

# Agenda

## Cabinet

Date: **Thursday 25 June 2020**

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Time: **2.30 pm**

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Place: **Online meeting**

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[www.youtube.com/HerefordshireCouncil](http://www.youtube.com/HerefordshireCouncil).

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

# Agenda for the meeting of Cabinet

## Membership

**Chairperson** Councillor David Hitchiner, Leader of the Council  
**Vice-Chairperson** Councillor Felicity Norman, Deputy Leader of the Council

**Councillor Ellie Chowns**  
**Councillor Pauline Crockett**  
**Councillor Gemma Davies**  
**Councillor John Harrington**  
**Councillor Liz Harvey**  
**Councillor Ange Tyler**

## Agenda

	Pages
<b>1. APOLOGIES FOR ABSENCE</b> To receive any apologies for absence.	
<b>2. DECLARATIONS OF INTEREST</b> 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.	
<b>3. MINUTES</b> To approve the minutes of the meeting held on Thursday 4 June 2020.	9 - 16
<b>HOW TO SUBMIT QUESTIONS</b>	
<i>The deadline for submission of questions for this meeting is:</i>	
<i>9:30am on Monday 22 June 2020.</i>	
<i>Questions must be submitted to <a href="mailto:councillorservices@herefordshire.gov.uk">councillorservices@herefordshire.gov.uk</a>. Questions sent to any other address may not be accepted.</i>	
<i>Accepted questions and the response to them will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at <a href="https://www.herefordshire.gov.uk/getinvolved">https://www.herefordshire.gov.uk/getinvolved</a></i>	
<b>4. QUESTIONS FROM MEMBERS OF THE PUBLIC</b> To receive questions from members of the public.	
<b>5. QUESTIONS FROM COUNCILLORS</b> To receive questions from councillors.	
<b>6. END OF 2019/20 CORPORATE BUDGET AND PERFORMANCE REPORT</b> To review performance for 2019/20 and the budget outturn.	17 - 66



## The Public's Rights to Information and Attendance at Meetings

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### 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 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).
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### Observing meetings

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<sup>1</sup> The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

## **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.

The council is making an official recording of this public meeting. These recordings form part of the public record of the meeting and are made available for members of the public via the council's web-site.

## Guide to Cabinet

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

Cllr David Hitchiner (Leader) (Herefordshire Independents)	Corporate Strategy and Budget
Cllr Felicity Norman (Deputy Leader) (The Green Party)	Children and Families
Cllr Gemma Davies (Herefordshire Independents)	Commissioning, Procurement and Assets
Cllr Ellie Chowns (The Green Party)	Environment, Economy and Skills
Cllr Liz Harvey (It's Our County)	Finance and Corporate Services
Cllr Pauline Crockett (Herefordshire Independents)	Health and Adult Wellbeing
Cllr John Harrington (It's Our County)	Infrastructure and Transport
Cllr Ange Tyler (Herefordshire Independents)	Housing, Regulatory Services and Community Safety

The Cabinet's roles are:

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

### Who attends cabinet meetings?

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

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





Herefordshire Council

**Minutes of the meeting of Cabinet held as an online meeting on Thursday 4 June 2020 at 2.30 pm**

**Present:** Councillor David Hitchiner, Leader of the Council (Chairperson)  
 Councillor Felicity Norman, Deputy Leader of the Council (Vice-Chairperson)  
  
 Councillors Ellie Chowns, Pauline Crockett, Gemma Davies, John Harrington and Ange Tyler

Cabinet support members in attendance Councillors Peter Jinman and Jenny Bartlett

Group leaders in attendance Councillors John Hardwick, Alan Seldon, Terry James, Jonathan Lester and Trish Marsh

Scrutiny chairpersons in attendance Councillors Elissa Swinglehurst, Carole Gandy and Jonathan Lester

Officers in attendance: Director for economy and place, Director for children and families, Solicitor to the council, Chief finance officer, Interim Head of Legal Services, Director of public health and Head of community commissioning and resources

**144. APOLOGIES FOR ABSENCE**  
 Apologies were received from Councillor Harvey.

**145. DECLARATIONS OF INTEREST**  
 None.

**146. MINUTES**  
**Resolved:** That the minutes of the meeting held on 30 April 2020 be approved as a correct record and signed by the Chairperson.

**147. QUESTIONS FROM MEMBERS OF THE PUBLIC** (Pages 5 - 6)  
 Questions received and responses given are attached as appendix 1 to the minutes.

**148. QUESTIONS FROM COUNCILLORS** (Pages 7 - 8)  
 Questions received and responses given are attached as appendix 2 to the minutes.

**149. CARBON MANAGEMENT PLAN 2020/21 - 2025/26**  
 The head of environment climate emergency and waste services attended for this item.

The cabinet member environment, economy and skills introduced the report. She thanked colleagues for their work on the new plan and paid tribute to previous administrations for delivery of progress to date on reducing carbon emissions. An action plan would be produced showing the detail of the next phase of reductions. It was hoped that other organisations would work with the council to meet the objective of a carbon neutral county.

Points noted in discussion of the report included:

- The impact of the coronavirus on the way the council worked, for example reduced travelling and increased working from home, with some changes likely to become embedded over the long term;
- Schools represented 40% of the current emissions and would be a substantial part of the challenge to deliver reductions, it was recognised that children were supportive and interested in climate change and related projects;
- The use of LED street lighting had delivered important reductions but lighting would be maintained in key areas to maintain safety.

In considering comments and questions from group leaders the members of the cabinet noted that:

- Measures to reduce emissions would not necessarily cost money as they could include spend to save options, however where there were costs these would need to be budgeted for and the action plan would set out more details;
- Extreme weather events such as flooding were now likely to be more than just potential risks and the county would need to adapt;
- The inclusion of staff travel in measurements was welcomed;
- There was a limit to what the council could achieve on its own, businesses and the public would need to be engaged;
- The impact of the coronavirus on the economy and levels of unemployment might make it more difficult to deliver the changes proposed;
- There was a need to increase the number of charge points for electric vehicles, three new rapid charge points were being installed at points along the A49 as a strategic corridor and a report was expected later in the year on how the market for electric vehicles could be facilitated;
- Some changes that would deliver reductions involved areas that the council did not have direct control over for example building regulations and subsidies for domestic charging points and solar PV installations.

**It was resolved that:**

**(a) the Carbon Management Plan (2020/21 – 2025/26) which sets out an interim target for the council to reduce its organisational carbon emissions by 75%, based on 2008/09 levels by 2025/26 is approved.**

#### **150. HOUSING-RELATED SUPPORT FOR VULNERABLE YOUNG PEOPLE**

The head of community commissioning and resources and the senior commissioning officer for the project attended for this item.

The cabinet member health and adult wellbeing introduced the item. The proposed initiative was part of wider work to reshape the market for vulnerable young people. A complimentary new provision to accommodate care leavers with complex needs was due to commence shortly. The proposed service had been designed in consultation with young people to make sure that the service reflected their needs. Those using the accommodation would have their own front door with support on hand, tailored to different levels of need. It was hoped that the floating support / outreach offer would give landlords of private and social rented accommodation the confidence to accept young people as tenants.

Points noted from discussion of the report included:

- It was anticipated that these young people would welcome the chance to learn the skills to transition to adulthood successfully and it was important to have buy in from the young people themselves;
- Support workers would recognise trigger points and adjust the level of support provided in order to mitigate risks as much as possible;

- A sinking fund could be set up to meet occasional costs of repair if properties were damaged but there was not expected to be much need for this;
- There were many benefits to having these young people living closer to home and it also contributed to a reduction in costs to the council by reducing the need for provision outside the county;
- The accommodation was being delivered with no capital outlay by the council;
- Support provided would include looking at how to be financially independent and access employment and training;
- The accommodation to be provided would not be suitable for wheelchair users but the floating support package could help provide support using other accommodation adapted for their needs;
- It was requested that the equality impact assessment be updated to reference support for young people with physical disabilities.

Cabinet members noted the following points in considering comments and questions from group leaders:

- There was widespread support for the proposed service;
- The focus was on provision in Hereford as consultation with young people showed this was where they wanted to reside as it had better access to education and training opportunities, the floating support offer would allow young people to move back to the market towns once they had transitioned.

The chairperson of the children and young people scrutiny committee welcomed the proposal. The scrutiny committee had not considered this service but had reviewed the parallel service for young people with more complex needs. The head of community commissioning and resources agreed to investigate if it were possible to arrange for scrutiny committee members to visit the accommodation. It was noted that the scrutiny committee would want to review the impact of the new service after 18 months or so.

The chairperson of the adults and wellbeing scrutiny committee supported the wider approach and recognised the role of councillors as corporate parents.

**It was resolved that:**

- (a) the commissioning by way of an open procurement process of an accommodation support service, along with floating support and mediation services for vulnerable young people, aged 16 to 25 years, be approved; and**
- (b) authority be delegated to the director of adults and communities, following consultation with the director for children and families and cabinet members, to award a contract for housing related support services for a period of up to five years and maximum cost of £3.1m.**

## **151. FUTURE REFUGEE RESETTLEMENT**

The head of community commissioning and resources and the senior commissioning officer for the project attended for this item.

The cabinet member health and adult wellbeing introduced the report. It was explained that the UNHCR allocated refugee cases to the UK which were then allocated to each region. The approach taken by the council would be the same as in previous years, in that the council would identify suitable housing and put that forward to the local migration partnership with information about the needs that could be supported for example availability of school places. The partnership would then send through profiles of refugees and the council would have the option to decline where it did not believe it could meet the specific needs of an individual.

*Councillor Davies left the meeting at 15:59 during consideration of this item.*

Cabinet members noted that:

- Refugees brought richness and diversity to the county and there was a desire to support as many refugees as possible, taking account of the councils capacity;
- Refugees were generally settled in Hereford as there was a better supply of suitable accommodation and access to services, other locations such as Leominster had been considered and could be used if sufficient accommodation became available;
- Feedback from some previous refugee families had been received and taken into account in forming the future approach;
- Refugees could move to another area if they wished, however if they wanted to continue to receive support Herefordshire council would need to discuss this with the receiving council;
- Recent experience was that refugees settled well and no substantial issues had been experienced.

Group leaders were supportive of the proposal and noted the contribution of refugees to the county. They commended staff for how well refugees had settled previously and the people of Herefordshire for being welcoming to these individuals. It was suggested that the equalities impact assessment should include reference to schools, education providers and language support providers as key stakeholders.

**It was resolved that:**

**(a) a long term flexible commitment to the ambition of resettling at least 125 refugees over five years is approved; and**

**(b) authority to determine numbers of refugees resettled in any one year and any associated logistics is delegated to the director for adults and communities, in consultation with the cabinet member for health and wellbeing.**

The meeting ended at 4.10 pm

**Chairperson**

**PUBLIC QUESTIONS TO CABINET – 4 June 2020**

**Question 1**

**Mr I Wilkinson, Brierley**

**To: cabinet member, commissioning, procurement and assets**

At the cabinet meeting in Leominster, Councillor Gemma Davies, committed to having metrics implemented with Balfour Beatty. I have been through the minutes and cannot see an update. Are clearly defined, agreed metrics with targets and a clear reporting timetable now in place and what are the review processes, penalties for non-performance and improvement goals?

**Response**

Thank you for your question. I can confirm that there are currently defined metrics within the BBLP contract for both the public realm contract and the Property and Building Maintenance contract. Both Cllr Harrington and I now attend monthly operational boards where the metrics are scrutinised and any issues raised at the earliest opportunity. We have also committed to ensuring that consultation for the public realm annual plan is done much earlier so that the plan and metrics can be better linked to the County Plan. This will be reflected in next year's annual plan.

We have just commissioned a review into social value and what metrics could be used to judge performances on contracts, tenders and applications. We are even more committed to ensuring that the where businesses provide services for the council that we judge them not just by finances but by other metrics such as utilisation of local businesses and environmental factors.

With regards to any penalty for non-performance at an operational level then this is corrected at the provider's cost, poor performance against the strategic measures of performance results in the failure to 'win' contract extensions.

**Supplementary Question**

It is good to see you have the metrics up and running and that you have a review process, but nowhere do you mention targets. It is pointless having metrics without targets. Targets are there to drive the right behaviours. E.g. there should be a target to reduce the number of management heads in the contract.

I am not sure why you would commission for work to be done, is this costing the ratepayer money. Have you approached other councils for their metrics?

APQC have a metric classification template which is pretty good

**Response**

A full written answer will be provided. Every metric has a target with it, so we have a performance rate which they must achieve and it's RAG rated so whenever it doesn't reach that target that then forms part of the operations board where we are able to challenge that and work out the reasons behind why it's not working.



**COUNCILLOR QUESTIONS TO CABINET – 4 June 2020**

**Question 1**

**Councillor Nigel Shaw, Bromyard Bringsty Ward**

**To: cabinet member, infrastructure and transport**

New housing land supply figures were due for publication at the beginning of April, can the cabinet member responsible now provide these, or confirm a date on which they will be published?

**Response**

The housing supply statement for 2020 will be based on the position as of April 1st but it is not the case that these figures were due for publication in early April. The assessment of the housing land position needs to have regard to the methodology set out in Government guidance and involves a considerable amount of staff resource in order to provide as accurate an annual position as possible. As with previous years, the intention is to complete the assessment by the end of July. This year the Covid-19 pandemic is providing a number of additional challenges to this process but it is still intended at this time to provide the position statement by July 31st. This will enable the returns to Central Government to be made within the required deadlines.

**Supplementary Question**

I appreciate that the statutory deadline for submitting the figures is the end of July. I was hoping that the cabinet member might by now at least have an idea if the Authority were going to come in over the three year land supply figure.

What contingency plans does the cabinet member have in place to bolster the existing Herefordshire Local Plan if the housing land supply is reported as below 3 years in July to stop a development free for all in the county?

**Response**

As you say the statutory return date is July. There has been a slight delay in getting out and visiting the sites as a result of Covid. In terms of what masterplan response, we are working on some and I can give you a written update once we have an understanding of where we are at the moment.







<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>25 June 2020</b>
<b>Title of report:</b>	<b>End of 2019/20 corporate budget and performance report</b>
<b>Report by:</b>	<b>Cabinet member finance and corporate services</b>

### **Classification**

Open

### **Decision type**

Non-key

### **Wards affected**

(All Wards);

### **Purpose and summary**

To review performance for 2019/20 and the budget outturn.

To provide assurance that progress has been made towards achievement of the agreed revenue budget and service delivery targets, and that the reasons for major variances or potential under-performance are understood and are being addressed to the cabinet's satisfaction.

The 2019/20 outturn is a £569k underspend as at the end of March 2020.

The proportion of performance measures showing an improvement, or remaining the same compared to the same period last year is 71%; this is an improvement on the same period last year. At the end of the year, 52% of actions from the delivery plan are identified as complete or had progressed within planned timescales.

## Recommendation(s)

That:

- (a) Cabinet review performance and financial outturn for 2019/20, as set out in appendices A, B, D, E, F and G, and identifies any additional actions to be considered to achieve future improvement; and
- (b) The treasury management outturn report at appendix C be recommended to Council for approval

## Alternative options

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

## Key considerations

### *Revenue outturn*

2. The 2019/20 outturn is a £569k underspend as at the end of March 2020.
3. The table below sets out the directorate position at the end of March. Further service detail is available in appendix A.

