

Agenda

Adults and wellbeing scrutiny committee

Date: **Tuesday 27 November 2018**

Time: **10.00 am**

Place: **Committee Room 1 - The Shire Hall, St. Peter's
Square, Hereford, HR1 2HX**

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

For any further information please contact:

Tim Brown, Democratic Services Officer

Tel: 01432 260239

Email: tbrown@herefordshire.gov.uk

If you would like help to understand this document, or would like it in another format, please call Tim Brown, Democratic Services Officer on 01432 260239 or e-mail tbrown@herefordshire.gov.uk in advance of the meeting.

Agenda for the meeting of the Adults and wellbeing scrutiny committee

Membership

Chairperson **Councillor PA Andrews**
Vice-Chairperson **Councillor J Stone**

Councillor MJK Cooper
Councillor PE Crockett
Councillor CA Gandy
Councillor JA Hyde
Councillor D Summers

Agenda

	Pages
<p>1. APOLOGIES FOR ABSENCE To receive apologies for absence.</p>	
<p>2. NAMED SUBSTITUTES (IF ANY) To receive details any details of members nominated to attend the meeting in place of a member of the committee.</p>	
<p>3. MINUTES To approve and sign the minutes of the meeting held on 2 October 2018.</p>	7 - 10
<p>4. DECLARATIONS OF INTEREST To receive declarations of interests in respect of Schedule 1, Schedule 2 or Other Interests from members of the committee in respect of items on the agenda.</p>	
<p>5. QUESTIONS FROM MEMBERS OF THE PUBLIC To receive any written questions from members of the public.</p> <p>For guidance on how to submit a question to the committee, please see: https://www.herefordshire.gov.uk/getinvolved</p> <p>The deadline for receipt of questions is 5pm on Wednesday 21 November 2018.</p> <p>Please submit questions to: councillorservices@herefordshire.gov.uk</p> <p>Accepted questions will be published as a supplement prior the meeting.</p>	
<p>6. QUESTIONS FROM COUNCILLORS To receive any written questions from members of the council.</p> <p><i>Deadline for receipt of questions is 5pm on Wednesday 21 November 2018.</i></p> <p><i>Accepted questions will be published as a supplement prior the meeting.</i></p> <p><i>Please submit questions to: councillorservices@herefordshire.gov.uk</i></p>	
<p>7. SETTING THE 2019/20 BUDGET, CAPITAL INVESTMENT AND UPDATING THE MEDIUM TERM FINANCIAL STRATEGY To seek the views of the adults and wellbeing scrutiny committee on the budget proposals for 2019/20 as they relate to the remit of the committee.</p>	11 - 110
<p>8. THE HOME FIRST SERVICE To review the performance of the Home First service one year on from its commencement and to discuss progress.</p>	111 - 126
<p>9. COMMITTEE WORK PROGRAMME 2018-19 To consider the committee's work programme for 2018/19.</p>	127 - 134

The public's rights to information and attendance at meetings

You have a right to: -

- Attend all council, cabinet, committee and sub-committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the council and all committees and sub-committees and written statements of decisions taken by the cabinet or individual cabinet members for up to six years following a meeting.
- 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.
- Access to a public register stating the names, addresses and wards of all councillors with details of the membership of cabinet and of all committees and sub-committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the council, cabinet, committees and sub-committees.
- Have access to a list specifying those powers on which the council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the council, cabinet, committees and sub-committees and to inspect and copy documents.

Public transport links

The Shire Hall is a few minutes' walking distance from both bus stations located in the town centre of Hereford.

Attending a meeting

Please note that the Shire Hall in Hereford, where the meeting is usually held, is also where Hereford Crown Court is located. For security reasons all people entering the Shire Hall when the court is in operation will be subject to a search by court staff. Please allow time for this in planning your attendance at a meeting.

Recording of this meeting

Please note that filming, photography and recording of this meeting is permitted provided that it does not disrupt the business of the meeting.

Members of the public are advised that if you do not wish to be filmed or photographed you should let the governance services team know before the meeting starts so that anyone who intends filming or photographing the meeting can be made aware.

The reporting of meetings is subject to the law and it is the responsibility of those doing the reporting to ensure that they comply.

Fire and emergency evacuation procedure

In the event of a fire or emergency the alarm bell will ring continuously.

You should vacate the building in an orderly manner through the nearest available fire exit and make your way to the Fire Assembly Point in the Shire Hall car park.

Please do not allow any items of clothing, etc. to obstruct any of the exits.

Do not delay your vacation of the building by stopping or returning to collect coats or other personal belongings.

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.

Minutes of the meeting of Adults and wellbeing scrutiny committee held at The Council Chamber - The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Tuesday 2 October 2018 at 10.00 am

Present: Councillor PA Andrews (Chairman)
Councillor J Stone (Vice-Chairman)

Councillors: MJK Cooper, CA Gandy, DW Greenow, J Hardwick and D Summers

In attendance: Councillor P Rone (Cabinet Member)

16. APOLOGIES FOR ABSENCE

Apologies were received from Councillors PE Crockett and JA Hyde.

17. NAMED SUBSTITUTES

Councillor DW Greenow substituted for Councillor JA Hyde and Councillor J Hardwick for Councillor PE Crockett.

18. DECLARATIONS OF INTEREST

There were no declarations of interest.

19. MINUTES

RESOLVED: That the minutes of the meeting held on 20 September 2018 be confirmed as a correct record and signed by the chairman.

20. QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

21. QUESTIONS FROM COUNCILLORS

There were no questions from councillors.

22. PUBLIC HEALTH: UPDATE AND PLANS

The Committee was invited to review prevention strategies and outcomes to include NHS health checks and plans for distribution of flu vaccinations for the winter season.

A presentation had been appended to the report. The Director of Public Health (DPH) highlighted aspects of the presentation including the scope of the public health function, the importance of prevention and the 2018/19 service improvement plans.

In discussion the following principal points were made:

- A concern was expressed that the number of people suffering with flu last year, including staff with the additional costs that that incurred, suggested that prevention measures were not proving effective.

In relation to the availability of flu vaccine the DPH said she was not aware of a shortage of flu vaccine but would check.

The Deputy Director of Operations, Herefordshire Clinical Commissioning Group (DDCCG) commented that the vaccination programme generally ran from October to November. Each GP practice had their own schedule. Priority was given to care home residents and then to staff groups. Wye Valley Trust had one of the highest levels of staff vaccination levels in England at 75%. She acknowledged there might be merit in making vaccination a requirement for such staff. She added that individuals could go to a pharmacist at any time and pay for a vaccination

It was noted that relevant health and social care staff and councillors could go to a pharmacist and receive a vaccination free of charge. This was because of the wide range of contacts these people had and the consequent potential for spreading the virus. The DPH commented that the key points were that early notification was being provided to those groups entitled to free vaccination and public health funding was being allocated to seek to avoid spreading the virus and the adverse effect on services and costs if staff contracted flu.

It was noted that a vaccination programme was also delivered through schools and if a parent declined to have their child vaccinated clarification was sought from them.

- The DPH confirmed that the take-up of the health checks offered to all those aged 40-74 was 47%. Work was being undertaken to analyse data on take up and to target particular communities to improve take up.
- Reference was made to the scrutiny of dental health by the Children's services scrutiny committee and that the information on the return on investment of fluoridation reflected in the slide at page 35 of the agenda papers would be of interest to them. The DPH commented that an oral health partnership had been established to undertake an oral health needs assessment to enable resources then to be targeted. Public health guidance governed fluoridation; an oral health needs assessment was required as the first stage of the proscribed process. Once that had been completed a feasibility study on fluoridating the water supply could be undertaken. She also highlighted the current variations in the offer of fluoride varnish availability across the county and the work that would be undertaken through the oral health partnership to develop a consistent targeted offer across the county.
- The DPH acknowledged that if dental treatments were promoted it was important to ensure that there was sufficient access to appointments to provide them.
- In relation to obesity it was observed that contracts from crisping manufacturers were much more readily available to farmers than for other healthier uses of potatoes and similarly contracts in the meat trade were geared to meat for processed products. This provided evidence of current demand and drove what farmers were accordingly having to provide and what was available to consumers. This was a concern to which consideration should be given. The DPH commented that this would seem to be a matter of national policy encouraging people to make different choices.

The DPH commented on healthy eating promotions being undertaken in schools and the intention to do further work with schools on this aspect. She confirmed that food technology was included in the national curriculum.

The Government's Foresight Report: Tackling obesity future choices had highlighted the complexity of tackling obesity and a range of issues that could be considered. These had to be considered collectively and could not be the sole responsibility of small public health teams. The Herefordshire Health and Wellbeing Board had prioritised childhood obesity and oral health.

- It was asked whether there was a danger of there being a proliferation of health programmes, however well-intentioned, and whether it would be better to prioritise a few key initiatives. A focus on obesity, for example, would have a beneficial effect on a range of other health issues.
- The DPH commented that she did not consider there were any current activities that could be ceased. The areas of work were interlinked. In addition to mandated services, work was focused on the agreed priorities. She would, however, consider the point.
- The Local Government Association had warned that there was a record demand for sexual health services in England, a mandatory service. It was asked whether account had been taken of the population growth in the county as a consequence of new housing growth and the new university.

The DPH replied that the Joint Strategic Needs Assessment took account of future demographics. Work was also undertaken with the CCG on demand on services. The work of the Public Health team was driven by the evidence base. She considered that there was a robust programme of work that was focused on the right issues and that the service was doing what it could within limited resources.

- Returning people to home from hospital as soon as possible may be a good plan but it overlooked the fact that many families could not provide the necessary care in support. The DPH commented that the health system needed to work as a whole. The public health service could not do everything itself but it could hold others to account and train and enable them.
- The DDCCG saw the public health team as experts on prevention helping the CCG to target resources. That team could not lead on everything. She cited the healthy living network as an example of collective working. The public health team led on a number of national campaigns working with health partners to ensure that the community received a consistent message. There was more work to be done. She agreed with the DPH's comment on the extent to which programmes were interlinked.
- It was suggested that there seemed to be a confusing array of sources of information available to the public. In addition different communication methods were needed for different groups, noting, for example, that younger people watched far less television than older people.
- The DDCCG confirmed that there was a programme in place for children's mental health promoting mental health first aid across schools. She explained that it was a national programme. However, locally, additional steps had been taken with mental health first training for youth which provided mental health awareness for young people throughout schools and youth clubs as well, with an ambition to widen this further. The intention was to focus in the year ahead on work in primary schools including emotional wellbeing and friendships recognising issues as part of a child's development. There would also be work on mental health in the workplace.
- A survey on public health conducted by Healthwatch was appended to the report. Some scepticism was expressed about the honesty of public responses to such surveys. It was acknowledged that this was an issue but it was useful to consider the findings in conjunction with other information held. There was an impression that

people felt they were living more healthily than they actually were and there was work to be done on challenging this perception.

- In relation to alcohol services the DPH commented that a needs assessment was being undertaken and outlined the current services.
- The DPH commented that the public health service had evidence that all the interventions in place were performing well.
- In response to a comment that care professionals should demonstrate good behaviours themselves the DPH reported that an action arising from the Health and Wellbeing Board meeting on 1 October 2018 was that board members should look at the policies and practices in place in their own organisations to support the health and wellbeing of staff members and their families.

RESOLVED:

- That**
- (a) the Committee would like to see more detail in in future public health updates on how the impact of projected population growth will be addressed in the delivery of health services and activities;**
 - (b) to recommend that the breadth of public health programmes be reviewed to ensure that resources are focused on fewer initiatives that deliver high impact outcomes within the community; and**
 - (c) to recommend that the success/impact of communications and messaging be reviewed to ensure that target audiences are aware of their public health risks and where to go for advice.**

23. COMMITTEE WORK PROGRAMME 2018-19

The Committee considered its work programme.

RESOLVED: That the draft work programme as appended to the report be approved.

The meeting ended at 11.35 am

Chairman



Meeting:	Adults and wellbeing scrutiny committee
Meeting date:	Tuesday 27 November 2018
Title of report:	Setting the 2019/20 budget, capital investment and updating the medium term financial strategy (A&C)
Report by:	Leader of the Council

Classification

Open

Decision type

Budget and policy framework.

Wards affected

All wards.

Purpose and summary

To seek the views of the adults and wellbeing scrutiny committee on the budget proposals for 2019/20 as they relate to the remit of the committee. The draft medium term financial strategy (MTFS), attached at appendix 1, has been extended to 2021/22 based on current assumptions on future funding and service requirements.

The draft proposals show an increase in the proposed base revenue budget for adults and communities for 2019/20, rising from £52,087k in 2018/19 to £56,675k in 2019/20, this includes the recent budget announcement of additional social care grant funding at £2.4m. The proposed budget follows a base budget exercise reviewing the expected service demand. Savings of £0.7m will be required in 2019/20 to deliver a balanced budget.

Additional capital investment budget requests of £1.5m have been identified, attached at appendix 3, supported by the business cases attached at appendix 4.

The committee is invited to make recommendations to inform and support the process for making cabinet proposals to Council regarding the adoption of the budget and associated budget framework items, including providing constructive challenge to the cabinet's proposals.

Recommendation(s)

That:

- (a) **having regard to the proposals and the budget consultation responses, attached at appendix 5, the committee determine any recommendation it wishes to make to Cabinet in relation to proposals specifically affecting adults and communities:**
- **the draft MTFS 2019/2022 at appendix 1;**
 - **the draft revenue budget at appendix 2;**
 - **the draft capital investment budget at appendix 3; and**
 - **the capital request business cases at appendix 4.**

Alternative options

1. There are no alternatives to the recommendations; Cabinet is responsible for developing budget proposals for council consideration and it is a function of this committee to make reports or recommendations to the executive with respect to the discharge of any functions which are the responsibility of the executive. The council's budget and policy framework rules require Cabinet to consult with scrutiny committees on budget proposals in order that the scrutiny committee members may inform and support the process for making Cabinet proposals to Council.
2. It is open to the committee to recommend alternative spending proposals or strategies; however given the legal requirement to set a balanced budget should additional expenditure be proposed compensatory savings proposals must also be identified.

Key considerations

3. The draft medium term financial strategy (MTFS), attached at appendix 1, has been updated to reflect current spending, a review of savings plans, contingencies and pressures. The MTFS reflects the current financial strategy and will continue to be updated as the financial settlement for 2019/20 is confirmed and further announcements on funding reform are received. The term of the MTFS coincides with central governments fair funding review and redesign of business rates retention. Local judgement has been applied to provide a basis for longer term financial planning and work will continue on this until the final version is approved by Council in February 2019.
4. The MTFS has been extended by one further year, 2021/22. The current comprehensive spending review ends in 2019/20, post 2019/20 councils are to become funded from local resources, council tax and 75% local business rate retention. This fundamental funding change coupled with fair funding (the allocation of national resources to the local level) and baseline need (the national assessment of minimum local resource need) reviews currently underway leads to uncertainty on future funding and responsibilities. The MTFS has been modelled on current understandings, however further announcements are expected over the coming months.
5. For 2019/20 it is assumed that council tax will increase by 4.9% in total, 2.9% general

increase in council tax plus an increase of 2% in relation to the adult care precept. The 2% adult social precept will generate additional income of £2m. This is ring-fenced to fund the base budget increase proposed in this report.

6. Going forward a 4.5% annual council tax uplift has been assumed. Herefordshire accepted the four year funding settlement in 2016/17 this forms the funding assumptions for 2019/20. The four year settlement included the following for 2019/20:-

	2019/20
	£000
Revenue Support Grant	620
Rural Services Delivery Grant	4,093
Total	4,713

7. Council will be asked to approve the 2019/20 budget on 15 February 2019; this will follow confirmation of the final financial settlement for 2019/20 which is expected on 6 December. Council will also be asked to approve the updated MTFS to 2021/22 and the associated treasury management strategy and the capital strategy. The capital strategy is a new document required under the CIPFA Prudential Code (December 2017). The purpose of the capital strategy is to state the council's capital investment ambition in the context of the sustainable, long term delivery of services.
8. The Herefordshire Council Corporate Plan 2016 – 2020 was adopted by Council in February 2016. This identified four priorities:
- Keep children and young people safe and give them a great start in life
 - Support the growth of our economy;
 - Enable residents to live safe, healthy and independent lives; and
 - Secure better services, quality of life and value for money
9. The communications strategy was adopted by cabinet in September 2016: 'People, organisations and businesses working together to bring sustainable prosperity and well-being for all, in the outstanding natural environment of Herefordshire.' builds upon our four key priorities and has helped to inform the development of our 2019/20 budget and medium term financial strategy.

Base budget proposed and savings plan

10. A base budget exercise was completed ahead of proposing the draft 2019/20 budget, this review involved:-
- a. Costing the service based on the current requirement of the service, not rolling over previous budgets.
 - b. Income budgets to reflect income receivable.
 - c. Pay budgets to reflect actual establishment, deleting vacant posts without budget or not planned to be filled.
 - d. Performance in 2018/19

- e. Projected population pressures
- f. 2018/19 policy changes
- g. Scorecard target attainment

11. The base budget review identified £20.0m of pressures over the MTFS period, £10.3m in adults and communities. This represents funding pressures in placement costs, demographic growth and pay costs. For 2019/20 additional base budget is proposed for adults and communities pressures as shown below:-

2019/20 funded adults and communities budget pressures	£000
Fee uplift	1,000
Delayed transfer of care and market support (actual grant conditions yet to be confirmed)	2,380
Pay inflation	329
Deprivation of liberties and Safeguarding (DOLS) and restructure impact	609
Demographic growth	945
Support the autism strategy	25
Total funded base budget pressures	5,288

12. The current savings plans require £8.0m of savings over the MTFS period, £1.8m for adults and communities. The saving requirement represents the funding gap arising from increased cost pressures and funding assumptions. In 2018/19 the service is forecasting to spend above budget due to the increasing cost of meeting service demand. The current forecast outturn for 2018/19 totals £52.6m. The base budget for 2019/20 has been uplifted to reflect the expectation that this service demand will continue to increase.

13. For 2019/20 the savings required from adults and communities is £0.7m to be realised from service delivery savings and maximising income generation from client services. Services will only be charged for following individual financial assessments in accordance with Care Act 2014.

14. Before the base budget review the savings for adults and communities for 2019/20 totalled £1.5m, following the base budget review the savings required from income disregard have been removed as these are considered not currently achievable.

15. The proposed budget for 2019-20 is set out below and detailed for adults and communities in appendix 2. The base budget below shows the net budget position; the gross budget will include the dedicated school grant (£125m), improved better care fund (£5.7m) and public health grant (£9.0m).

	2018/19 revised base	Funded pressures & other movements	Savings	2019/20 draft base budget
	£'000	£'000	£'000	£'000
Adults and communities	52,087	5,288	(700)	56,675

Further information on the subject of this report is available from
Sarah Buffrey, Tel: 01432 260176, email: sarah.buffrey@herefordshire.gov.uk

Children and families	23,958	3,427	(200)	27,185
Economy and place	34,046	1,417	(2,453)	33,010
Corporate services	9,424	146	(379)	9,191
Sub Total	119,515	10,278	(3,732)	126,061
Centrally held budgets	24,609	(1,483)	(200)	22,926
Total	144,124	8,795	(3,932)	148,987
Financed by				
Revenue support grant	5,370			620
Business rates	33,256			35,457
Council tax	98,445			103,908
New homes bonus	2,540			2,029
Rural sparsity delivery grant	4,093			4,093
Collection fund surplus (one off)	420			500
Adult social care grant (one off)				2,380
Total	144,124			148,987

Financing

16. The 2019/20 net budget requirement is financed by retained funding from council tax (£104m) and business rates (£35m) as shown in the table above. Assumptions include a 4.9% increase in council tax (2.9% general increase and 2% adult social care precept) and business rate reliefs being funded via a central government grant. Central government funding is included as accepted in the four year funding settlement. The recent budget announcement of additional social care grant funding is also included at £2.4m.
17. If the settlement expected on 6 December provides additional monies to the draft base budget shown above, unless the use of those funds is specified by government, these will be added to strategic reserves to assist with smoothing future pressures, and access to those reserves will be subject to further governance.

Capital Budget

18. Attached at appendix 3 is the proposed capital investment budget requests for adults and communities, £1.5m. These represent investment required at two care sites – Hillside and Waverley, both investments are requested to enable improvements in service delivery. Both these schemes have provision in the current capital programme of £2m (£1.5m Hillside and £0.5m Waverley House) this request is to increase the budget by £1.0m for Hillside and £0.5m for Waverley, approval of increasing the budget for schemes is reserved to Council, the committee is asked to determine any recommendation it wishes to make in relation to approving these proposals.
19. The redesign of Hillside into a nursing care facility for people with high level needs (dementia). There is not enough current capacity to meet the high demand for nursing/EMI (elderly mental infirm) placements. The risk of not undertaking the redesign of Hillside will exacerbate the current situation by putting a greater strain on the Adults budget and will not plan effectively for the expected increase in future demand. Lack of capacity of nursing beds is an identified risk on the corporate risk register.

20. Waverley House was built in 2006/07 and forms part of a 30 year block contractual agreement with Shaw Healthcare Ltd for a number of facilities, including residential and nursing homes and extra care properties, across the county. The purpose of the scheme is to use capital funding to remodel Waverley House to develop 11 additional nursing beds in the county within a six month build period upon funding approval. This is expected to deliver £0.1m savings each year which have already been identified within the MTFs.

Budget setting timetable

21. Below is a summary of the 2019/20 budget setting timetable.

Date	Meeting	Purpose
27 November 2018	Adults and wellbeing scrutiny committee	To consider adults and communities revenue and capital budget proposals and updated medium term financial strategy and agree any recommendations to be made to Cabinet
29 November 2018	Children and young people scrutiny committee	To consider children and families revenue and capital budget proposals and updated medium term financial strategy and agree any recommendations to be made to Cabinet
30 November 2018	General scrutiny committee	To consider the overall revenue and capital budget proposals and updated medium term financial strategy, treasury management strategy and capital strategy and agree any recommendations to be made to Cabinet
31 January 2019	Cabinet	To agree the draft revenue and capital budget 2019/20, treasury management strategy, capital strategy and medium term financial strategy for recommendation to Council
15 February 2019 9.30am	Council	Deadline for Members intending to propose an amended motion (as per Section 1 paragraph 4.1.105 and 4.1.106 of Constitution)
15 February 2019	Council	To agree the council's revenue and capital budget for 2019/20, treasury management strategy, capital strategy and medium term financial strategy

Community impact

22. The MTFs and budget demonstrate how the council is using its financial resources to deliver the priorities within the agreed corporate plan.

23. The council is committed to delivering continued improvement, positive change and outcomes in delivering our key priorities.
24. In accordance with the principles of the code of corporate governance, Herefordshire Council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.

Equality duty

25. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
26. We will carry out service specific equality impact assessments for the service specific budget proposals to assess the impact on the protected characteristic as set out in the Equality Act 2010.
 27. 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.

Resource implications

28. The financial implications are as set out in the report. The ongoing operational costs including, HR, IT and property resource requirements are included in the draft budget and will be detailed in separate governance decision reports as appropriate.

