authorities** for a child's progress from the end of primary school to the end of secondary school

Numbers of Looked After Children  
**2015/16 - 294**  
**2016/17 - 303**



## Support the growth of our economy



Proportion of 16-19 year olds not in education, employment or training (NEET) reduced from

**4.5% to 3.5%**



**81.8%** of major planning applications dealt with within 13 weeks over the last 24 months

## Secure better services, quality of life and value for money

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**97.97%** of council tax collected



**9.57** days absence for each full time equivalent employee

# Enable residents to live safe, healthy and independent lives

## What have we achieved this year?

- The proportion of people who use services who receive direct payments to purchase their own care and support has increased overall to 32.9%. For people under the age of 65, this number has risen to 50%.
- More people over the age of 65 supported to live at home resulting in a reduction of people being admitted into residential or nursing care. Herefordshire now places 18th best out of 152 English authorities
- The proportion of older people (aged 65 and over) who were still at home 91 days after discharge from hospital into reablement/ rehabilitation services has improved by 8% to 84.7%
- Our adult social care customers reported an increase in quality of life resulting in Herefordshire now being ranked 5th best out of 152 English authorities
- ActiveHERE, designed to reduce the risk of preventable health conditions, successfully engaged 260 people who have previously struggled to take part in physical activity. Those people were primarily over the age of 45 and 60% have at least one long-term health condition
- 456 people participated in the Healthier You programme, a programme of learning and behaviour change aimed at preventing diabetes
- The Home Improvement Agency 'You at Home' undertook a range of actions to support 1,734 people to remain living independently and safely at home
- Herefordshire achieved national uptake target of 95% for childhood immunisations

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## What we said we would do

Improve the provision of good information and signposting to enable people to support themselves and each other, getting the right help at the right time as needs change

Build supportive relationships and resilient communities, acting as a catalyst for communities to become stronger

Build services that help people get back on track after setback or illness and support disabled people to be independent, including through ensuring the provision of good quality housing

Ensure that care and support is personalised, of good quality, that it addresses mental, physical, and other forms of wellbeing and is better joined-up around individual needs and those of their carers

Work with the community to devolve services and assets where quality can be improved through local delivery



## Areas for focus in 2017/18

Further develop the Wellbeing Information and Signposting for Herefordshire (WISH) website to offer a broad range of local wellbeing support and care options to help people find activities and services in their area.

Continue to develop our short term care pathways in adult social care to ensure that the appropriate support is put in place at the right time and people are enabled to regain independence as quickly as possible. This will include utilising community support where available and practical

Work with providers to understand and seek new ways to address the challenge of recruitment and retention within the social care workforce

Implement our assistive technology programme to support people with learning disabilities to live in the community rather than in residential care following successful award of housing bid

Publish a new carers strategy and plan which will be jointly developed with carers and partners

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Combine the use of facilities to create a network of Health and Wellbeing hubs, shaped by and serving local communities

Ensure safe and secure neighbourhood environments, with attractive, safe surroundings, and good quality local amenities which enable people to enjoy life where they live

Help create a strong sense of community where people feel they belong and have the confidence to get involved



# Keep children and young people safe and give them a great start in life

## What have we achieved this year?

- Helped to keep thousands of children and young adults safe – around 750 children every day
- Commissioned the build of a new school at Colwall Primary
- Improved the way we work with other services to support children at risk of significant harm
- Early years' outcomes for children improved to top 25% in England
- Given parents of disabled children more choice through development of family based short breaks

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## What we said we would do

Provide early help to 600 families to help them to improve education, health and employment outcome

Reconfigure £3.5 million to deliver early years services including children centre services, health visiting and school nursing to improve the health, well-being, developmental and educational outcomes of children aged 0-5 years

Make improvements so that the estimated 8,620 children and young people that require support with their mental health or emotional resilience are identified and supported to access help in a timely manner

Continue to develop a range of provision that can effectively identify and respond to safeguarding risks and needs; from the initial signs of the call for early help to a range of evidence-based interventions for a variety of complex situations