### Projected revenue outturn 2019/20 (as at the end of March)

Directorate net budget	Gross budget	Net budget	Outturn	Variance over / (under)spend	Movement since last period
	£000	£000	£000	£000	£000
Adults & Communities	89,888	53,876	51,925	(1,951)	0
Children & Families	160,224	30,883	32,315	1,432	(749)
Economy & Place	49,503	29,484	29,484	0	(293)
Corporate	19,171	16,817	17,385	568	112
<b>Directorate total</b>	<b>318,786</b>	<b>131,060</b>	<b>131,109</b>	<b>49</b>	<b>(930)</b>
Central, treasury management, capital financing & reserves	62,877	20,032	19,414	(618)	
<b>TOTAL REVENUE</b>	<b>381,663</b>	<b>151,092</b>	<b>150,523</b>	<b>(569)</b>	<b>(930)</b>

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Further information on the subject of this report is available from Paul Harris, Tel: 01432 383675, email: Paul.Harris1@herefordshire.gov.uk

4. The outturn position for adults and communities for 2019/20 is a net underspend of £1,951k. This is after a transfer to reserves due to both the early delivery of savings within the Adults budgets and staffing vacancies within the operational teams. These reserves will support the delivery of invest to save programmes of work in 2020/21 and subsequent years. Delivery of an underspend in the year is predominantly resultant from the successful implementation of strengths based practice and other changes in operations.
5. The outturn for 2019/20 in children's and families is an overspend of £1,432k. This is a reduction since December. The positive movement resulted from reduced costs due to vacancies and a lower than anticipated net cost of placements. However, the overall overspend for 2020/21 is a result of increased costs and numbers of placements from those originally budgeted for.
6. The outturn for economy and place in 2019/20 is a balanced budget. This is an improvement of £293k since December, due in part to an improvement in planning income in the final quarter and an underspend in building control as well as increased income due to reduced competition in the field.
7. The corporate centre has an overspend of £568k, partially due to a significant number of vacancies in Legal Services and a reliance on interims to provide support to the council.
8. After contributions to the bad debt provision following a review of the year-end debt position and the anticipated collection rate pressures central, treasury, capital financing and reserves delivered a modest underspend. The treasury budget outturn is detailed in Appendix C; all prudential indicators were maintained in 2019/20.

### ***Capital outturn***

9. Total capital spend incurred in 19/20 is £35,716k, this varied from the December forecast of £43,664k by £7,948k. The capital Budget has underspent by £52,747k against the revised 19/20 Budget of £88,463k. This is due to the timing of delivery moving into future years. There are a number of reasons for the delays on a number of projects and these are: a lot of the work has been done on Fastershire but they are awaiting validation of outputs before invoices can be raised by the supplier; delays in work at the enterprise zone, other property projects and warm homes grants underspends were due to the impact of the floods and the work not being able to be carried out, this was also latterly impacted by the reduction in construction work due to COVID-19 during March; and the transport review has delayed work originally planned to take place this financial year on the transport projects and other decisions have not progressed on development projects for example the football ground. The underspend has not resulted in the loss of any capital funding and will be carried forward into 2020/21 except where the project has completed, if this is corporately funded borrowing it will increase funds available for future funding requests. There are three projects that have spent earlier than planned, so the carry forward will reduce 20/21 budget. Full details for each project can be seen in appendix B, showing underspends by each project.

### ***Corporate performance***

10. Council approved the corporate plan 2016/17-2019/20 in February 2016, framed around the key priorities to:
  - enable residents to live safe, healthy and independent lives;
  - keep children and young people safe and give them a great start in life;
  - support the growth of our economy; and

- secure better services, quality of life and value for money.
11. A new county plan was signed off by Council in February 2020 which form the basis of activity and reporting from April 2020.
  12. In February 2019 Council approved the 2019/20 budget. The annual delivery plan was agreed by Cabinet in February 2019. This plan set the activities for the 2019/20 year intended to meet the overarching outcomes defined in our Corporate Plan 2016-20.
  13. Progress towards delivering the activities within the delivery plan can be found in appendix F. At the end of the year, 52% of actions are identified as complete or had progressed within planned timescales. A further 37% of actions have been reported as amber; this would indicate that there are obstacles which might cause a delay.
  14. The impact of the delivery plan is supported by a number of agreed performance measures. These have been selected because they demonstrate progress towards achievement of the council's priorities and also provide an overview of the council's performance from a resident's perspective. The databooks are available in appendix G and contain the latest performance outturns available. Where monitoring information is only available annually, these measures will be reported at the point it becomes available.
  15. The proportion of performance measures showing an improvement, or remaining the same compared to the same period last year is 71%. This is an improvement on the same period last year.

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

#### *Stay Safe, Healthy & Independent*

16. During the year, the WISH information and advice website was upgraded to improve directory access, events planning and reporting functions. The "My Information" booklet function was also added. Throughout the year, there has been a focused effort on promoting the WISH site particularly through social media and as a result, the number of "hits" to the site on a monthly basis has consistently been above the target of 2,000; the number of site visits rose to a peak of 4,520 in March. The overall number of site visits for the year was 39,540 set against a target of 24,000.
17. The commissioned public health service for NHS health checks has been below expected levels for 8 out of 12 months. In general terms, months with higher performance levels were achieved as a result of additional input from commissioners, but sustained change has not been achieved. The end of year average saw around 45% of people contacted attending their GPs for health checks set against a target of 55%. New working models are under consideration however they are delayed due to the COVID-19 crisis.
18. A combined total around 69% people accessing the healthy lifestyles service completed their personal health plan. 56% fully completed their objectives whilst 13% partially completed their objectives. The total numbers of people accessing the Healthy Lifestyles for the year was 1059 which is above the target of 975. Smoking cessation referrals for the year reached 633; of these 221 were pregnant smokers and 411 were smokers from high risk groups. 113 people supported had stopped smoking at the end of 12 weeks which is above the expected level of 78.
19. The council made full use of the £1.99m Disabled Facilities Grant funding made available from central government in 2019-2020. 244 referrals for Disabled Facilities Grant were

received in 2019-20 which is slightly down on the 286 received the previous year. 181 were approved and 153 signed off as completed. 1,369 requests for minor adaptations were received with 1,337 completed in year. An additional 149 adaptations were completed under our rapid response scheme (mostly the installation of a grab rail to enable hospital discharge) as well as another 158 other requests for support from our handyperson service. The DFG has been used flexibly to meet the needs of residents including £227, 000 of the grant being used to provide specialist equipment and electronic assistive technologies to help maintain people's independence and well-being at home.

20. Over the year, the number of people using telecare and electronic assistive technologies to help maintain their independence and well-being has risen from 2063 to 2433; a rise from 1.33% of the population to 1.56% population (more than 3 in every 200 people), and the number of people connected by telecare to the Alarm Receiving Centre has risen from 1772 to 2109; additionally we are now using digital technologies such as smart watches that can connect people directly to those who care for them without having to connect to the alarm receiving centre – or who can use the alarm receiving centre as a back up to the support they themselves provide.

### Housing & Accommodation

21. Over the course of the year 66 households were placed in temporary accommodation; which includes placements with private and registered social housing landlords, and 18 households were placed in Bed and Breakfast accommodation. Length of stay in accommodation of this type varies, and is very dependent on access to permanent housing. In any one month throughout the year an average of 41 households were living in temporary accommodation and, separately, the monthly average for the number of households placed in bed and breakfast was nine. Bed and breakfast accommodation was only used when there were no alternatives available. Local targets for temporary accommodation align to Government guidelines. No families were in B&B for more than 6 weeks at any one time, which is within target.
22. During the year 720 people presented as homeless or at risk of becoming homeless. The Housing Solutions service prevented 632 households from becoming homeless by securing accommodation.
23. At year end, 676 people were fully registered on the HomePoint Social Housing Register. The register currently contains 1132 further names of people who have applied to be on the register but have not provided full documentation to support their application. During the year 626 households were housed through the HomePoint Choice Based Lettings system
24. The adoption of the housing allocations scheme and launch of the new IT system was approved at cabinet on the 27th February 2020. However, the COVID-19 pandemic significantly increased the pressure on the implementation team as they were required to shift focus on sourcing accommodation for rough sleepers and the homeless. A new date for implementation has been set for June 2020.

### *Adult Social Care*

25. The council's HomeFirst reablement service has supported 96% of people referred. 79% of people receiving a service went on to achieve independence (i.e. did not require a formal council service). The service has seen outcomes for people improve throughout the year which peaked in Q4 with 89% of people leaving the service still being at home 91 days after being discharged.

26. Delayed transfers of care (often referred to as DToC) has seen dramatic improvement throughout the year. This was result of earlier modelling and investment in the HomeFirst model made by the directorate. From a peak of around 180 social care delayed bed days per month recorded in Q1 of 2019, Q4 saw the lowest number in year of 40 bed days on average per month. This is well within the national NHS targets and is now recognised as one of the best areas for performance across the country.
27. The percentage of people in receipt of long-term care who have now been assessed using Adult Social Care's (ASC) strengths based model is at 96%. This process aims to ensure that residents' outcomes are met by building on their own abilities and by fully accessing community opportunities. Additionally for those in long-term care, 82.5% of people received at least one in year review. This is a significant increase from last year's performance which was around 60% and despite the impact of COVID at the end of the year, is the highest percentage ever on record for the authority.
28. The number of people accessing long-term ASC support has reduced for the third consecutive year. This is bucking the demographic trend and is further evidence of the success of the Herefordshire ASC care and support model. The number of people accessing long-term care at the year-end is 2,309, which is a reduction of 3.1% or equivalent to 74 fewer people. Importantly, there are no waiting lists for ASC assessments.
29. Again bucking demographic trends, the number of people placed by the local authority living in residential care remained static at 505. Nursing care placements reduced by around 5% from a peak of 332 in June 2019 to 304 in March 2020. The number of people in receipt of domiciliary care reduced by around 3% from 739 in April 2019 to 716 in March 2020. The numbers of hours commissioned from the care market reduced by around 2.5% overall in year. Whilst the trend is positive, this aligns to a predicted slowing down in the reduction of overall hours.
30. The redesign of social care resources to align better within the locality based community health services was completed earlier in the year. Links to the Primary Care Networks are increasingly well established with ASC playing key role in designing and implementing new practice models.

*Progress against the Peer Review final report recommendations*

31. There has been considerable development around the Talk Community programme which has been enhanced by, and can in part be evidenced by, the response to the recent floods and the COVID crisis. Talk Community is embedded within the council's County Plan, has an evolving but defined programme of work and is increasingly commonly understood across Herefordshire including amongst key partners.
32. An evolving new model of care, which includes the council's own provision, is taking shape. Hillside is the first council owned and run bedded provision in many years and was opened in just 6 weeks following the recent crises within the county. The enhanced domiciliary care "plus" model is under further development and is in place at the Three Counties hotel. Cabinet's decision to invest £14m of capital to develop this further supporting to diversify the market to meet the future aspirations of the council and its partners.

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

33. The Oral Health Action Plan has been approved and includes measures to increase the number of children accessing fluoride varnish and enabling targeted, supervised tooth brushing as well as encouraging parents to take their child to the dentist. Commissioned

support for dental health for 0-5 years, based on the Oral Health Action Plan was due to be rolled out in February/March 2020. An initial soft market testing exercise has been prepared in advance of a tendering process, due to commence in April 2020. Due to COVID-19 this has now been delayed significantly and will be reviewed once COVID-19 pressures have been relieved. Results from Public Health England of the dental survey of 5 year olds has been delayed further to summer 2020. A dental survey of 3 year olds began in January of 2020: once this has completed the findings will underpin a drive to work further upstream in terms of prevention.

34. The continued roll out and promotion of the Solihull parenting approach supports our approach in supporting good health and wellbeing in young children and the free online training for parents. To date the Solihull project under the Solid Roots Project has had 800 people across the county register for the online courses. 159 professionals across Herefordshire have been trained in the Solihull approach, including health professionals, social workers, family support workers, early years professionals and teachers. Of these 65 have gone on to be “train the trainers” to deliver the approach either directly to parents or to train other professionals. Demand for the Solihull courses continues to rise and the list of trainers trained have already started delivering courses to other professionals in the county.
35. A significant improvement in educational outcomes has taken place in Herefordshire over the past 5 years. Validated data received in quarter 3, confirmed results for primary schools in Herefordshire and indicates that the county is performing in either the top or second quartile of all local authorities in the vast majority of performance indicators. Data to show performance of secondary schools against other councils is has now been validated. Key Stage 4 validated data for Herefordshire schools shows that attainment has fallen slightly in 2019 and was below national (state funded schools) in the key performance indicators of: Progress 8, Attainment 8, GCSE English and mathematics attainment at grades 9-5 and grades 9-4 and attainment in the E-Baccalaureate. Performance for all indicators at Key Stage 4 was in the third quartile for all national measures, except progress 8, which was in the fourth quartile. Areas that are now being targeted by local authority officers are improving outcomes in the Attainment 8, Progress 8 and English and Maths measures at the end of Year 11 and securing higher attainment for disadvantaged groups, particularly pupils eligible for free school meals.
36. Due to the current COVID 19 pandemic there will be no true exam results; this will result in no Attainment 8 and Progress 8 information being provided for this academic year; we are awaiting further guidance from the DFE as to what performance measures they will use.
37. On 18th and 19th December 2019 Ofsted carried out a focused visit. The focus of the visit was arrangements for children in need and those children subject to a child protection plan, and a particular focus on contextual safeguarding, particularly those issues relating to peer on peer abuse. Ofsted have published their report in January 2020, in quarter 4, and further information has been provided to the executive.
38. The first Signs of Safety workshop took place in December 2019 and work progressed towards implementation of Signs of Safety through quarter 4, an approach to underpin practice with a strengths based model working with families. Prior to COVID 19, three sessions for practitioners took place on Signs of Safety Assessments and considered planning the next steps; in addition, initial workshops have taken place for four of the five identified work streams. The implementation phase has been continuing to progress with virtual training sessions and workshops taking place.
39. At the end of quarter 4 a number of performance indicators for safeguarding and family support had shown some improvement. Including the recent improvement in completion of

visits within timescales. Supervision does however remain below target overall but has some improvement across the service areas.

40. At the end of quarter 4 there were 352 looked after children. 73 children are long term matched with foster carers, 21 children are placed with parents, and 38 children have potential care plans of special guardianship orders. In quarter 4 there were six children who were made the subject of special guardianship orders and 2 children who had their care orders discharged. Applications for a further 17 children have been sent to legal or are filed with the Court (13 applications for special guardianship orders and 4 applications for discharge of the care order). Six of these are new applications during March whilst the others had been made in earlier months.
41. The number of children who are supported through child protection plans decreased through this quarter to 108 at end of March 2020. The service is carrying out audit work to review decision making when children have moved from a child protection plan and also decisions on whether a child should be supported with a child protection plan.
42. Recruitment of social workers continues to be supported by taking on an agency specifically tasked with recruiting social workers for Herefordshire and a bespoke microsite has been developed. Retention has been supported through a variety of enhancements, but filling vacant posts, keeping caseloads down and managing the work across the service remains a challenge.
43. Property Services, in support of Housing and Adult Commissioning, purchased a terrace of flats at 88/90 Widemarsh Street, Hereford, which is presently being refurbished for use by vulnerable care leavers. Although the project has been delayed due to the impact of COVID-19, it is now anticipated that the flats will be available by early summer 2020.