Legal implications

29. When setting the budget it is important that councillors are aware of the legal requirements and obligations. Councillors are required to act prudently when setting the budget and council tax so that they act in a way that considers local taxpayers. This also covers the impact on future taxpayers.
30. The Local Government Finance Act 1992 requires a council to set a balanced budget. To do this the council must prepare a budget that covers not only the expenditure but also the funding to meet the proposed budget. The budget has to be fully funded and the income from all sources must meet the expenditure.
31. Best estimates have to be employed so that all anticipated expenditure and resources are identified. If the budget includes unallocated savings or unidentified income then these have to be carefully handled to demonstrate that these do not create a deficit

budget. An intention to set a deficit budget is not permitted under local government legislation.

32. The council must decide every year how much they are going to raise from council tax. The decision is based on a budget that sets out estimates of what is planned to be spent on services. Because the level of council tax is set before the year begins and cannot be increased during the year, risks and uncertainties have to be considered, that might force higher spending more on the services than planned. Allowance is made for these risks by: making prudent allowance in the estimates for services; and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.
33. Local government legislation requires the council's S151 officer to make a report to the full council meeting when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals (the statement is contained within the risk management section of this report). This is done so that members will have authoritative advice available to them when they make their decisions. As part of the Local Government Act 2003 members have a duty to determine whether they agree with the S151 statutory report.
34. The council's budget and policy framework rules require that the chairmen of a scrutiny committee shall take steps to ensure that the relevant committee work programmes include any budget and policy framework plan or strategy, to enable scrutiny members to inform and support the process for making cabinet proposals to Council.

Risk management

35. Section 25 of the Local Government Act 2003 requires the S151 officer to report to Council when it is setting the budget and precept (council tax). Council is required to take this report into account when making its budget and precept decision. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
36. The budget has been updated using the best available information; current spending, anticipated pressures and the four year grant settlement. This draft will be updated through the budget setting timetable.
37. The most substantial risks have been assessed as part of the budget process and reasonable mitigation has been made. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process.
38. There are additional risks to delivery of future budgets including the delivery of new homes, Brexit, government policy changes including changes to business rates and unplanned pressures. We are maintaining a general fund reserve balance above the minimum requirement and an annual contingency budget to manage these risks.
39. Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on growth management through disease prevention and behaviour change in communities is critical for medium term change. In addition re-setting our relationship with communities focussing services on areas of greatest professional need will support the MTFs.

40. The risks and mitigating action is shown in Appendix 4 of the MTFS, copied below:-

	Key Financial Risks	Likelihood	Impact	Mitigating Actions
1	Unexpected events or emergencies By its nature, the financial risk is uncertain	Low	High	<ul style="list-style-type: none"> • Council maintains a Strategic Reserve at level of between 3% and 5% of its revenue budget for emergency purposes • Level of reserve is currently £7.9m (5% of budget)
2	Increasing demand for Adult Social Care Demand for services continue to increase as the population gets older	High	Medium	<ul style="list-style-type: none"> • Demand led pressures provided for within our spending plans • Activity indicators have been developed and will be reported quarterly alongside budget monitoring
3	Potential Overspend and Council does not deliver required level of savings to balance spending plans Challenging savings have been identified within our spending plans.	Medium	Medium	<ul style="list-style-type: none"> • High risk budget areas have been identified and financial support is targeted towards these areas • Regular progress reports on delivery of savings to Management Board and Cabinet • Budget monitoring arrangements for forecasting year end position in place and forecast balanced • Plan to review level of cover available from General reserves in place
4	Potential overspend on Special Education Needs the duty to secure provision identified in Education, Health and Care plans means an overspend may occur	Medium	Medium	<ul style="list-style-type: none"> • This is a national issue with lobbying to increase central government funding • A review of the application of the matrix is underway
5	Increase in Pension Liabilities Our contributions are influenced by market investment returns and increasing life expectancy.	Medium	Low	<ul style="list-style-type: none"> • Spending plans reflect the level of pension contribution required as identified by the Pension Fund's Actuary in 2016 for the next three years
6	Failure to provide safeguarding and placements for children There is an increasing requirement to provide sufficient school places There is a rising number of children requiring specific support	Medium	High	<ul style="list-style-type: none"> • Provision has been made in the capital programme to increase school places • Directorate plans in place to manage and mitigate demand • Ongoing reviews of children already under care of council
7	Volatility in future funding streams in Government funding streams and Business Rates Retention	High	Medium	<ul style="list-style-type: none"> • Prudent assumptions made in budget • Ongoing review of developing business rate changes • Business case to support future investment decisions
8	Brexit Impact of EU exit may lead to increased volatility in economic stability and reduced access to funds	Medium	Medium	<ul style="list-style-type: none"> • Reduced reliance on grant funding in all directorates • Increased local economic and social investment to increase core income

41. We retain the risk of on-going litigation claims which may result in one off costs falling

Further information on the subject of this report is available from
Sarah Buffrey, Tel: 01432 260176, email: sarah.buffrey@herefordshire.gov.uk

due; a risk mitigation reserve of £3.6m has been set aside to fund this.

Consultees

42. The council's 2019/20 budget consultation took place from 5 July 2018 until 21 September 2018. A short survey was developed to seek views on a variety of proposals, including should the council increase its borrowing to enable more investment across the county and a 4.9% total increase in council tax. The consultation was open to all, including parish councils, health partners, the schools forum, business ratepayers, council taxpayers, the trade unions, political groups on the council and the scrutiny committees. Meetings were specifically held with businesses, parish councils and representatives from the voluntary sector to promote the consultation and information was also sent to partner bodies.
43. There were a total of 227 responses to the consultation, 225 responses to the standard questionnaire and 2 responses as emails. Although as self-selecting, these respondents are not statistically representative of the general population, their views are an important element of the wider evidence base against which the budget proposals must be considered. The consultation report is attached at appendix 3. Key outcomes of the consultation include:-
- a. 51% of respondents thought the council's proposal to increase Council Tax by 4.9% was about right or not enough;
 - b. 37% of respondents supported the council increasing its borrowing requirement by £22.3m to increase the level of investment in the county, and 15% supported borrowing more;
 - c. 78% of respondents agreed that funding should support employing more children's social workers and to support more help for children, young people and families at an early stage;
 - d. 56% of respondents stated they did not agree with the allocation of Council Tax spend between services as set out in the consultation, however there was no consensus on alternative ways of allocating resources.
 - e. 49% of respondents supported 'keeping the maximum discount of 84%' for the low income households Council Tax discount.
 - f. 44% supported to 'continue to award the same level of business rate discount'.
44. In response the proposed budget:-
- g. Includes a 4.9% proposed council tax increase.
 - h. Council borrowing for capital investment will be maintained as proposed.
 - i. The council's local council tax reduction scheme and business rate discounts will be maintained with the same parameters in 2019/20.
 - j. £1.6m will be used to employ more children's social workers and to support more help for children, young people and families at an early stage. Cabinet proactively recognised the need to invest in this important area of the council's business. When Ofsted inspected this service area in June 2018 they acknowledged this investment and highlighted the need to increase capacity of social workers and managers to cope with the need for services and the volume of social worker caseloads.

Appendices

Appendix 1 - draft MTFS 2019/20 – 2021/22

Appendix 2 - detail of draft adults and communities 2019/20 revenue budget

Appendix 3 - detail of adults and communities capital investment budget requests

Appendix 4 – capital investment budget request business cases

Appendix 5 - summary of 2019/20 budget consultation responses

Background papers

None identified.

**Medium Term
Financial Strategy
2019/20 – 2021/22**

Herefordshire Council's Medium Term Financial Strategy

Introduction

The medium term financial strategy (MTFS) outlines the measures Herefordshire Council has taken since 2010 to deliver savings, and describes the 2019/20 budget proposal and financial forecasts up to 2021/22.

Rising to the financial challenge

Central government introduced measures in 2010 which has seen a reduction in the revenue support grant from £60.1m in 2011/12 to £5.3m in 2018/19 (reducing further to £0.6m in 2019/20). Over the same time period council services have seen increasing demand, particularly for adult social care and looked after children.

The council has risen to this financial challenge, by:-

- Delivering substantial savings of £90m
- Delivering services differently
- Increasing its financial reserves
- Consistently delivering balanced budgets

This has been achieved by the council:-

- Delivering organisational efficiencies including consolidating staff in fewer buildings, reducing the number of staff including agency staff, and introducing staff mandatory unpaid leave days.
- Changing models of service delivery to focus on self-help, and early help and intervention to reduce the demand for higher cost interventions.
- Reconfiguring household waste collection and grass cutting services.
- Expanding the use of technology to enable people to contact the council through the website at a time that suits them, with a reduction in the need for face to face and phone contact to use resources for people who need them most.
- Supporting greater community involvement in services such as community libraries, litter picks, environmental and bio-diversity initiatives.
- Maximising commercial opportunities ensuring where possible, fees are set at levels which secure full cost recovery, and exploring further income generation opportunities from fees and charges, for example car parking.
- Reviewing the council's smallholdings estate

At the same time the council has:-

- Significantly improved adult social care client satisfaction
- Worked with external partners to produce a business case which secured £23m of government funding to establish a new university in Hereford

- Delivered a new livestock market and a privately funded retail and leisure development on the old livestock market site
- Progressed plans for a by-pass for Hereford city and delivered major infrastructure improvements to the city and county road network
- Opened the new Hereford City Link Road which provides development opportunities for business, residential and public sector organisations.
- Successfully delivered the Hereford Enterprise Zone, creating over 600 jobs
- In partnership with Worcestershire County Council opening a new energy from waste plant
- In partnership with Gloucestershire County Council implementing the 'Fasterhire' programme delivering broadband to 80% of the county

2019/20 budget proposal

The MTFs proposes a balanced 2019/20 budget achieved by increasing council tax charges by 4.9%, inclusive of a 2% adult social care precept and committing to delivering savings of £3.9m.

2019/20 savings requirement	Total
	£'000
Workforce and service delivery savings	1,037
Maximise income generation	125
Manage inflation and secure contract efficiencies	200
Efficiency savings	430
Reduced cost of transport	225
Phased removal of subsidies to parish councils	100
Waste & Sustainability	30
Savings in museums and archives	250
Accommodation strategy savings	360
Procurement savings	500
Public realm savings	175
Base budget realignment	500
TOTAL	3,932

Going forward

The council is recognised as being in a relatively secure financial position over the medium term which provides a platform to realise the county's ambitions.

It has increased its revenue reserves in recognition of the challenges yet to come. There are changes to national funding of local government we are continuing to assess the impact of. We have growing demographic pressures, particularly relating to adult social care and children with disabilities, and the council needs to address the barriers to growing our economy.

The latest external audit opinion concluded that the council is financially sustainable for the foreseeable future. This MTFS demonstrates how the council will continue to utilise its financial resources to support its corporate plan objectives and realise its ambitions.

DRAFT

1. Overview

- 1.1. The council's gross annual revenue expenditure is in the region of £325m, this is funded by a combination of council tax, business rates, specific grants, rents, third party contributions and income from sales, fees and charges. Approximately £80m is ring-fenced to schools. This leaves the council with around £245m to meet its wide range of statutory requirements and to meet the needs of our residents, businesses and communities.
- 1.2. The council's capital expenditure on its physical assets is separate from revenue expenditure on day to day services and totals approximately £50m each year. This expenditure is funded from a combination of specific grants, third party contributions, capital receipts from sale of assets, contributions from the Local Enterprise Partnership and borrowing.

2. Medium Term Financial Strategy

- 2.1. This Medium Term Financial Strategy (**MTFS**) covers the financial years 2019/20 to 2021/22 and demonstrates how the council will maintain financial stability, deliver efficiencies and support investment in priority services, whilst demonstrating value for money and maintaining service quality.
- 2.2. 2020/21 onwards is currently an estimate as we are awaiting the outcome of the next Government comprehensive spending review.
- 2.3. Herefordshire's key priority areas are:
 - **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**
 - **secure better service, quality of life and value for money.**
- 2.4. This medium term financial strategy (MTFS) contains progress on the financial challenges the council faces alongside the increasing demands for services. There are higher costs associated with the county's rurality and demographics. The council aims to balance this challenge by supporting independent, safe and healthy lives.
- 2.5. The Council continues to provide value for money service delivery and aspires to bring sustainable prosperity and well-being for all.
- 2.6. During this MTFS period the funding of council services will change significantly, central government is leading a fair funding review and local rate retention will become live as we await the next comprehensive spending settlement which is due in the spring

2019.

- 2.7. The council recognises the need to grow and has plans for new homes throughout the county, new employment opportunities, infrastructure and supporting the establishment of a new university.

3. Financial outlook

- 3.1. The MTFS extends the time period under review to include 2021/22. This continues with the longer-term planning approach that is now well embedded in the Council's strategic financial management arrangements. As core government funding disappears in 2020/21 the council will become increasingly self-reliant upon local resources, council tax and business rates. Although the latter is in itself an uncertain funding source at this time.

- 3.2. By the end of 2018/19 the council will have made ongoing savings of circa £90m in the last ten years. This has involved taking some difficult decisions about the delivery of services; however the approach of long term planning supported by strong governance and a delivery focus across the whole council has meant that savings have been delivered on time or slightly ahead of time. This past strong performance in this area cannot be regarded as a guarantee for the delivery of savings in the future, and there is a need to avoid complacency.



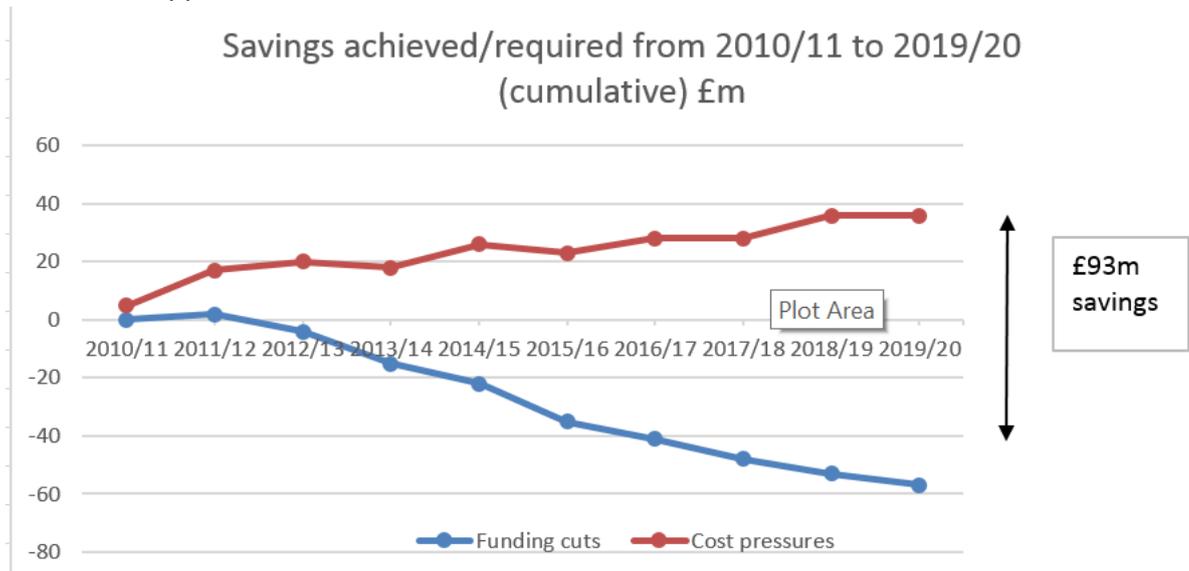
- 3.3. As well as meeting the councils legal responsibility to set a balanced budget, the benefits of long term financial planning are:

- Ensuring resources are allocated to the councils priorities,
- Improving value for money,
- Maintaining financial stability,
- Managing significant financial risks.

3.4. The medium term financial strategy is underpinned by the following key principles:

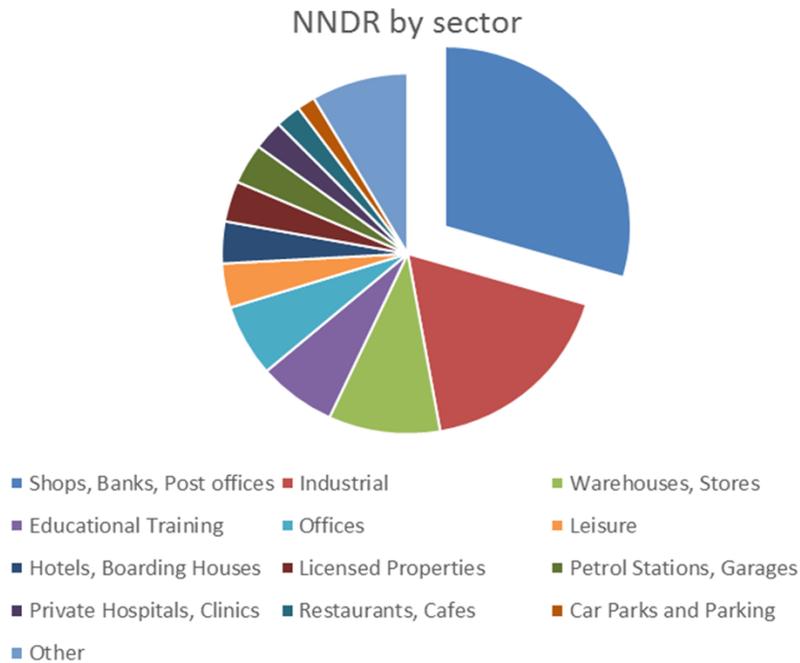
- Prudent assessment of future resources and unfunded cost pressures.
- Appropriate levels of income generated across all areas of the council, and prompt collection of all sums owed to the council.
- Prudent assessment of provisions required to mitigate future liabilities.
- Risk assessed level of reserves and balances held to mitigate potential financial liabilities and commitments.
- Prudent and planned use of reserves to fund expenditure
- Maximisation of capital receipts from disposals.
- Maximisation of external grant funding that meets our priorities.
- Prudent and proportional use of the councils borrowing powers to undertake capital investment that is not funded by capital receipts or contributions from third parties.
- Promotion of invest to save opportunities via detailed assessments of business cases.
- Effective forecasting and management of the council's cash flow requirements.
- Effective management of treasury management risks, including smoothing out the debt maturity profile, borrowing only when necessary and taking advantage of opportunities arising because of disconnects in the market between long term and short term rates.
- Full integration of revenue and capital financial decision processes, to ensure the revenue implications of capital projects are appropriately reflected in the medium term financial strategy.
- Production of detailed implementation plans for all savings proposals.
- Sign-off of all revenue budgets by the relevant senior managers including any savings plans before the commencement of the financial year.
- Regular monitoring of budgets and robust management actions to address any unplanned variances that arise.

- 3.5. Whilst the councils finances have contracted the demand for services have grown. The council faces a constant challenge to manage the increases in demand for adult social care and looked after children that are increasing significantly year on year.
- 3.6. The council accepted a four-year Funding Settlement from the Government in 2016 and 2019/20 is the fourth and final year of that settlement. The impact of this will see the reduction in Revenue Support Grant to £0.6m in 2019/20 compared to £60.1m of Revenue Support Grant in 2011.



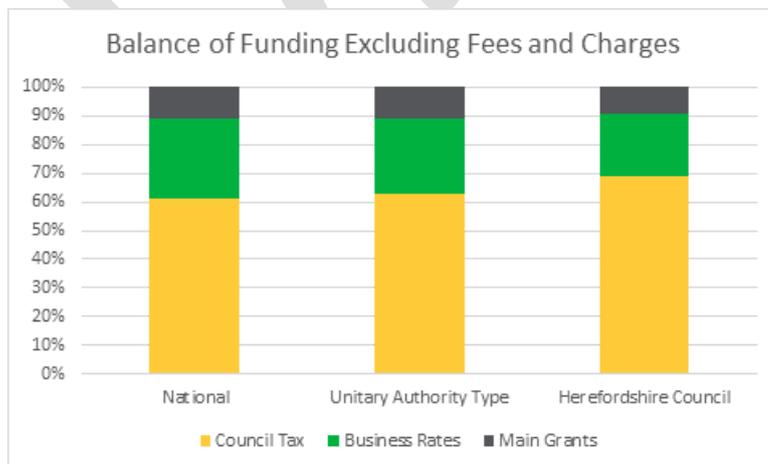
- 3.7. Over the life of the Funding Settlement the Government has introduced a range of temporary funding measures to assist with the increasing demands in adult social care but with little or no certainty beyond 2019/20.
- 3.8. Government policy is likely to be influenced by a range of internal and external factors over the coming years; it is not possible to assess the impact of the United Kingdom's withdrawal from the EU in March 2019 at this point in time. Government have indicated that that there will be a new comprehensive spending review in early 2019.
- 3.9. Government have also indicated that the Adult Social Care Green Paper will arrive shortly. There is likely to be an extensive national debate about how to find a sustainable solution to the funding of care for an ageing population. This is a complex problem and it is very hard to predict when a solution will be found or when and how the solution will be implemented. This creates significant challenges for the Council in making medium term financial plans as a number of the shorter term funding solutions for care costs from Government are scheduled to end during the life of the MTFS, before a sustainable funding solution is found.
- 3.10. We are awaiting confirmation from Government of the implementation timetable for the move to business rates being retained by local government. Government has indicated that it expects the move to be "fiscally neutral" and that councils should therefore pick up equivalent responsibilities commensurate with the additional funding, this raises a

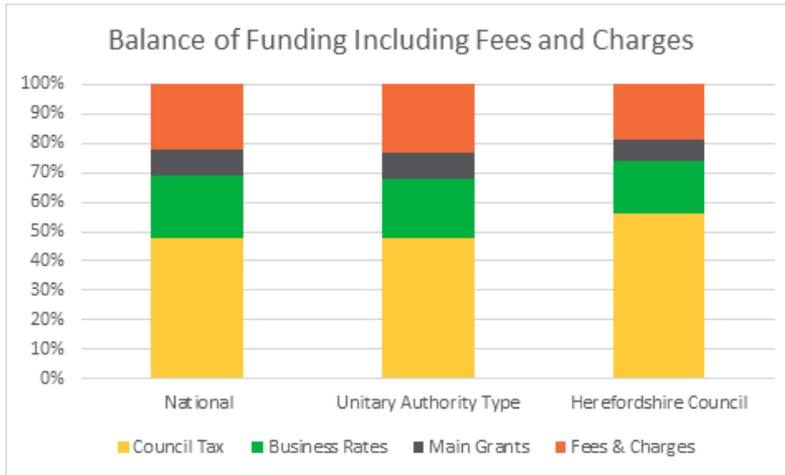
number of difficult challenges for the council given the makeup of the current business rates tax base within the county, with a large element reliant on retail businesses, as shown below.



4. Funding assumptions

The council's main income stream is council tax and this is set to continue. This is positive in that it is a locally controlled funding stream and is expected to grow. A summary of how the income streams compare to unitary and national councils is shown in the graphs below.





The assumption built into the MTFs is 4.9% Council Tax increase in 2019/20 and an increase of 4.5% in future years.

	2019/2020 £000	2020/2021 £000	2021/2022 £000
Revenue Support Grant	620		
Business Rates	35,457	45,853	46,555
Council tax	103,908	109,375	115,211
New Homes Bonus	2,029		
Rural Sparsity Delivery Grant	4,093		
Collection Fund Surplus (one off)	500		
Adult social care grant (one off)	2,380		
	148,987	155,228	161,766

5. Savings by directorate

The council delivered £77m of savings since 2010, with a further £13m expected to be delivered in the current 2018/19 year. Going forward further savings are required to ensure the council does not overspend. Savings required for the next three years is £7.9m, as set out below, giving a savings total of £98m between 2010 and 2022.

