Herefordshire Council

Agenda

Cabinet

Date:	**Thursday 26 November 2020**
Time:	**2.30 pm**
Place:	**online meeting**
Notes:	Please note the time, date and venue of the meeting.
	For any further information please contact:
	Sarah Buffrey Tel: (01432) 260176 Email: sarah.buffrey@herefordshire.gov.uk

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 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

1. **APOLOGIES FOR ABSENCE**

   To receive any apologies for absence.

2. **DECLARATIONS OF INTEREST**

   To receive declarations of interests in respect of Schedule 1, Schedule 2 or Other Interests from members of the committee in respect of items on the agenda.

3. **MINUTES**   11 - 18

   To approve and sign the minutes of the meeting held on 29 October 2020.

HOW TO SUBMIT QUESTIONS

The deadline for submission of questions for this meeting is:

9:30am on Monday 23 November 2020.

Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.

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 https://www.herefordshire.gov.uk/getinvolved

4. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

   To receive questions from members of the public.

5. **QUESTIONS FROM COUNCILLORS**

   To receive questions from councillors.

6. **REVIEW OF PEER ON PEER ABUSE CASES**   19 - 98

   To receive the outcomes of the review; to agree the recommendations arising from the review; to approve the executive response to the scrutiny committees recommendations on the report of the review and to approve the peer on peer model guidance for use in all Herefordshire schools.

7. **DELIVERY PLAN 2020/22**   99 - 118

   To agree proposals for the council's Delivery Plan 2020-22.

8. **QUARTER 2 BUDGET & PERFORMANCE REPORT**   119 - 164

   To review performance for Quarter 2 2020/21 and the budget forecast; and To provide assurance that progress has being made towards achievement of the agreed revenue budget and service delivery targets, and that the reasons for major variances or potential under-performance are understood and are being addressed to the cabinet's satisfaction.

The Public's Rights to Information and Attendance at Meetings

Due to the current COVID-19 pandemic Herefordshire Council will be holding remote meetings in accordance with the latest regulations[1]. Details of how to observe virtual meetings are set out below. Access to agenda, minutes, decision notices and other documents will be via the Herefordshire Council website or by contacting the Governance Support Team on 01432 260201 / 261699 or at governancesupportteam@herefordshire.gov.uk

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

Meetings will be streamed live on the Herefordshire Council YouTube Channel at https://www.youtube.com/HerefordshireCouncil. The recording of the meeting will be available shortly after the meeting has concluded.

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[1] 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

The Seven Principles of Public Life

(Nolan Principles)

1. **Selflessness**

   Holders of public office should act solely in terms of the public interest.

2. **Integrity**

   Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. **Objectivity**

   Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. **Accountability**

   Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. **Openness**

   Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. **Honesty**

   Holders of public office should be truthful.

7. **Leadership**

   Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Herefordshire Council

Minutes of the meeting of Cabinet held at online meeting on Thursday 29 October 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, Liz Harvey and Ange Tyler

Cabinet support members in attendance	Councillors Jenny Bartlett, Peter Jinman and Yolande Watson
Group leaders / representatives in attendance	Councillors John Hardwick, Jonathan Lester, Alan Seldon, Bob Matthews and Trish Marsh
Scrutiny chairpersons in attendance	Councillors Elissa Swinglehurst, Carole Gandy and Jonathan Lester
Officers in attendance:	Chief finance officer, Director for adults and communities, Interim Head of Legal Services and Assistant Director for Technical Services

9.   **APOLOGIES FOR ABSENCE**
There were no apologies from members of the cabinet.

10.   **DECLARATIONS OF INTEREST**
None.

11.   **MINUTES**
Resolved: **That the minutes of the meeting held on 15 October 2020 be approved as a correct record and signed by the Chairperson.**

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

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

14.   **2021/22 BUDGET SETTING AND CONSULTATION**
The cabinet member finance and corporate services explained that the report set out the proposed timetable and process for development of the budget. She noted that arrangements for the consultation were likely to be impacted by Covid, which would make face to face engagement difficult, but the council would be making every effort to engage in different ways. The online survey would be the main opportunity to comment and would run from 19 December through to 8 January. Running the consultation over the Christmas and New Year period was not ideal but the timetable was similar every year. There would be promotion leading up to the launch of the survey so that everyone know when it would be and how to access it. The results of the engagement would be considered by the cabinet at its meeting in January 2021 and the budget would be set by the Council at the February meeting.

Cabinet members discussed the proposals and it was noted that:

- There would also be a consultation on waste in the New Year and care would need to be taken to avoid consultation fatigue or competition between the two exercises;
- Expert consultants would be employed to ensure that the council was reaching as many communities and stakeholders as possible, including hard to reach groups;
- Members of the public were encouraged to use the option to sign up for topic specific alerts on the council website so they would be notified about items they might be interested in;
- If individual councillors wished to feed in to the framing of the consultation they should make their group leaders aware;
- While there were concerns about holding the consultation over the holiday period it was also possible that some individuals might find more time to respond while they were not at work;
- It was important to engage early with parish and town councils so that they had sufficient time to consider the issues and respond.