#### **Support the growth of our economy**

44. On 30 January the scope of the Hereford Transport Strategy review (including peer review of HTP & SWTP schemes) was confirmed and work on the review is progressing. A first round of consultation about the strategy review has taken place with stakeholders. It is anticipated the review will be concluded in August 2020 and cabinet will then consider the outcome of the review and confirm next steps.
45. A report is due to be considered shortly to commence consultation in spring / summer 2020 on the transport hub and public realm scheme. This will inform the detailed design of these schemes and planning application if required late 2020 /2021 with construction commencing late 2021.
46. In February 2020 Storm Dennis hit Herefordshire resulting in significant, damage and flooding, from both runoff and river overspill with many of the county's rivers reaching their highest levels in 200 years. The council successfully mobilised all resources to respond to flooding incidents and immediate action was undertaken to safeguard life or property, prevent suffering or severe inconvenience as a result of this emergency. Around 80 roads were formally closed due to flooding and damage to the highways network with many remaining closed in following weeks. Clean up commenced on Tuesday 18th with resource focussed on areas worst hit when flooding had subsided. Additional resource from Balfour Beatty Living Places (BBLP) and other contractors was drafted in and deployed to support the clear up and necessary repair work. As the water subsided information on the resulting damage was collated across the county. As a direct result of Storm Dennis, Herefordshire experienced very significant damage to the highway network. A total of 139 damage sites were identified across the county. Given the scale of this damage and works required



countywide, 72 damage sites were cleared and repaired during the immediate and subsequent recovery Bellwin period to the end of March 2020. However, a total of 67 flood damage repair sites which could not be fully cleared or repaired by the end of March due to constraints related to access, complexity or resource availability remain and require attention. The scale of work necessary means that it will take several months to complete all the work required. There are three significant schemes (two on the B4224 at Fownhope and a scheme at Whitney on Wye) that must be undertaken together with smaller schemes across the county. The two schemes on the road to Fownhope are where significant damage to the main highway into the village has resulted in community severance with limited alternative access. In addition, further activity is required to clear all blockages and, repair the drainage network across the county and carry out flood investigations as required by the Flood and Water Management Act. Significant flood repair works remain to be undertaken, and discussions are underway with Government as to whether these can also be funded through the Bellwin Scheme or whether there is other Government funding available to fund these important repair works.

47. In total, 741 premises, comprising 527 residential properties and 214 businesses, were affected. Where properties were flooded internally or their residence was considered unliveable for any period of time due to flooding, residents were eligible to receive government grants to the value of £500 (from the Community Recovery Grant), along with three months of Council Tax discount. Furthermore, small / medium sized enterprises that were directly impacted or suffered losses of as a result of the flooding that could not be recovered from insurance were eligible to receive government grants to the value of up to £2,500 (from the Business Recovery Grant), as well as business rates relief for three months. The Department for Environment, Food and Rural Affairs (Defra) has also announced the Property Flood Resilience Recovery Support Scheme 2020 for property owners whose properties flooded internally in February 2020. The purpose of the grant is not to cover the cost of repairs but to implement measures which will improve resilience against further flooding.
48. During the last quarter Herefordshire experienced two economic shocks, significant and widespread flooding in January/ February followed by COVID-19 primarily from March 2020. COVID-19 in particular has had and will continue to have a very significant impact on the local economy, due to government instruction to close tourism, leisure, cultural and hospitality businesses. Manufacturing businesses have been severely affected by the need to introduce social distancing (meaning many have had to close) and a significant drop off in trade. COVID-19 also had an impact on a number of the capital projects as construction was paused during the lockdown period. In response to the COVID-19 epidemic, the council established a hotline and e-mail drop box for business enquires, assisting over 600 people in March and April. Information regarding national support measures has been sent out to businesses, with guidance available on the council and Growth Hub webpages. A weekly meeting with key business intermediaries (Federation Small Business, Chamber of Commerce, Herefordshire Means Business, Herefordshire Business Board, NFU etc.) was established to help understand issues affecting businesses, and to co-ordinate support and communications. The council also engaged local businesses to help address shortages in PPE (such as hand sanitizer), accommodation for key workers, and additional social care provision.
49. The development of Shell Store site on the Hereford Enterprise Zone commenced in summer 2019, and will be completed in the summer 2020 following a delay in construction related to COVID-19. The £7.5m redevelopment will establish the first purpose built business incubator facility in the county. The Shell Store will provide employment space for up to 40 dynamic and innovative businesses, driving economic growth through the generation of around 128 new jobs by 2023 – rising to more than 450 by 2031.

50. The construction of the £9m Midlands Centre for Cyber Security on the Hereford Enterprise Zone is also due to complete in the October 2020 following a delay due to COVID-19, with the wooden structure of the building now in place. The Joint Venture with the University of Wolverhampton will create a range of opportunities in the growing cyber security sector in Herefordshire, providing business accommodation alongside product testing, specialist research and educational facilities, benefitting the local economy through investment, job creation and skills development.
51. In July 2019 construction commenced on the first bespoke student accommodation development in Hereford. The £19m development will establish 178 student accommodation bedrooms to support the growth of Higher Education provision at Hereford College of Arts and NMITE. Developing higher education in the county is critical to establishing higher-level skills, retaining/ attracting a younger generation to learn, live and work in Herefordshire, and to attracting employers offering higher value job opportunities. Towards the end of the quarter the modular units that had been constructed offsite, were delivered to site and craned into place. The delay will mean that the construction will not be completed for the September academic year.
52. The highly successful Hereford Enterprise Zone known as Skylon Park continues to go from strength to strength. To date 51 acres have been sold or committed to development with 56,500 sq. m of workspace developed or committed and investment in land and buildings in excess of £50m. Almost 800 people are now working on the Zone.
53. Car parks performed as expected throughout most of the year, though income receipts were challenging. The last period was also impacted significantly due to COVID-19 outbreak where there was a reduction in utilisation of the car parks.
54. The parking appeals team started the year with a large backlog of correspondence, with around 2,000 awaiting reply resulting in a response time of 6 months. Various processes and activities have been reviewed over the year, with some significant changes to the way the team engage with the public and respond have taken place. At the end of the year response times were less than a week, with under 150 in the queue for response. These efficiencies have also led to a much improved recovery rate of penalty charge notices issued.
55. There were 213 affordable housing units delivered during the year, which exceeded the planned target of 210. Delivery of affordable homes is expected to continue to rise year on year but significant growth required to meet local housing need now and in the future.
56. In May 2019 after a change in government's requirements for Approved Inspectors (AI's) insurance many AI's were unable to renew insurance policies and therefore were unable to carry out their Building control function. Any work under construction that was dealing with an AI without insurance required the Building Regulations application to be reverted to the local authority. This resulted in the Building Control team receiving a large number of queries and reversion applications. The Building control team supported local residents to ensure that their projects could continue as swiftly as possible.

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

57. Information Governance (IG) Schools is a traded service that provides data protection services and general information governance advice and assistance to schools and educational settings that take up the service level agreement – currently standing at 50 schools.

58. The council supported savings in the use of premises and cost for storage as part of a wider rationalisation programme. As part of that during the year 1,580 boxes of information have been fully scanned before being destroyed at the modern records unit. Over the next twelve months the aim is to reduce the total number of boxes stored to under 12,000; currently at 14,000. This will be achieved by further amalgamating of boxes and additional storage capacity being created to recall boxes from external storage to reduce costs.
59. The council has exceeded its target of 95% of Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests managed on time, exceeding the Information Commissioners Office threshold of 90%; more than 1,400 requests have been received. The council also exceeded its target of 95% of Subject Access Requests (SAR) meeting timescales; based on 143 requests. During 2019/20, the council dealt with 600 complaints, of which the council upheld or partially upheld 21%. In addition, 30 complaints were processed under the children's complaints procedure for children's social care. The Local Government and Social Care Ombudsman (LGSCO) will investigate complaints if a resident is not happy with the response given by the council and during April 2018 - March 2019 (latest figures from LGSCO) of all complaints received relating to the council, 8 were upheld which is 1% of all complaints for the period.
60. Over 91% of premises in Herefordshire can now access superfast broadband services (from a starting point in 2012 of 0.6%) and almost a quarter of the county's premises can access fibre to the premise, which is double the national average. The two major continuing contracts managed by Fastershire with Gigaclear and Airband will see significant delivery during 2020/21, building towards the contracted measure of 97% superfast coverage and exclusively through Fibre to the premises provision.
61. The council's long leasehold interests at Rotherwas which yielded very low rent returns were sold in a series of auctions during the year. The sales generated a capital receipt of over £1.6 million which was the significant part of the total sum of just over £2 million generated from the sale of surplus estate assets throughout 2019/20.
62. Herefordshire CCTV secured £184K funding through a capital grant bid to renew the recording equipment for CCTV as well as updating and upgrading cameras and transmission links in the market towns of Ledbury, Leominster and Ross-on-Wye. The updating and upgrading of the cameras and links to IP (Internet Protocol) will achieve a saving in the region of £20K per year in BT fibre optic costs. To assist with the costs the Police & Crime Commissioner also awarded funding of £50K towards the project. 2,486 of 3,087 recorded outcomes resulted in a positive outcome.
63. The Herefordshire CCTV Monitoring Contract was due to be procured in the latter half of 2019/20. Due to the uncertainty of the status of the elections of the Police and Crime Commissioner, their processes for awarding grants were put on hold. With it becoming apparent that all elections in 2020 were going to be cancelled the PCC awarded an extension to the current grant for a further 12 months. It was agreed with Procurement that to go through a procurement process for a one-year contract would not provide best value so a Waiver was drawn up and signed to extend the current contract, which is supplied by Enigma Security for a further 12 months. It is planned that a full tender process can be carried out in 2020 but much depends on any changes to the PCC grants process.

### **Corporate Risk**

64. The Corporate Risk Register holds the most significant risks for the council and is attached at appendix H. Since the last quarter, there have been four risks removed from the corporate risk register:

- Development Regeneration Partnership – Keepmoat and Engie: these risks have been removed, and replaced with a new risk that covers all disputes between the council and major contractors.
- South Wye Transport Package: this risk materialised and existing growth funding was removed.
- Hillside: an agreement has been reached, and the facility is now being utilised during the COVID-19 pandemic.

65. Five new risks have been identified and entered onto the corporate risk register:

- 5 year Housing Land Supply / Housing delivery test: this risk has been escalated to the corporate risk register, as the current estimation is that there is only a three-year supply.
- Dispute with major contractors: this risk has been introduced as a generic risk to cover all disputes between the council and its contractors.
- COVID-19: the significance of this pandemic means that it impacts on every service that the council delivers and its ability to achieve the strategic priorities of the county.
- Ofsted outcomes: an unfavourable outcome following an Ofsted inspection will affect the council through the need to realign activity in order to ensure effective delivery of services.
- County Wide Net Zero Carbon Target: non-achievement of the target could result in an increase in local climatic changes which would have economic, social and environmental impacts.

66. As the number and range of operational risks emerged in relation to the Council's management of COVID-19, a separate COVID-19 risk register has been developed. This register is monitored and updated through the Management Board each week and feeds in to the COVID-19 on the Corporate Risk Register.

### **Delivery Plan 2020/21**

67. The Delivery Plan 2020/21 development has been delayed due to the impact of COVID-19 whilst the full impact is assessed. Development of this plan is underway and will be reported to cabinet at the end of summer 2020, alongside a close down report for the 2016-20 Corporate Plan.

68. In the absence of a delivery plan, Q1 & Q2 2020/21 budget and performance reports will continue to report on the council's financial, budget and savings position and will carry forward the measures and activities from the 2019/20 delivery plan which remain incomplete in this report. Progress on any key activities signed off by cabinet outside of the 2019/20 delivery plan will also be included. These activities will be aligned to the new County Plan strategic ambitions of; Environment, Community and Economy.

## **Community impact**

69. 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. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner.

70. Regularly reviewing performance with a view to identifying actions which will deliver further improvement in outcomes or efficiencies helps ensure the council achieves its corporate plan priorities.

## **Equality duty**

71. 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.
72. 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. As part of the decision making processes, individual directorates and service areas assess the potential impact of any proposed project, leading to fairer, transparent and informed decisions being made.

## **Resource implications**

73. The recommendations have no direct financial implications, however cabinet may wish to revise how money is utilised in order to meet the council's objectives.

## **Legal implications**

74. None.

## **Risk management**

75. The risks associated with the councils business, and any delivery plan objectives or projects are entered onto the relevant service or directorate risk register and escalated as appropriate. The corporate risk register is found in appendix H.

## **Consultees**

76. None in relation to this report.

## **Appendices**

- Appendix A Revenue forecast
- Appendix B Capital outturn
- Appendix C Treasury management forecast

- Appendix D Debt write-offs
- Appendix E Savings performance reports
- Appendix F Delivery Plan Progress
- Appendix G Corporate Plan Performance Metrics
- Appendix H Corporate Risk Register

## **Background papers**

None

## Appendix A: Revenue Budget Position 2019/20

	Gross Budget	Net Budget	Outturn	Variance Overspend / (underspend)	Movement since last period
	£000	£000	£000	£000	£000
Adults & Communities	89,888	53,876	51,925	(1,951)	0
Children & Families	160,224	30,883	32,315	1,432	(749)
Economy & Place	49,503	29,484	29,484	0	(293)
Corporate	19,171	16,817	17,385	568	112
<b>Directorates</b>	<b>318,786</b>	<b>131,060</b>	<b>131,109</b>	<b>49</b>	<b>(930)</b>
Central, treasury management, capital financing & reserves	62,877	20,032	19,414	(618)	0
<b>Total Revenue</b>	<b>381,663</b>	<b>151,092</b>	<b>150,523</b>	<b>(569)</b>	<b>(930)</b>

### Movement in Net Budget:

#### Adults & Communities:

Transfer from Childrens to adult contracts £15k, drawdown from reserves £500k of rural monies. Drawdown from Public Health reserve £30k and £10k of this transferred to Children's for Children's health commissioning. Transfer of Public Health Grant to E&P £604k and transfer to reserve £(137k). Customer services match funding for 'Great Place Project' £10k. Transfer to 'Talk Community' reserve £675k.

#### Childrens & Families:

Draw downs from reserves £3,183k, transfer of budget for two posts to Corporate Services (£80k) and (£15k) to Adults for contract costs

#### Economy & Place:

Draw downs from reserves £2,762k, transfer of budget to Corporate Services (£206k), transfer of budget to Central for capital financing (£32k)

## Adults and Communities: Revenue Budget Position 2019/20

	Gross Budget	Working Net Budget	Full Year Outturn	Full Year Variance	Movement since December
	£000	£000	£000	£000	£000
Learning Disabilities	24,118	20,478	19,852	(626)	(709)
Memory & Cognition	3,323	2,472	2,398	(74)	19
Mental Health	4,329	3,600	3,125	(475)	(321)
Physical Support	33,075	24,464	22,955	(1,509)	(959)
Sensory Support	532	435	359	(76)	(19)
<b>Client Sub-Total</b>	<b>65,377</b>	<b>51,449</b>	<b>48,689</b>	<b>(2,760)</b>	<b>(1,989)</b>
Care Operations & Commissioning	9,130	9,112	7,665	(1,447)	(606)
Commissioned Services	4,354	3,188	3,177	(11)	2
Transformation & Improvement	834	834	717	(117)	(36)
Prevention & Wellbeing	4,169	3,070	2,604	(466)	(483)
Directorate Management	(2,893)	(13,660)	(10,810)	2,850	3,112
Public Health	8,917	(117)	(117)	0	0
<b>Adults &amp; Communities</b>	<b>89,888</b>	<b>53,876</b>	<b>51,925</b>	<b>(1,951)</b>	<b>0</b>

### The key variances are:

**Client budgets** – underspend due to the reduction in the number of residential and nursing placements within Physical Support along with a reduction in domiciliary and day care activity within Learning Disabilities. There has also been an increase in direct payment surplus recovered across all client areas.

**Care Operations & Commissioning and Prevention** – underspend due to vacancies across most of the operational teams.

**Directorate Management** – transfer to reserves to support the adults & communities transformation programme in 2020/21 and subsequent years.



## Children and Families: Revenue Budget Position 2019/20

	Gross Budget	Working Net Budget	Full Year Outturn	Full Year Variance	Movement since last period
	£000	£000	£000	£000	£000
Children's Commissioning Directorate	817	522	514	(8)	(11)
<b>Directorate</b>	<b>1,026</b>	<b>711</b>	<b>573</b>	<b>(138)</b>	<b>(158)</b>
Additional Needs	2,348	2,305	2,273	(32)	40
Commissioning Management	3,608	713	674	(39)	(43)
Development and Sufficiency	1,857	985	1,015	30	15
Early Help	1,468	713	686	(27)	27
Early Years	454	421	416	(5)	(5)
Education Improvement	710	186	179	(7)	7
DSG	121,829	0	0	0	0
<b>Education &amp; Commissioning</b>	<b>132,274</b>	<b>5,323</b>	<b>5,243</b>	<b>(80)</b>	<b>41</b>
Safeguarding and Review	1,321	1,063	1,082	19	(1)
Children in Need	3,105	3,005	2,903	(102)	(70)
Looked After Children	21,554	18,678	20,607	1,929	(410)
Safeguarding Development	282	252	215	(37)	(13)
Safeguarding & Early Help Management	1,851	1,851	1,692	(159)	(138)
Safeguarding & Family Support	<b>28,113</b>	<b>24,849</b>	<b>26,499</b>	<b>1,650</b>	<b>(632)</b>
<b>Children &amp; Families</b>	<b>161,413</b>	<b>30,883</b>	<b>32,315</b>	<b>1,432</b>	<b>(749)</b>

### The key variances are:

The pressures are focused in the placement costs, the forecast has reduced as full year costs are not as high as anticipated.