Develop better evidence based approaches to support young people in adolescence to ensure a more successful transition to adulthood

## Areas for focus in 2017/18

Ensure children and their families get the right help at the right time

Improve education outcomes so that we are in the top 25% nationally

Ensure that children looked after by the local authority thrive

Ensure that we support families to care for their own children, so that we only care for children who cannot stay with their own family



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Promote and enable access to universal opportunities and services for children with disabilities and their families and ensure a range of provision to meet identified need

# Support the growth of our economy

## What have we achieved this year?

- Committed to delivering a new bypass to the west of Hereford and carried out survey works to enable us to confirm a route
- Gained planning permission for the Hereford Southern Link Road, the first stage of the bypass, as part of a package of improvements to improve transport in the south of Herefordshire
- Adopted the Economic Vision which sets out a clear and ambitious programme of key projects and investment opportunities across the county
- Completed replacement of 6,000 streetlights which will save £17 million over the next 20 years in energy and maintenance costs
- Rolled out broadband through the Fastershire programme, so that the majority of premises in the county can now access a faster broadband service
- Helped to secure £8 million from Government to support the new university for Hereford
- Continued to resurface roads and fill pot holes, with over 328 miles of roads resurfaced and over 250,000 pot holes filled within the last 3 years
- Completed the build of the energy from waste plant, meaning we are no longer reliant on landfilling our residual waste, we are producing electricity for the first time and significantly reducing our greenhouse gas emissions

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## What we said we would do

Develop and start implementation of a countywide Economic Masterplan

Improve the county's energy efficiency and reduce the carbon footprint

Finalise and implement plans that strengthen and diversify the economy of Herefordshire  
Have good quality housing to meet everyone's needs  
Ensure that the infrastructure is in place to prevent and improve community resilience to flooding

Have vibrant town centres with shops, restaurants and leisure facilities that keep people spending locally

Support economic growth and connectivity (including broadband, local infrastructure, transport and economic development)

## Areas for focus in 2017/18

Launch the Invest Herefordshire Economic Vision and engage with key stakeholders and partners across the county and commence working on delivery of shared priorities

Deliver the LTP Programme, providing an enhanced, accessible, safe and integrated transport network supporting economic growth and minimise the numbers of people killed or seriously injured on our roads

Support the City of Culture bid

Develop housing sites across the county

Support the proposed New Model in Technology & Engineering (NMITE) University

Run a series of training, seminars and one to one advice sessions for businesses of making the most of the fast broadband speeds (Fasterbusiness)

Develop a number of transport packages, including South Wye (the Southern Link Road), Hereford (the Hereford Bypass) and Hereford City Centre (City Link Road and public realm improvements)



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Make Herefordshire more attractive to younger age groups for a more balanced age profile, improving local access to skills training so that everyone can benefit from economic prosperity

Continue to work with further and higher education and we will support the development of a new university for Hereford, identifying buildings for teaching and student accommodation

Make the best use of existing land and identify new opportunities to enable existing businesses to stay and expand, and for new businesses to locate to the area

Continue to work with the LEP and government with a focus on: employment creation and business support; skills; health transformation; transport; broadband; property and finance; and governance

Support the improvement in quality of our natural and built environment, bringing about quality development to enable sustainable growth, addressing the need for better business space, affordable homes and student accommodation across the county

# Secure better services, quality of life and value for money

## What have we achieved this year?

- Progressed our Accommodation Strategy, reducing our operational stock and developing buildings that offer shared services with other organisations, such as working with the Department of Work and Pensions to offer a joint customer service hub at Blueschool House
- Provided, supported and maintained the Resource Management System (Agresso) for Rutland County Council
- Agreed plans with the Police, Fire and Rescue for a new One Herefordshire Hub
- Launched new website to increase ease of functionality and navigation
- Reduced our use of agency staff, recruiting and developing our own permanent staff

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## What we said we would do

Secure the highest possible levels of efficiency savings and value for money to maximise investment in front-line services and minimise council tax increases