	2019/2020 £000	2020/2021 £000	2021/2022 £000	Total £000
Adults and wellbeing	700	600	500	1,800
Children's wellbeing	200	300	650	1,150
Economy, communities and corporate	2,832	700	350	3,882
Other corporate savings	200	500	500	1,200
	3,932	2,100	2,000	8,032

6. Directorate base budget movements

	AWB	CWB	ECC	Corporate	Total
--	-----	-----	-----	-----------	-------

	£000	£000	£000	£000	£000
2018/19 base budget	51,929	23,402	41,961	26,832	144,124
2018/19 movements	158	556	1,509	(2,223)	0
Pressures	2,908	3,427	1,563	48	7,946
Savings	(700)	(200)	(2,832)	(200)	(3,932)
Other corporate movements				(2,031)	(2,031)
2019/20 base budget (excluding one offs)	54,295	27,185	42,201	22,426	146,107
Pressures	2,717	714	1,533	91	5,055
Savings	(600)	(300)	(700)	(500)	(2,100)
Public health new responsibility	6,000				6,000
Other corporate movements				166	166
2020/21 base budget	62,412	27,599	43,034	22,183	155,228
Pressures	2,219	732	1,575	94	4,620
Savings	(500)	(650)	(350)	(500)	(2,000)
Other corporate movements				3,918	3,918
2021/22 base budget	64,131	27,681	44,259	25,695	161,766

7. University

- 6.1 The New Model in Technology & Engineering (NMiTE), Hereford's nascent engineering only university, has the potential to be one of the key catalysts that enable the transformation of the county's economy. In a world driven by the knowledge economy, technology and urbanisation the advent of the university from 2020 will over the next 15-20 years not only increase the intellectual capital of Herefordshire but also has the potential to support steady population growth. With 1,600 students recruited each year this will balance the annual out-migration of young people. In addition it is likely that at least ten per cent of graduates will remain in or near the county making Herefordshire an attractive inward investment location for employers needing hi-tech work-ready employees.
- 6.2 The direct impact on the economy, over the next 15 years, will come from £550 million capital investment to build 40,000 sq metres of teaching space and 150,000 sq metres of student accommodation to house up to 5,000 students resident for 46 weeks for the three years of each student's study period. At this peak capacity NMiTE will employ nearly 600 staff directly (many requiring homes) and will be supported by a range of local suppliers. Based on data from other university cities NMiTE is expected to add at least £120 million annually to the county's GDP. Taken together, the various impacts of NMiTE will do much to help the long term sustainability of the county.
- 6.3 New innovative higher education providers such as NMiTE will play an important part in educating the next generation of much-needed engineers, providing the skills and talent that employers need. Hereford is a cold-spot for higher education provision, leading to a 'brain drain' of 18-24 year olds leaving the area to study. The Higher Education reforms are about giving all young people access to university and an increasingly diverse market to choose from. This will ensure a steady stream of highly-skilled graduates into the workplace locally, and regionally. NMiTE builds on plans set out in the government's modern Industrial Strategy, which aims to improve living standards and economic growth by increasing productivity and driving growth.
- 6.4 A fundamental role of the Marches LEP is to help develop a vibrant regional economy

by removing barriers to growth. The creation of NMiTE will play a pivotal role in driving forward our economy through the development of new and innovative Higher Education provision. This will help address the national shortage of graduate engineers by teaching students the key skills which employers demand in the workplace. A key focus of the project will be to help retain a large proportion of the 18-24 population who leave the region to attend Universities across the country, implementing the knowledge and skills acquired to help improve the productivity of our valued businesses.

8. Better Care Fund

- 8.1 The Better Care Fund (BCF) is a pooled budget which is nationally mandated to further the integration of health and social care. Herefordshire's BCF has two partners, Herefordshire Council and Herefordshire CCG.
- 8.2 Funding is received by the Council from the NHS, via Herefordshire CCG. The Department of Health and Social Care sets national minimum contributions to the pool for both revenue and capital and specifies that certain funding streams must be included within the mandatory minimum fund. Partners are permitted, and encouraged, to pool more than the minimum requirement. The Better Care Fund in Herefordshire has four components- mandatory capital and revenue contributions, additional voluntary revenue contributions from each partner, and the Improved Better Care Fund (IBCF).
- 8.3 The MTFs assume that the transfer of funds from the NHS to the council will occur throughout the MTFs period and that the annual value will continue to grow in line with inflationary uplifts for the NHS.

9. Improved Better Care Fund

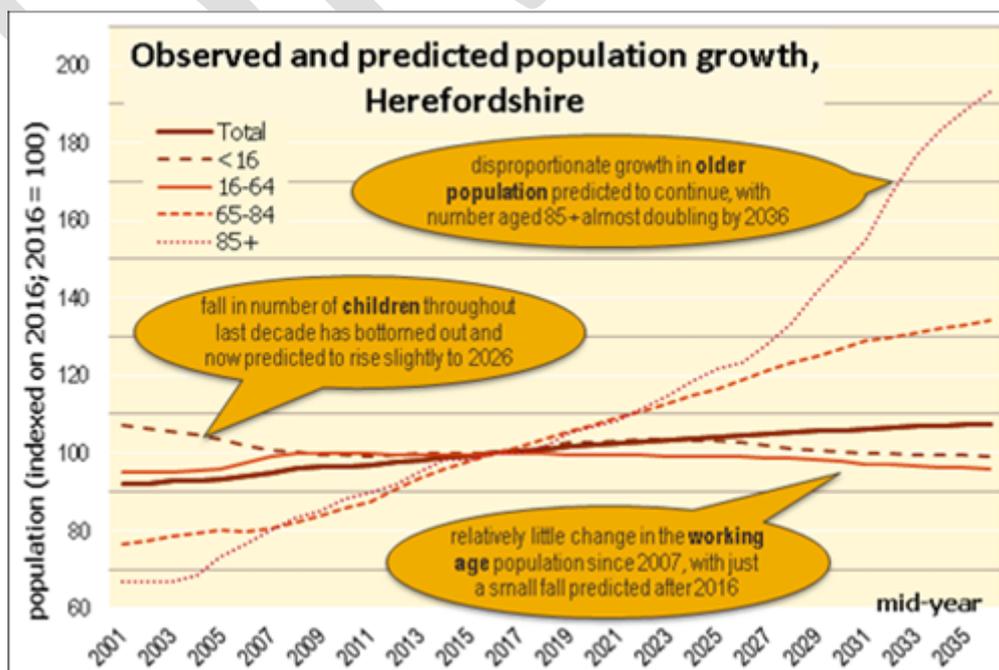
- 9.1 The Government's Spending Review in 2015 announced new money for social care and the 2017 Spring Budget subsequently increased this funding. The Government requires that this additional IBCF funding for adult social care in 2017-19 is pooled into the local BCF.
- 9.2 The funding is paid to Local Authorities for adult social care as a direct grant under Section 31 of the Local Government Act 2003. The funding may be used only for the purposes of meeting adult social care needs; reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready; and ensuring that the local social care provider market is supported.
- 9.3 A recipient local authority must:
- a) pool the grant funding into the local Better Care Fund, unless an area has written Ministerial exemption;
 - b) work with the relevant Clinical Commissioning Group and providers to meet the national BCF condition on managing transfers of care set out in the Integration and Better Care Fund Policy Framework and Planning Requirements 2017-19; and
 - c) provide quarterly reports as required by the Secretary of State.
- 9.4 The MTFs assume that the funding allocated in the 2015 spending review is

recurrent and will be received throughout the MTFS period, albeit subject to any changes made by the forthcoming 2019 spending review; while the funding announced in the 2017 Spring Budget is assumed to be non-recurrent and will not be received after 2019/20.

10. Demographics

- 10.1 The latest population projections for Herefordshire are the 2016-based Subnational population projections (SNPPs), published 24 May 2018 by the Office for National Statistics (ONS). Based on the ONS' 2016 mid-year estimates, the future population is projected forward by ageing on the population and applying observed trends in relation to births, deaths and migration, year on year, up to 2041.
- 10.2 The current projections suggest slower growth than the previous (2014-based) projections. This is because of assumptions about lower future levels of fertility and international migration, and an assumption of a slower rate of increase in life expectancy.
- 10.3 The total population of Herefordshire is projected to increase from 189,500 people in 2016 to 194,100 by 2021 (an increase of two per cent); and to 203,700 people by 2036 (an increase of seven per cent), equivalent to an average annual growth of 0.35 per cent per year over this 20-year period. This is a lower projected annual rate of growth than England as a whole (0.5 per cent per year).
- 10.4 These projections serve as a baseline scenario; they do not attempt to predict the impact that future government or local policies (such as on housing development), changing economic circumstances or other factors might have on demographic behaviour.

Predicted population growth in Herefordshire:



11. Minimum Revenue Provision

- 10.1 The Minimum Revenue Provision (MRP) is a technical accounting requirement, specific to local government, which is the method by which councils charge their revenue accounts over time with the cost of their capital expenditure that was originally funded by borrowing.
- 10.2 Local government accounting rules require the council to make revenue provision to support the costs of capital spend funded by borrowing regardless of whether that borrowing has actually been taken up; this is referred to as minimum revenue provision and is intended to provide a public demonstration of the costs of capital expenditure.
- 10.3 During 2017/18 Herefordshire revised its Minimum Revenue Provision (MRP) Policy, this changed the notional debt repayment calculation basis to an annuity loan repayment method. This matches the flow of benefits generated by the assets funded from borrowing to the annual MRP charge in the revenue budget. Linking MRP to the average useful life of an asset reflects the economic benefit the council receives from using the asset to deliver services over its useful life, representing a fairer cost charge to current and future council tax payers. Council tax payers are being charged each year in line with asset usage and avoiding current council tax payers meeting the cost of future usage or future council tax payers being burdened with charges relating to assets that are no longer in use.
- 10.4 The actual MRP charge is based on the following calculation:-
- Historic debt balances, previously being written down on a 4% reducing balance basis, being charged on an annuity loan repayment basis. This change ensures all historic notional debt is repaid by 2025/26 whereas under the previous method a balance of £14m would be remaining to be repaid. The annuity rate used is a consistent 2% calculated in line with the changes in revenue support grant which was deemed to include a funding element in relation to the repayment of supported historic debt.
 - Supported borrowing, previously written down on a straight line basis over the asset life, the revised method moves to a 3% annuity also charged over the asset life. The annuity rate has been applied to capital expenditure incurred since 1st April 2008, spend prior to this continues to be written down on a straight line basis. The 3% represent an average of PWLB loan comparator rates.
- 10.5 The MRP calculation will be reviewed again in 5 years' time to ensure the revised method above is still appropriate.

12. Capital Programme

- 11.1 The current capital programme is summarised in the table below, along with the overall financing and detailed budgets by scheme in appendix 2. The Capital programme approved by Council in July 2018 was approved at £297.3m, this becomes £317.9m with additional grants added to the Capital programme. We know that previously a number of schemes would deliver later than planned as budgets are often estimated very optimistically across financial years but in reality with the time it takes to plan and progress projects they deliver later than first estimated, work has been done to align these projects more realistically across the financial years and therefore the profile of budgets has moved between years to reflect this.

Approved Capital Programme

	Prior Years £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	Total Capital Programme Budgets £000s
Total Adults & Communities	132	3,919	3,976	2,653	1,853	12,533
Total Children's & Families	7,744	3,375	14,887	13,200	1,200	40,405
Total Economy & Place	82,615	58,610	95,464	28,058	197	264,944
Total Capital Programme	90,491	65,904	112,578	43,911	3,250	317,882

Financed by

Capital Receipts	24,755*
Grants & Funding Contributions	114,813
Prudential Borrowing	87,823
Funded in prior years	90,491
Total Funding	317,882

* £10.7m in 2019/20, the balance representing funding utilised in previous years

- 12.2 Additional Capital funding requests will be submitted to Full Council when they are required. This means there will be increases to the capital programme for 2019/20 onwards once approved by Council at any future meeting. These funding requests will be reviewed in line with Council plans and within the financing available of grants, capital receipts and increased borrowing of £6.7m annually but borrowing funded through revenue savings will be in addition to this limit. The capital receipts reserve balance at the end of 2017/18 was £42.5m and as we can see in the table above £24.8m of this has already been approved to fund current schemes but of course the reserve balance will increase by any future receipts from April 2018.
- 12.3 There are a number of large schemes over £5m for replacement schools at Colwall, Marlbrook and Peterchurch, along with annual grants for Local Transport Plan, Fastershire Broadband and Highways Asset Management. The Hereford Transport Package will also increase significantly once final plans and funding have been approved. However the three largest schemes are for Hereford City Centre Transport Package of £40.6m, with only £8.3m budget remaining. South Wye Transport Package for £35m with £5m spend to date and plans being finalised for the project to be delivered. The Development Partnership Activities budget is for £40.6m with £300k spend to date although this is due to the partnership agreements only being signed in July 2018 and therefore these projects within the programme budget will begin to start to develop in the near future.

Development Partners

- 12.4 The Development and Regeneration Programme (DRP) has been established to provide development solutions that are reflective of the policies of Herefordshire Council and will be designed and developed in an inclusive way with the community. Consideration is given in all instances of providing developments that are considerate to the health and wellbeing of the residents, built to the latest environmental standards as set out in the building regulations (The National Standards).
- 12.5 Development partners Keepmoat and Engie are committed to encompassing the use of local suppliers and contractors and to maximize the opportunities to employ local

Herefordshire people. The KPI's have been set up to reflect this and all parties will take every action possible to ensure this is achieved.

- 12.6 The development partners are keen to achieve developments that reflect the highest standards and that the real impact is the impact to viability, or the anticipated land receipt. The decision as to what standards are applied to a development lies with the council and will impact on development returns/outcomes on a case by case basis.

Keepmoat Homes Ltd

- 12.7 Supporting the delivery of new homes that will help the council to achieve its strategic housing growth targets. Current projects include Bromyard Depot, Merton Meadow, Hildersley and Holme Lacey.

ENGIE Regeneration Ltd

- 12.8 Supporting the delivery of regeneration construction projects, such as business units, student accommodation, commercial development and retirement housing
- 12.9 The agreements will bring to life plans contained within the adopted Core Strategy (the document that sets out Herefordshire's planning priorities until 2031). The plan outlines the development opportunities enabled by the Hereford City Centre Transport Package and Hereford Transport Package, as well other sites across the county such as Ross Enterprise Park and Hillside.
- 12.10 The first new homes are expected to be delivered by late summer 2019.

13. Revenue Budget / Till receipt

Shown below is an indicative illustrative typical month's expenditure incurred by a band D property in Herefordshire from 1st April, this is a draft that will be updated as the budget progresses into its final form.



Herefordshire Council

Charges per month (average Band D property)
2019/20 Monthly Council Tax receipt

** Daily life **		#
* Bin collections and environment	13,72	
* Roads, bridges and care of public spaces	7,21	
* Schools and education	98,13	
* Buses and community transport	6,39	
* Libraries, records and customer services	1,30	
** Looking after adults **		
* Older people in residential / nursing care	13,38	
* Older people supported at home	9,24	
* Disabled adults	27,76	
* Lifestyles services (substance abuse, sexual health)	2,64	
* Health improvement (Public Health nursing, health checks, smoking cessation)	5,61	
* Housing	0,52	
** Looking after children **		
* Child protection	3,75	
* Children in care	12,88	
* Children with special needs	3,28	
** Local government running costs **		
* Election, governance and legal services	3,24	
* Directors & staff costs	0,65	
* Organisational administration	1,41	
* IT, transactions and billing (Hoople)	5,19	
* Insurance and property maintenance	5,08	
* Capital finance - Debt repayment	7,83	
* Capital finance - Interest payments	10,24	
** Economic growth **		
* Economic development and regeneration	1,27	
* Broadband - rural rollout	0,13	
* Planning	0,35	
	241,19	

** VOUCHER **	
** Other income to supplement council tax **	
* Investment Property income	-2,91
* Car parking	-5,36
* Capital finance - Interest received	-2,01
* Public Health grant	-7,70
* National Education funding (schools)	-96,98

TOTAL TO PAY (per month) £126,23

SIGN UP FOR MORE INFORMATION AT
WWW.HEREFORDSHIRE.GOV.UK/COUNCILTAX
01/04/19 09:00 1234 23 42

14 PFI contracts

- 14.1 The council has two traditional PFI contracts, one in partnership with Worcestershire County Council for the provision of waste management services and the other for the provision of Whitecross High School. The council also has one contract that falls within the definition of a similar contract to a PFI, which is the Shaw Healthcare contract for the provision of residential care services. Under the Shaw Healthcare contract the rent and service charges paid to Shaw by residents for the council's extra care flats at Leaddon Bank have been treated as a contribution to the revenue costs of the units.

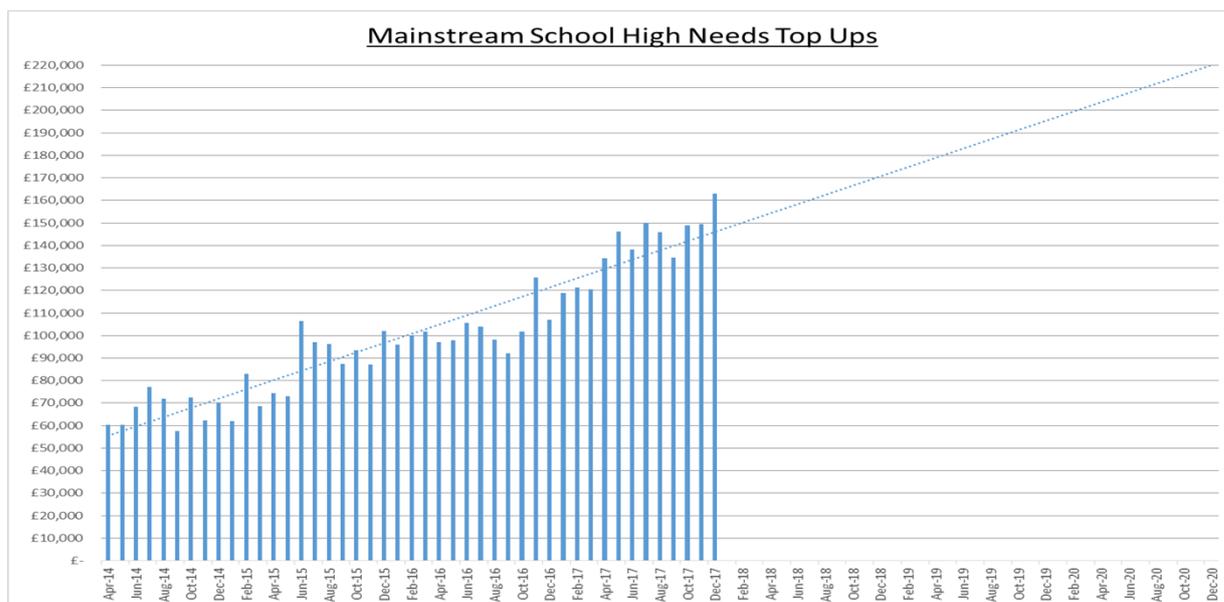
Waste disposal

- 14.2 In 1998 Herefordshire Council, in partnership with Worcestershire County Council, entered into a 25 year contract with Mercia Waste Management Limited for the provision of an integrated waste management system using the Private Finance Initiative.
- 14.3 Under the contract the councils are required to ensure that all waste for disposal is delivered to the contractor, who will take responsibility for recycling or recovering energy from the waste stream. In total the estimated cost over the life of the contract is approximately £500m of which approximately 25% relates to Herefordshire Council. The original life of the contract was 25 years, until 2023, with the option to extend this by 5 years.
- 14.4 A variation to the contract was signed in May 2014 to design, build, finance and operate an Energy from Waste Plant. Construction was completed in 2017 with a funding requirement of £195m and an uplift to the annual unitary charge for both councils of £2.7m per annum.
- 14.5 Both councils provided circa 82% of the project finance requirement for the plant under a separate financing arrangement generating interest income for the councils. The remaining 18% was provided by the equity shareholders of Mercia Waste Management Limited.

Whitecross High School

- 14.6 The Whitecross School PFI project delivered a fully equipped 900 place secondary school with full facilities management services. The contract with Stepnell Limited has an overall value of £74m and lasts for 25 years, until 2032. During the 2012/13 financial year the school transferred to Academy status but the obligations under the PFI contract remain with the council.

15 High Needs



There is a severe cost pressure on high needs spend, spend on pupils with higher support needs, with growth and projected growth shown in the table above. The council is reviewing its SEN funding matrix whilst ensuring a new approach continues to comply with the legal duty to secure the special educational provision identified in an Education, Health and Care (EHC) plan. This statutory duty means that by meeting individual care plan needs an overspend may occur. The council recognises its absolute duty to provide all special educational provision in children's EHC plans and is committed to fulfilling that duty for every child with an EHC plan even if this leads to a deficit in the SEN budget.

16 Treasury Management Strategy

The council is currently reviewing and updating its treasury management strategy for the MTFS period. Currently (as at 30 September 2018) the council held investments of £36m attracting an average of 0.71% interest and outstanding long term debt of £240m at an average interest rate payable of 4.36%.

17 Reserves

Definition of Earmarked reserves and provisions

17.1 **Provisions** are required for any liabilities where the timing of payments or the amount of the liability is uncertain. Provisions are required to be recognised when:

- The council has a present obligation (legal or constrictive) as a result of a past event.
- It is probable that a transfer of economic benefit will be required to settle the obligations and;
- A reliable estimate can be made of the obligation
- Amounts set aside outside for purposes falling outside the definition of

provisions are considered to be reserves.

- 17.2 **Earmarked reserves** are amounts set aside for specific policy purposes or for general contingencies and cash flow management. For each reserve established, the purpose, usage and the basis of transactions needs to be clearly defined.

Use of Reserves

- 17.3 Reserves enables the council to do three things:

- Create a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. This forms part of the general reserves.
- Create a contingency to cushion against the impact of unexpected events or emergencies. This also forms part of general reserves.
- Creates a means of building up funds, often referred to as earmarked reserves, as defined above. To meet known or predicted liabilities.

- 17.4 There are other reserves that can only be used for specific statutory purposes. These include the usable capital receipts and pensions reserve. These are not considered as part of this policy.

Establishing a new reserve

- 17.5 When establishing reserves the council needs to ensure that it is complying with the Code of Practice on Local Authority Accounting and in particular the need to distinguish between reserves and provisions.

- 17.6 New reserves may be created at any time, but must be approved by The Cabinet when a reserve is established. The Cabinet needs to approve the following:

- Purpose- The reason for creating the reserve should be clearly stated.
- Usage- There should be a clear statement of how and when the reserve can be used.
- Basis of transactions – Delegated authority for approval of expenditure from the reserve.

Reporting reserves

- 17.7 The Chief Finance Officer has a fiduciary duty to local tax payers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

- 17.8 The overall level of reserves balances will be reported to Cabinet at least annually or when new reserves are proposed, the last report to Cabinet was in June 2018 (<http://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=251&MId=6584&Ver=4>).

- 17.9 The annual budget report to Council will include:

- A statement of movements in reserves for the year ahead and the following two years;
- A statement of the adequacy of general reserves and provisions in the forthcoming year and in the Medium Term Financial Strategy; and

- A statement on the annual review of reserves.