## Economy and Place: Revenue Budget Position 2019/20

	Gross Budget	Working Net Budget	Full Year Outturn	Full Year Variance	Movement since last quarter
	£000	£000	£000	£000	£000
Economic Growth	1,333	685	676	(9)	0
Highways & Transport	20,180	16,332	16,514	182	(214)
Housing and Growth	3,102	1,926	2,014	88	76
Management	153	153	173	20	9
Regulatory, Environment & Waste	22,775	15,089	15,037	(52)	(66)
Technical Services	7,943	(4,701)	(4,930)	(229)	(98)
<b>Economy &amp; Place</b>	<b>55,486</b>	<b>29,484</b>	<b>29,484</b>	<b>0</b>	<b>(293)</b>

There were no significant movements in month

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### The key variances are:

**Highways & Transport** – the Highways and Transport service area has had to respond to recent severe flooding events which has placed additional pressure on the service. In addition, £539k pressure in school transport of which £475k relates to the level of demand for SEN transport and £73k impact of Public Service Vehicle Accessibility Regulations. Budgets have been managed to reduce the impact of the transport pressures.

**Regulatory, Environment & Waste** - income in relation to planning has seen some improvement but there is £340k under recovery of planning income, which may in part be due to economic conditions relating to current uncertainty in the development market. This is currently being offset by over performance on energy and waste budgets

**Technical Services** – building control £153k underspend due to a vacancy and one off increased income generation due to reduced competition in the market

**Corporate: Revenue Budget Position 2019/20**

	<b>Gross Budget</b>	<b>Working Net Budget</b>	<b>Full Year Outturn</b>	<b>Full Year Variance</b>	<b>Movement since last period</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate Support Services	8,677	6,281	6,221	(60)	37
Finance, Legal & Governance	8,568	8,377	8,669	292	(31)
People & Performance	1,926	2,159	2,495	336	106
<b>Corporate</b>	<b>19,171</b>	<b>16,817</b>	<b>17,385</b>	<b>568</b>	<b>112</b>

8

**The key variances are:**

**Finance, Legal & Governance** - Legal services has significant vacancies and is reliant on interims to provide support to the council.



## Appendix B

Table A - 2019/20 Capital Budget Forecast

*Adjustments include reprofiling to future years and additional grants allocations	2019/20 Budgets £000s	Adjustments in Year* £000s	2019/20		
			Outturn Budget £000s	Outturn £000s	Variance £000s
<b>Adults and Communities</b>					
Disabled facilities grant	1,853	146	1,999	1,999	-
Hillside	2,300	250	2,550	-	(2,550)
Single Capital Pot	541	378	919	-	(919)
Private sector housing improvements	-	199	199	-	(199)
<b>Total Adults &amp; Communities</b>	<b>4,694</b>	<b>973</b>	<b>5,667</b>	<b>1,999</b>	<b>(3,668)</b>
<b>Corporate</b>					
Fastershire Broadband	11,420	(1,268)	10,152	1,783	(8,369)
PC Replacement	374	(156)	218	228	10
Children Centre Changes	60	203	263	147	(116)
<b>Total Corporate</b>	<b>11,854</b>	<b>(1,221)</b>	<b>10,633</b>	<b>2,158</b>	<b>(8,475)</b>
<b>Children's and Families</b>					
Colwall Primary School	-	85	85	-	(85)
Schools Capital Maintenance Grant	1,700	452	2,152	1,588	(564)
Peterchurch Primary School	493	-	493	-	(493)
Expansion for Marlbrook school	5,538	(1,924)	3,614	666	(2,948)
SEN & DDA school improvements	710	(710)	-	-	-
Brookfield School Improvements	1,298	1,279	2,577	-	(2,577)
C&F's S106	604	311	915	266	(649)
Special Provision Capital Fund	333	(333)	-	-	-
Healthy Pupils	99	-	99	75	(24)
Individual Pupil Needs	120	(1)	119	81	(38)
Short Breaks Capital	118	-	118	-	(118)
Blackmarston SEN	-	54	54	2	(52)
Replacement Leominster Primary	-	36	36	21	(15)
Basic Needs Funding	2,058	(2,058)	-	-	-
2 Year Old Capital Funding	-	31	31	4	(27)
Preliminary works to inform key investment	1,815	(805)	1,010	24	(986)
Temporary school accommodation replacement	450	65	515	363	(152)
<b>Total Children's &amp; Families</b>	<b>15,336</b>	<b>(3,518)</b>	<b>11,818</b>	<b>3,090</b>	<b>(8,728)</b>
<b>Economy and Place</b>					
Hereford City Centre Transport Package	1,550	(919)	631	499	(132)
South Wye Transport Package (detailed below)	17,067	(12,349)	4,718	1,171	(3,547)
<i>South Wye Transport Package - Construction</i>	-	-	2,606	44	-
<i>South Wye Transport Package – Professional Fees</i>	-	-	708	459	-
<i>South Wye Transport Package – Land Costs</i>	-	-	1,298	668	-
<i>South Wye Transport Package - ATM</i>	-	-	106	-	-
Hereford City Centre Improvements (HCCI)	1,500	-	1,500	-	(1,500)
Hereford Transport Package (detailed below)	3,500	202	3,702	1,062	(2,640)
Hereford Transport Package – Professional Fees	-	-	3,702	1,062	

Hereford Transport Package - ATM	-	-	-	-	-
Local Transport Plan (LTP)	12,272	(527)	11,745	11,695	(50)
E & P's S106	-	1,441	1,441	1,422	(19)
Highway asset management	4,858	(1,015)	3,843	2,057	(1,786)
Hereford Enterprise Zone	2,924	476	3,400	1,266	(2,134)
Herefordshire Enterprise Zone Shell Store	5,816	119	5,935	4,225	(1,710)
Ross Enterprise Park (Model Farm)	6,270	(3,893)	2,377	272	(2,105)
Marches business improvement grants	788	835	1,623	633	(990)
Marches Renewable Energy Grant		88	88	12	(76)
Marches Business Investment Programme		99	99	41	(58)
Affordable Housing Grant	800	799	1,599	1,162	(437)
Community Housing Fund	-	141	141	141	-
Revolving Loans	-	55	55	55	-
Development Partnership activities	35,000	(25,442)	9,558	208	(9,350)
Property Estate Enhancement Works	500	999	1,499	650	(849)
Corporate Accommodation	-	361	361	219	(142)
Leisure Centres	-	368	368	-	(368)
Solar Photovoltaic Panels	1,511	(1,456)	55	(4)	(59)
SEPUBU Grant	354	381	734	64	(670)
LED street lighting	-	177	177	59	(118)
Estates Capital Programme 2019/22	1,150	200	1,350	517	(833)
Three Elms Trading Estate	358	22	380	140	(240)
Customer Services and Library	-	21	21	21	-
Energy Efficiency	65	(11)	54	5	(49)
Warm Homes Fund	397	-	397	133	(264)
Gypsy & Traveller Pitch development	579	331	910	22	(888)
Leominster cemetery extension	-	45	45	44	(1)
Tarsmill Court, Rotherwas	-	59	59	59	-
Car Parking Strategy	-	169	169	59	(110)
Car Park Re-Surfacing	-	116	116	1	(115)
Office and Car Park Lighting Replacement	165	(1)	164	29	(135)
Upgrade of Herefordshire CCTV	48	-	48	52	4
Schools Transport Route Planning	30	-	30	59	29
Corporate Fleet Procurement	738	-	738	413	(325)
Hereford Library	-	213	213	2	(211)
<b>Total Economy and Place</b>	<b>98,240</b>	<b>(37,895)</b>	<b>60,345</b>	<b>28,469</b>	<b>(31,876)</b>
<b>Total</b>	<b>130,124</b>	<b>(41,661)</b>	<b>88,463</b>	<b>35,716</b>	<b>(52,747)</b>

**Table B – Capital Programme position 2019/20**

<b>Scheme Name</b>	<b>Prior Years £000</b>	<b>2019/20 budget £000</b>	<b>2020/21 budget £000</b>	<b>2021/22 budget £000</b>	<b>2022/23 budget £000</b>	<b>Total scheme budget £000</b>
<b>Economy &amp; Place</b>						
Hereford City Centre Transport Package	33,166	631	1,500	5,353	-	40,651
South Wye Transport Package	6,984	4,718	14,795	6,422	2,081	35,000
Hereford City Centre Improvements (HCCI)	-	1,500	2,000	2,000	-	5,500
Hereford Transport Package	2,908	3,702	-	-	-	6,610
Local Transport Plan (LTP)	-	11,745	12,272	-	-	24,017
E & P's S106	-	1,441	-	-	-	1,441
Highway asset management	-	3,843	3,750	4,250	-	11,843
Hereford Enterprise Zone	10,769	3,400	1,831	-	-	16,000
Herefordshire Enterprise Zone Shell Store	83	5,935	1,298	-	-	7,316
Ross Enterprise Park (Model Farm)	11	2,377	4,174	508	-	7,070
Marches business improvement grants	877	1,623	-	-	-	2,500
Marches Renewable Energy Grant	-	88	764	336	-	1,188
Marches Business Investment Prog.	-	99	1,125	1,336	440	3,000
Affordable Housing Grant	35	1,599	800	-	-	2,434
Community Housing Fund	9	141	-	-	-	150
Revolving Loans	145	55	-	-	-	200
Development Partnership activities	6,042	9,558	25,000	-	-	40,600
Property Estate Enhancement Works	1,241	1,499	-	-	-	2,740
Corporate Accommodation	2,540	361	-	-	-	2,901
Leisure Centres	9,684	368	-	-	-	10,052
Solar Photovoltaic Panels	606	55	1,473	-	-	2,134
SEPUBU Grant	-	734	-	-	-	734
LED street lighting	5,478	177	-	-	-	5,655
Estates Capital Programme 2019/22	-	1,350	2,095	1,390	-	4,835
Three Elms Trading Estate	95	380	-	-	-	475
Customer Services and Library	112	21	-	-	-	133
Energy Efficiency	-	54	46	-	-	100
Warm Homes Fund	-	397	397	165	-	960
Gypsy & Traveller Pitch development	29	910	899	39	-	1,877
Leominster cemetery extension	148	45	-	-	-	193
Tarsmill Court, Rotherwas	341	59	-	-	-	400
Car Parking Strategy	77	169	-	-	-	246
Car Park Re-Surfacing	-	116	-	-	-	116
Office and Car Park Lighting Replacement	79	164	58	-	-	300
Upgrade of Herefordshire CCTV	-	48	136	-	-	184
Schools Transport Route Planning	-	30	30	30	-	90
Courtyard Development	-	-	611	-	-	611
Corporate Fleet Procurement	-	738	-	-	-	738
Hereford Library	132	213	-	-	-	345
<b>Total E &amp; P Capital Projects</b>	<b>81,589</b>	<b>60,345</b>	<b>75,054</b>	<b>21,831</b>	<b>2,521</b>	<b>241,338</b>

<b>Corporate</b>						
Fastershire Broadband	16,979	10,152	8,607	-	-	35,738
PC Replacement	261	218	641	397	-	1,516
Children centre changes	167	263	-	-	-	430
<b>Total Corporate Capital Projects</b>	<b>17,407</b>	<b>10,633</b>	<b>9,247</b>	<b>397</b>	<b>0</b>	<b>37,684</b>
<b>Children and Families</b>						
Colwall Primary School	6,665	85	-	-	-	6,750
Schools Capital Maintenance Grant	-	2,152	1,200	1,200	-	4,552
Peterchurch Primary School	7	493	5,000	-	-	5,500
Expansion for Marlbrook school	527	3,614	2,000	-	-	6,141
SEN & DDA school improvements	-	-	-	-	-	-
Brookfield School Improvements	6	2,577	167	-	-	2,750
C & F's S106	-	915	-	-	-	915
Special Provision Capital Fund	-	-	-	-	-	-
Healthy Pupils	-	99	-	-	-	99
Individual Pupil Needs	152	119	-	-	-	271
Short Breaks Capital	-	118	-	-	-	118
Blackmarston SEN	30	54	-	-	-	84
Replacement Leominster Primary	6	36	-	-	-	42
Basic Needs Funding	-	-	8,891	-	-	8,891
2 Year Old Capital Funding	75	31	-	-	-	106
Preliminary works to inform key investment need throughout the county	5	1,010	-	-	-	1,015
Temporary school accommodation replacement	85	515	300	-	-	900
<b>Total C &amp; F Capital Projects</b>	<b>7,558</b>	<b>11,819</b>	<b>17,558</b>	<b>1,200</b>	<b>0</b>	<b>38,135</b>
<b>Adults and Communities</b>						
Disabled facilities grant	-	1,999	1,853	1,853	-	5,705
Hillside	-	2,550	-	-	-	2,550
Single Capital Pot (Inc Waverley House)	164	919	-	-	-	1,083
Private sector housing improvements	57	199	-	-	-	256
<b>Total A &amp; C Capital Projects</b>	<b>222</b>	<b>5,667</b>	<b>1,853</b>	<b>1,853</b>	<b>-</b>	<b>9,594</b>
<b>Total</b>	<b>106,776</b>	<b>88,463</b>	<b>103,712</b>	<b>25,279</b>	<b>2,521</b>	<b>326,751</b>

	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	Total
February 2019 Council Approved Budget	130,124	54,780	11,521	-	196,425
Reprofiled	(61,210)	47,043	12,086	2,081	-
18/19 Carry Forwards	18,435	-	-	-	18,435
Additional Grants	1,114	1,889	1,672	440	5,115
<b>Revised Capital Budget</b>	<b>88,463</b>	<b>103,712</b>	<b>25,279</b>	<b>2,521</b>	<b>219,975</b>



**Grant Additions since February Council**

	<b>£000</b>
Special Provision Capital Fund Increase	349
LTP additional grant	603
LTP grant income to SWTP	(1,078)
LTP grant income to SWTP	(53)
E&P S106	242
Disabled Facilities Grant	146
Brookfield Estimated Grant	(113)
Marches Renewable Energy Grant	1,188
Marches Business Investment Programme	3,000
S106 Additional Draw Down	800
Leominster MAO revenue contribution	30
	<u>5,115</u>



## Annual Treasury Management Report 2019/20

**1. Introduction**

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

**2. Economic Background**

- 2.1. **Growth:** Economic growth in the UK and globally has slowed sharply amid the disruption caused by the impact of the Coronavirus Covid-19.
- 2.2. **UK Monetary Policy:** The Bank of England announced "a comprehensive and timely package of measures to help UK businesses and households' bridge across the economic disruption that is likely to be associated with Covid-19." The bank rate was reduced by 0.5% to 0.25% on 11<sup>th</sup> March 2020 and then, at a special meeting on 19<sup>th</sup> March reduced again by 0.15% to 0.10%. At the same time the bond buying programme was increased by £200bn to a total of £645bn.
- 2.3. **Inflation:** CPI inflation was at 1.7% at the end of February 2020, down from 1.8% in January, the figures for the end of March have yet to be published following the collection of other data due to the global virus outbreak.