Ensure our essential assets, including schools, other buildings, roads and ICT, are in the right condition for the long-term, cost-effective delivery of services

Review management of our assets in order to generate on-going revenue savings, focusing on reducing the cost of ownership of the operational property estate by rationalising the estate and by improving the quality of the buildings that are retained

Apply appropriate regulatory controls

Design services and policies that support positive engagement and interaction with residents, including the use of information technology, to improve customer experience and ability to access a range of services on-line

## Areas for focus in 2017/18

Manage our finances effectively to secure value for money and deliver a balanced budget, delivering agreed savings plans

Continue to dispose of our underperforming capital assets

Lead the 'One Herefordshire' public sector reform, and work with partners to make best use of public sector land assets (inc. police, fire and rescue)

Deliver the Schools Capital Investment Strategy to guide investment and provide high quality learning environments for pupils through Real Planning events

Further improve the council's website to build on the development in 2016/17 to access more services on-line in an easily to use way

Improve organisational effectiveness through our people by: improving staff induction processes; delivering a wellbeing strategy; and improving staff engagement

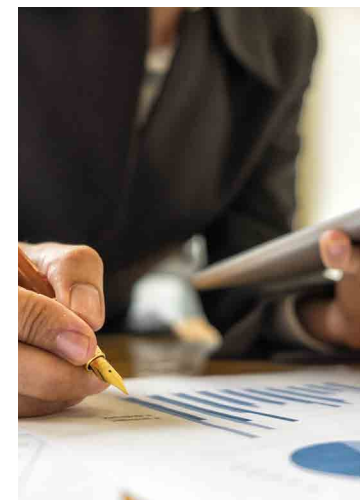
71

Further improve commissioning and procurement to deliver greater revenue efficiencies and savings

Recruit, retain and motivate high quality staff, ensuring that they are trained and developed so as to maximise their ability and performance

Be open, transparent and accountable about our performance

Work in partnership to make better use of resources, including sharing premise costs through co- location of services and local solutions for community used facilities such as libraries









<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>22 June 2017</b>
<b>Title of report:</b>	<b>Budget planning/consultation</b>
<b>Report by:</b>	<b>Chief finance officer</b>

## Classification

Open

## Key decision

This is not a key decision.

## Wards affected

Countywide

## Purpose

To agree budget priority consultation arrangements to inform the budget setting process for 2018/19 development of the medium term financial strategy (MTFS).

## Recommendation(s)

**THAT:**

- (a) the approach for consulting on budget priorities for the coming four years and the capital programme and budget proposals for 2018/19 as set out in the report be approved.

## Alternative options

- 1 It is open to Cabinet to amend or revise the proposals, but in doing so regard must be had to the council's budget and policy framework procedure rules.

## Reasons for recommendations

- 2 Each year, by law, we have to set a balanced budget and full Council is responsible for approving the budget, following recommendations from cabinet. The budget and policy framework rules require cabinet to publish a timetable for the development of their proposals.
- 3 There is a statutory requirement under section 65 of the Local Government Finance Act 1992 to consult with representatives of business ratepayers on the proposed budget before its adoption. One of the principles of the council's code of corporate governance is to ensure openness and comprehensive stakeholder engagement; the recommendations support this principle.

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Further information on the subject of this report is available from  
Andrew Lovegrove, chief finance officer on Tel (01432) 383519