17.10 The level of reserves for the next three years will be reviewed at least annually as part of the Annual budget setting cycle. The Chief Finance Officer will review the Councils earmarked reserves for relevance of propose and adequacy.

17.11 Any amendments to ear marked reserves will be reported to the Cabinet for approval.

17.12 Once a reserve has fulfilled the purpose for which it was established, any remaining balance should be reallocated to another similar purpose ear marked reserve or surrendered to General Reserves.

18 Conclusion

This medium term financial strategy proposes delivering a balanced budget with tough savings required but a clear focus on continuing to improve outcomes. Herefordshire has an excellent track record of transforming services in difficult financial times and continuing to meet the needs of our customers.

19 Appendices

Appendix 1 - Net Revenue budget

Appendix 2 - Approved Capital Investment Programme

Appendix 3 - Reserves Policy

Appendix 4 - Risk Assessment

Appendix 1

Net Revenue budget and Directorate Spending Limits 2019/20

	2018/19 revised base	Funded pressures & other movements	Savings	2019/20 draft base budget
	£'000	£'000	£'000	£'000
Adults and communities	52,087	5,288	(700)	56,675
Children's and families	23,958	3,427	(200)	27,185
Economy and place	34,046	1,417	(2,453)	33,010
Corporate services	9,424	146	(379)	9,191
Sub Total	119,515	10,278	(3,732)	126,061
Centrally held budgets	24,609	(1,483)	(200)	22,926
Total	144,124	8,795	(3,932)	148,987
Financed by				
Revenue support grant	5,370			620
Business rates	33,256			35,457
Council tax	98,445			103,908
New homes bonus	2,540			2,029
Rural sparsity delivery grant	4,093			4,093
Collection fund surplus (one off)	420			500
Adult social care grant (one off)				2,380
Total	144,124			148,987

Appendix 2 Approved capital programme

	Prior Years £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	Total Capital Programme Budgets £000s
Adults and Wellbeing						
Disabled facilities grant		1,853	1,853	1,853	1,853	7,412
Affordable Housing Grant		800	800	800		2,400
Community Housing Fund		150	-	-		150
Hillside		250	1,250	-		1,500
Single Capital Pot	19	523	73	-		615
Revolving Loans	99	101	-	-		200
Private sector housing improvements	14	242	-	-		256
Total Adults & Wellbeing	132	3,919	3,976	2,653	1,853	12,533
Children's Wellbeing						
Colwall Primary School	6,430	320	-	-		6,750
Schools Capital Maintenance Grant	797	1,216	1,700	1,200	1,200	6,113
Peterchurch Primary School	7	-	493	5,000		5,500
Expansion for Marlbrook school	153	450	5,538	-		6,141
SEN & DDA school improvements		-	710	-		710
Brookfield School Improvements	6	-	1,298	-		1,304
CYPD's S106	313	392	605	-		1,310
Special Provision Capital Fund		-	333	167		500
Healthy Pupils		-	99	-		99
Individual Pupil Needs		151	120	-		271
Short Breaks Capital		-	118	-		118
Blackmarston SEN	30	55	-	-		85
Replacement Leominster Primary	3	39	-	-		42
Basic Needs Funding		-	2,058	6,833		8,891
2 Year Old Capital Funding	5	101	-	-		106
Preliminary works to inform key investment		200	1,815	-		2,015
Temporary school accommodation replacement		450	-	-		450
Total Children's Wellbeing	7,744	3,374	14,887	13,200	1,200	40,405
Economy, Communities and Corporate						
Hereford City Centre Transport Package	32,321	1,342	1,550	5,438		40,651
Local Transport Plan (LTP)		13,539	12,272	12,272		38,083
Fastershire Broadband	16,855	5,000	10,324	2,098		34,277
Hereford Enterprise Zone	8,318	4,758	2,924	-		16,000

Leisure Centres	9,639	413		-		10,052
Solar Photovoltaic Panels	503	120	1,511	-		2,134
Corporate Accommodation	2,362	509		-		2,871
ECC's S106		756		-		756
South Wye Transport Package	4,978	4,508	17,067	8,250	197	35,000
Marches business improvement grants	415	1,297	788	-		2,500
SEPUBU Grant	-	381	354			734
IT Network Upgrade	209	291		-		500
Property Estate Enhancement Works	826	1,414	500	-		2,740
LED street lighting	5,478	177		-		5,655
Herefordshire Enterprise Zone Shell Store		1,500	5,816	-		7,316
Cyber Security Centre Project		3,500		-		3,500
Development Partnership activities	300	5,300	35,000	-		40,600
Highway asset management		7,290	500	-		7,790
Hereford Transport Package		2,960		-		2,960
Ross Enterprise Park (Model Farm)		800	6,270	-		7,070
PC Replacement	70	290		-		360
Three Elms Trading Estate	(8)	125	358	-		475
Stretton Sugwas Closed Landfill	93	2		-		95
Customer Services and Library	10	123		-		133
Energy Efficiency		35	65	-		100
Strangford closed landfill site	20	11		-		31
Gypsy & Traveller Pitch development	29	331		-		360
Leominster cemetery extension	21	172		-		193
Tarsmill Court, Rotherwas		400		-		400
Children centre changes		370		-		370
Car Parking Strategy	58	188		-		246
Car Park Re-Surfacing		116		-		116
Office and Car Park Lighting Replacement		135	165	-		300
Data Centre Consolidation	124	106		-		230
Hereford Library	(6)	351		-		345
Total Economy, Communities and Corporate	82,615	58,610	95,464	28,058	197	264,944
Total	90,491	65,903	114,327	43,911	3,250	317,882

Appendix 3

Reserves

1. Review of Reserves

- 1.1. The overall reserves of the council will be subject to detailed review at the end of each financial year as part of the preparation for the production of the council's statement of accounts, and as part of the council's annual budget setting process to ensure reserves are
 - 1.1.1. Relevant,
 - 1.1.2. Appropriate, and
 - 1.1.3. Prudent.
- 1.2. The Chief Finance Officer will ensure that the council has in place well established robust and regular budget monitoring processes. These take account of the current level of reserves, the latest budget requirements calling on reserves to meet current commitments and to make contributions to reserves to meet future commitments.
- 1.3. The Chief Finance Officer must consider strategic, operational and financial risks in assessing the adequacy of the council's reserves position.

2. Use of Reserves

- 2.1. Approval to use or make contributions to reserves is provided by the Chief Finance Officer, as part of the regular budgetary process, in discussion with the Chief Executive and Leader of the Cabinet
- 2.2. Movements in reserve will be reported to Council as part of the financial Outturn at the end of the financial year.

3. Conclusion

- 3.1. The Chief Finance Officer is satisfied that the Council's ongoing approach to its reserves and provisions is robust. The council's strategic reserve is maintained between 3% - 5% of the net budget requirement, at the end of March 2016 the balance was £7.2m (5% of net budget).
- 3.2. This is sufficient to ensure that the council has adequate resources to fund unforeseen financial liabilities, and that the council's approach to general balances for 2017/18 is deemed appropriate. The level of reserves and expected movement in reserves are set out in the MTFS as part of the annual budget setting process.

Appendix 4 Key risk Assessment

	Key Financial Risks	Likelihood	Impact	Mitigating Actions
1	Unexpected events or emergencies By its nature, the financial risk is uncertain	Low	High	<ul style="list-style-type: none"> Council maintains a Strategic Reserve at level of between 3% and 5% of its revenue budget for emergency purposes Level of reserve is currently £7.9m (5% of budget)
2	Increasing demand for Adult Social Care Demand for services continue to increase as the population gets older	High	Medium	<ul style="list-style-type: none"> Demand led pressures provided for within our spending plans Activity indicators have been developed and will be reported quarterly alongside budget monitoring
3	Potential Overspend and Council does not deliver required level of savings to balance spending plans Challenging savings have been identified within our spending plans.	Medium	Medium	<ul style="list-style-type: none"> High risk budget areas have been identified and financial support is targeted towards these areas Regular progress reports on delivery of savings to Management Board and Cabinet Budget monitoring arrangements for forecasting year end position in place and forecast balanced Plan to review level of cover available from General reserves in place
4	Potential overspend on Special Education Needs the duty to secure provision identified in Education, Health and Care plans means an overspend may occur	Medium	Medium	<ul style="list-style-type: none"> This is a national issue with lobbying to increase central government funding A review of the application of the matrix is underway
5	Increase in Pension Liabilities Our contributions are influenced by market investment returns and increasing life expectancy.	Medium	Low	<ul style="list-style-type: none"> Spending plans reflect the level of pension contribution required as identified by the Pension Fund's Actuary in 2016 for the next three years
6	Failure to provide safeguarding and placements for children There is an increasing requirement to provide sufficient school places There is a rising number of children requiring specific support	Medium	High	<ul style="list-style-type: none"> Provision has been made in the capital programme to increase school places Directorate plans in place to manage and mitigate demand Ongoing reviews of children already under care of council
7	Volatility in future funding streams in Government funding streams and Business Rates Retention	High	Medium	<ul style="list-style-type: none"> Prudent assumptions made in budget Ongoing review of developing business rate changes Business case to support future investment decisions
8	Brexit Impact of EU exit may lead to increased volatility in economic stability and reduced access to funds	Medium	Medium	<ul style="list-style-type: none"> Reduced reliance on grant funding in all directorates Increased local economic and social investment to increase core income

Appendix A - Adults and Communities draft budget 2019/20

	Gross Budget	Net Budget Requirement
	£000	£000
Learning Disabilities	23,336	19,950
Memory & Cognition	3,129	2,328
Mental Health	4,574	3,911
Physical Disabilities	32,583	24,247
Sensory Support	505	402
Client Subtotal	64,127	50,838
Care Operations and Commissioning	8,133	8,114
Commissioned Services	4,410	3,038
Transformation and Improvement	1,714	1,714
Prevention and Wellbeing	3,808	2,667
Director and Management	1,549	(9,696)
Public Health	9,004	0
Non Client Subtotal	28,618	5,837
Adults and Wellbeing	92,745	56,675

Capital Funding Requests for approval – adults and communities

No	Scheme	Current Capital Programme £000	Total 19/20 £000	Total 20/21 £000	Total 21/22 £000	Capital Grant funding £000	Redirected funding £000	Capital receipt funding £000	Funded by ROI £000	Corporate Funded PB £000	Total Request £000
Adult & Communities											
12	Hillside	1,500.0	1,050.0	0.0	0.0	0.0	0.0	1,050.0	0.0	0.0	1,050.0
15	Waverley House, Leominster	500.0	468.0	0.0	0.0	0.0	0.0	0.0	0.0	468.0	468.0
	Total Adult and Communities	2,000.0	1,518.0	0.0	0.0	0.0	0.0	1,050.0	0.0	468.0	1,518.0

Capital Funding Request Scheme Description

No	Scheme	Scheme Description	Meet Corporate Plan
Adult & Communities			
12	Hillside	Redesign of Hillside into a nursing care facility for people with high level needs (dementia).	A,D

15	Waverley House, Leominster	Remodel Waverley House to develop 11 additional nursing beds to expand capacity to support vulnerable adults in Herefordshire. This will enable nursing beds to be sought and utilised for a rate lower than is currently being purchased. This proposal will generate a potential saving of circa £100k pa which has already been built into the MTFS. Therefore additional funds are now being requested to ensure that the budget will cover the revised cost of delivering this project.	A,D
----	----------------------------	--	-----

Key:- Corporate Plan

- A Enable residents to live safe, healthy and independent lives
- B Keep children and young people safe and give them a great start in life
- C Support the growth of our economy
- D Secure better services, quality of life and value for money

PROJECT DOCUMENTATION

FEASIBILITY BUSINESS CASE

Hillside Service and Property Redesign

Release: Draft

Date: 30 October 2018

Author: xxxx

Adults and Communities Directorate

Document Number:

Feasibility Business Case History

Document Location

The source of the document will be found on the council's project management system.

Revision History

Date of this revision: 30 October 2018

Date of next revision:

Revision date	Previous revision date	Summary of Changes	Changes marked
		First issue	

Approvals

This document requires the following approvals.

Name	Signature	Title	Date of Issue	Version
Stephen Vickers		Acting Director Adults and Communities	31 October 2018	1.0

Distribution

This document has been distributed to

Name	Title	Date of Issue	Version	Status
Capital funding request group		31 October 2018	1.0	Final

Table of Contents

1. Purpose of Document	4
2. Objectives	4
3. Background	4
3.1. Project Drivers and High Level Issues.....	4
4. Phase One Outcomes.....	5
4.1. The architectural support outcome	Error! Bookmark not defined.
4.2. The commercial support outcome	Error! Bookmark not defined.
5. Scope.....	6
5.1. Included in Scope.....	6
5.2. Not included in Scope.....	6
6. Stakeholders	6
7. Dependencies	7
8. Benefits	7
9. Contribution to Strategic Objectives.....	7
10. Potential Costs and Options for Project.....	8
11. Risks of not doing the Project	8
12. Appendices	10

1. Purpose of Document

In July 2018, a business case (phase 1 feasibility study) was approved by full council to explore options for the future use of the “Hillside” site.

Phase 1 of the project looked at feasibility for the site in two key areas:

1. commercial viability and future service delivery model for Hillside to be used as an Elderly Mental Illness (EMI) nursing facility
2. associated architectural redesign of the premises

This document provides an update on phase 1 of the project. Based upon the outcome of phase 1, it also sets out the request for the overarching capital costs associated with the next steps of the project.

2. Objectives

1. To present the outcome of the phase 1 feasibility study to inform future decision making.
2. Based upon the above, seek the initial agreement for the overarching capital costs associated with the next steps of the project.

3. Background

The council owns the freehold building currently known as Hillside Rehabilitation Centre (referred to as “Hillside”) situated on Pentwyn Avenue, Hereford HR2 7LB. Hillside is approximately one mile from the city centre between the Ross Road and Belmont Road.

Hillside is currently leased by Wye Valley NHS Trust (WVT). The site has for a number of years been operated by WVT as a community hospital. However, in 2017, a decision was made by NHS partners to close Hillside.

WVT have notified the council of its wish to end the current lease early. The council has not however accepted the lease termination due to an existing charge over the property.

Hillside currently has 22 en-suite bedrooms, 3 day rooms, 2 courtyards and onsite parking. Based upon the design of the property, phase 1 feasibility study set out to explore whether Hillside could be developed into a nursing home provision to meet the future needs of Herefordshire residents. The context for this is an ageing population with an increase in demand to provide high quality services for those with complex Elderly Mental Illness (EMI) needs set against a model of care that is financially sustainable.

3.1. Project Drivers and High Level Issues

- There are currently an estimated 44,800 people age 65 and over living in Herefordshire in 2016. Twenty-four per cent of Herefordshire’s population is aged 65 and over, compared to 18 per cent in England and Wales. Between 2016 and 2039 the number of people aged 65-84 is expected to increase by 34 per cent, and by 140 per cent among those aged 85 and over.
- By 2035 it is estimated that there will be 5,500 older people living with dementia in Herefordshire.

- Adult Social Care (ASC) currently spends £11.2m on nursing care provision for a total of 305 Herefordshire residents. Trend analysis shows that whilst numbers in this area are relatively static (as a result of the Herefordshire model for delivering ASC), care needs are however proportionately increasing in complexity. As a result, 54% of placements in nursing homes are now paid over the “usual” rate.
- Capacity to meet demand for complex care in Herefordshire is already pressured. The council often has difficulty in both finding placements for people with high needs and controlling the cost of these placements.

4. Phase One Outcomes

The local authority undertook a procurement exercise to commission expert consultant advisors in two key areas;

- a) Architecture and design consultancy support and;
- b) Financial modelling and commercial support.

4.1. Architecture and design consultancy support – outcome of feasibility

The architectural design company appointed to support with the project was IBI Group and were instructed to complete a Royal institute of Chartered Surveyors (RICS) stage one feasibility costing.

The report provides guidance in terms of anticipating typical costs associated with Hillside and benchmarking against projects which have recently been completed to compare to similar schemes in other regions.

The report focusses on two preferred options for the future design:

- 1) A mixture of 30 newly built and refurbished bedrooms and en-suites across two households on a single storey (appendix one). Works consist of significant structural alterations and refurbishment to provide a facility of a standard and specification that reflects the current marketplace for the level of care proposed and will have a mixture of en-suite sizes.
- 2) 25 newly built bedrooms and en-suites across two households on a single storey (appendix two). Work consists of significant structural alterations and refurbishment and will ensure all bedrooms have the recommended size bathrooms for this client group.

The report demonstrates that there is very little difference in build cost between the design options and either can be completed within the requested £2,550,000 capital cost.

A number of assumptions have been made in the costings which include the following:

- the building is of a suitable structural stability to allow for modifications with minimum structural alterations
- specific project risks are not known fully until stage two and stage three work described on page 4 of the report is completed. As such a contingency of 10% has been included.
- design specifics may change once a provider is appointed

In addition there are a number of exclusions identified within the report including:

- asbestos removal
- technology within the home to enable independence
- work arising from ecological reports that cannot be assessed accurately until the stage two and stage three of the works are completed.

4.2. Financial modelling and commercial support - outcome of feasibility

Cushman and Wakefield Limited were appointed as a commercial advisor to assist in assessing whether the proposed future use of Hillside as a nursing home operated by an external provider is commercially viable.

Commercial viability was assessed to establish whether an operating model was affordable to the council while remaining attractive to an external service provider.

The assessment of commercial viability focusses on the same two options of architectural design:

- 1) A mixture of 30 newly built and refurbished bedrooms and en-suites across two households on a single storey (appendix one).
- 2) 25 newly built bedrooms and en-suites across two households on a single storey (appendix two)

The commercial report was backed by a subsequent soft market test to gauge market interest in the project. The conclusion reached was that either design option was commercially viable.

At this stage adults and communities are completing a wider cost benefit analysis to finalise recommendations around design options.

5. Scope

5.1. Included in Scope

- The project will include completing a detailed business case to determine the final approval (or otherwise) for the project.
- Procurement and commissioning of care provider to support in final design and to operate the new facility
- Design and build including fixtures and fittings

5.2. Not included in Scope

- Technology enabled care (this will be scoped, developed & costed as part of a planned assistive technology strategy)
- Some elements of operating equipment

6. Stakeholders

Project Sponsor – Stephen Vickers (Director Adults & Communities)

Lead Member – Cllr Paul Rone (Lead Member Adults & Communities)

7. Dependencies

- Agreed lease submission between the council and WVT
- Further demand analysis and testing of assumptions underpinning the commercial model and commissioning strategy.

8. Benefits

The anticipated benefits of the proposed project are listed below:

- Meeting future demand pressures for nursing EMI care
- Controlling the costs of increasingly complex care
- Improved market resilience
- Revenue savings and cost avoidance for the ASC budget
- Improving outcomes for people receiving nursing care in Herefordshire by providing a high quality provision.
- Developing a training environment that supports and enhances the care and nursing workforce in Herefordshire
- Supporting timely discharge from hospitals.
- Utilising an existing capital asset for which the council owns the freehold

9. Contribution to Strategic Objectives

The council's corporate plan has four priorities. The redesign of Hillside supports two of these:

- to enable resident to live safe, healthy and independent lives
- secure better services quality of life and value for money

10. Potential Costs and Options for Project

- Capital Costs
 - Estimated costs of refurbishment- £2,550,000
This could be financed either through prudential borrowing or through utilising capital receipts
- One-off Revenue Costs of Feasibility Study (included above)
 - Professional Fees (Legal and Architects Fees)
 - Consultancy Fees (commercial expertise to assess market viability)
- Additional Revenue Costs if project proceeds after feasibility study

The costs of placements to nursing beds and ongoing repairs and maintenance to Hillside are already included in existing budgets as these costs would have been incurred under the current circumstances, so additional revenue costs are small or none

11. Risks of not doing the Project

11.1. The key risks of not doing the project are:

- Lose the opportunity to develop additional nursing home capacity
- Failure to manage market pressures and costs
- Hillside will stand empty and continue to incur costs while the asset is not utilised and deteriorates
- Continue paying high rates for nursing beds which will affect the ongoing budgetary pressures.
- Control of the market and difficulty in sourcing placements will continue.

The key project risks are:

Risk	Mitigation
<p>If the lease is not surrendered by WVT and the covenant remains on the building this could have a financial impact on the council</p>	<p>Legal advice to be sought, the project and redesign will not commence until this has been confirmed and will be monitored through the project board.</p>
<p>Delay in confirming the covenant will impact on the commencement of the redesign and the property remaining empty, which could encourage vandalism.</p>	<p>Interim arrangements for the building have been scoped however these will not commence until confirmation has been given. Security of the building is in place.</p>
<p>The estimated £2,550,000 for the refurbishment costs is below the actual costs following the detailed feasibility study.</p>	<p>The redesign work will not commence until a further decision is made to approve any additional costs.</p>
<p>The detailed commercial modelling demonstrates that the redesign would not be viable for providers to deliver a financially sustainable nursing home.</p>	<p>The redesign work will not commence and further guidance will be sought of the future utilisation of the building.</p>
<p>The lack of providers to deliver the care within the redesigned home.</p>	<p>Soft market testing has commenced to engage with the market and a commercial strategy will be developed.</p>

PROJECT DOCUMENTATION

FEASIBILITY BUSINESS CASE

Insert Project Name

Waverley House, Leominster, Herefordshire

Release: Draft Date:

Author: xxxx

Document Number:

Feasibility Business Case History

Document Location

The source of the document will be found at

Revision History

Date of this revision:

Date of next revision:

Revision date	Previous revision date	Summary of Changes	Changes marked
31 October 2018		First issue	

Approvals

This document requires the following approvals.

Name	Signature	Title	Date of Issue	Version

Distribution

This document has been distributed to

Name	Title	Date of Issue	Version	Status

Table of Contents

1. Purpose of Document	4
2. Objectives	4
3. Background	4
3.1. Project Drivers and High Level Issues	4
3.2. High Level Metrics	5
4. Scope.....	6
4.1. Included in Scope.....	6
4.2. Not included in Scope	6
5. Stakeholders.....	Error! Bookmark not defined.
6. Dependencies	6
6.1. Initiatives which depend on this project are:	6
6.2. This project depends on:	6
7. Benefits	6
7.1. Quantifiable	6
7.2. Non-quantifiable.....	7
8. Contribution to Strategic Objectives.....	7
9. Potential Costs and Options for Project (<i>Optional</i>)	8
10. Costs and Timescales to Develop the Stage 1 Business Case.....	8
11. Risks of not doing the Project	9
11.1. The key risks of not doing the project are:	9
11.2. The key project risks are:	9
12. Appendices	10

Stage 0 Business Case

12. Purpose of Document

The purpose of this report is to seek approval for capital monies for the internal remodelling of Waverley House, Leominster and to approve a total capital budget of up to £968k to fund the redesign for an additional 11 nursing beds.

13. Objectives

Secure capital funding to increase nursing placement capacity and maximise existing resources to meet future demand.

Maximise and secure bed provision for adult social care clients within a challenging high cost market.

Key milestone as follows:

- *Engage and appoint suitable employers agency to manage the project e.g. drafting tender pack, specifications, procurement and contracts- February 2019*

14. Background

Waverley House nursing home was built in 2006/07 and forms part of a 30 year block contractual agreement with Shaw Healthcare Ltd for a number of facilities, including residential and nursing homes and extra care properties, across the county.