**3. Borrowing**

- 3.1. The council continues to choose to utilise accessing lower cost short-term loans from other local authorities, should it need to, rather than more expensive longer term debt due to the differential between short and longer-term interest rates. This policy is expected to continue in 2020/21 but should this differential decrease and short term borrowing costs increase, the council will begin securing additional fixed long term debt to fund its borrowing requirements.
- 3.2. In 2019/20 the weighted average interest rate paid on council borrowing was 3.96% (3.90% in 2018/19) with the increase being due to no new borrowing during the year. This was the weighted average cost of long term borrowing, there was no short term borrowing.
- 3.3. It is council strategy to maintain borrowing and investments below their underlying levels by using "internal borrowing", utilising usable reserves. This maintains borrowing and investment balances to a minimum.
- 3.4. During 2019/20 Public Works Loan Board (PWLB) lending rates were generally on a falling trend until 9<sup>th</sup> October 2019 when, without any prior warning, all lending rates were increased by 100 basis points (1%).
- 3.5. The premium charged by the PWLB for the early repayment of PWLB debt remained too expensive for existing loans in the council's portfolio to be repaid and rescheduled. No rescheduling activity was undertaken in 2019/20, this option will continue to be constantly

## Annual Treasury Management Report 2019/20

considered.

3.6. Borrowing activity during the year is summarised below:

<b>Borrowing Activity in 2019/20</b>	<b>01/04/19 Balance £m</b>	<b>New Borrowing £m</b>	<b>Debt Maturing £m</b>	<b>31/03/20 Balance £m</b>
Short-term borrowing	0.0	0.0	0.0	0.0
Long-term borrowing	137.5	0.0	(7.2)	130.3
<b>TOTAL BORROWING</b>	<b>137.5</b>	<b>0.0</b>	<b>(7.2)</b>	<b>130.3</b>
Other long-term liabilities*	53.3	0.0	(2.6)	50.7
<b>TOTAL EXTERNAL DEBT</b>	<b>190.8</b>	<b>0.0</b>	<b>(9.8)</b>	<b>181.0</b>
<i>*Other long term liabilities represent existing commitments under PFI arrangements included in the medium term financial strategy</i>				

3.7. Total borrowing decreased by £9.8m due to repayments exceeding the need to borrow funds through the utilisation of internal borrowing to fund capital programme spend in 2019/20.

3.8. The council's underlying need to borrow as measured by the Capital Financing Requirement (CFR). As at 31/03/2020 this totalled £331.1m. The difference of £150.1m between the CFR and total external debt shown in the table above represents internal borrowing from usable reserves, which totalled £120.8m, working capital balances and the outstanding loan balance with Mercia waste of £35.5m.

3.9. The council's capital financing costs in 2019/20 were as follows.

<b>Capital financing costs for 2019/20:</b>	<b>Budget</b>	<b>Outturn</b>	<b>Over / (under) spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Minimum Revenue Provision</b> (provision for repayment of loan principal)	<b>6.9</b>	<b>6.7</b>	<b>(0.2)</b>
<b>Interest payable on all loans</b>	<b>5.7</b>	<b>5.4</b>	<b>(0.3)</b>
<b>TOTAL</b>	<b>12.6</b>	<b>12.1</b>	<b>(0.5)</b>

3.10. The variances to budget have arisen from an underspend in capital budgets in 2019/20 and previous years resulting in a smaller minimum revenue provision cost and no need to secure additional borrowing delivering an underspend in interest payable.

## Annual Treasury Management Report 2019/20

4. Investments

4.1. The council invests significant funds, representing income received in advance of expenditure plus balances and reserves. During 2019/20 the council's investment balances averaged at £44m and ranged from £27m in April 2019 to £60m in January 2020.

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

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

Investments	01/04/19 Balance £m	Investments Made £m	Maturities/ Withdrawals £m	31/03/20 Balance £m
Instant Access Accounts	17.21	301.88	(300.09)	19.00
Notice Accounts	5.00	5.00	(5.00)	5.00
Fixed Term Deposits	5.00	19.00	(10.00)	14.00
<b>Total</b>	<b>27.21</b>	<b>325.88</b>	<b>(315.09)</b>	<b>38.00</b>
<b>Increase in investments</b>				<b>10.79</b>

4.4. Interest received during the year was as follows:

Month	Average amount invested		Average rate of interest earned		Budget	Interest earned	(Surplus) /deficit
	Actual £m	Budget £m	Actual %	Budget %	£000	£000	£000
Apr-19	37.6	30	0.89	0.67	17	27	(10)
May-19	40.6	30	0.87	0.67	17	29	(12)
Jun-19	39.1	30	0.87	0.67	16	28	(12)
Jul-19	46.3	30	0.83	0.67	17	33	(16)
Aug-19	45.3	30	0.83	0.67	17	31	(14)
Sep-19	42.0	30	0.81	0.67	16	28	(12)
Oct-19	44.3	30	0.80	0.67	17	30	(13)
Nov-19	45.6	30	0.80	0.67	17	30	(13)
Dec-19	43.7	30	0.81	0.67	16	30	(14)
Jan-20	53.2	30	0.78	0.67	17	36	(19)
Feb-20	46.8	30	0.81	0.67	17	30	(13)
Mar-20	38.7	30	0.80	0.67	16	26	(10)
<b>Outturn</b>					<b>200</b>	<b>358</b>	<b>(158)</b>

4.5. The interest received in the year was higher than budget due to higher balances being

**Annual Treasury Management Report 2019/20**

maintained.

- 4.6. The average interest rate achieved during 2019/20 was 0.82%, higher than budgeted due to the increase in bank base rate. This compares favourably with the generally accepted benchmark of the average 7-day London Inter-Bank Bid (LIBID) rate of 0.54%.
- 4.7. In addition to interest earned on balances interest has been accrued in relation to the energy from waste plant loan to Mercia waste. This totalled £2.3m, the net loan position is set aside to fund increased waste disposal costs in future years.

**5. Compliance with Prudential Indicators**

- 5.1 The Council complied with its Prudential Indicators, Treasury Management Policy Statement and Treasury Management Practices for 2019/20 as detailed in Annex 1. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

## Annual Treasury Management Report 2019/20

## Annex 1

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

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

**1.1 Interest Rate Exposures**

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

	<b>2019/20 Approved Limit</b>	<b>2019/20 maximum exposure</b>
<b>Upper Limit for Fixed Rate Exposure</b>	100%	100%
<b>Upper Limit for Variable Rate Exposure</b>	50%	0%

The above indicator relates to net debt, if the council has variable rate investments at the same level as its variable rate debt it is deemed to have no variable rate exposure (all council investments are regarded as being at variable rate because no investments are for more than one year).

**1.2 Maturity Structure of Fixed Rate Borrowing**

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

<b>Maturity Structure of Fixed Rate Borrowing</b>	<b>Lower Limit %</b>	<b>Upper Limit %</b>	<b>Actual Fixed Rate Borrowing 31/03/20 £m</b>	<b>% Fixed Rate Borrowing 31/03/20</b>
Under 12 months	0%	35%	<b>3.48</b>	<b>3%</b>
12 months and within 24 months	0%	30%	<b>2.37</b>	<b>2%</b>
24 months and within 5 years	0%	25%	<b>15.93</b>	<b>12%</b>
5 years and within 10 years	0%	25%	<b>18.23</b>	<b>14%</b>
10 years and within 20 years	0%	40%	<b>27.41</b>	<b>21%</b>
20 years and within 30 years	0%	40%	<b>20.86</b>	<b>16%</b>
30 years and within 40 years	0%	40%	<b>32.00</b>	<b>24%</b>
40 years and within 50 years	0%	40%	<b>10.00</b>	<b>8%</b>
<b>Total</b>			<b>130.28</b>	<b>100%</b>

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

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

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

## Annual Treasury Management Report 2019/20

Upper Limit for Total Principal Sums Invested Over 364 Days	2019/20 Approved £m	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m
<b>Total</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>

During 2019/20 no long-term investments were made for a period exceeding 364 days.

## 2. Prudential Indicators

### 2.1 Estimates of Capital Expenditure

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

Capital Expenditure	2019/20		2020/21 Estimate £000	2021/22 Estimate £000
	Estimate £000	Actual £000		
<b>Total</b>	<b>88,463</b>	<b>35,820</b>	<b>103,712</b>	<b>25,280</b>

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

Capital Financing	2019/20		2020/21 Estimate £000	2021/22 Estimate £000
	Estimate £000	Actual £000		
Capital grants	44,315	24,149	43,899	13,563
Capital receipts	14,571	2,911	2,978	-
Revenue funding	-	-	-	-
Prudential borrowing	29,577	8,760	56,835	11,717
<b>Total</b>	<b>88,463</b>	<b>35,820</b>	<b>103,712</b>	<b>25,280</b>

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

## 3. Capital Financing Requirement (CFR)

Estimates of the council's cumulative maximum external borrowing requirement for 2019/20 to 2021/22 are shown in the table below:

Capital Financing Requirement	2019/20 Estimate Approved £000	2019/20 Actual £000	2020/21 Estimate £000	2021/22 Estimate £000
<b>Total CFR</b>	<b>378,018</b>	<b>315,176</b>	<b>380,369</b>	<b>390,149</b>

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

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

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



## Annual Treasury Management Report 2019/20

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

	2019/20 Approved Operational Boundary £m	2019/20 Approved Authorised Limit £m	Actual External Debt as at 31/03/20 £m
Borrowing	330.0	350.0	130.3
Other Long-term Liabilities	60.0	70.0	50.7
<b>Total</b>	<b>390.0</b>	<b>420.0</b>	<b>181.0</b>

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

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

Ratio of Financing Costs to Net Revenue Stream	2019/20 Approved %	2019/20 Actual %
Net Revenue Stream	150,987	151,023
Financing Costs	12,999	12,522
<b>Percentage</b>	<b>8.6%</b>	<b>8.3%</b>

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

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

The council has incorporated the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* into its treasury policies, procedures and practices.



**Debt write offs for the period 1 October 2019 to 31 March 2020**
















- 1 The finance procedure rules stipulate that the chief financial officer must approve the writing off of debt exceeding £20k. For the period 1 October 2019 to 31 March 2020 there were 2 cases exceeding £20k (no cases for the period 1 April 2019 to 30 September 2019) as follows:
  - A write off of £46k relating to a non-domestic rates account where the company went into liquidation.
  - A write off of £52k relating to a social care debt –unable to pursue against deceased estate.
  
- 2 Individual debts written off in the period 1 October 2019 to 31 March 2020 totalled £708k (£64k for the period 1 April 2019 to 30 September 2019). Debts are only written off once full debt recovery processes are completed, occasionally debt previously written off becomes payable if the debtors circumstances change. The council works closely with statutory bodies when deciding to write off debt. Legislative processes can take many months, or even years, if the debtor is on low income, to conclude before a write off is sanctioned.
  
- 3 Debts written-off represent a very low proportion of income collected per annum as shown in the table below:

	<b>2016/17</b> <b>£000</b>	<b>2017/18</b> <b>£000</b>	<b>2018/19</b> <b>£000</b>	<b>2019/20</b> <b>£000</b>
Total amount written off	492	905	1,026	772
Council tax charged	92,097	96,876	123,323	131,598
Business rates charged	47,610	48,970	48,641	48,134
General debtors charged	50,842	59,228	60,147	60,004



## Revenue Savings

The savings identified in the 2019-20 Budget setting of £8m over the next 3 years are set out below. The red, amber and green represent the understood risk about achieving the saving.

	19-20 £000	20-21 £000	21-22 £000	Total £000
Adults & Communities	700 	600 	500 	<b>1,800</b>
Childrens & Families	200 	300 	650 	<b>1,150</b>
Economy & Place	2,223 	873 	273 	<b>3,369</b>
Corporate	359 	77 	77 	<b>513</b>
Centrally held budgets	200 	500 	500 	<b>1,200</b>
<b>Total</b>	<b>3,682</b>	<b>2,350</b>	<b>2,000</b>	<b>8,032</b>

The directorates continue to review the savings plans through the year, to identify risks and slippage, to ensure mitigation can be identified. The table below sets out the savings plans for each directorate in further detail.

	19-20 £000	20-21 £000	21-22 £000	Total £000
<b>Adults &amp; Communities</b>				
Workforce and Service delivery	600			600
Reducing the need for formal care		600	500	1,100
Income from client contributions	100			100
<b>Childrens &amp; Families</b>				
Inflation and contract efficiencies	200	300	450	950
Workforce restructure			200	200
<b>Economy &amp; Place</b>				
Efficiency savings	507	273	273	1,053
Accommodation efficiencies	250	150		400
Car Parking	150			150
Growth Programme	67			67
Public & School/College Transport	109			109
Waste & Sustainability	30	200		230
Museums & Archives		250		250
Accommodation Strategy	360			360
Waste Disposal - WCC	650			650
Public Realm efficiencies	100			100
<b>Corporate</b>				
Efficiency savings	73	77	77	227
Workforce redesign	66			66
Budget realignment	220			220
<b>Centrally held budgets</b>				
Workforce redesign	200			200
Council Tax Reduction scheme		100		100
Pension Deficit		400		400
Treasury Management			500	500
<b>Total</b>	<b>3,682</b>	<b>2,350</b>	<b>2,000</b>	<b>8,032</b>

		2019/20		Comment
Improve the provision of good information and signposting to enable people to support themselves and each other, getting the right help at the right time as needs change	Increase the functionality of the council website and WISH (wellbeing information and signposting) portal to aid people's easy access to information and advice, along with conducting services online	Y	Green	This sits within the Directorates Communities workstream.
	Increase the quality of information that is published, and provide more information in accessible formats for openness and transparency	Y	Green	Progress continues to ensure that WISH data is up to date and accurate. This has resulted in increases in the activity on the WISH website.
Build supportive relationships and resilient communities, acting as a catalyst for communities to become stronger	Continue the support and delivery of the armed forces covenant in Herefordshire to help the armed forces community (including family and carers), shaping and supporting access to advice and services	Y	Green	The support to the armed forces community in Herefordshire is an ongoing area of work with increasing support through the Veteran Support Centre, support to businesses and their commitments to this sector through the corporate covenant signing, however, there has been a delay in getting the armed forces needs document completed in order to prioritise actions for the partnership over the coming year. The current Covid19 situation will also impact further but to a degree we are already addressing that through other means, such as the Veteran to veteran volunteer scheme being delivered by the Veteran Support Centre Manager as the centre is closed, additionally, partners are working to try and secure funding to ensure that a veteran specific post to support addiction work continues.
	Develop and increase the uptake of a range of activities aimed at identifying early risk factors and improve the overall health and wellbeing of Herefordshire residents such as NHS Health checks	Y	Amber	Delivery within this action area has been mixed with some areas over performing (such as % of people receiving a personal health plan) and others under performing (such as % of people attending NHS checks). Considerable effort has gone in to improving areas of under performance but sustainable improvement has not been possible.
	Explore new models of delivery for high demand services such as nursing provision for people with dementia	Y	Green	The Herefordshire and Worcestershire Dementia Strategy was agreed in year through HWB & Cabinet. The strategy includes plans and commitments to a number of priorities and initiatives and will link to the A&C commissioners accommodation needs assessment and market position statement which is currently in draft form and ready for wider circulation .
	Increase the effectiveness and efficiency of the urgent care system to avoid admission or enable people to leave hospital earlier	Y	Green	The local authority continues to lead strategic partnerships within the health and care system and is leading on key areas of work and improvements. This has led to a number of integrated services, such as the Integrated Hospital Discharge Team, and pathways resulting in a reduction in delayed transfers of care and the local authority proposing to lead on a number of commissioning areas.
	Develop and embed effective community hubs across the county (referred to as the Talk Community programme) which can demonstrate impact on health, wellbeing and independence of local residents	Y	Green	This sits within the Directorates communities workstream. Talk Community Team has established for COVID -19 a vast volunteer and link workers programme within the community that assists with the larger scheme of developing Talk Community Hubs.
Build services that help people get back on track after setback or illness and support disabled people to be independent, including through ensuring the provision of good quality housing	Maximise the use of the disabled facilities grant to support people to remain in their own home with appropriate advice, equipment, adaptations, technology and essential repairs	Y	Green	This sits within the Directorates Communities workstream. Faster access to equipment and technology in place to support adults discharged home from hospital.
	Implement a new housing allocation policy and system through which residents in housing need are nominated for affordable housing in Herefordshire	Y	Amber	Covid-19 delayed the governance sign off following Cabinet's consideration in February. However, implementation of new policy and Homepoint ICT system due mid-June 2020.
	Support people to access technology and increase their ability to use technology to enhance daily living and overall wellbeing	Y	Green	This sits within the Directorates Communities workstream. Technology enabled living being considered to support access of adults in care homes and supported accommodation to connect with their families and friends whilst COVID-19 is preventing face to face contact.
	Redesign social care resources to align better within the locality based community health services	Y	Green	Locality remodelling has been completed and is now embedded