## Key considerations

- 4 The council has a responsibility to consult with residents and businesses on its annual budget. As regards council tax, we strive to find a fair balance between supporting people who are more frequent users of particular local services, or who require more targeted support, and in wider terms, local taxpayers more generally.
- 5 The government is already allowing councils to increase council tax by 3% specifically to pay for adult social care. This is in addition to a permitted 1.99% rise, which can be used to fund any services. Any proposed council tax increase of 5% or more requires a public referendum to be held on the issue.
- 6 The council has adopted a long term approach to its strategic and financial planning, using the policy directions from the corporate plan to inform and direct priorities, and the MTFS (2017/18 – 2019/20) which was updated and agreed by full Council in February 2017.
- 7 The council's strategic objectives are described within our corporate plan. Our four priorities are to:
  - enable residents to live safe, healthy and independent lives;
  - keep children and young people safe and give them a great start in life;
  - support the growth of our economy; and
  - secure better services, quality of life and value for money
- 8 Each year a corporate delivery plan is prepared which identifies the key projects planned for the year to achieve progress towards the council's priorities. Regular reports are presented to Cabinet which show the latest budget position, as well as performance against delivery of the key activity and achievement of the measures.
- 9 The MTFS (2017/18 – 2019/20), updated and agreed by full Council in February 2017, describes the financial direction of the council and outlines the financial pressures over a three year period, establishing how available resources are allocated to services in line with the council priorities as detailed in the council's corporate plan. The MTFS is a key part of the council's integrated corporate, service and financial planning cycle. Extending the MTFS until 2021/22, and planning its finances over a 4-year rolling period, is intended to highlight at an early stage where the council may have financial challenges and the level of resources it is likely to have available, providing greater flexibility and resilience.
- 10 The council's capital programme is mainly funded through council borrowing and government grants. Borrowing repayment costs associated with the indicative programme are included within the revenue budget. In line with the council priorities as detailed in the council's corporate plan, directorates have considered new schemes for inclusion within the council's capital programme.
- 11 A tiered approach across the nine localities of Herefordshire is proposed in order to aid in the design and delivery of services:

Tier one	Rural areas (Weobley, Golden Valley and Mortimer): serving the needs of their immediate residents.
Tier two	Market towns (Bromyard, Kington, Leominster, Ledbury and Ross-on-Wye): serving the needs of their residents, as well as those of the rural areas surrounding them).
Tier three	City (Hereford): providing a broad range of facilities and serving both the needs of its residents as well as those of the county.

- 12 Consultation on the 2017/18 budget proposals commenced on 29 July 2016 and ended on 7 October 2016. The consultation sought views on priorities, savings and income proposals and included how we could do things differently. There were a total of 280 standard responses to the consultation, of which 241 submitted online and 39 completed paper copies.
- 13 The council is committed to consulting with the public and other interested stakeholders on its budget, capital programme and how services are delivered. In keeping with last year's approach, the main method for people to give their views will be via digital channels. The online survey will be open to all and promoted through a mixture of social and conventional media initiatives. In addition, engagement with key stakeholder groups will also be undertaken and we will require the assistance of management board in ensuring that our message is communicated to a wider range of partners.
- 14 It is proposed that this year's budget consultation includes questions about levels of council tax, along with questions about the council's approach to its capital budget, as well as the council's aspirations to become a child friendly county and keeping people living independently within their local community.
- 15 Accompanying the questionnaire will be background information that is intended to help raise awareness of locality working and assist with their understanding of budgetary and resource implications within their particular locality.
- 16 In order for Council to set the final budget in January 2018 and to set the council tax levels in March 2018, general budget consultation will be held with stakeholders between 29 June and 30 September 2017, including:
- Briefing for political groups on the council
  - Briefing for elected members
  - Online questionnaire
  - Parish Council briefing session
  - Briefing sessions with businesses
  - Chamber of Commerce Hereford networking breakfast
  - Herefordshire Health and Wellbeing Board
  - Care homes forum
  - Home care forum
  - Making It Real service user group
  - Herefordshire Community Safety Partnership
  - Trade unions
  - Herefordshire Schools Forum
  - Herefordshire Association of Secondary Headteachers
  - Herefordshire Primary Headteachers' Forum
- 17 When the consultation closes all of the responses received will be collated and published online so that they can be taken into account before the draft budget and medium term financial strategy are produced.
- 18 The draft budget and MTFs will go to a meeting of the general scrutiny committee on 14 November 2017.

## **Community impact**

- 19 The MTFs and budget demonstrate how the council is using its financial resources to deliver its priorities.