A £400k capital budget was approved previously by council which estimated the build cost based on commercial advice at that time with Strongs estimating the cost of the project at £354,772 in June 2018. Since this point two official quotations have now been received which are higher than the estimate by Strongs, therefore in order to progress the project additional funding is required above the original estimate. The higher tender was £567,385 and the lower tender was £449,000 with several areas requiring further further clarification/underwriting.

The continuing rise in demand and the cost of care presents a significant challenge to deliver care services within our current funding levels. The expansion of capacity at Waverley House represents one part of the wider strategy for addressing this need ensuring we meet the Adults Wellbeing plan and corporate objectives including commissioning services that are value for money.

14.1. Project Drivers and High Level Issues

- The council's ownership of the building, together with this savings forecast, provides evidence that the proposed arrangement represents a best value solution for the council and that the terms of investment are those which a normal market investor would make, thus demonstrating compatibility with state aid law.

- There are currently an estimated 44,800 people age 65 and over living in Herefordshire in 2016. Twenty-four per cent of Herefordshire's population is aged 65 and over, compared to 18 per cent in England and Wales. Between 2016 and 2039 the number of people aged 65-84 is expected to increase by 34 per cent, and by 140 per cent among those aged 85 and over.
- By 2035 it is estimated that there will be 5,500 older people living with dementia in Herefordshire.
- Adult Social Care (ASC) currently spends £11.2m on nursing care provision for a total of 305 Herefordshire residents. Trend analysis shows that whilst numbers in this area are relatively static (as a result of the Herefordshire model for delivering ASC), care needs are however proportionately increasing in complexity. As a result, 54% of placements in nursing homes are now paid over the "usual" rate.
- Capacity to meet demand for complex care in Herefordshire is already pressured. The council often has difficulty in both finding placements for people with high needs and controlling the cost of these placements.
- Analysis of future demand for care home beds in Herefordshire has projected demand for nursing care home beds rising from the current 452 beds to 820 by 2036, indicating a requirement for an additional 368 beds over the coming 19 years. The estimated number of people in nursing care homes with dementia in Herefordshire is expected to rise from the current 294 to 554 over the same period.
- This is set against a demand for nursing beds per month which can fluctuate from 6 – 19 placements needed a month (based on DASHBOARD data) and therefore capacity is needed to meet this demand. If any of the nursing homes have any quality issues and with subsequent suspension on placements, capacity for EMI nursing beds can reduce very quickly and the council needs to ensure the market can meet the demand.
- Furthermore analysis of the use of the current 10 block contracted nursing EMI beds back to May evidences no voids. The council currently spot purchases in the region of 7 beds at any moment in time at Waverley in addition to the 10 block beds. Once the additional 11 beds are available under the block arrangement at a much lower rate, it will offer not only additional capacity but revenue savings to the council.

High Level Metrics

- Reduction in DTOC figures
- Increased capacity in the market
- Improved value for money

15. Scope

15.1. Included in Scope

The proposal is to redesign and remodel the Waverley House building to increase the nursing EMI bed capacity by 11 beds ensuring the design meets the needs of individuals including utilising technology. This will involve moving the day care service to a smaller room at the rear of the building, the next phase will involve moving the 7 residential 'reablement' beds from upstairs down to the day care footprint. The next phase will entail developing the old 7 reablement bed area into 11 new nursing EMI beds which will then become part of the block contract through a formal contract variation.

15.2. Not included in Scope

Any other element of the block contractual arrangement with this Provider.

16. Stakeholders

A project board has been developed and includes: Director of A&C, legal, property services, finance, procurement, Commissioners and the current Provider who is also and lease holder at Waverley.

17. Dependencies

17.1. 6.1 Initiatives which depend on this project are:

Due to the reduction of spot rate to block rate, Shaw Healthcare The Provider has requested a maximum six month transition period to minimise the financial impact of moving from the higher spot purchase rate to the block contract lower rate. This will reduce earlier if the spot purchased beds that are occupied by council funded residents. A transition period for the full six month period but the council will benefit greatly in the future usage of the beds. To assist in mitigating any risk around this transition period and ensure that capacity is fully utilised, there will be monitoring on a daily basis of actual capacity within Waverley House (both block and spot provision).

17.2. 6.2 This project depends on:

- Subject to capacity within the construction market to deliver.
- Recruitment to additional staff for the Provider

18. Benefits

18.1. 7.1 Quantifiable

The anticipated benefits of the proposed project are listed below:

- Meeting future demand pressures for nursing EMI care
- Controlling the costs of increasingly complex care

- Improved market resilience
- Revenue savings and cost avoidance for the ASC budget
- Improving outcomes for people receiving nursing care in Herefordshire by providing a high quality provision.
- Supporting timely discharge from hospitals.
- Utilising an existing capital asset for which the council owns the freehold
- The property comes back to the council at the end of the contract in 2034, so the council are investing capital in their own building.
- The financial analysis set out in this report confirms that the council will recover the proposed level of capital investment over a period of 11 years, assuming of course that the maximum level of funding is required ie.£968k. This will be achieved by a saving on the bed rate of 11 nursing EMI beds which will move from the provider's spot bed rate to the block rate at the time the beds are available for use.

18.2. 7.2 Non-quantifiable

- A care home market which will be resilient to fluctuating market pressures such as quality, reducing capacity due to home closures, change of owners or business.
- Additional nursing bed provision in county is imperative and part of a wider commissioning and market management approach.
- Good quality additional beds in the market will offer more choice to clients in county.

19. Contribution to Strategic Objectives

This project will support the council corporate objectives and the adults wellbeing plan to:

- To enable residents to live safe, healthy and independent lives
- Secure better services, quality of life and value for money

The successful implementation of this project is an integral part of the medium term financial strategy (MTFS) as it will enable nursing beds to be sought and utilised for a rate lower than is currently being purchased.

The council has duties under the Care Act 2014 to meet assessed eligible needs and to understand and manage its market to ensure choice, quality and sustainability.

The redesign and remodelling works will support the council's operational social work teams through increasing nursing care bed capacity, where there is demand and pressure and in particular the DTOC figures and hospital pressures.

20. Potential Costs and Options for Project

The financial analysis set out in this report explains that the council will recover the proposed level of capital investment to a maximum of 11 years by a saving in the price of 11 beds which will move from the provider's spot to block rate. The council currently have eight individuals in spot purchase Nursing EMI beds at Waverley House at a 'market rate', this proposal will afford the council a potential saving of approx. £100k per annum against the spot purchased provision. The council's ownership of the building, together with this savings forecast, provides evidence that the proposed arrangement represents a best value solution for the council and that the terms of investment are those which a normal market investor would make, thus demonstrating compatibility with state aid law.

The council 'tested' the market and went out to formal tender in August 2018 for the building works and received formal quotations which were received on 4 September 2018. The council now has indicative costs for the project e.g. Architects fees, legal costs, bank charges, Employer Agency costs, Fixture, Fittings & Equipment.

Costs and Timescales to Develop the Full Business Case

Key milestones as follows:

- Engage and appoint suitable employers agency to manage the project e.g. drafting tender pack, specifications, procurement and contracts- February 2019
- Secure formal tenders/quotations- March 2019
- Select the construction company and award the works based on procurement process- April 2019
- Complete the phased remodelling and redesign works – up to 26 weeks after commencement of works by 1 November 2019
- Block contract variation agreed – by the 1 November 2019
- Provider recruit staff – by 1 November 2019
- New nursing EMI care home beds available at Waverley House -1 November 2019

Capital cost of project	2019/20
(Please note these are approximate costs)	£000
<i>Build cost</i>	650
<i>Fixture and fittings</i>	60
Project management costs (designs, bank and legal fees, building regs, project management fees)	170
Contingency 10%	88
TOTAL	968

The capital request must be submitted by the end of October 2018, but the outcome of the request will not be fully known until Full Council has considered the capital programme in February 2019. The formal quotations for the building works received on the 4th September 2018 will have expired (13 weeks from

tender submission date). The council are currently establishing whether or not the formal quotations received will be honoured until the outcome of the capital funding request is known. As such we may need to undertake a further competitive tender exercise which will take approximately 3 months.

21. Risks of not doing the Project

The option of not doing the project is not recommended as the council is experiencing difficulties in sourcing nursing bedded provision in Herefordshire to enable it to meet the eligible needs of vulnerable adults and is highlighted in the A&C Risk register.

21.1. The key risks of not doing the project are:

- Lack of affordable nursing EMI care provision
- Increased numbers of DTOC
- Not managing the market as per Care Act 2014
- Meeting the Medium Term Financial Strategy (MTFS) targets
- Not meeting the corporate aims and objectives
- Not maximising the councils available building and contractual resources

21.2. The key project risks are:

- Insufficient capacity within the construction market to respond positively within the timescales required.
- Health and social care workforce pressures are well documented. Other strategies are in place to mitigate this as a risk.

22. Appendices

Appendix 1 – Outline capital funding request

22.1. Appendix 2 – Equality and Diversity considerations

N/A.

22.2. Appendix 3 – Privacy and information security considerations

N/A

22.3. Appendix 4 – Sustainability considerations

N/A covered in this report.

Budget consultation 2019/20

Outcome report

Version V1.0
Herefordshire Council Intelligence Unit

November 2018

Contents

Key findings:	3
Introduction	4
Methodology	4
Results.....	5
Respondent profile	13
Appendix A: Nonstandard/other responses.....	14
Appendix B: Map of respondents to consultation.....	14
Appendix C: List of comments.....	14
Appendix D: The questionnaire	14

If you need help to understand this document please call the Research Team on 01432 261944 or e-mail researchteam@herefordshire.gov.uk

Key findings:

- 39 per cent of respondents thought the council's proposal to increase Council Tax by 4.9% is about right, while 49 per cent thought it is too much and 12 per cent thought it is too little.
- While 25 per cent of respondents agreed with the allocation of Council tax spend as set out in the budget till receipt, 56 per cent did not. There was a broad range of views about alternative ways of allocating resources.
- 37 per cent of respondents supported the council increasing its borrowing requirement by £22.3m to increase the level of investment in the county, 15 per cent supported borrowing more, and 48 per cent supported borrowing less.
- 49 per cent of respondents supported 'keeping the maximum discount of 84%' for the low income households Council Tax discount, 12 per cent supported increasing the discount and 39 per cent supported reducing the level of discount.
- With regard to the council's award of business rate discounts to small businesses, 44 per cent supported to 'continue to award the same level of business rate discount', compared to 32 per cent supported 'increasing the availability of business rates discount' and 24 per cent supported 'reducing the level of discount'.
- 78 per cent of respondents agreed with the proposal to use £1.6m to employ more children's social workers and to support more help for children, young people and families at an early stage.

Introduction

The consultation on Herefordshire Council's budget for 2019/20 ran Thursday 5 July 2018 to Friday 21 September 2018. This report presents the key points from the analysis of standard responses received to the consultation questionnaire.

Methodology

The budget consultation questionnaire was designed and quality assured by a project team. The questionnaire was published on the Herefordshire Council website and residents were invited to complete it online. A printable version was made available on the website for residents who preferred to download, print and complete the questionnaire. The consultation was promoted on the council's social media sites (Twitter and Facebook). And was also promoted to a wide range of key stakeholders and groups.

This report presents the results of the combined online and paper responses to the questionnaire. The sample base is the number of respondents to the question and is the base from which percentages are calculated. The sample base used is specified for each question. Percentages are presented rounded to the nearest whole number in the tables; however, the charts are based on unrounded percentages.

Note that if respondents could select more than one answer to a particular question, the percentages may add up to more than 100 per cent.

Where comments have been provided these are listed in full in appendix C but have been anonymised and corrected for spelling where appropriate.

There were a total of 225 responses to the questionnaire, of which 219 were submitted online and six were completed paper copies.

Results

The following analysis represents 225 responses received to the consultation questionnaire. Appendix A contains the responses received e-mails to the consultation. The analysis of free text comments and suggestions to the questionnaire are included in this report. The full list of comments and suggestions can be found in appendix C.

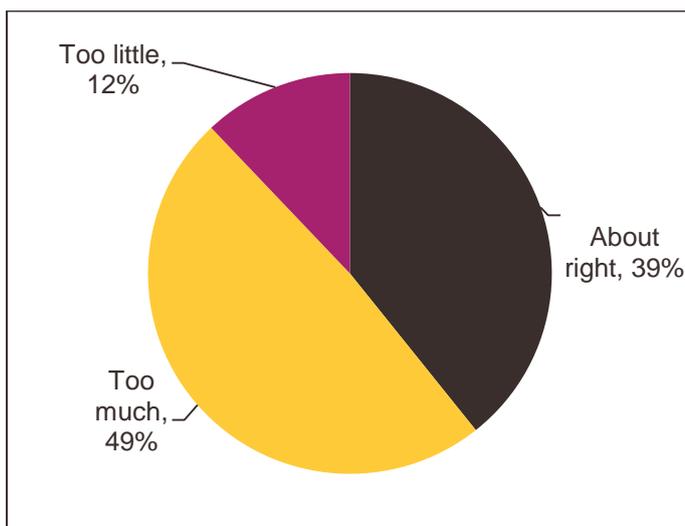
Q1. What do you think about our proposal to increase Council Tax by 4.9% in 2019/20?

39 per cent of respondents thought the council's proposal to increase Council Tax by 4.9% is about right, while 49 per cent thought it is too much and 12 per cent thought it is too little.

Table 1: Respondents to Q1

	Number of respondents	Percentage of respondents
About right	88	39%
Too much	109	49%
Too little	27	12%
Total answered	224	100%
Not answered	1	

Figure 1: Percentage of respondents to Q1



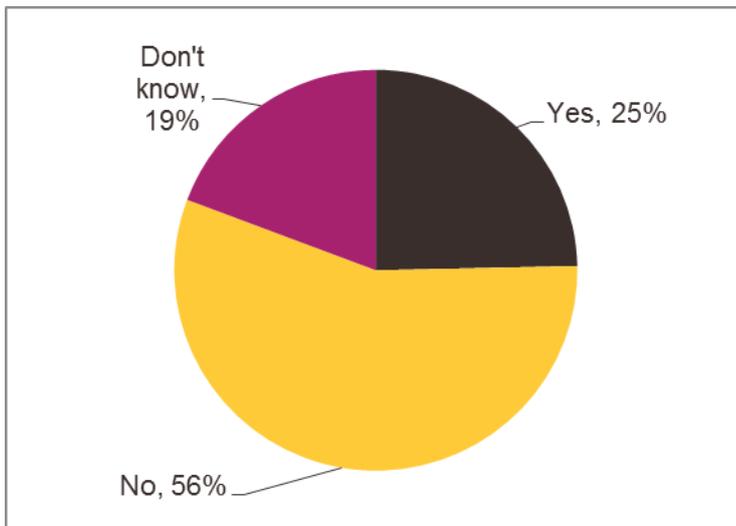
Q2. Do you agree with the allocation of Council Tax spend as set out in the budget till receipt? This includes a 4.9% increase for 2019/20.

While 25 per cent of respondents agreed with the allocation of Council tax spend as set out in the budget till receipt, 56 per cent of respondents did not. 19 per cent of respondents said they ‘don’t know’.

Table 2: Respondents to Q2

	Number of respondents	Percentage of respondents
Yes	55	25%
No	125	56%
Don't know	43	19%
Total answered	223	100%
Not answered	2	

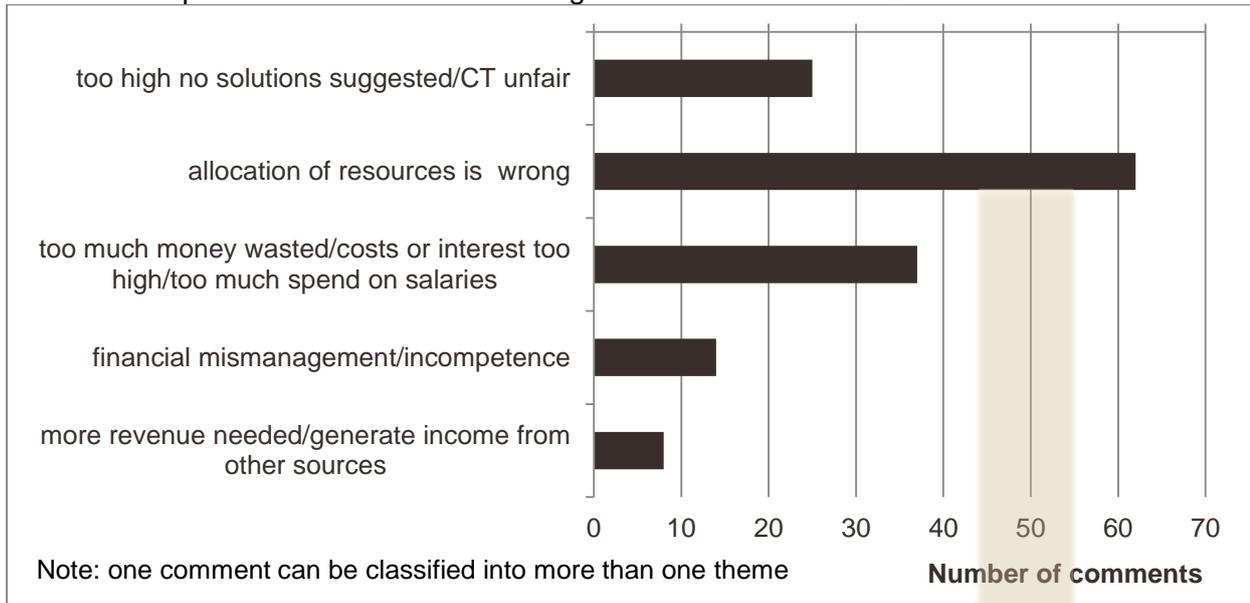
Chart 1: Percentage of respondents to Q2



If not, please explain why:

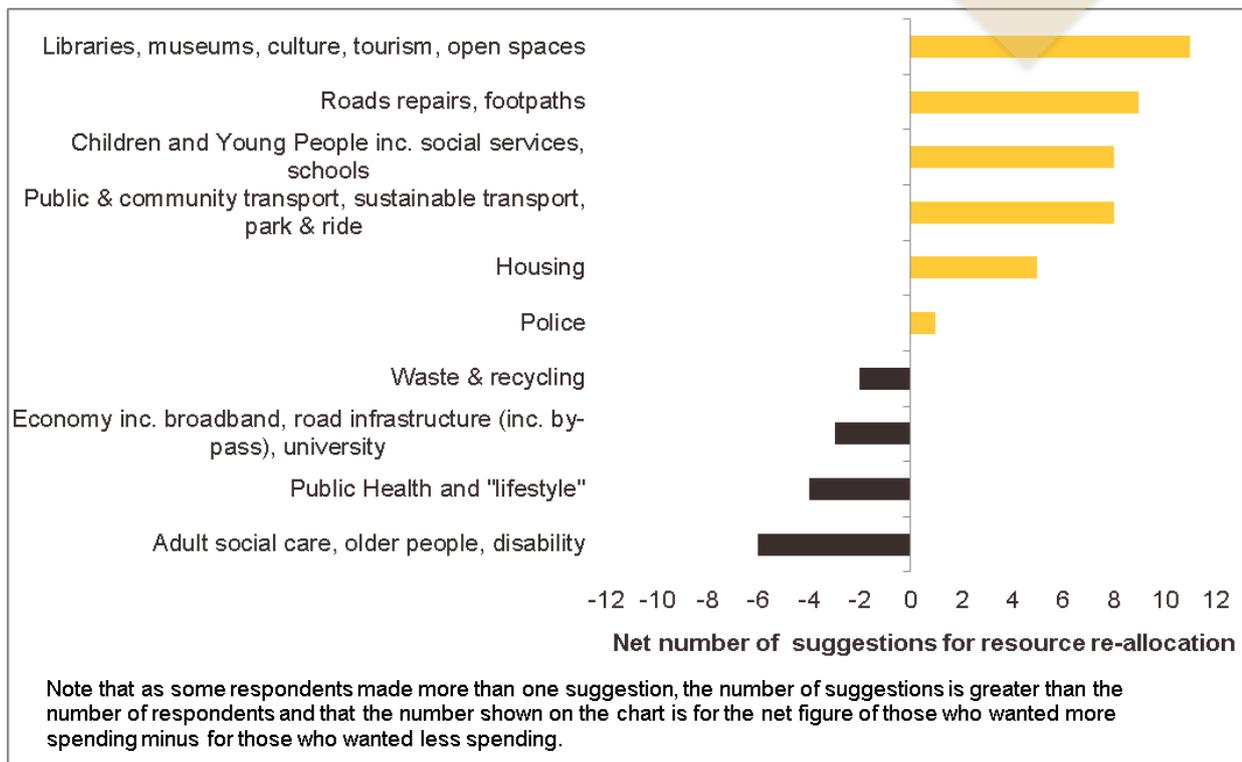
Respondents were asked to explain why they do not agree with the Council Tax allocation for 2019/20. There were 112 comments provided, the broad themes emerged from these comments as follows:

Chart 1a: Proportion of broad themes emerged from comments to Q2a



The comments of those respondents who indicated they felt the allocation of resources is wrong were analysed further to see which areas they felt should have more or less spent on them. The results were as follows:

Chart 1b: suggestions for resource reallocation



Please see appendix C for the full list of comments.

The council intends to invest over £48m in capital projects, such as improving Herefordshire’s roads and transport network, developing facilities for business to establish and grow in Hereford and Ross-on-Wye, improving schools and supporting delivery of housing.

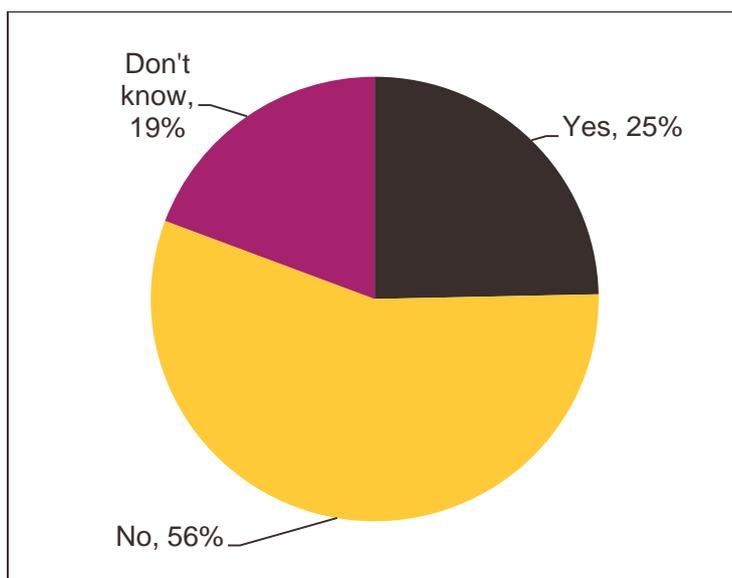
Q3. To support this investment we intend to borrow £22.3m, with repayment costs incorporated into household Council Tax. Do you:

37 per cent of respondents supported the council increasing its borrowing requirement by £22.3m to increase the level of investment in the county, and 15 per cent supported borrowing more. 48 per cent supported borrowing less.