		2019/20		Comment
Provide early help to 600 families to help them to improve education, health and employment outcome	Increase early help resources through effective targeting of commissioned services and increase in direct family support workers	Y	Green	The internal Early Help resources have been increased by family support workers and early years support workers. This increase in resource has led to an increase in the number of children and their families who receive specialist support from 147 families (including 298 children) April 2019 to 185 families (404 children) December 2019. It has also increased the number of families who achieve sustainable change - Troubled Families data Qtr 2, 52% conversion rate. The governments Troubled Families programme has been extended for 2020/21 allowing for a one year procurement to be undertaken to continue existing commissioned services. New contracts are expected to be awarded imminently. Long-term government funding remains uncertain. Commissioned services are valued at £160k per year (£100k Troubled Families plus £60k Council). It is expected that during 2020/21 a re-energised Early Help Strategy Group will consider the long-term need and funding for commissioned early help services.
Reconfigure £3.5 million to deliver early years services including children centre services, health visiting and school nursing to improve the health, well-being, developmental and educational outcomes of children aged 0-5 years	Support and challenge early years settings, schools and colleges to continue to improve the outcomes for children and young people to achieve our aim of having education outcomes in the top 25%	Y	Green	Targets have been set for schools (GLD, Phonics, Key Stage 2 and Key Stage 4). All schools have been risk assessed (RAG rated) Standards visits have been completed and follow up visits to monitor progress towards actions have taken place. Support is being provided through a variety of means including school to school support (8 schools supported through this) and Herefordshire School Improvement Partnership projects (Raising the attainment of boys in English at GCSE). Use of National Leads in Education and Teaching Schools to support and challenge schools.
	Develop and implement a strategy to tackle the growing issue of childhood obesity and dental health in Herefordshire	Y	Amber	An oral health action plan has been approved. The plan includes a targeted approach across early years settings to toothbrushing; identifying options to increase the numbers of children accessing fluoride varnish; a training programme and marketing and promotion of good oral health. Actions for a comprehensive and consistent approach for services and settings for under fives have been identified in relation to healthy eating, oral health and physical activity, including multi-disciplinary training, building on the Solihull parenting training, ensuring consistent messages and guidance around appropriate resources. This approach will be taken to the Children & Young People's Partnership Board for consideration in due course as no further progress has been made during Q4 due to external circumstances.
	Develop speech and language skills of under 5's through education and training in early years settings	Y	Green	Solid Roots: <ul style="list-style-type: none"> <li>• Elklan speech and language project – communication friendly settings accreditation, communication champions within settings. Training for parents via 'let's talk' courses.</li> <li>• Solihull Approach</li> <li>• Training for EYFS professionals and home learning environment initiatives, such as library membership for under 5s and associated activity, including dual language books and information for parents; home learning environment bursaries for settings to engage parents in their children's learning at home; translated leaflets to encourage use of home language to develop good communication skills for children with EAL; signing courses for practitioners and settings to support communication.</li> </ul> Covid 19 has meant a temporary halt to some of these programmes due to the closure of settings to all children except Key Workers children and vulnerable children.
Make improvements so that the estimated 8,620 children and young people that require support with their mental health or emotional resilience are identified and supported to access help in a timely manner	Undertake a mental health needs analysis for young people	Y	Amber	Scoping has identified the value of focussing this needs analysis on mental health and wellbeing of all ages, rather than solely focussing on children. A children's survey commissioned for spring/summer will allow a further focus on mental health. The current agreed intention is to deliver a profile/assessment of mental wellbeing in Herefordshire based on primary prevention; including mapping of the prevalence of MH conditions across the county aligning to PCNs, identification of the extent of protective and risk factors for mental wellbeing, current service provision.
	Develop and implement a care leavers covenant that sets out the council's commitment to care leavers as part of our corporate parenting role	Y	Red	Plan is to use the national covenant approach. Local authority has been accepted as a "trailblazer" local authority. Launch event was held the week prior to "lockdown" and so no further progress has been made as response to the pandemic has been prioritised.
	Implement new model for social care to ensure consistency and quality of practice so that children and families are supported effectively within the right part of the system	Y	Amber	Signs of safety is being implemented over the coming months and first signs of safety workshop with lead consultant has taken place on the 17 December 2019. Governance and reporting arrangements have been finalised. Responsibility for implementation has moved from PSW to AD QA and Safeguarding. Implementation has ceased presently due to Covid 19.



		2019/20		Comment
Continue to develop a range of provision that can effectively identify and respond to safeguarding risks and needs, from the initial signs of the call for early help to a range of evidence-based interventions for a variety of complex situations	Develop and implement an enhanced support offer to those families who are at risk of escalation to higher levels of intervention from social care	Y	Amber	Business case completed and received cabinet member approval Jan 2020. Team manager and senior practitioner in post. Family support posts advertised. Work being done to establish multi-disciplinary offer (eg mental health, substance misuse, domestic abuse support). The ECho (Edge of Care / return Home) service is in its planned mobilisation phase. In summary, there has been some good progress made to deliver the infrastructure needed. Further progress is expected during Covid-19, however there is likely to be some impact on timescales for some aspects of the project. A full team of in-house ECHO workers has been appointed who have begun to transition to their new roles. Initial cases for reunification and stepped-down from care have been identified and direct work is beginning with them. A service specification for substance misuse support has been developed with public health, but contracting has had to be paused while PH and the preferred provider are focussed on the Covid-19 response. Systemic family therapy is the model chosen to provide mental health and emotional wellbeing support via in-house therapist role/s which the CCG and CAMHS are helping to design. Training has been commissioned for ECHO support workers to work with perpetrators of domestic abuse and work is progressing with the adult commissioner to finalise the approach for supporting victims. Corporate project management support will be available shortly, which will help ensure appropriate governance is applied to project implementation and ongoing assurance of impact.
	Enhance information and support to parents	Y	Amber	The Early Help page on the website has been updated and is more user friendly. The page comes up more readily when using the search engine. Since June 2019 when the Early Years Community & Family Connectors came into post the total number of community assets identified for children and their families is 209 of which 131 agreed for their details to go on WISH. A Community Directory has been set up on the council's Sharepoint of those community assets not on WISH. This is readily available for council staff and regularly shared with partner agencies at Family Network Meetings. With the increased investment in Early Help 4 more Early Help Family Support Workers and 3 more Early Years Support Workers were recruited. Early Help Family Support have increased support to families from 149 families including 298 children in April 2019 to 194 families including 439 children in March 2020. Recruitment of Early Years Support workers has been completed and the service is now fully integrated into the Early Help offer. In December 2019 the team were completing targeted support work with 109 families with children under 5 years this has increased to 113 families with 234 children March 2020. The service has increased the delivery of Solihull parenting groups to 2 per term and developed the co-facilitating of courses with partner agencies, Riverside and Trinity Schools. This has been very successful with 90% of parents fully completing the last course.
Develop better evidence based approaches to support young people in adolescence to ensure a more successful transition to adulthood	Deliver Herefordshire's school capital investment strategy to ensure that demand for school placements can be met and that agreed refurbishment work on schools is completed	Y	Amber	Discussions have taken place with all potentially affected secondary schools and options generated in terms of locations for additional places. Feasibility studies are due to start to further identify the exact costs associated with the expansions. A review of primary school provision took place in Autumn / Winter 2019/20. The process was delayed by the lack of appointment of a key staff member (now resolved) and is back on track - and the full sufficiency plan is ready for completion by 10 May. This reflects the new financial protocols in place and matches anticipated need for pupil growth. We have agreed two major projects and a third awaiting approval whilst feasibility is completed.
	Develop new models of housing and accommodation to support vulnerable young people	Y	Green	The council is currently procuring a new support service for Care Leavers with complex needs within accommodation acquired by the council for the purpose. This service will be mobilised by May 2020. Accommodation pathways for Care Leavers and vulnerable young people have been revised and detailed proposals for a procurement framework for young peoples accommodation and support are being finalised. The council is also reviewing options for the re-commissioning of housing related support for vulnerable young people.

		2019/20		Comment
Develop and start implementation of a countywide Economic Masterplan	Develop the countywide economic master plan to deliver our Invest Herefordshire vision to ensure a vibrant and successful local economy	Y	Amber	Work on the Hereford and market town masterplans has been paused due to Covid 19. However the masterplans are likely to be a key focus of the economic recovery plan.
Support economic growth and connectivity (including broadband, local infrastructure, transport and economic development)	Undertake major investment in maintaining the county highway assets to fix roads and bridges, particularly those that are strategically important for trade and the resilience of the county's economy	Y	Amber	Annual plan for 2020/2021 has been confirmed by Cabinet Member Infrastructure & Transport on 6 May 2020. This includes Local Transport Plan capital investment of £12.272m in highway maintenance in 20/21 delivered through the public realm contract. Further investment is planned in the infrastructure asset of £2m subject to a separate governance decision shortly. In addition council resolved on 14 February 2020 to invest £2m in 2020/2021 in the C&U highway network. This will be the subject of a separate governance decision shortly.
	Increase the coverage of superfast broadband across the county through the Fastershire programme	Y	Green	91% coverage of superfast or ultrafast coverage. Airband and Gigaclear continuing to deploy in the county.
	Operate the Marches & Gloucestershire Business Broadband Grant to provide bespoke connectivity to small and medium-sized enterprises (SMEs) not covered by the main Fastershire programme	Y	Green	52 businesses completed or defayed, 67 in progress. Second phase supported by external funding. <a href="https://www.fastershire.com/faster-homes/videos">https://www.fastershire.com/faster-homes/videos</a>
	Commence construction of the southern link road and continue development of proposals for walking, cycling and public space improvements in the South Wye area as part of the South Wye Transport Package	Y	Red	The cabinet member Infrastructure & Transport confirmed the scope of the Hereford Transport Strategy review (including peer review of HTP & SWTP schemes) on 30 January 2020 and work on the review is progressing. It is anticipated the review will be concluded August 2020 and cabinet will then consider outcome of review and confirm next steps.
	Develop the Hereford Transport Package including proposals for walking, cycling, buses and public realm and undertaking detailed design of the preferred route for the Hereford bypass to inform the submission of a planning application	Y	Red	
	Develop proposals for a transport hub at the train station and improvements on Commercial Road, Blueschool and Newmarket Street as part of the Hereford City Centre Transport Package	Y	Amber	The cabinet member Infrastructure & Transport is due to consider a report shortly to commence consultation in Spring / Summer 2020 on the transport hub and public realm scheme. This will inform the detailed design of these schemes and planning application if required late 2020 /2021 with construction commencing late 2021.
	Progress developments within Hereford City, including improvements to the Edgar Street ground, bring forward sites for development within the urban village area and progress a city centre multi-storey car park	Y	Red	Development of the Hereford Masterplan and Stronger Towns Investment Plan currently on hold due to Covid 19. Cabinet decision regarding detailed design stage of the Edgar Street development (proposed new football stadium stand and student accommodation) postponed until July 2020 due to Covid 19 impact on local economy. Review of development options for City Link road sites currently being finalised for cabinet consideration in next few weeks.
Finalise and implement plans that strengthen and diversify the economy of Herefordshire	Run a series of training, seminars and one to one advice sessions for businesses to increase the adoption and exploitation of superfast broadband	Y	Green	55 one to one session with 151 attendees at training sessions for the same period. Training activity continuing during lockdown through webinar and one to ones via phone and digital contact.
	Support the delivery and administration of grants and programmes that provide improvements in the built environment, housing, energy efficiency and all aspects of the regeneration and growth of the county	Y	Green	The team continues to deliver a wide range of grant scheme to support the growth of our economy and are currently supporting the delivery of Covid19 specific scheme to support businesses and community groups.
Make the best use of existing land and identify new opportunities to enable existing businesses to stay and expand, and for new businesses to locate to the area	Deliver the Hereford Enterprise Zone delivery plan, including the Shell Store incubation centre and the cyber security centre	Y	Red	Contractors have paused construction on both the Shell Store and Midlands Centre for Cyber Security due to Covid 19, which will delay completion of these developments.
	Commence first phase of development of the Ross Enterprise Park	Y	Red	In March 2020 the Marches LEP approved a £4.5m Growth Deal grant towards the development of the Ross Enterprise Park site. The cabinet are due to consider the project at their meeting in May 2020. However, due to Covid 19, any start on site is now likely to be Autumn 2020 at best.
	Use the Development and Regeneration Partnership to identify and develop proposals for the regeneration of sites in council ownership that can support economic growth, including key worker housing	Y	Amber	The majority of capital projects have been impacted by Covid 19. Feasibility stage work continues for the proposed development of inter generational living developments (affordable housing, assisted living etc) on development sites along the City Link Road.
Continue to work with further and higher education and we will support the development of a new university for Hereford, identifying buildings for teaching and student accommodation	Support Higher Education provision in Herefordshire through enabling development of student accommodation.	Y	Amber	Construction of the Number 1 Station Approach student accommodation is now progressing well following a pause due to Covid 19. Whilst this has resulted in a delay it is expected to be completed later this year.
	Commence development of student accommodation for those in higher education in the city with a first scheme at Station Approach to commence construction during 2019/20	Y	Amber	Construction of the Station Approach 178 bedroom student accommodation commenced as planned. Construction is now back underway following pause due to Covid 19 as highlighted above.
Have good quality housing to meet everyone's needs	Continue significant development of affordable and social housing through planning gain and the Development and Regeneration Partnership, also contributing to accommodation for vulnerable people and analysis of projection of population and demographic changes	Y	Green	Achieved and exceeded target. New target of 220 for financial year 2020/21.
	Seek to acquire new sites to encourage new housing development within the county and commence development of the former depot site at Bromyard to deliver 45 new homes.	Y	Amber	Bromyard Depot site delayed due to protracted delays in securing vacant possession of agricultural land.
Support the improvement in quality of our natural and built environment, bringing about quality development to enable sustainable growth, addressing the need for better business space, affordable homes and student accommodation across the county	Continue to develop the detailed planning policies to support housing and economic growth; including progressing the development of the Hereford Area Plan and the Minerals and Waste Local Plan for submission to the Secretary of State, the adoption of the Travellers sites Development Plan Document and increasing the number of adopted Neighbourhood Development Plan Documents to 60	Y	Amber	Core Strategy Review outcome ready to report but delayed by Covid-19 impact. Final phases of Minerals and Waste DPD ongoing and Traveller Sites DPD adopted during 2019/20. Neighbourhood Development Plans achieved target.