**Equality duty**

- 20 The public sector equality duty (general duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying ‘due regard’ in our decision making in the design of policies and in the delivery of services.
- 21 A number of service specific equality impact assessments will need to be completed for the service specific budget proposals to assess the impact on groups of people who share a protected characteristic as set out in the Equality Act 2010. Individual equality impact assessments will be prepared prior to consultation and delivery of each specific saving initiative.
- 22 The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed. Then we will consider mitigating against any adverse impact identified.

**Financial implications**

- 23 Costs will be minimal as the main method for people to give their views will be via digital channels. Any costs will be met from existing budgets.

**Legal implications**

- 24 The duty to consult when the budget proposals are at a formative stage is required under statute for non-domestic rate payers and is implied for domestic rate payers as part of the council’s duty to act fairly. The scope of the consultation will determine: who should be consulted; how long the consultation should be open for; what questions need to be asked; and how answers should be evaluated so that the outcome of the consultation can be conscientiously taken into account when the ultimate decision is taken. Further consultation exercises may be required alongside pre-existing and continuing consultations on specific service change proposals.

**Risk management**

- 25 All budget proposals contain a degree of risk. Whilst the council has a good track record of delivering requisite savings to date, the following are key risks.
  - Demand The further demands on the council's services, at a time when it needs to reduce spending due to constraints on public expenditure.
  - Reputation If stakeholder engagement is not managed effectively, the need for the council to take difficult decisions in response to the contraction of public expenditure will not be understood.
  - Delivery The delivery of the agreed savings proposals will need to be effectively managed to ensure they are realised in practice.

**Consultees**

- 26 None in relation to this report.

**Appendices**

None

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Further information on the subject of this report is available from Andrew Lovegrove, chief finance officer on Tel (01432) 383519

## Background papers

- None identified.





<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>22 June, 2017</b>
<b>Title of report:</b>	<b>Awarding honorary titles - policy statement</b>
<b>Report by:</b>	<b>Democratic Services Manager</b>

## Classification

Open

## Key decision

This is not a key decision.

## Wards affected

Countywide

## Purpose

To approve the policy statements relating to the criteria upon which the council would seek to award Honorary Freeman/Freewomen titles.

## Recommendation(s)

**THAT:**

- (a) The policy statement and procedure at appendices 1 for nominating honorary freemen/women is agreed and adopted;**
- (b) Awards of honorary titles are limited to a maximum of 4 titles held within the county at any one time; and**
- (c) The democratic services manager be delegated responsibility to oversee and administer the process of nominations.**

## Alternative options

- 1 **Do nothing.** This is not recommended. Having transparent agreed criteria mitigates the risk that the award of such titles is viewed as a 'closed shop'.
- 2 **Agree different criteria:** It is open to cabinet to adopt other criteria. However regard should be had to the legislative basis behind the award of honorary titles and the integrity of the process for considering such awards. The draft criteria proposed are in line with those adopted by other councils.

## Reasons for recommendations

- 3 These recommendations are made in light of recent informal requests for consideration of nominees for an honorary title.

## Key considerations

- 4 Following the successful instalment of Sacha Kindred, CBE as an honorary freeman of the county of Herefordshire, a number of other possible nominees for similar awards have been discussed informally. While no new nominations have yet materialised, interest in honorary freemen/women awards has been heightened.
- 5 This needs to be balanced with the views expressed by some members that awarding honorary titles should remain rare and infrequent, to underpin the importance and significance of such awards. To this end, cabinet is asked to limit the frequency of making such an award to a maximum of four titles held within the county at any one time.
- 6 A policy statement has been proposed and is attached at appendices 1. This is designed to assist full Council in selecting nominees for honorary freemen/women.

## Community impact

- 7 The principal community impact relates to being a more open and transparent in local decision making and being more accountable to the electorate. These policy statements provide a clear framework for all members, regardless of political background or position, to put forward suggestions for honouring past councillors and local citizens who have provided eminent service.