Table 3: Respondents to Q3

	Number of respondents	Percentage of respondents
Support the council increasing its borrowing requirement by £22.3m as proposed?	82	37%
Think that the council should borrow more than proposed to increase the level of investment in the county?	33	15%
Think that the council should borrow less, and reduce its investment in the county?	105	48%
Total answered	220	100%
Not answered	5	

Chart 2: Percentage of respondents to Q3



If borrow more, what should the extra borrowed money be spent on?

Of the respondents who provided a meaningful suggestion, two fifths would support investing on 'infrastructure', a fifth would support investing on 'public transport', a sixth for 'library/museums/tourism' or 'children's services'. There were also suggestions for investing in 'affordable housing, 'new university' and 'health improvement services'.

If borrow less, what investment should be cut?

A third of respondents who provided a comment suggesting a 'cut' to investment have suggested that council should cut down investment on 'proposed bypass and/or on new roads and transport network', a fifth suggested reducing expenditure, a sixth suggested reducing investment in 'housing'. Cutting down investment on 'economy and businesses', 'schools' and overall investment in 'Hereford' were also suggested.

Please see appendix C for the full list of comments.

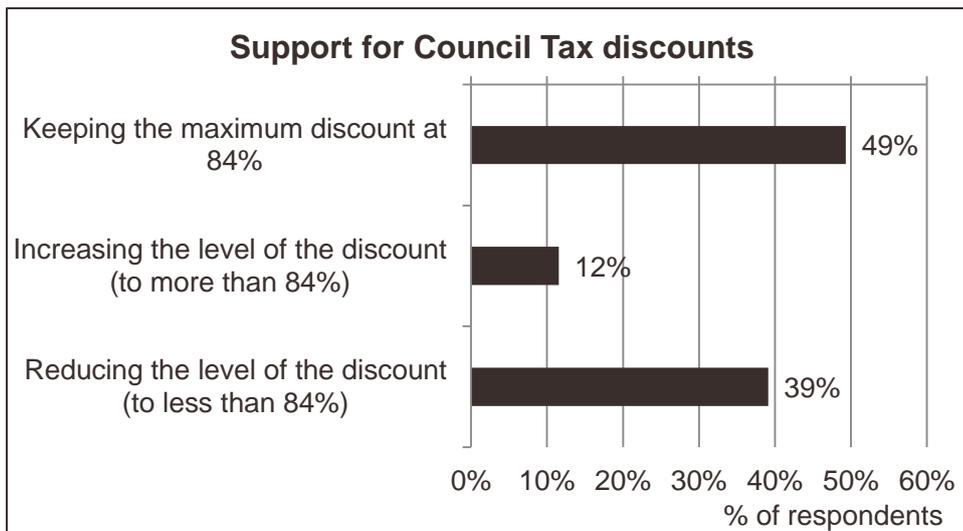
Q4. The Council Tax Reduction scheme currently allows for households on low income to have their Council Tax discounted by a maximum of 84% of the amount payable. Would you support:

'Keeping the maximum discount at 84%' is supported by 49 per cent of respondents, while 12 per cent would support 'increasing the level of discount' and 39 per cent would support 'reducing the level of discount'.

Table 4: Respondents to Q4

	Number of respondents	Percentage of respondents
Keeping the maximum discount at 84%	111	49%
Increasing the level of the discount (to more than 84%)	26	12%
Reducing the level of the discount (to less than 84%)	88	39%
Total answered	225	100%

Figure 2: Percentage of respondents to Q4



Q5. The council awards approximately £18.7m of business rates discounts in a year, including £8.4m awarded to small businesses. Would you support:

44 per cent of respondents supported to continue to award the same level of business rates, while 32 per cent supported increasing the availability of business rates, and 24 per cent supported a reduction in the level of available business rates discounts.

Table 5: respondents to Q5

	Number of respondents	Percentage of respondents
Continuing to award this level of business rates discount	99	44%
Increasing the availability of business rates discounts	72	32%
Reducing the level of business rates discounts available	53	24%
Total answered	224	100%
Not answered	1	

Figure 3: percentage of respondents to Q5



The caseloads of social workers who work with children, young people and their families to keep them safe are of concern to us. In order to reduce these workloads and the chance of children and young people being at risk because of them, we are proposing to use £1.6m to employ more children’s social workers and to support more help for children, young people and families at an early stage.

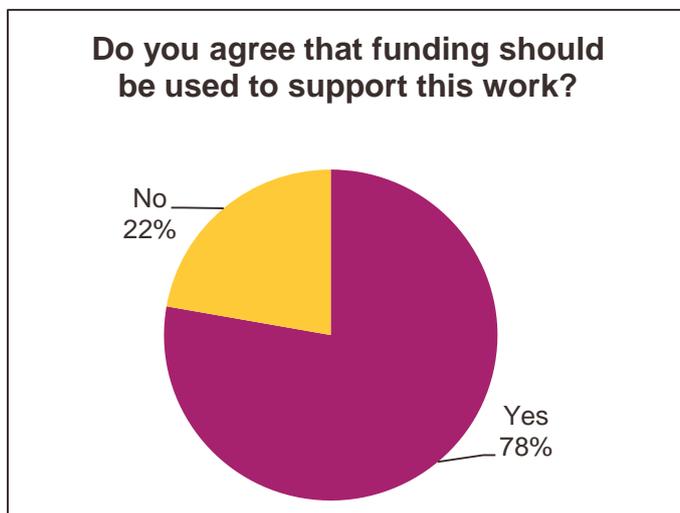
Q6. Do you agree that funding should be used to support this work?

78 per cent of respondents supported the proposal to use £1.6m to employ more children’s social workers and to support more help for children, young people and families at an early stage – table 6

Table 6: respondents to Q6

	Number of respondents	Percentage of respondents
Yes	175	78%
No	50	22%
Total answered	225	100%

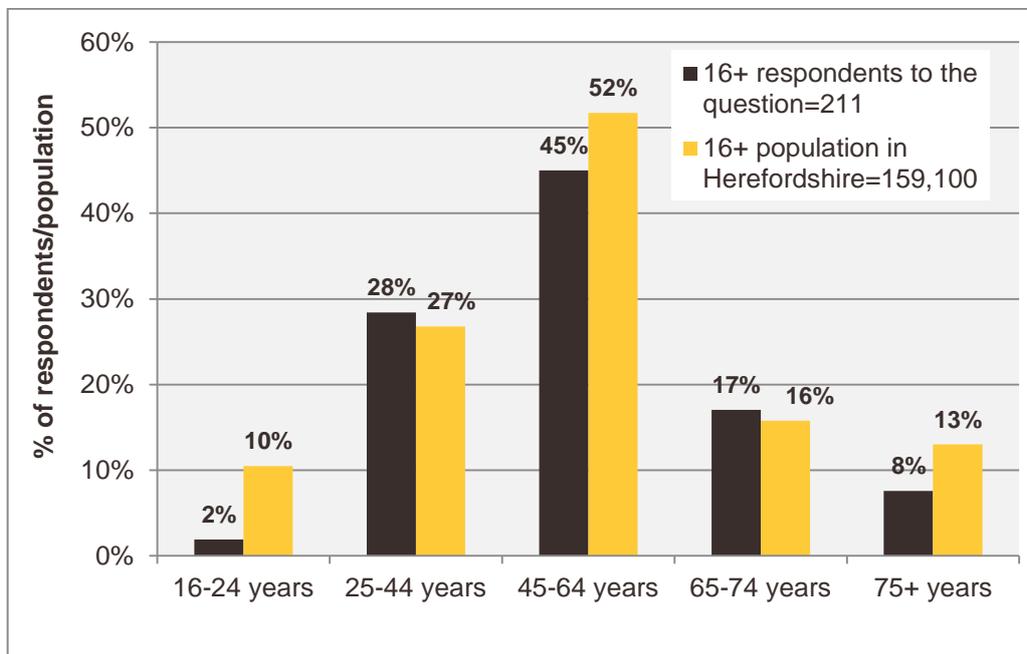
Figure 4: percentage of respondents to Q6



Respondent profile

- Two per cent of respondents represented an organisation or a group while 98 per cent were individuals. Three organisations identified themselves as:
 - Kingstone Academy Trust
 - Bosbury and Coddington Parish Council
 - Hereford and South Herefordshire Green Party
- 181 respondents provided their full postcode - please see map (appendix B- map of respondents to consultation)
- 53 per cent of respondents to the survey were males, 40 per cent were females, and 7 per cent preferred not to say.
(Herefordshire population profile: 50 percent to 50 percent)¹
- 25 per cent were aged 65 years or over, 45 per cent were aged 45-64 years, 28 per cent were aged 25-44 years and two per cent were 24 years or younger. People aged 24-64 years were largely over represented in the consultation.

Chart 4: Age distribution of survey respondents and Herefordshire population



¹ The Population of Herefordshire 2018 (<https://factsandfigures.herefordshire.gov.uk/media/60636/population-of-herefordshire-2018-v10.pdf>)

- 13 per cent of respondents' day-to-day activities were limited a little or limited a lot because of a health problem or disability which has lasted, or is expected to last, at least 12 months.
- 94 per cent of respondents identified themselves as English, Scottish, Welsh or British; five per cent identified themselves as another national identity.
- Of the respondents who answered the question about their ethnicity, 96 per cent identified themselves as 'white' and three percent as 'other white'. This composition is slightly different to the adult population ethnicity profile of the county, where five per cent were 'other white' and two per cent were 'non-white' (2011 Census).

Appendix A: Nonstandard/other responses

Appendix B: Map of respondents to consultation

Appendix C: List of comments

Appendix D: The questionnaire

Email responses from residents

Email 1:

Companies such as Balfour Beatty to make a profit for their shareholders, not to enhance the lives of residents. In this rural county their lack of expertise in tree work and general care for the rural environment is all too obvious.

If the council ran its own in house workforce it would provide local jobs and that element of profit margin would be saved.

Distance travelled is a big factor in this county; employ local people in the market towns to care for the environment and facilities such as toilets.

We are a tourist destination for people keen to escape urban areas and experience old world charm so spend more on Tourist Information to promote what we have

Instead of intricate paving schemes in the heart of Hereford, spend more on plain tarmac so that our charming lanes and few main roads can be driven along smoothly and people do not trip over numerous potholes. Does the County Hospital send you details of the number of casualties they treat? Broken hips are the beginning of the end for many elderly people – this county has more than most authorities.

<name removed>

Email 2:

1. I refer to the consultation "till receipt" included in the consultation.

In the list of items 'Other income to supplement council tax' I would expect to see some income from Business Rates, Revenue Support Grant and possibly from the Energy from Waste scheme?

(In the presentation you show an expected income of £36m from business rates - a third of the income from Council Tax. Admittedly RSG is tiny.)

2. Can you explain why in the presentation of the budget for 2018/19, it showed that the savings expected from EC&C in 2019/20 were £1.060m, and in the presentation of the 2019/20 budget this time, the same directorate is expected to make savings of £2.017m.

For example, are you proposing to make additional cuts (£225m) to Public and Community Transport that were not originally projected for 2019/20?

And why the savings from Corporate in 2018/19 budget presentation were £1.2m and are now £0.5m?

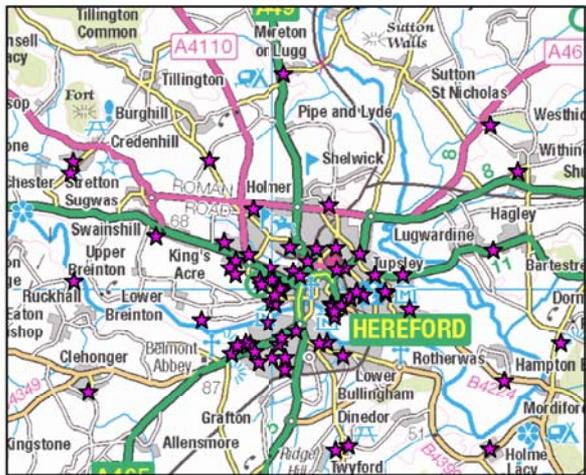
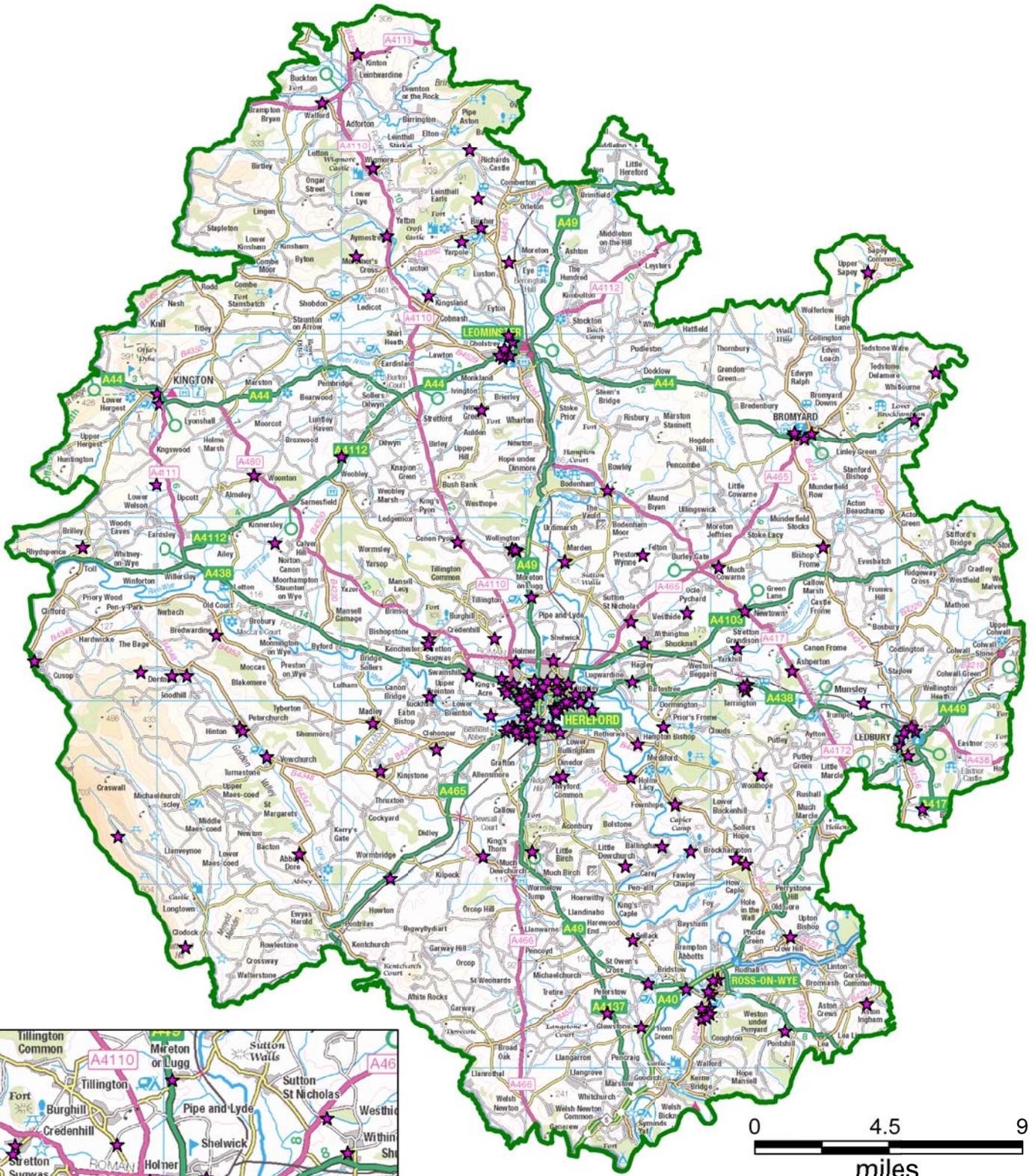
3. The Corporate Plan for 2016-2020, shows a base budget of £141m for 2019/20. This consultation has a figure of £145.4m. Why has the budget increased?

4. The MTFS Capital Programme shows a spend of £10.341m on the Local Transport Plan in both 2018/19 and 2019/20. What is this expenditure for?

5. The MTFS Capital programme for 2019/20 shows zero spend on other schemes less than £500k. Is this realistic?

Thank you

<name removed>



**Budget and priorities
consultation 2018 respondents**



Intelligence Unit
Herefordshire Council
Pough Lane
Hereford
HR4 0LE

© Crown copyright and database rights (2018) Ordnance Survey (100024168)
ONS LSOA boundaries are reproduced with the permission of HMSO

Appendix C: List of comments

Introduction

This report shows the comments made by residents to budget consultation 2018 questionnaire. Some of the comments have been edited to preserve anonymity, where this has been done the changes are marked within < >. Any remarks added by data entry personnel are shown in parenthesis, for example [comment illegible].

Note: Some of the comments refer to the statement number in the questionnaire. Where necessary, please refer to the consultation questionnaire.

Q2. Do you agree with the allocation of Council Tax spend as set out in the budget till receipt? This includes a 4.9% increase for 2019/20. If not, please explain why:

Comments:
Not enough is spent on fixing the county's roads nor on the library and museum's service
Need more road maintenance, hence answer to question1
Not enough is spent on providing affordable housing for local residents. In particular in rural villages where young families are being pushed out by market forces and buyers that come to the county from afar. It is an absolute disgrace that Herefordshire does not help its own young working families to get on the housing ladder. If private enterprise is not willing to provide affordable housing due to profit margins, perhaps the council should consider building its own housing to provide for its residents.
You waste too much money on non-essentials
Money not being put into early intervention and charities offer services for much lower rates why is this?
Your questionnaire assumes I agree with the method of collecting tax i.e. Council Tax. It is unfair regressive and there are not enough bands so that wealthy householders pay more
Economic growth is a priority for the council yet there seems to be a lack of investment; shouldn't investment in this area be presented as providing for our children's future? On the subject of protecting our children - when are the council going to get to grips with their finances. They have a research team that forecasts need, a finance team which allocates budget, and a management team that seem to overspend in this area. One of them must be wrong in what they do!!
Childrens Services require more spending helping young people in the care system and those that support them. The budget is stretched far too thinly and I would like to see the budget doubled
Too high
Start saving before spending and pay cuts up the top would help
The continuous cuts to services and rewritings regulatory criteria to reduce expenditure is not the best approach. The undefined level of savings and the means of achieving them is just wishful thinking.
I'd like to see far more spent on broadband rollout, and roads (repairs, snow clearance etc.); and much less on lifestyle services, schools and buses.
You need to lower your running costs and spend less on vanity projects and more on economic development

19

Comments:
Make cuts to staffing and executive pay
Some of your costs are simply too high. Why do we insist on having libraries, when most people read / buy books online now (if you do keep them, they should be part of other buildings / community hubs). Why are we paying towards planning when it's a chargeable service? Why do we pay so much for council office / administration / IT costs, these should be a lot lower and would be if you ran yourselves like a proper business.
Herefordshire residents are already paying the highest Council Tax I the UK, and have consistently and persistently shouldered the burden.
No faith in HC councillors or staff to properly consider such matters.
Too little spent on housing
Insufficient funding for child protection, e.g. early intervention, buses and community transport for isolated and deprived rural areas, roads, health in terms of preventative measures, support for elderly in their own homes and local government running costs appear high
Too greater spend on social care
Paying Hoople too much... Capital finance ill thought through... Should not have wasted do much on Blue school house... Broadband is private enterprise, not a utility. Why spend public money on it?
Far too much spent on local government running costs as a percentage of the whole, with too much time, effort and money being spent on vanity projects e.g. the bypass, a proposed university, etc.
Cost of local government running costs is too high, e.g. council overspend on Blue school House and not taking responsibility. Council is not fit to manage a budget
Children with disabilities' education are at crisis point. Families and/or carers are at crisis point. The number of profoundly disabled children is increasing. Special schools are bursting at the seams.
Where's the public transport support? I want to use a bus instead of my car all the time! What about community transport? Help that, too!
You do not spend the money wisely
Why is so much going on interest and debt repayments and so little on investment in economic growth?
Council control libraries and they are the future for our children. Increase share of funding
No arts provision. Nothing much for libraries. Herefordshire is a cultural desert - risks become very small minded, etc.
Too much for schools
More income could be achieved from car parking and investment property. Election, governance & legal costs could be reduced.
Running costs to high and low value from Roads & Bridges charges

Comments:
Suggest reduce lifestyle services (paying for people to do something they could do for themselves). Spend something on Tourist Information services.
Too much on substance abuse, sexual health and other Nanning services
I feel the council rewards its 'top' staff with large salaries when we have a history of failing the county with services that continually dwindle. Not to mention the underquote on the new building on Blue school Street! The amount of money that had been spent on the council offices and continual refurbishment is also disgraceful frankly. No accountability springs to mind.
More should go to the police.
"Roads, bridges and care of...", "Housing", and "Child protection" should be invested in more.
If you didn't waste money and overspent on things that would help with ensuring better management of tax payers money
more funding for sustainable transport solutions including buses and park and ride for the city
Nearly 40% of the allocation is 'looking after adults' - we should expect families to do more to support their loved ones, not the state. Also, the allocation against IT, Transactions & Billing seems high compared to Staff & Administration costs
Too little money is spent on maintaining public rights of way. In particular it is very short-sighted and counter-productive to close the P3 scheme, as using local contractors is far more cost-effective than using BBLP
Too much spent on capital finance
Child protection is totally out of control a complete shambles that needs scrapping.
Too much spending on adult social care and elderly. More should be done for the social responsibility of the families of these people to pay
I think more should be spent on affordable housing and less on bin collection. More emphasis should be made of community spirit, people do not have disposable income as they used to fund things like the new roads that do not provide that much function.
<u>Too much being spent on financing. Cut costs rather than borrow each year! (yes that includes those individual bottles of water at each meeting and the taxis)</u>
More funds need to be allocated to children with disabilities and additional needs given the rising costs.
We pay too much to Herefordshire Council for a bad service now
More should be spent on Broadband and less on economic regeneration.
This is not clear. More focus on prevention e.g... lifestyle
Annual inflation is not 4.9%
Social care should be paid for by the people who use it, it is expected for us to fund our own social care, I cannot afford to pay for other people's as well

Comments:
Because it is not affordable to me. Why does bin collection and environment cost so much, is this due to lack of efficient commissioning of service? It's not fit for purpose. Why is so much allocated to schools when parents are still asked to contribute so much financially additionally. Too much funding is allocated to preventative measures for smoking and has been the case for several years, what about other preventative measures and dropping the smoking. There is no rural transport and as they are run by private companies, why is this subsidised through the Council Tax. Too much money is allocated to people with disability which if invested in the community and voluntary sector organisations directly could lead to a reduction in this extortionate allocation. Why is more money not allocated to Looked after children, they are the real in need and poorly served.
Please invest more in health improvement and lifestyle services - this will reduce our costs and improve our wellbeing and health for the future
Borrowing so much is not prudent. The interest payments just mean that we have to pay higher Council Tax
I don't see why drug addiction & sexual health should have twice the allocation of resources as libraries and records. That seems very unbalanced.
Too much spent on substance abuse and sexual health
More money should be allocated to rural transport, housing, economic development and libraries, records and customer services and less should be spent on lifestyles services and I.T.
Salaries are too high for Directors in Council. Do not spend on stopping smoking campaign. Care for older people - families need to contribute more.
too much waste in council spending
Apart from the budget till receipt trivialising important decisions, it does not provide enough information. The expenditure on Hoople appears excessive, economic development and regeneration is not broken down. Why is "environment" lumped in with bin collections - what on earth does that mean? Why are elections, governance and legal services lumped together? Capital finance and interest payments are excessive and given the low level of reserves, the Council should not take on any further capital expenditure commitments. Much greater transparency and consultation is needed.
Year on year we are asked to pay way over the rate of Consumer Price Index (CPI) inflation; my pension is not keeping up with these rises and it is not fair.
I think it is too little. Everything requires more funding.
Unless incomes go up by 5% how can people afford a 5% Council Tax increase?
More should be spent on funding public services such as museums, galleries, records and libraries as well as open spaces.