		2019/20		Comment
Secure the highest possible levels of efficiency savings and value for money to maximise investment in front-line services and minimise council tax increases	Effectively deliver the Medium Term Financial Strategy (MTFS), and implement change to the Capital Budget process to improve transparency and accountability	Y	Green	
Review management of our assets in order to generate on-going savings, focusing on reducing the cost of ownership of the operational property estate by rationalising the estate and by improving the quality of the buildings that are retained	Reconfigure space at central and satellite offices so that employees can work flexibly and the council can maximise its facilities and resources	Y	Amber	Projects planned for Leominster and Ledbury MAO's are on hold due to Covid Emergency and BWOW review. Likewise - BWOW implementation in respect of Plough Lane offices under review. No deadline for completion of BWOW review yet determined, but likely to be within 1-2 months.
Apply appropriate regulatory controls	Prepare for a second round of community governance reviews consulting with parish councils and their communities to develop outline terms of reference on possible governance alterations	Y	Amber	The provisional timeframe set out for the CGRs (March 2020 to October 2021) has been delayed due to Covid 19. A revised timetable will be considered in light of the cancellation of all elections until May 2021. The new timetable will give consideration to taking forward a second round of CGRs in 2022, the next year predicted to be free of elections.
	Ensure compliance with statutory responsibilities in relation to data protection, elections and cyber security	Y	Green	
	Support evidence based decision making through a refreshed Understanding Herefordshire Joint Strategic Needs Assessment website, and make it easier to find key information about a topic or local area	Y	Green	The understanding Herefordshire website is now live.
Design services and policies that support positive engagement and interaction with residents, including the use of information technology, to improve customer experience and ability to access a range of services on-line	Improve the council's engagement with residents, its standards and communication approach with employee wide training on good customer services	Y	Green	Updated and revised engagement standards agreed for formal decision on 10th February 2020. Training on Unconscious Bias available for staff.
	Further develop the council website including WISH to communicate with residents and increase the ability to access services on-line, with streamlined services making the most of technology to create an improve customer experience	Y	Green	This sits within the Directorates Communities workstream.
Further improve commissioning and procurement to deliver greater revenue efficiencies and savings	Further improve commissioning and procurement to deliver greater revenue efficiencies and savings	Y	Green	11 training sessions delivered including including new contract management course. Service Redesign completed with successful recruitment for new posts Update to CPRS and associated advice and guidance being completed. Development of new procurement & contract management toolkits commenced. Social Value Business contracted to assess and improve the council's approach to increasing and retaining local wealth locally.
Recruit, retain and motivate high quality staff, ensuring that they are trained and developed so as to maximise their ability and performance	Implement a workforce strategy that ensures there is an appropriately skilled workforce to meet the changing needs and demands of the council	Y	Green	
	Contribute to the wider workforce challenges in the care sector through a targeted local campaign and resources to support the recruitment and retention of key workers across the sector	Y	Blue	This has moved to business as usual within the Directorates Commissioning workstream and within the workforce development team
Work in partnership to make better use of resources, including sharing premise costs through co-location of services and local solutions for community used facilities such as libraries	Make better use of children centre facilities through sharing space, community involvement and income generation	Y	Green	Majority of work is now completed. Relocation of children centre in Leominster into share site with MAO freeing the old site for a nursery to generate an income. Redevelopment of Widemarsh Centre in Hereford as a retained key site now completed including space for private nursery generating an income. Relocation of children centre at Ross with shared space at the Library and use of the Old Chapel next door with MAO (freeing the Ryefield Centre for alternative use). Ledbury children centre retained and due for additional MAO space. Other sites transferred use and operation to schools and nurseries to meet local need.
	Optimise the use of the property assets held by the authority, ensuring assets are in the right location and fit for purpose, considering shared and dual use as well as maximising income	Y	Amber	Estate Asset Strategy Decision Paper register on Forward Plan, but decision now postponed to 25 June due to Covid/workload. The strategy document is being drafted but now subject to change due to Covid implications and review of BWOW.



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

Performance Measure	Outturn					Frequency	Polarity	Direction of Travel <small>(same point last year)</small>
	2018/19 (Year end)	2019/20			Q4			
		End of May	Q2	Q3				
Increase in number of people interacting with council services on-line	-	302042 (number of users Q1)	284,173	311,891	334,561	Annual	Bigger is better	n/a
Website satisfaction: percentage of visitors that confirm that they were able to do what they set out to do in a satisfaction survey	64.74%	59%	69.6% (103/148)	-	69.0%	Monthly	Bigger is better	▲
Reduce sickness absence (12 month rolling)	8.24 days	8.59 days	8.76 days	9.04 days	9.11 days	Monthly	Smaller is better	▼
Rateable value of new business rates registrations	£48,641k	£48,424k	£48,731k	£48,516k	£48,134k	Monthly	Bigger is better	▼
Spend to the council's revenue budget	£595k underspend	£16k underspend	£146k overspend	£51k overspend	£569k underspend	Monthly	Smaller is better	▲
Progress against delivery of savings targets	£11,683k	£2,113k	£3,682	£3,682	£3,682	Quarterly	Bigger is better	n/a
Increase completion rates of mandatory training	-	3.90%	>95%	>95%		Annual	Bigger is better	▲
Increase flu vaccination uptake for Herefordshire Council staff and other defined staff groups	317				412	Annual	Bigger is better	▲



## Corporate Risk Register - March 2020

Ref	Risk Description	Opened	Risk score before controls (LxC)	Existing Controls in Place	Risk score after controls (LxC)	Risk Appetite	Further actions required	Residual Risk trend (6 months)	Risk Owner
CRR.01	<b>Children's Operational Staffing / Workforce</b> IF/AS: We are unable to recruit and maintain a stable, experienced social care workforce THEN: Caseloads for social workers will be higher than wanted and may affect the quality of casework for children	Oct-17	25 (5x5)	A recruitment and retention plan has been implemented and specific actions taken to reduce turnover and improve the attractiveness of our offer to experienced staff. We have commissioned an agency to undertake a search process under the 'urgent to rural' banner. We are actively engaging with regional colleagues to influence wider work and to reduce reward package escalation. We have engaged a number of agency workers as a result of regional collaboration which has provided additional capacity. Grow our own activity has been agreed and has been progressed during 2019-20	20 (4x5)	Further mitigation required	Cabinet have approved an additional £1.6m to support reducing caseloads by recruiting to social work posts, we have in place a number of initiatives to recruit social workers into the organisation; including for example ASYE offer; Urban to Rural and through the apprenticeship scheme to train new staff to achieve their social work qualification.		Director Children & Families
CRR.02	<b>Market workforce economy</b> IF: the current limited capacity within the social care workforce continues THEN: will there will be an impact on availability of services - this is particularly true of Registered Managers and Nurses	Mar-17	25 (5x5)	External market workforce project launched - the care heroes campaign to attract and retain more people into care and support providers with recruitment & training costs. Fees have been increased to dom care providers with a steer that front line staff should benefit. Monthly provider forums with commissioning services and close monitoring of market capacity and responses.	16 (4x4)	Further mitigation required	Ensuring that the Adult Social Care agenda is high on priority list for other Directorates. Working with economic partners on master planning to shape the future market,		Director Adults & Communities
CRR.03	<b>Budget and Savings Plans - Children &amp; Families</b> IF/AS: The demand for placements for looked after children and care leavers exceeds that planned for when the budget was set THEN: the spend will be greater than the budget within children and families IF/AS: The savings plans across the directorate are not delivered with support from council services THEN: Resources and the MTFs across the council may be at risk	Apr-17	20 (4x5)	Budget is reviewed monthly DLT/SMT/Management Board and then informing Cabinet. Alternatives to care panel in place on a weekly basis to review cases that may be considered to be moving towards becoming looked after, chaired by the AD safeguarding and family support. Corporate contingency in place as part of 2019/2020 to cover any spend over planned budget	16 (4x4)	Further mitigation required	Business case for Edge of Care Service been developed with input from Staffordshire Council; cabinet agreed in principle to use of earmarked reserves in 2019/20 to start the edge of care service subject to cabinet member decision.		Director Children & Families
CRR.04	<b>Human Rights claims</b> IF: a result of high court decisions regarding children's social care cases THEN: Herefordshire council may face Human Rights claims.	Dec-16	16 (4x4)	Case review work has been undertaken by children's social care and by legal services and submitted to court. Legal services have reviewed current cases to assess for potential human rights claims. Communications briefed on response from council, including training, audit of any cases with similar presenting features and action to address any recommendations from the judgement; communications to cabinet, children's scrutiny and all members; communication to chair of HSCB and also to regional lead for safeguarding with Ofsted. In light of court judgements, cases are reassessed. Practice improvements are identified through this work and steps taken to embed changes in day to day work.	16 (4x4)	Further mitigation required	Children's services and legal services reassess cases in light of court judgements. Practice improvements are identified through this work and steps taken to embed changes in day to day work.		Director Children & Families
CRR.06	<b>Council Redesign/Resources</b> IF: Reducing resources in the form of grant, uncertainty and the requirement to deliver transformation at speed combine THEN: there will be an risk of failure to meet statutory and/or legal duties and powers.	Jun-15	25 (5x5)	Transformation programme within each directorate, corporate plan, refreshed governance and constitution, quarterly performance management reporting and director performance management through appraisal system.	12 (3x4)	Further mitigation required	Benefits realisation and review arrangements through quarterly performance management		Chief Executive
CRR.07	<b>Deprivation of Liberty</b> IF: The authority does not meet the statutory requirements for Deprivation of Liberty Safeguards and individuals are unlawfully deprived of their liberty THEN: The authority faces a risk of being taken to the Court of protection, increasing the risk of Costs and Financial penalties for the Local Authority	Oct-14	20 (4x5)	Additional investment into DoL's has been made and will be maintained. Weekly performance management of waiting list is in place. Regular reporting and review up to Director Level and to Safeguarding Adults Executive Group. Recruitment of external Best Interest Assessors - although these are limited in availability due to national demand. The DoLS team check all referrals for DoLS against list of open safeguarding referrals to ensure these cases are prioritised. ADASS triage criteria are followed to identify cases where there is a high risk to the individual and a high risk to the Council of litigation. Three full time BIA posts have been created and a MCA DoLS team manager post has been created as part of the adults social care restructure. Further awareness training with staff and providers, additional legal support and constant review and prioritisation of cases waiting for assessment. Programme to train staff as BIAs in place. Independent BIA engagement plan ongoing two additional full time seconded posts created and filled. Multi agency MCA and DoLS policies completed. agency MCA and DoLS policies completed.	12 (3x4)	Accept			Director Adults & Communities
CRR.08	<b>Recruitment Strategy</b> IF: the council is unable to recruit the level and scale of staff required to vacant posts across the organisation due to inability to attract and/or an unsustainable employable local demographic THEN: there will be insufficient staff to meet service demands; an inability to progress service development; and a financial implication of using agency staff/contractors.	Aug-18	16 (4x4)	Short term reductions in capacity are accommodated by prioritisation and reallocating work amongst staff. Analysis identifying posts which are hard to recruit to. Involvement in regional workforce development and agency market management. Recruitment and retention initiatives.	12 (3x4)	Accept			Head of HR and Organisational Development
CRR.09	<b>EU exit</b> IF: following the EU exit there is uncertainty or policy decisions that impact the council THEN: there may be an impact on the economic and social programmes of the Council and its partners, including: interest rates and exchange rates impacting on the Affordability of the council's capital programme; and restriction on the free movement of people which could lead to skills gaps and adverse impact on the workforce.	Aug-18	16 (4x4)	Inclusion of an assessment of the risks associated with EU exit in our MTFs and Treasury Management Strategy, and our debt profile is monitored and managed to avoid exposure to interest rate fluctuations. The Capital Programme will include a risk assessment of the cost of borrowing, and it will be reviewed constantly to ensure its continued affordability.	12 (3x4)	Accept			Chief Finance Officer
CRR.10	<b>Failure of council employees to adhere to standing orders and policy</b> IF: officers fail to adhere to standing orders (e.g. contract and finance procedure rules) and policies THEN: the number of internal disciplinary and/or exposure to legal challenge will increase, along with the likelihood of financial and reputational risk, resulting in claims being made and won against the Council with costs and reputational harm incurred.	Sep-17	16 (4x4)	Contract and finance procedure rules have been rewritten and published. Toolkits, guidance and training have been implemented. Schemes of delegation have been written as part of the new constitution. Governance training has been provided. Internal Control Improvement Board to oversee development and implementation of an improvement plan to ensure effective internal controls in respect of capital spend, project management and contract management are in place and complied with across the council.	12 (3x4)	Further mitigation required	Internal Control Improvement Board to oversee development and implementation of an improvement plan to ensure effective internal controls in respect of capital spend, project management and contract management are in place and complied with across the council.		Solicitor to the Council
CRR.11	<b>Emergency events</b> IF: significant events happen (e.g. severe weather, major flooding, terrorism and/or influenza pandemic risks) THEN: there could be a significant cost implication to the Council and it may be necessitate staff redeployment to backfill and maintain critical services. Failing to respond effectively to major emergencies/incidents could result in a loss of public confidence through adverse publicity, loss of life to public or council employees, loss of service, economic damage or environmental impacts. Lack of trained staff (deployed or other) means we may not respond as quickly/effectively as we should. ☐	Apr 11	16 (4x4)	Council and multi-agency plans reviewed as part of wider WM Local Resilience Forum objectives. Resilience Direct (cabinet officer system) to progress information sharing, planning and response mechanisms and data. Council Business Continuity Management System in place. Rest Centre training and provision for 200 people at Three Elms Unit. Gold and Silver officer training sessions and programme completed. BBLP tested new emergency road closure software, which will update the website automatically within the road closure map.	12 (4x3)	Accept			Health Safety and Resilience Manager
CRR.12	<b>Health &amp; Safety</b> IF: Herefordshire Council doesn't comply with Health and Safety legislation THEN: there is an increased risk of: employees injured through work activity; council prosecuted by HSE for breaches of legislation; increased insurance claims and insurance premiums; member of public, contractor or employee killed at work, possible corporate manslaughter, loss of reputation and financial costs to the council; sickness rates increase because of lack of compliance with good health, safety and wellbeing practice; increased employer/employee litigation through inconsistent approach to managing health and safety in the workplace; unable to defend H&S claims or disputes; and, fire damage and financial and reputational costs to the council through fire at a council owned building.	May 11	16 (4x4)	Strategy – Strategy/project plan in place to achieve full compliance with H&S legislation, prioritised by high risk activities; H&S policy current and reviewed each year. Cultural – Sharepoint H&S tool box available via front page of intranet; H&S and Fire Safety part of existing mandatory training; some improvement has been made in last period with wider engagement from employees with H&S systems (when things have gone wrong); employees consulted about H&S issues through 'house' meetings. Systems – Accident reporting/investigation and work based ill health in place; mandatory training; first aid/fire warden training in place; some systems updated (focused on high risk areas); employers liability insurance; Directorate H&S reps kept up to date with current risks and good practice control measures. Property Services buildings statutory compliance system in place.	12 (3x4)	Accept			Health and Safety Advisor
CRR.13	<b>Cyber attack</b> IF: we do not protect against a potential cyber attack THEN: we could be at risk of losing data in breach of principle 7 of the Data Protection Act which would lead to potential fines from the Information Commissioner Office and reputational damage.	Apr-17	15 (3x5)	IT Supplier (Hoople Ltd) holders of ISO 27001:2013, and: Cyber Essentials Plus certificates – both in good standing. Implemented 'defence in depth' strategy covering: Administrative, Technical and Physical controls to maintain our security goals: Confidentiality, Integrity and Availability.	12 (3x4)	Further mitigation required	Greater links to disaster recovery and continuity within services.		Assistant Director, Corporate Support
CRR.15	<b>Workplace / Accommodation Programme</b> IF: the Programme is not managed to time and budget and does not include BVoW principles THEN: there will be significant risks to service delivery, savings plans and the life cycle of buildings.	Mar 16	12 (3x4)	Corporate Property Board. Escalation of high risk items to E&P management team and to members for political consideration of priorities. Undertaking a programme of condition surveys on a cyclical basis will provide detail on scale of backlog maintenance. Data collected and information being prepared for updated strategy for next period; this will update the accommodation plan. Better Ways of Working implementation report approved by Cabinet on 27 February 2020.	8 (2x4)	Further mitigation required	Delivery of Strategy.		Strategic Property Services Manager
CRR.17	<b>Demographic Pressures</b> IF: due to increasing financial and demographic pressures, the council is unable to meet its statutory obligations and assess clients in a timely manner and annually review all long-term packages of care THEN: clients might not receive the timely interventions required and we might miss the opportunity to maximise independence	Oct-14	16 (4x4)	New pathway implemented with evidence of improved outcomes for people and reduced amount people requiring social care intervention. In addition, implemented a SAS team to focus on re-assessment work, and an external provider to undertake reassessments and reviews allied to cohorts of service users where review is required. Controlled waiting list, proactive front door, proactive reablement response, regular reporting to monitor any changes. Strengthened commissioning approach to market developments and client need.	9 (3x3)	Further mitigation required	Further embedding the strengths based ethos within the directorate as well as partners. Developing a review dashboard. Pilot scheme being implemented to boost capacity to undertake assessments.		Director Adults & Communities
CRR.18	<b>Property Services support to Capital Programme</b> IF: we are unable to implement the strategic corporate and CWB capital programmes within budget and timescale THEN: operating costs will increase, assets will deteriorate, service delivery could be impacted and opportunities to realise value and benefits could be missed. Strategic change will not be implemented.	Feb-18	16 (4x4)	Corporate Property Strategy Board and CWB Capital Programme Board comprising senior Directors; ongoing monitoring of programme and projects; escalation of high risk items to Directors. Corporate capital programme for 2019/20 is being progressed and delivered on site. Consultation completed to transfer the administration and responsibilities of the 'helpdesk' over to the provider BBLP to free up and enable the property services technical team to concentrate on delivering corporate and other services capital projects. Nov 19: 9 of 11 corporate capital schemes for 2018/19 are forecast to be completed by end of 2019 financial year; 7 of 11 corporate capital schemes for 2019/20 are due to be started and in some cases completed before end of the 2019 financial year; 45 condition surveys completed on schools.	9 (3x3)	Further mitigation required	Support arrangements will be tailored to approved capital programmes for school works in 2020/21. Programme of work being reviewed by Interim Capital Projects Director, feedback awaited.		Strategic Property Services Manager