## Equality duty

- 8 The Equality Duty 2010 has 3 aims (general duty)
  - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the act
  - Advance equality of opportunity between people who share a protected characteristic and those who do not
  - Foster good relations between people who share a protected characteristic and those that who do not.
- 9 The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and

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Further information on the subject of this report is available from  
John Coleman, Democratic Services Manager on Tel (01432) 260382



demonstrate that we are paying “due regard” in our decision making in the design of polices and in the delivery of services.

- 10 As this is a decision in regards to awarding honorary titles we do not believe that it will have an impact on our equality duty.

## **Financial implications**

- 11 There are no direct financial implications to the council if these statements are adopted. However, there are costs incurred in making honorary awards. It is traditional, for example, to award honorary freemen/women with a scroll to recognise the recipient’s achievements. Cabinet members should consider benchmark costs in the region of £500 to £1000 for such ceremonial regalia (*limited to a one off cost per successful nomination*).

## **Legal implications**

- 12 The ability to confer honorary titles is provided under section 249 of the Local Government Act 1972. This is a discretionary power exercised by full council. The policy statement is however a cabinet function.

## **Risk management**

- 13 The risks in any eventuality around the cabinet’s decision is minimal. Herefordshire Council has not had policies of this nature since it became a unitary authority in 1998. However, as noted above, and following the successful honorary freeman award to Sascha Kindred, CBE we might expect more nominations to come forward than has been the case to date. Managing this risk is best served by placing a clear limit on the number of honorary titles that can be held at any one time in the county.

## **Consultees**

- 14 These new proposals have not been shared with political group leaders. The policy statement has been requested for consideration by cabinet by the chairman, chief executive and the leader of the council. The report author has reviewed a range of other local authority policy statements addressing the procedures for honorary titles. The policy statement largely conforms to approaches other local authorities adopt, while introducing Herefordshire council specific time and frequency limits on the making of such awards.

## **Appendices**

- Appendix 1: Honorary Freeman/Women – Policy Statement

## **Background papers**

- None identified.



## **APPENDIX 1: Policy statement and procedure - honorary freemen/freewomen**

### **Nomination Rules**

1. Herefordshire council has the power to recognise the efforts of members of the community who demonstrate outstanding commitment and render eminent service to the county.
2. The council will do this, only in very special circumstances, with a maximum limit placed on the number of honorary awards held in the county, at any one time, to four.

### **Nomination procedure**

3. Any Herefordshire councillor may make a nomination.
4. Nominations should be made by the councillor in the strictest confidence without the nominee's knowledge.
5. Nominations will be sent in the first instance to the democratic services manager (DSM).
6. On receipt of a nomination the DSM will circulate it to all councillors for confidential consideration. Responses will be compiled by the DSM and presented to the monitoring officer for verification.
7. If councillors are in agreement, by an indication of two-thirds of the members highlighting their support for the nominee to be made an honorary freeman/freewoman of the county of Hereford, the nominee will be notified. Failing to reach this voting threshold would mean the nomination would not go forward.
8. There is an expectation that where councillors have indicated their support for the nominee, that support would carry through to a formal voting stage.
9. At full Council, a formal vote will be taken, in public session that an honorary title be conferred. If the vote satisfactorily concludes that the nominee should be honoured, the nominee will then be notified and invited to accept the honour.
10. An extraordinary meeting will be called, normally the next full Council after the original vote has taken place, specifically to hold a formal vote and to make the award.
11. The decisions of the council on all nominations is final.

### **Entitlement**

13. Any person awarded the title may designate himself/herself honorary freeman/freewoman of the county of Herefordshire for life.

14. The award may be made at any time as the council see fit. A scroll or a casket containing an address, to the person on whom they have conferred the title will be presented to the recipient.

### **Withdrawal**

15. The Honorary title may be removed by way of Council resolution in light of circumstances such as imprisonable criminal conviction, or bringing the council into disrepute

16. No fewer than two-thirds of the council, at a formal vote, must agree the withdrawal.