Comments:
Why Election and Governance costs are over four times staff costs? Why is so many locum staff employed at extortionately high agency rates? Why do the Council find it so hard to recruit and retain good experienced staff in social care teams across Adults and Childrens Services?
It is too big an increase for the services we get and too costly for struggling households
This is way above inflation
Insufficient information. Headings too broad
Stop the unnecessary by-pass and you can spread the saving without such an increase or so much borrowing - it is criminal to suggest borrowing more when you're wasting what you have
I think there should be more funding available for the public realm, open spaces, roads etc.
More needs to be spent on maintaining our roads as they are now in a shocking state. A quick repair job is not the answer or do we all have to buy rough terrain vehicles.
Libraries are the future for children, underfunded. Something only the council can do.
The spend on schooling looks high, until you see the central government income also. The net spend is comparably small. More needs to be spent on schooling - this is the future. There is both income and expenditure from capital financing interest. Assuming that the interest income is at a lower % than the interest expenditure, this appears wasteful.
How have you come to a figure of a 4.9% increase? Our family's wages have only increased 1% per year for the last decade with a pay freeze the year before that and we are a band D. 4.9% increase in a year is ridiculous.
I absolutely reject the need for the by-pass and am therefore totally against the Council borrowing millions of pounds to pay for it. I do not live in any of the residential areas affected by it, but I do travel into Hereford every day. The bypass is NOT needed, what is needed is a better internal traffic infrastructure for getting children to school - during school holidays there is hardly any problem at all. Plainly not all the traffic during the holidays will be using the by-pass, which shows how little actually would.
Car parking?
10% of Council Tax spent on disabled. Who probably make up 1% or less of population
Would like to see a bit more spent on buses, community transport, libraries and customer services and a bit less on running costs (admin, property maintenance)
It is difficult to come to a conclusion without comparisons to previous years or against other similar authorities. It seems that caring for disable adults costs twice as much as residential care for old people. Is this reasonable? Probably it is but without further breakdown of how the money is spent, I can't come to any conclusion.
Unfair that houses in higher Council Tax bands should pay 2or 3 times more than lower tax band households
Burdensome to already cash strapped residents whilst we are paying too much for IT (Hoople)

Comments:
More needs to be allocated to children's and adult social care services. Less money should be spent on commercial ventures
4.9% increase it far too much
We already pay enough for too little!
It is too big an increase for the services we get and too costly for struggling households
I disagree with the amounts being borrowed for new road schemes including the Hereford bypass. Like Nottingham council you could tax work place car parks to invest in safe Active travel especially safe routes to school, bus subsidies & comprehensive segregated cycle network across Hereford. Best use of public health grants.
It is more than twice the rate of inflation. Pensioners will not be able to afford to stay in their own homes they have worked all their lives for.
as the amount of money spent is too high and results are too small no increase if needed if procurement is done correctly
More needs to be spent on preventative services-which can only happen if there is an increase above 4.9%
Too much spent on disabled, debt repayment, and buses
Too much being spent on children in care. Too many in care given population
I think it would be possible to further reduce/sell off the council's buildings estate. It is difficult to assess whether the proportionate spend is appropriate without more detail. You do appear to be spending a colossal amount on debt interest payments - is this normal or a symptom of previous financial mismanagement?
I have had enough of my bill going up as I cannot afford it and have no access to council run services so do not benefit from any of it.
Too much
families are already struggling
I am on slightly above average wages that have been frozen for 2 years then a 1% pay raise for the past 3 years, the majority of people cannot afford their bills as they are with food and housing inflation continuing to rise from 2.3-5.6% over the past few years. We have already had a rise this past year of 4.9% which is frankly crippling most people on top of inflated costs and this would finish our family off without exaggeration.
Too much on children in care - this is not good for the children whose life chances are low
Too much is being spent on debt repayment and interest. Scale back capital investment to reduce these charges. Increase the allocation of funding to Children's Services and to Buses and Community Transport
you waste money and overspend on project , no accountability on over spending on projects like blue school street
Local salaries are not increasing at this rate

Comments:
No one's wages has gone up by that amount.
I don't agree with increase as a whole. There is an increase every year, yet the levels of services decrease every year.
Too many cuts in essential services and too much money spent and planned on vanity projects and expensive private consultants like wasp and Balfour Beatty. This stuff should be done in house and people's needs prioritised over and above expensive privatisation. Follow Liverpool and take the running of services in house with proper expert's whi have our real needs at heart, not profit for multinationals.
No money should be spent on building new roads and more spent on improving public transport and encouraging cycling/walking in safe spaces.
I do not agree with the increase. How on Earth can a Conservative administration justify tax increases?
Not enough for children's services
I am on a fixed pension income from 34 years of full-time work, and have truly grafted to pay off my mortgage; hence I am fundamentally opposed to the continuing drawdown on Council Tax-paying householders to pay for adult social care costs ad infinitum. If your view of the welfare state is take care of all, forever, costs irrespective, -then pay for it from Council borrowings with interest rates so low. For so long.
Debt repayment and interest payments should be reduced, by reducing capital spend on road building. More money should go to Buses and Community Transport and Looking after Children. Further comments / observations. 1. No income is shown on the Till Receipt from Business Rates and Revenue Support Grant 2. Can you explain why in the presentation of the budget for 2018/19, it showed that the savings expected from EC&C in 2019/20 were £1.060m, and in the presentation of the 2019/20 budget this time; the same directorate is expected to make savings of £2.017m. For example, are you proposing to make additional cuts (£225m) to Public and Community Transport that were not originally projected for 2019/20? And why the savings from Corporate in 2018/19 budget presentation were £1.2m and are now £0.5m? 3. The Corporate Plan for 2016-2020, shows a base budget of £141m for 2019/20. This consultation has a figure of £145.4m. Why has the budget increased? 4. The Medium Term Financial Strategy (MTFS) Capital Programme shows a spend of £10.341m on the Local Transport Plan in both 2018/19 and 2019/20. What is this expenditure for? 5. The MTFS Capital programme for 2019/20 shows zero spend on 'other schemes less than £500k'. Is this realistic?
Less should be spend on governance. Additionally, the council should not give in to pressures around road maintenance, verges etc. Providing education, care and services to our children, vulnerable people and older people should take priority. We should absolutely focus on infrastructure which brings revenue into Herefordshire and focus funding on prevention to reduce future demand. Pot holes can wait!
More on roads resurfacing, more on libraries, more on public transport, Less on economic development and regeneration.

Comments:

Not enough on roads, repairs & need for Leominster bypass, Excessive pollution unacceptable. Not enough on Libraries/Museum/archives

Q3a. To support this investment we intend to borrow £22.3m, with repayment costs incorporated into household Council Tax. If borrow more, what should the extra borrowed money be spent on?

Comments

Bus services, library and museums

bus services

Social housing and infrastructure

A detailed plan for transport especially in Hereford, which doesn't rely on a bus based system. The condition of the existing network is very poor and needs a dramatic new approach to restoring its condition.

Infrastructure

Public transport - buses to rural communities

To make sure that the above is actually completed.

Cultural provision, support for craft workers, investment in people and place - and much, much less spent on senior and middle management pay - cut the top not the bottom.

More radical thinking in our transport infrastructure at county and city level which would encourage more businesses to relocate. e.g. properly upgraded, fast, trunk roads to Hereford from M50 and Worcester; segregated cycle paths from outlying villages into Hereford city, free/cheap shuttle buses within the city to reduce car movements.

Improving the public right of way network to make it more accessible and to repair numerous bridges which are in poor repair. If these problems are not addressed the Council's fixed assets will further deteriorate

Road network needs a massive amount spent on it.

Roads, children, hospital

Projects like the university and further investment in roads like the proposed bypass

Comments
museums & libraries, public transport
Better support for Third Sector projects, schools and staff
Resurfacing roads
investment in resources for the new influx of residents and students to the County - Museums and libraries and similar tourism / enrichment activities
child health, adult mental health services, care agencies
Developing more facilities in Ledbury to allow existing businesses to expand and new businesses to be attracted to Ledbury. PS: The arithmetic on page 8-savings required is not correct. The total savings should read £6,267,000 not the figure of £5,267,000 shown. A considerable difference.
Infrastructure expenditure is declining significantly from 2018-2020. The base is hardly one of over-investment. I support more investment in infrastructure, schools and roads - but not council offices.
Borrowing is cheap at the moment. Do it now while rates are low. Don't forget North Herefordshire....
Herefordshire university & Healthy Lifestyles
More infrastructure. More housing.
Education, new council housing

Q3b. To support this investment we intend to borrow £22.3m, with repayment costs incorporated into household Council Tax. If borrow less, what investment should be cut?

Comments
fire most of them at Plough lane
Economic development and IT, transactions and billing
I do not believe taxpayers' money should be used to promote private enterprise in the county. It is not for local government to intervene and subsidise private firms or entice them with business rate cuts.

Comments
all non-essential spend such as social care which should come out of central gov. funds
I think that you need to be more specific about what these projects are. Then I can make a real decision. Borrowing is something we should look to reduce, not increase and expect us to pay for mismanaged money
Supporting delivery of, presumably private, housing shouldn't be something that my tax money is going on. I don't see how taking out loans is sustainable funding for the council.
They shouldn't sold everything as they would have funds if they waited and save the borrowing just going to get more and more as they haven't got as much income coming in
Stupid kerbs in hi town, stop moving offices every 2 minutes, stop wasting money paying 10 men to do a job when only 2 work.
Borrowing is simply disguising the Council spending beyond its means. Cut schools and housing delivery but maintain investment in roads.
New university
To date there are no projects run competitively all go to Balfour Beatty Living Places (BBLP) why are tax cows being used to fill there trough
I don't think you should cut investment into the county, as this is highly needed, however I don't see why households should pay for it. Shouldn't the repayment costs be covered by the investment you bring into the county instead?
Stop all the ridiculous vanity projects. Reduce the number of councillors and staff. No more new housing. Let market town councils do their own funding
schools
The proposed bypass scheme
Investment too Hereford and Ross focussed
New Road allocation and the building of executive homes
Anything that is not a legal requirement should not be funded
Salaries for managers in the Council should be frozen and when officers are replaced, get rid of the six-figure salaries. Stop building of new roads, repair those we have and invest in park and ride, cycling and pedestrian infrastructures instead.

Comments
I don't think the council is capable of managing a decent sized capital project and should refrain from wasting any more public money.
Borrowing will simply add to the cost of debt, which is already at 7.5% of your "budget till receipt", you are simply pushing the financial problems of the Council forward to the next generation.
Facilities for business, a general heading which could be anything. Hereford Councils recent big projects appear to be reckless and beyond comprehension
Investing in pointless roads that serve only to increase congestion
The western bypass. For heaven's sake, it's a rubbish idea. Invest in public transport, turning space above shops into flats, reduce waste in the city and towns
Stop spending most of the money in the mid to south part of county. There is a large part of Herefordshire North of Dinmore
None. Make savings elsewhere. Investment shouldn't be the first thing to be cut.
Concentrate on maintaining existing services rather than having these capital projects.
Stop building bypass road
Get better value for investment
Over staffing and overpaying council officers who care nothing for the county unless it lines their pockets. I.E. allowing Herefordshire to disappear under acres of plastic sheeting
From all plans.
No. Comment on this
Why invest in Ross as you are not investing in the other Market Towns? Would excluding Ross mean you borrow less?
land, whilst only supporting public housing
Developing facilities for business
The so called by pass.
All should be cut equally
I do not agree the Council's spend on its proposed SLR or by-pass roads. Instead it should invest convincingly in modal shift to low carbon and active transport
Make wiser decisions. Spend less on silly little things like cycle path signs, stop executive expense waste don't spend millions on office upgrades. Need I continue?
If you haven't got it don't spend it on projects, people should always come first

Comments
New Roads/bypass
central government should be funding care of elderly, not local councils
Make sure that capital spend is necessary, will the by Really reduce city traffic?
Improving schools and delivery of housing. Schools are allowed to close when they have been in existence for 5 years with little support. There is no point in investing in housing when you are not investing in the infrastructure which needs to accompany it. Investment into business is only aimed at private businesses and not enough for the smaller businesses. Seeing as the new bypass will take years to build why the increase now?
That's your job, not mine. But I'm not at all convinced that the famous link road is money well spent.
Consultations. These are very expensive and every week there seems to be a new one for something. I have also noticed that if a consultation produces a result the council doesn't like another one is set up.
Concentrate on Hereford. Ross on Wye is just a small town - no investment needed. Make sure the bypass around Hereford actually happens!
spend more wisely, stop waste
I assume the investment includes expenditure on the bypass - perhaps the bypass should be re-visited
Plans for new roads, opening up the areas for new housing development with no corresponding provision of services - in particular health, hospitals, education and public transport. Absolutely no further borrowing.
Delivery of excessive amounts of housing that are swamping small villages and where there is no work for those who can afford to buy those new houses.
None. This money should be collected by increasing Council Tax.
I think that we should not borrow the capital because it will cost us more in the longer term in interest repayments. In my opinion, we should save until we can afford this investment.
I disagree that borrowing less necessitates a reduction in investment in our county, and strongly object to the leading wording of this question. I believe in raising sufficient funds from Council Tax revenues to finance public services and capital projects.
That is for councillors to decide
Focus business in Hereford rather than Ross on Wye
The council should prioritise its investment and reduce its borrowing to avoid problems in the future.
This bypass waste of money

Comments
This is a slanted question with misleading optional answers, i.e. investment in the county is not only borrowing especially when that includes the bypass.
The proposed bypass is a waste of money, more needs to be done to support sustainable transport
How dare you borrow more and charge us more for something we neither want nor need. In school holidays we can sail through town without the hold ups, which proves it is not the through traffic causing the problem. If you must borrow then improve the infrastructure not waste it on a white elephant and one or two Councillors personal ambition & pride!
Reduce the spend on business facilities
Focus on schools and housing
Councillors pay at the top. Stop proposed road across Kings Acre and reroute it somewhere off Roman Road/Stretton Sugwas road to make better use of that investment.
Bypass
Businesses can find other ways to gain investment.
The loan for building the by-pass should be cut. The consultation was a farce - the man in charge said it didn't matter what the outcome was; the by-pass will go ahead anyway (nowhere near his house of course!). I live further away from the city than he does but travel in every day - during the busy times. Borrowing millions to pay for what I think is his personal ambition is abhorrent - I wish I had never voted for him and certainly won't again!
Less money on roads and transport and supporting business
Supporting delivery of housing - developers make enough money on new homes and shouldn't require the help of the council
Roads and schools
My concern is not with the amount of money to be borrowed but where it is to be spent. From what I have been able to determine, plans involve mainly Hereford with some investment in Ross and Leominster. It is unclear how the market towns and rural areas will benefit yet their residents will be expected to pay for the borrowing. I would like to see increased investment in the county not just in the county town.
Herefordshire's roads and transport network
commercial ventures; consultants fees; factor in savings on interest on borrowing
Make savings elsewhere
The authority keeps on borrowing and hiking up the Council Tax so that we end up paying for the investment. A more community and holistic approach is needed to find out exactly where residents think their money should be spent.
Doesn't need to borrow less if more thought was considered from public before decisions were taken. Not a good question for public to answer.

Comments
The council should prioritise its investment and reduce its borrowing to avoid problems in the future.
Investment in the Hereford bypass which has no business case & makes congestion worse. Will worsen the average spend in the city centre decreasing the vibrancy of the Commercial sector. Cycling cities have a higher local spend per head of population so investment in a cycling network would support the city & tourism businesses.
New road building
The council has a huge income from Council Tax; I think it should be spent more wisely. Why new council offices, again? Works on Commercial Road when it has so recently been paved...
to date Hereford transport policy is a joke until this is sorted no further money should be borrowed
The endless cycle of more housing, more roads, more demand for services, more need to invest, more debt has to end eventually and the longer it takes the more painful it will be - if you haven't got the money don't buy it.
Get central government to distribute tax more fairly throughout the UK. Londoners have a far better standard of living subsidised by Europe and central government.
Houses
Reduce building of houses from 2020 when funding removed. Herefordshire's roads and transport network needs improving first, spend money on maintaining current infrastructure
The council should reduce its role in economic development & leave this to the private sector
Building the Hereford Bypass and the Southern Link Road
Salaries for Directors in Council e.g. <name removed> should be reduced significantly. Stop lining the pockets of council employees and look after the residents better
Concentrate on roads, and housing, then you're income will rise because you will be able to collect more Council Tax due to move housing.
There is a great deal of wastage by the council services. Services should be brought back in house as other Counties are finding out. Balfour Beatty are taking us all for fools as did Jarvis and Amey. Learn from your mistakes. Don't borrow more as that just leads to more being paid out in extortionate interest charges
These are unaffordable vanity projects. Investment is needed now in safe active and public transport. This would reduce congestion, improve our health, reduce crime and mental health and improve economics and social mobility. Affordable homes are needed now and city regeneration should be worked on with owners of derelict buildings and brownfield sites required to redevelop or sell up for this purpose of affordable homes.
Business development and growth. New road building. You cannot have infinite growth on a finite planet. More roads = more traffic. This has been proven time and time again.

Comments
The taxpayer should not be expected to subsidise private enterprise.
Social care. Housing delivery - developers should slim their profits to pay a % more for essential associated infrastructure, or there should be less housing - period.
Investment in road building (Hereford Bypass specifically) should be cut.
land and property
Disagree with this. If it is not viable for the private sector it is inappropriate for local government.

Budget consultation 2019/20

The questionnaire

Our budget proposals for 2019/20 have been prepared against the backdrop of the government's continuing austerity programme. Grants from central government have been drastically cut in recent years and will be almost eliminated by 2020. Council Tax and business rates currently meet around 40% of the council's annual costs and fund many services across the county, from waste collection and road maintenance to looking after vulnerable children and adults. Therefore, Council Tax would need to be raised by 4.9% to balance the budget for 2019/20. This includes a 2.9% increase in the core Council Tax and the 2% adult social care precept. The impact of this increase on a Band D property is £5.90 per month.

Your Council Tax funds many services across the county, from waste collection and road maintenance, to looking after vulnerable children and adults. Each year we set a budget to decide how much we're able to spend on services for Herefordshire residents and businesses for the next financial year.

Q1 What do you think about our proposal to increase Council Tax by 4.9% in 2019/20?

- About right
- Too much
- Too little

Q2 Do you agree with the allocation of Council Tax spend as set out in the budget till receipt at the end of this document? This includes a 4.9% increase for 2019/20.

- Yes
- No
- Don't know

If not, please explain why:

The capital programme - the money the council expects to spend on key infrastructure projects over the coming year - supports delivery of the council's priorities. The current 2019/20 capital programme is over £48m. This money can also be used to invest in and maintain roads, land and property. The council can use its powers to borrow funds to fund significant capital investment.

Q3 The council intends to invest over £48m in capital projects, such as improving Herefordshire's roads and transport network, developing facilities for business to establish and grow in Hereford and Ross-on-Wye, improving schools and supporting delivery of housing. To support this investment we intend to borrow £22.3m, with repayment costs incorporated into household Council Tax. Do you:

- Support the council increasing its borrowing requirement by £22.3m as proposed?
- Think that the council should borrow more than proposed to increase the level of investment in the county?
- Think that the council should borrow less, and reduce its investment in the county?

If borrow more, what should the extra borrowed money be spent on?

If borrow less, what investment should be cut?

The council awards approximately £24.8m of Council Tax discounts in certain circumstances, such as a disabled person or carer discount. We also have the power to offer a Council Tax Reduction scheme to those on low incomes and in 2017/18 we awarded these households a discount of around £10.7m.

Q4 The Council Tax Reduction scheme currently allows for households on low income to have their Council Tax discounted by a maximum of 84% of the amount payable. Would you support:

- Keeping the maximum discount at 84%?
- Increasing the level of the discount (to more than 84%)?
- Reducing the level of the discount (to less than 84%)?

The council has the power to award business rates discounts, such as to small businesses, charities and businesses in rural locations.

Q5 The council awards approximately £18.7m of business rates discounts in a year, including £8.4m awarded to small businesses. Would you support:

- Continuing to award this level of business rates discount?
- Increasing the availability of business rates discounts?
- Reducing the level of business rates discounts available?

The caseloads of social workers who work with children, young people and their families to keep them safe are of concern to us. In order to reduce these workloads and the chance of children and young people being at risk because of them, we are proposing to use £1.6m to employ more children's social workers and to support more help for children, young people and families at an early stage.

Q6 Do you agree that funding should be used to support this work?

- Yes No

About you

Are you responding on behalf of an organisation or group, or as an individual?

- Organisation or group Individual

If you are responding on behalf of an organisation or group please tell us the name of the organisation/group:

If you are responding as an individual please answer the following questions about yourself. This information helps us to understand the profile of respondents and whether views vary amongst different groups of people across the county. It will only be used for the purpose of statistical monitoring, treated as confidential and not used to identify you.

What is your full postcode?

At birth, were you described as....?

- Male Intersex
 Female Prefer not to say

What is your age band?

- 0-15 years 25-44 years 65-74 years
 16-24 years 45-64 years 75+ years

Do you have a disability, long-term illness or health problem (12 months or more) which limits daily activities or the work you can do?

- Yes No Prefer not to say

How would you describe your national identity? (Please tick all that apply)

- English Scottish Welsh
 Northern Irish British Irish
 Other

How would you describe your ethnic group?

- White British/English/Welsh/Scottish/Northern Irish
- Other White (please specify below)
- Any other ethnic group (please specify below)

Thank you

You can complete this questionnaire online at: www.herefordshire.gov.uk/budgetconsultation but completed hard copies can be sent to:
Herefordshire Council Research Team, Freepost SWC4816, PO Box 4, Hereford, HR4 0BR

Any information you provide will be held and used in accordance with the Data Protection Act 2018. The information you provide will not be shared with any third parties, but where appropriate, it will be used to support the planning of services and the continuous improvement of various functions. For further information, please visit Herefordshire Council website.