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CRR.19	<b>NMITE</b> IF: there is a lack of critical infrastructure such as teaching space and student accommodation to meet NMITE's forecast growth <b>THEN:</b> would be unable to reach the critical mass of student numbers to become self-sustaining.	Aug-18	12 (3x4)	The council is working closely with NMITE to plan for the development of critical teaching space and student accommodation. For example, the council has enabled the development of a 178 bedroom purpose built student accommodation at station approach where 50% of rooms are likely to be available for NMITE students for three years from September 2020. The council has agreed to underwrite up to £850,000 of a Local Enterprise Partnership grant funding to develop teaching accommodation at NMITE's Blackfriars Street site. We are commencing feasibility studies to identify opportunities for student accommodation provision at sites such as College Road Campus, and the along the City Link Road, and the council is due to consider a decision to undertake detailed design stage works (including seeking planning approval) for student accommodation to be developed at the football ground (behind the Blackfriars Street Stand) in February. However, there remains a significant gap between NMITE's growth forecasts and the provision of student accommodation within the city over the next few years.	9 (3x3)	Further mitigation required	July 2020 conclude feasibility of options for student accommodation to be developed at College Road Campus.		Head of Economic Development
CRR.20	<b>Good decision-making</b> IF: officers and members do not uphold the principles of good decision-making <b>THEN:</b> the Council may make poor decisions which either result in lost opportunities or increased costs.	Apr-17	12 (3x4)	Decision reports are subject to a quality assurance process which includes review by risk, legal, finance, governance, equality, procurement and the lead director. A programme of training and development has been developed to support implementation of the new constitution. This will include report writing and decision making as appropriate. Internal Audit report commissioned to review quality of information in reports; report received and being actioned.	9 (3x3)	Accept			Solicitor to the Council
CRR.21	<b>Economic Masterplan Resilience</b> IF: we fail to establish an economic masterplan <b>THEN:</b> there could be uncoordinated development, we may fail to priorities available resources, miss opportunities to secure external resources which will impact business retention, business rates income, productivity, employment and wage rates, and wider resilience in the local economy	Jun 15	16 (4x4)	Programme in place to develop a masterplan/ Town Investment Plan for Hereford by the end of the summer 2020, and wider plan considering the development needs/ opportunities for the market towns by end of March 2021. Hereford Town Board being formed for first formal meeting in March 2020. Programme of workshop sessions with cabinet members in place.	8 (2x4)	Accept			Head of Economic Development
CRR.23	<b>Good internal controls protect against fraud and error</b> IF: good internal controls aren't in place and followed to protect against the potential of fraud, corruption, financial management, malpractice or error <b>THEN:</b> this produces a heightened risk of fraud, corruption and/or poor value for money with the consequent negative reputational impact.	Nov-17	16 (4x4)	Follow-up on SWAP audit recommendations so that they are all dealt with fully so that systems, processes and compliance are improved. EE code of conduct - should be issued with contract of employment. Recruitment process which ensures appropriate background checks. Induction programme. Fraud, bribery and corruption policies. Whistleblowing Policy. Finance procedure rules. Contract procedure rules. Agresso workflow. Governance processes.	8 (2x4)	Accept			Head of corporate finance
CRR.24	<b>Medium Term Financial Strategy</b> IF: we do not have a sustainable Medium Term Financial Plan <b>THEN:</b> we will not achieve a balanced budget, risk serious service failure	Aug 12	20 (4x5)	MTFS to 19/20 approved by Council in February. All savings RAG rated and reviewed. MTFS linked to Corporate Priorities. Monthly financial reports to Management team and Cabinet. Performance Challenge meetings. Base budget review exercise completed. Prudent levels of reserves in place. Regular reviews by Cabinet of reserves and assumptions around inflation.	6 (2x3)	Accept			Chief Finance Officer
CRR.25	<b>ICT Platforms</b> IF: the ICT application /systems/platforms are not appropriate or used to their full effect <b>THEN:</b> we fail to manage our services and cost the organisation more money	Apr 14	16 (4x4)	Programme Boards for major systems e.g. Mosaic for adults and childrens social care. Measures are in place to ensure that access to systems/tech. is in place and will be progressed through a number of initiatives. SWAP audits and related training.	6 (2x3)	Further mitigation required	Applications audit underway; future consideration of transformation of services using ICT linked to the priorities of the Digital Strategy.		Assistant Director, Corporate Support
CRR.26	<b>Partnerships</b> IF: the partnerships that the council's involved in are not developed / fail to operate effectively / or fail entirely <b>THEN:</b> the strategic objectives / priorities may not be achieved.	Aug-18	12 (3x4)	Partnership governance protocol. Updated process for review and publication of partnership. Contractual and partnering agreements.	6 (2x3)	Accept			Head of Corporate Governance
CRR.29	<b>Information governance</b> IF: staff do not treat the information they access appropriately <b>THEN:</b> this may lead to the risk of referral to the Information Commissioner and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council.	Feb 14	16 (4x4)	A series of mandatory online training modules have been introduced (including Data Protection, Environmental Information Regulations, Freedom of Information, Information Security). All employees must also complete a staff confidentiality agreement in order to acknowledge that they agree to abide by the council's information governance policies. DSP Toolkit completed for 2018 and 2019 being worked on. Mandatory training has been refreshed for 2019	6 (2x3)	Accept			Assistant Director, Corporate Support
CRR.30	<b>Litigation</b> IF: disputes with contractors arise there is potential exposure to litigation <b>THEN:</b> the Council may lose and be liable for costs in excess of £M (affecting budget position) and incurring reputational harm.	Jun 13	16 (4x4)	In house and external legal teams in place dealing with adjudications and litigation. I respect of the current contract dispute, formal mediation has been undertaken and matters resolved through dispute resolution procedures. A Counter claim raised by former provider and response provided by the council.	4 (2x2)	Further mitigation required	The Council will escalate matters through formal dispute resolution processes as required. The timing of these next steps will be set in response to circumstances.		Solicitor to the Council
CRR.31	<b>South Wye Transport Package</b> IF: scheme costs increase as a result of changes to programme <b>THEN:</b> they will exceed current approved budget and it will significantly affect ability to drawdown grant funding within funding window.	Jun-19	16 (4x4)	Continue to review cost forecasts and estimates as programme is revised. Report forecasts each month at MIDB to support decision making. Following the LEP decision to withdraw funding, alternative sources of funding will be required if review concludes that scheme should progress, noting that costs will have increased as a result of the delay to the programme.	20 (4x5)	Further Mitigation Required	Review scheme costs and funding opportunities as required following outcome of review.		Director Economy & Place
CRR.33	<b>South Wye Transport Package</b> IF: The Marches LEP require existing growth funding to be repaid based on any change in approach to the SWTP <b>THEN:</b> Funding will need to be allocated for repayment of the growth funding, impacting on other budgets.	Nov-19	20 (4x5)	Ongoing discussions with Marches LEP regarding existing funding. DIT have confirmed to the LEP that they do not require the payback of funding. Submissions made for Marches LEP further funding for alternative projects; being a package of works associated with HEZ including two of the three preferred SWTP ATMs.	15 (3x5)	Further Mitigation Required	Further discussions with Marches LEP to confirm position of funding received to date.		Director Economy & Place
CRR.34	<b>Response to police investigation</b> IF: there is an uncoordinated response <b>THEN:</b> there may be disruptions to casework, unsettled staff and service users and the council may not respond effectively to the outcome of the investigation.	Dec-19	16 (4x4)	Interim senior management was put in place to provide additional capacity during the investigation which has now concluded. Staff communicated with and support was put in place. Outcome of police investigation still to be concluded. Risks to current service delivery assessed to be low.	8 (2x4)	Accept			Director Children & Families
CRR.35	<b>Phosphate Pollution in Lugg Catchment</b> IF/AS: A way forward cannot be found in relation to the moratorium on housing development in the River Lugg catchment arising from elevated phosphate levels <b>THEN:</b> the 5 Year Housing Land Supply figure will fall further which will have a severe impact upon the weight of Neighbourhood Development Plans and the outcome of planning appeals, leading to an increased potential for unplanned development in areas of the county not affected by the phosphate issue.	Dec-19	25 (5x5)	A Nutrient Management Board (NMB) oversees the protection of the Rivers Wye and Lugg and a Nutrient Management Plan (NMP) has been adopted jointly with the Environment Agency and Natural England (NE), with the aim of enhancing the water quality within these catchments. Because of the recent action by Natural England to resist development in the Lugg catchment, the Board is seeking to strengthen the NMP with a view to providing certainty to NE so that they will no longer resist development.	15 (3x5)	Further mitigation required	The Board will be meeting more frequently and has tasked a Technical Advisory Group to explore how the river catchments can be better protected. This is likely to include physical measures that will either reduce phosphate pollution from sewage treatment works or by from diffuse agricultural sources. Once specific proposals have been identified the council will need to consider how these are delivered now that £2m from the New Homes Bonus has been allocated to fund this.		Director Economy & Place
CRR.37 (NEW)	<b>5 year Housing Land Supply/Housing delivery test</b> IF: We do not actively address the current lack of five year land supply and the under delivery of housing (according to the national Housing Delivery Test) <b>THEN:</b> it will continue to be difficult to resist applications for planning permission for housing on sites not currently identified in the Local Plan which would undermine the plan led approach, lead to development of sites which are locally considered inappropriate and potentially affect the deliverability of identified strategic sites and associated infrastructure.	Mar-16	12 (4x3)	Regular Housing Land Assessment and monitoring to update the extent of the housing supply and delivery of new housing in accordance with National Policy Framework. Develop Housing Delivery Test Action plan to set out operational set of actions to help increase housing delivery in the County. Feb 2020 - Housing Delivery numbers uplift - could impact on imposition of 20% buffer to 5YHLS in future years. March 2020 - Cabinet Member report sign-off of Core Strategy Review and commencement of Core Strategy update taking into account housing delivery targets and revised Transport Strategy in support of delivery.	9 (3x3)	Further mitigation required	Commencing update of Core Strategy and completion of Transport Review.		Programme Director, Housing and Growth (maintained by Strategic Planning Manager)
CRR.38 (NEW)	<b>Dispute with major contractors</b> IF: there is not adequate work to meet the expectations of the council's major contract providers (such as Engle, Keepmoat, Balfour Beatty Living Partnerships) <b>THEN:</b> there may be a dispute of these contract(s) and the council will not realise the benefits of the relationship.	Feb-20	12 (3x4)	An Annual Delivery Plan is agreed at the start of the financial year for each major contractor programme. Governance processes are in place to manage relationships with key strategic partners such as quarterly Programme Boards. Senior manager relationship managers are identified to lead engagement. Each contract specifies roles, responsibilities, and a range of service deliverables which are managed on a case by case basis.	9 (3x3)	Further mitigation required	Delivery Plans for 2020/21 to be urgently finalised.		Director for Economy and Place
CRR.39 (NEW)	<b>COVID 19</b> AS: the global COVID 19 pandemic reaches Herefordshire <b>THEN:</b> This will have a significant impact on council activities and the strategic priorities of the county. Staff will be redeployed and might be unable to work resulting in impact on front line services, delivery of care to vulnerable people will be compromised, non-urgent member decisions may be postponed, local businesses will be effected in turn impacting Business Rates & Council Tax. The impact on the health system will also cause additional strain on social care teams to respond.	Mar-20	25 (5x5)	Tracking advice from PHE. Tactical Group and Corporate Groups planning appropriate responses. Planning by services to establish critical services and help maintain service provision. Talk Community response in place supporting and connecting potentially vulnerable people in communities. Staff redeployed to support the response.	25 (5x5)	Further mitigation required	Continue to re-assess the required response and ascertain how the COVID response transfers into business as usual.		Chief Executive
CRR.40 (NEW)	<b>Ofsted Outcomes</b> IF/AS: We are unable to assure the Ofsted Inspectors of sustained improvements of childrens operational safeguarding <b>Then:</b> This may result in a re-alignment of council activity in order to ensure effective delivery of services and have a significant financial and reputational impact on the authority.	Mar-20	20 (4x5)	Ofsted improvement plan is in place and is monitored on a regular basis; regular member oversight at performance challenge sessions; performance management approach in place and being refreshed to include greater regular review by assistant director and director.	15 (3x5)	Further mitigation required	Evidence of delivery leading to sustained improvement		Director Children & Families



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CRR.41 (NEW)	<b>Ability to deliver County Wide Net Zero Carbon Target by 2030</b> IF the target is not delivered THEN the county will not benefit from the resulting improvements in air quality, public health and local ecological improvements from the required actions to reduce carbon emissions; this will increase the risk of local climatic changes which will have countywide economic, social and environmental impacts; there is risk of reputational damage from not delivering on the targets associated with our declaration of a climate emergency.	Mar-20	16 (4x4)	Herefordshire has been a lead authority on local action on climate change and activity builds on a strong track record and a previous countywide carbon reduction strategy "Re-energising Herefordshire" which sought to achieve an 80% reduction by 2050. The council is showing strong leadership through its new Carbon Management Plan (CMP) 2020-2026, due to be adopted on the 28th of May. A cross party task and finish group has been set up to ensure all future council decisions pay due regard to the 2030 carbon neutral target. A £200k climate reserve has been allocated in the 2020/21 budget. Carbon Management included in corporate performance management process.	12 (3x4)	Further mitigation required	The countywide carbon reduction strategy is in development with partners seeking countywide commitment to carbon neutrality. A key part of the current Herefordshire Transport Strategy Review is consideration of the climate emergency A sustainable economic recovery plan is in development in order to help support a low carbon recovery after the effects of Covid-19.		Director for Economy and Place

Likelihood	Consequence				
	1 Insignificant Impact / Benefit	2 Minor Impact / Benefit	3 Moderate Impact / Benefit	4 Major Impact / Benefit	5 Significant Impact / Benefit
5 Certain	5	10	15	20	25
4 Likely	4	8	12	16	20
3 Possible	3	6	9	12	15
2 Unlikely	2	4	6	8	10
1 Rare	1	2	3	4	5