Charges per month (average Band D property) 2019/20

** Daily life **	#
* * Bin collections and Environment	13.46
* Roads, bridges and care of public spaces	7.08
* Schools and education	98.11
* Buses and community transport	6.27
* Libraries, records and customer services	1.28
** Looking after adults **	
* Older People in residential / nursing care	12.16
* Older people supported at home	8.58
* Disabled adults	25.86
* Lifestyles services (substance abuse, sexual health)	2.64
* Health improvement (Public Health nursing, health checks, smoking cessation)	5.61
* Housing	0.52
** Looking after children **	
* Child protection	3.68
* Children in care	12.63
* Children with special needs	3.22
** Local government running costs **	
* Election, governance and legal services	3.18
* Directors & Staff costs	0.64
* Organisational administration	1.39
* IT, Transactions and billing (Hoople)	5.17
* Insurance and property maintenance	4.96
* Capital finance - Debt repayment	7.83
* Capital finance - Interest payments	10.24
** Economic growth **	
* Economic development and regeneration	1.24
* Broadband - rural rollout	0.13
* Planning	0.34

** VOUCHER **	
** Other income to supplement council tax **	
* Investment Property income	-2.92
* Car parking	-5.26
* Capital finance - Interest received	-2.01
* Public Health grant	-7.70
* National Education funding	-96.98

TOTAL TO PAY (per month) £121.36

SIGN UP FOR MORE INFORMATION AT
WWW.HEREFORDSHIRE.GOV.UK/SUBSCRIBE

01/04/19 09:00 1234 23 42



Meeting:	Adults and wellbeing scrutiny committee
Meeting date:	Tuesday 27 November 2018
Title of report:	The Home First Service
Report by:	Director of Adults and Communities

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To review on the performance of the Home First service one year on from its commencement and to discuss the progress made since the committee was invited to comment on the developing Home First Service in May 2017. In reviewing this matter, the committee may determine any recommendations it wishes to make to the executive.

The Home First service commenced in November 2017 following the alignment of two services – Rapid Response - delivered by an internal Herefordshire Council team and an external commissioned reablement provision offered via the Wye Valley Trust. These service areas were aligned to enable more capacity and to provide a streamlined service. The primary objective of the Home First service is to deliver a strength based model, which is built upon an enabling ethos, to support people to regain skills and enable independent living.

Recommendation(s)

That:

- (a) **the committee determines any recommendations it wishes to make to the executive or relevant health body in relation to the delivery and performance of the Home First service, one year on from its creation in November 2017.**

Alternative options

Further information on the subject of this report is available from
John Coleman, Tel: 01432 260382, email: John.Coleman@herefordshire.gov.uk

1. There are no alternatives to the recommendation. It is a function of the committee to make reports or recommendations to the executive with respect to the discharge of any functions which are the responsibility of the executive and to review and scrutinise any matter relating to the planning, provision and operation of the health service in its area, and make reports and recommendations to a responsible person on any matter it has reviewed or scrutinised.

Key considerations

2. Over the past year the Home First Service has been through a period of culture change and increasing capacity to support demand from the community and hospital transfers of care. There are a number of plans to expand the service and to integrate the provision further with health to provide a multi-agency service to support individuals at home.
3. The primary objective of the Home First Service is to deliver a strength based model, which is built upon an enabling ethos, to support people to regain skills and their independence. Home First is designed to assist people to remain independent and to prevent the need for long term care. Enablement is at the core of the Home First service, giving people the opportunity and confidence to relearn and regain some of the skills that they may have lost because of poor health, disability or after a spell in hospital.
4. The Home First service is delivering 3 types of intervention - urgent response to crisis care, low level reablement supported by care coordinators and therapy led reablement provision, offering an intensive, therapy led period of support for up to six weeks to enable an individual to regain or maintain skills to enable them to continue living independently in the community. The overall aims of the Home First service are to achieve:
 - a. greater independence and improved levels of confidence for people, enabling people to remain in their home environment;
 - b. fewer people requiring on-going formal care services;
 - c. reductions in the number of people being admitted to hospital;
 - d. reductions in permanent admissions to residential and nursing care;
 - e. reductions in delayed transfers of care; and
 - f. reductions in non-elective admissions
5. The Adults and Wellbeing Scrutiny Committee has identified that the Home First service is relevant to the remit of its committee. The committee noted, at its meeting on May 16, 2017, a number of questions in connection to the Home First service. The committee has commissioned officers to provide a service delivery update, one year on from the commencement in November, 2017.
6. A number of questions were raised by the committee when the Home First Service was being designed. The principal points of interest related to seeking assurances that the new service was communicated clearly to end users; that performance of the service, particularly in times of high demand (notably in the winter months) was sufficient; the perception that Home First was not an adequate service response to the closure of Hillside, and that changes to contracting arrangements within the service were not disrupted to the detriment of services users. The update report provided in appendix 1 seeks to provide an update on these and other points raised by the committee.

Community impact

7. Delivering the corporate plan is key to the council achieving the positive impact it wishes

to make across Herefordshire and all of its communities; effective adult social care services in particular and health and wellbeing services more generally contribute to achieving the corporate plan; specifically in respect of the priority to 'enable residents to live safe, healthy and independent lives'. The services provided also contribute to the Health and Wellbeing strategy.

8. In accordance with the adopted code of corporate governance, Herefordshire Council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. The council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making,

Equality duty

9. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:
A public authority must, in the exercise of its functions, have due regard to the need to -
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
10. 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 demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
11. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.

Resource implications

12. There are no financial implications as a result of the recommendations in this report. If there are any resource implications associated with any recommendations determined as a result of this report going to scrutiny, then they will be the subject of separate governance.

Legal implications

13. Section 5(1) Care Act 2014 provides the statutory duty on councils to promote an efficient and effective market with a view to ensuring that any person in its area wishing to access services in the market has a variety of providers to choose from who provide a

variety of services. The recommendation in the report ensures oversight that the council is complying with its statutory duties in this regard.

Risk management

14. None in relation to this report; scrutiny is a key element of accountable decision making and may make recommendations to the executive with a view to strengthening mitigation of any risks associated with the proposed decision.

Consultees

15. None in relation to this report.

Appendices

16. Appendix 1: Home First Service

Background papers

17. None Identified

Scrutiny Committee
Home First
27th November 2018

115

History of service:

The Home First service commenced in November 2017 which was an alignment of two services – Rapid Response which was delivered by an internal Herefordshire Council team and an external commissioned reablement provision. The services were aligned to enable more capacity and to provide a streamlined service.

116

The primary objective of the Home First service is to deliver a strength based model, which is built upon an enabling ethos, to support people to regain skills and enable independence. The aim is to assist people on their journey to independence, allowing them to remain independent and to prevent the need for long term care.

Currently funded through BCF and iBCF and is integrated service with WVT.

Service objectives:

The overall aims of the Home First service are to achieve:

- greater independence and improved levels of confidence for people, enabling people to remain in their home environment;
- reduction in number of people requiring on-going formal care services;
- a reduction in the number of people being admitted to hospital;
- a reduction in permanent admissions to residential and nursing care;
- a reduction in delayed transfers of care; and
- a reduction in non-elective admissions

117

Service aims and principles

Up to a 6 week support with clear goals to be achieved	Makes full use of available resource to provide equitable services that are appropriate and proportionate to meet individual need	Provide a responsive service which can be rapidly mobilised when needed
Integrated service with the inclusion of therapeutic input	Meets whole system outcomes	One point of entry to the service managed as part of wider system pathway control
Build on trusted assessor/referrer model	Aligns to mobile working strategy	Promote choice and improve wellbeing
Effective service planning to ensure minimal carbon footprint	Cost effective service provision with robust performance management	Strength based assessment and enabling ethos to be incorporated throughout service

Present position:

1st October 2018

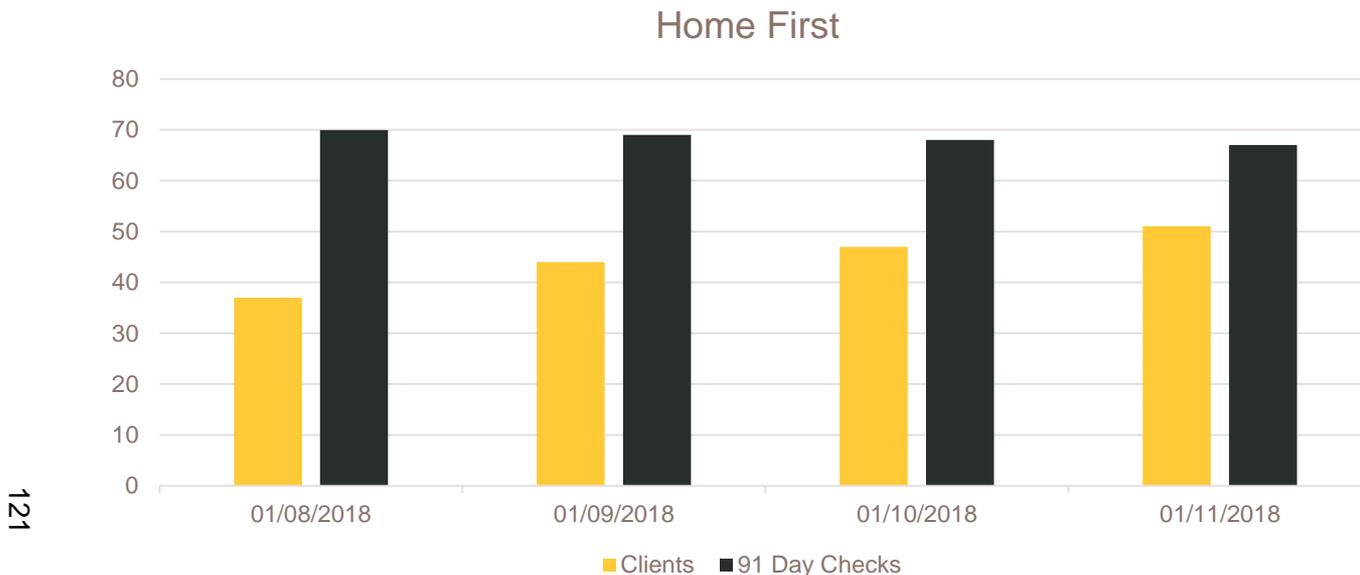
- Implementation of the new Structure
- Rota changes to increase round capacity 07.00 – 15.00 and 14.00 – 22.00
- Recruitment – 27 in post with offers issued
- Round Capacity – 9 rounds in the morning 5 in the evening
- Staffing Numbers – Recruit to 52
- Hours being delivered – 55 hours per day
- Clients receiving a service – between 46 and 56
- DTOC – trending downwards
- Flow – Front Door and Back Door managed to move clients through our service
- Registered Good rating with CQC

Problems and Solutions

Concerns Identified	Solutions
Leadership and Management	Management of change process completed with deputy managers in place and permanent RM in place with experience of service improvement
Workforce and Recruitment	Currently 27 in post with 52 needed - new recruitment campaign commenced with 16 potential applicant received
Maximising resources	New IT system in place to manage rota's. New rota's now in place following the management of change process which has increased capacity and support demand with 7 day working.
Data Collection	New IT system in place to capture the data information, still being developed and will improve.

120

Performance Averages

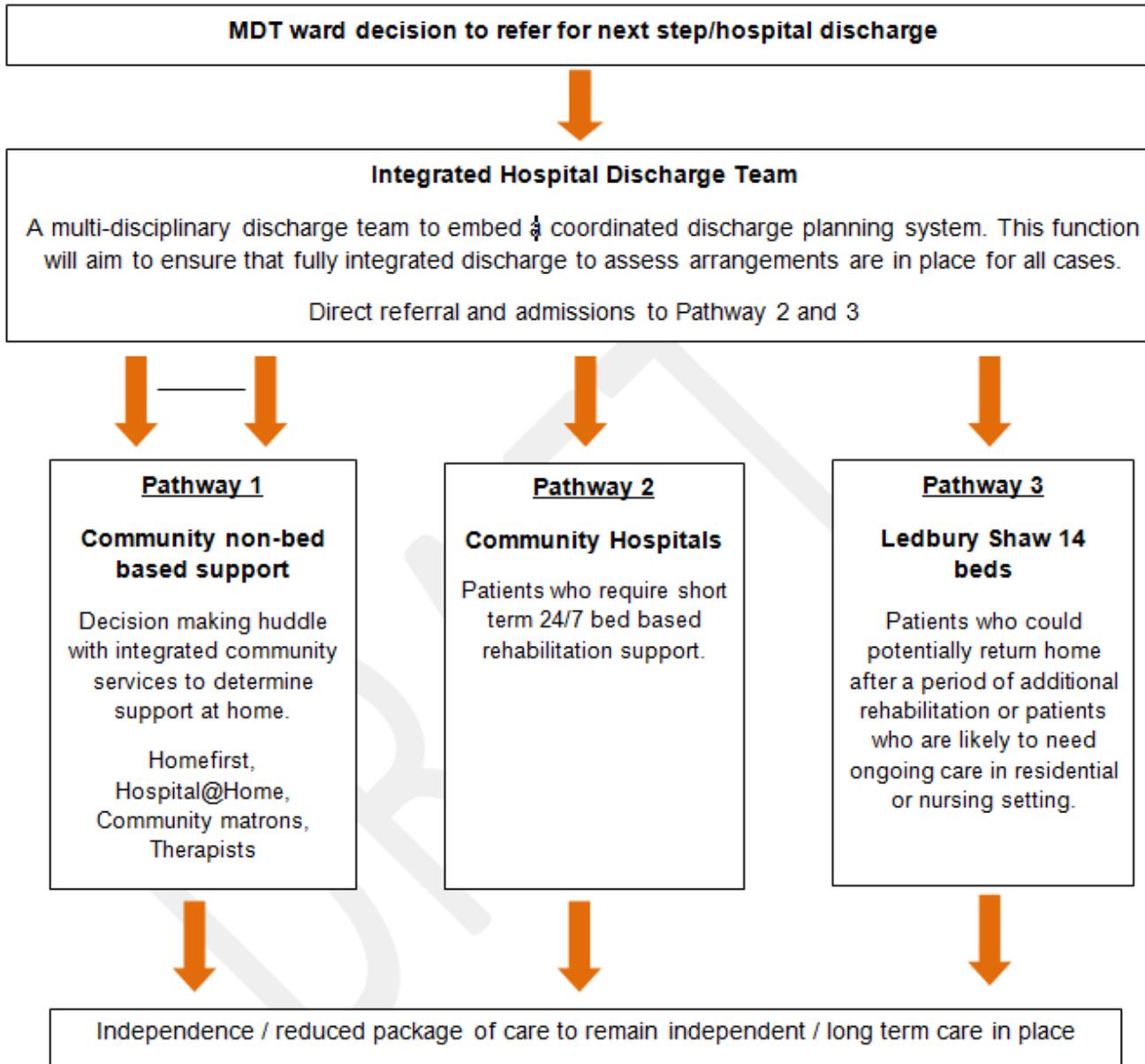


- *Management of Winter Pressures ?*
- *Clear communication to service users ?*
- *Performance of the service ?*
- *Able to manage handbacks, difficult to place cases ?*
- *Looking at viable charging options to create sustainability for the service ?*

The Future:

- Continue to increase capacity
- Increased staffing by recruiting – drivers and non drivers
- Care experience and non care experience
- Work on Induction and Training Package
- 122 • Implement Care Certificate for non care trained staff
- Work on providing a bike round within the city
- Work with stakeholders and colleagues in a more integrated way
- Single point of Access
- Improved integrated ways of working

Herefordshire's Discharge to Assess pathway



123

Integrated Working

- Integrated Discharge Lead for both health and social care
- Alignment of Hospital Liaison Team (LA) and Complex Discharge Team (CDT)
- 124 • Further alignment of Home First and Hospital @ Home
- Delivery of Discharge to Assess (D2A)

Questions???

125



Meeting:	Adults and wellbeing scrutiny committee
Meeting date:	Tuesday 27 November 2018
Title of report:	Committee work programme 2018-19
Report by:	Democratic Services Officer

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To consider the committee's work programme for 2018-19.

Recommendation(s)

That:

- (a) the draft work programme (appendix 1) be approved, subject to any amendments the committee wishes to make;
- (b) the committee determines the appropriate approach taken to the scrutiny of topics in the work programme, including the establishment of any task and finish groups, their chairmanship, or the undertaking of a spotlight review;
- (c) the scrutiny committee review the forward plan to determine whether to carry out pre-decision call-in on any of those scheduled executive decisions and
- (d) the committee determines whether there is any matter for which it wishes to exercise its powers of co-option.

Alternative options

1. It is for the committee to determine its work programme to reflect the priorities facing Herefordshire. The committee needs to be selective and ensure that the work programme is focused, realistic and deliverable within existing resources.

Key considerations

Outcome of scrutiny workshop

2. A workshop was held on 4 June 2018 in order for members to contribute to the development of an annual work programme. The principal purpose of the workshop was for members to identify a shortlist of items for scrutiny during the coming year, but also to consider approaches to ensuring the effectiveness of scrutiny. As well as committee members, the workshops were attended by non-scrutiny members, the cabinet member for health and wellbeing, the chief officer of Healthwatch, directors of NHS Herefordshire Clinical Commissioning Group (CCG), and supported by senior council officers and democratic services officers.
3. Members are invited to review the draft work programme (appendix 1). A prioritisation flow chart (see appendix 2) is provided to assess which items should be included in the work programme. Consideration should be given to the type of scrutiny to apply to work programme items and whether an item should be called-in for pre-decision scrutiny or conducted through task and finish group, for example.
4. The work programme will remain under regular review during the year to allow the committee to respond to particular circumstances.

Constitutional Matters

Task and Finish Groups

6. A scrutiny committee may appoint a task and finish group for any scrutiny activity within the committee's agreed work programme. A committee may determine to undertake a task and finish activity itself as a spotlight review where such an activity may be undertaken in a single session; the procedure rules relating to task and finish groups will apply in these circumstances.
7. The relevant scrutiny committee will approve the scope of the activity to be undertaken, the membership, chairman, timeframe, desired outcomes and what will not be included in the work. A task and finish group will be composed of a least 2 members of the committee, other councillors (nominees to be sought from group leaders with un-affiliated members also invited to express their interest in sitting on the group) and may include, as appropriate, co-opted people with specialist knowledge or expertise to support the task. In appointing a chairman of a task and finish group the committee will also determine, having regard to the advice of the council's monitoring officer and statutory scrutiny officer, whether the scope of the activity is such as to attract a special responsibility allowance.
8. The committee is asked to determine any matters relating to the appointment of a task and finish group and the chairmanship and any special responsibility allowance or undertaking a spotlight review including co-option (see below).
9. The constitution states that scrutiny committees should consider the forward plan as the chief source of information regarding forthcoming key decisions. Forthcoming decisions can be viewed under the forthcoming decisions link on the council's website:

Should committee members become aware of additional issues for scrutiny during year they are invited to discuss the matter with the chairman and the statutory scrutiny officer.

Co-option

- 10 A scrutiny committee may co-opt a maximum of two non-voting people as and when required, for example for a particular meeting or to join a task and finish group. Any such co-optees will be agreed by the committee having reference to the agreed work programme and/or task and finish group membership.
- 11 The committee is asked to consider whether it wishes to exercise this power in respect of any matters in the work programme.

Scheduled meetings

- 12 In the delivery of the work programme, the following committee dates have been scheduled. All meetings, unless otherwise published, will commence at 10am:

29 January 2019

5 March 2019

Community impact

- 13 In accordance with our adopted code of corporate governance, Herefordshire Council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. Effective financial management, risk management and internal control are important components of this performance management system. Herefordshire Council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.

Equality duty

- 14 Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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 demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. All Herefordshire Council members are trained and aware of their

Public Sector Equality Duty and Equality considerations are taken into account when serving on committees.

Resource implications

- 15 The costs of the work of the committee will have to be met within existing resources. It should be noted the costs of running scrutiny will be subject to an assessment to support appropriate processes.

Legal implications

- 16 The remit of the scrutiny committee is set out in part 3 section 4 of the constitution and the role of the scrutiny committee is set out in paragraph 2.6.5 of the constitution.
- 17 The council is required to deliver a scrutiny function.

Risk management

- 18 There is a reputational risk to the council if the scrutiny function does not operate effectively. The arrangements for the development and review of the work programme should help mitigate this risk

Consultees

- 19 Participants at the workshop identified above contributed to the development of the work programme and are encouraged to continue to do so to ensure the work programme remains relevant. The chairman meets every quarter with Healthwatch and with NHS Herefordshire Clinical Commissioning Group to monitor the relevance of items for the work programme. Members of the public are also able to influence the scrutiny work programme through asking for an item to be considered by asking a public question or by contacting the council via the get involved section of the public web-site.

Appendices

Appendix 1 Draft updated committee work programme for 2018-19

Appendix 2 Scrutiny Work Programme Prioritisation Aid

Background papers

None identified.

**ADULTS AND WELLBEING SCRUTINY COMMITTEE
ITEMS IDENTIFIED FOR INCLUSION IN THE WORK PROGRAMME**

Adults and wellbeing scrutiny committee work programme 2018-19		
10 December 2018 (2pm)	Scrutiny members' workshop	
Health and care system leadership, integration and Better Care Fund	Update on the work of the Health and Wellbeing Board and its priorities as system leader, the Herefordshire and Worcestershire Sustainability and Transformation Partnership (STP) plan, One Herefordshire and the management of the Better Care Fund. To be briefed on developments and/or proposals on these areas and identify any issues to take forward for a public meeting.	Director, Adults and communities Head of partnerships and integration Herefordshire CCG
29 January 2019 (10am)	Public committee	Papers released to agenda by Friday 18 Jan'19
Learning disability strategy update	To review the implementation of the strategy following a scrutiny review of services on 27 March 2018.	Adults and communities commissioning team
Domestic abuse strategy	To conduct a pre-decision review of the draft strategy.	Head of Strategic Housing and Wellbeing Commissioning and colleagues
Herefordshire Safeguarding Adults Board annual report	To review the performance of the adults' safeguarding board for 2017/18	Chair, HSAB Director, Adults and Communities
Spotlight review on homelessness	To investigate the approaches to avoidance of homelessness, and the impact of the homelessness reduction duty, mental health, and universal credit. To be followed up in summer 2019.	Head of Strategic Housing and Wellbeing Commissioning and colleagues
5 March 2019 (10am)	Public committee	Papers released to agenda by Friday 22 Feb.
Health and care system leadership, integration and Better Care Fund	To review the work of the Health and Wellbeing Board and its priorities as system leader and developments on the Herefordshire and Worcestershire Sustainability and Transformation Partnership (STP) plan, One Herefordshire and the management of the Better Care Fund.	Health and wellbeing board representatives Head of partnerships and integration Director, Adults and Communities
Addaction	Service performance update following previous scrutiny reviews	Adults and Communities commissioning team

	conducted during 2017/18	Addaction representative 2gether NHS Foundation Trust representative
19 March 2019 (10am)	Scrutiny members' workshop	
Mental Health	Follow-up from 25 June 2018, to include an update on the local maternity system, noting the link to perinatal care and parental mental health, in order to identify any future items for inclusion in the work programme.	Public health team Herefordshire CCG 2gether NHS Foundation Trust
Further items for consideration		
Date to be confirmed (early 2019)	Scrutiny members' workshop	
Dementia workshop	To be briefed on developments around strategy and care for people with dementia, including the impact of the health and wellbeing board's focus on this priority area, in order to identify any future items for inclusion in the work programme.	Contributors to be confirmed
Timing to be confirmed	Briefing note	
GP capacity	To update members on the national NHS recruitment and retention strategy for general practice and the local arrangements for increasing capacity for Herefordshire in order to identify any future items for inclusion in the work programme.	Herefordshire CCG
Date TBC (early 2019)		
Care market and market capacity including care workforce (care heroes campaign impact)	Timing and approach to be confirmed	Director, Adults and communities
Date TBC (summer 2019)	Public committee	
Continuing Healthcare	Update on recommendations from meeting held on 20 September 2018	Director for adults and community / Assistant director CCG representatives

Appendix 2: SCRUTINY WORK PLAN PRIORITISATION AID