In response to a query whether residents could be allowed to opt out of paper based communication and receive electronic documents instead it was noted that there was no prescribed way to carry out consultation but it was important that as many people were reached as possible. This would be explored as part of the communications plan.

The chief finance officer advised that details of the settlement for 2021/22 were expected from central government just before Christmas. In the past, additional money had been released after the initial settlement so contingency plans would be in place to deal with this situation. Due to the challenges presented by Covid it might be necessary to present a number of scenarios during the consultation process using the best information at the time but the chief finance officer expected to be able to meet the deadlines set out in the report.

Group leaders and representatives were invited to present the views and queries of their group. There was general recognition that the budget process this year would be particularly difficult given the ongoing impact of the coronavirus epidemic. Cabinet members also noted that:
- The impact of covid would increase uncertainty around future central government funding and business rate collection;
- It was likely that some savings would have to be found given the pressures on the budget;
- It was unlikely that the stakeholder event for businesses and third sector organisations could be repeated this year but the council would explore other ways for interactive engagement;
- Ward members could assist with consultation with parish and town councils and it might be helpful if key questions to prompt or lead discussion could be circulated, all councillors should be asked to promote the consultation and encourage as many people as possible to respond;
- The in-year budget was being reviewed and this would identify if planned savings were deliverable bearing in mind the changed circumstances, the quarter 2 budget and performance report was due to be brought to the next cabinet meeting where there would be opportunity to review the projected overspend;
- It was suggested that communications to each household promote both the budget consultation and the waste consultation, and that such communication also seek to share information about the covid situation;
- Engagement with the NHS and other healthcare providers was important given the knock on impact of their spending on the council and every opportunity was taken to work with partners.

The chairpersons of the scrutiny committees commented that the timetable seemed appropriate. It was confirmed that the area specific feedback and recommendations from the adult and wellbeing and the children and young people scrutiny committees would feed into the discussion by the general scrutiny committee.

It was agreed that:
   (a) the proposed timetable for the development and adoption of the Medium Term Financial Strategy and the 2021/22 budget be approved;

   (b) an in year review of the capital investment budget be approved; and

   (c) the approach for consulting on budget proposals for 2021/22 be approved.

15.   **CLOSING REMARKS**
The leader of the council highlighted the latest position regarding Covid-19 in Herefordshire. The county was doing reasonably well but it was concerning that cases had doubled. If this pattern continued the situation would become much more difficult.

The leader of the council urged that everyone observe the basic guidance to wear face coverings wherever possible, maintain social distancing and wash hands regularly. These behaviours had kept numbers down and needed to be maintained. Those less at risk in younger age groups were urged to continue to consider the safety of older relatives and friends.

The meeting ended at 3.27 pm   **Chairperson**

PUBLIC QUESTIONS TO CABINET – 29 October 2020

Question 1

Mr P McKay, Leominster

To: cabinet member, infrastructure and transport

A number of streets on the Local Street Gazetteer have a Highway Dedication code of 12, Neither 2, 4, 6, 8, 9, 10 nor 11, presumably due to being streets with a Highway Dedication type that is currently unknown and is still under investigation, reference s.9.4.4.4 of DEC-Streets version 4.1 guidance.

May I ask how this investigation is progressing, and if consideration could be given to prioritising those that lead to public places, provide useful links in the recreational network and/or connect with public paths resolving Definitive Map anomalies, to meet the CROW Act 2000 cut-off date of 2026 after which unrecorded public rights may be extinguished?

Response

As set out in the question, the Highway Dedication Code 12 is used for Elementary Street Unit (ESU) which have no known public rights of access, which can be for streets that have either a Highway Dedication type that is currently unknown and is still under investigation or been proven to have no known public rights of access. The resource allocated to investigating is being prioritised to applications submitted to the council not in reviewing all Code 12 links. The prioritisation is set out in the councils Rights of Way Improvement Plan, one of the main criteria is whether the link 'creates a useful route' whereby an application will be considered a higher priority if it proves a useful addition to the rights of way network. Typical useful routes will be historically or scenically interesting, add missing links, will have been identified on the Rights of Way Improvement Plan, accessible to a wide section of the public or provide a safe alternative to a road.

Supplementary Question

Whilst it may not be intended to investigate all code 12 streets may it be assumed that when the Local Street Gazetteer is viewable in its different formats, Cabinet meeting of 24 September, and the Blue Anomaly Triangles/Report reinstated, Council meeting of 9 October, enabling those code 12 streets that satisfy the key aims of the Rights of way improvement plan (draft) by filling obvious gaps, etc., to be identified, would be investigated, whether or not subject of a formal application?

Response

As this is a technical question I will ask for officers to provide a written response.

Question 2

Mr A Hunt, Bromyard

To: cabinet member, infrastructure and transport

Would the zebra crossing on B4203, in Bromyard, stand scrutiny in a court of law, regarding it's safety and positioning?

Response

This zebra crossing was designed and installed around 1999/2000 and will have required departures from design standards guidance to enable its installation along what is a desire line for pedestrians from the Market Square to the Post Office. The consideration of such departures is a legitimate part of the design process, particularly for highway schemes introduced within the confines of an existing historical road layout. Clearly, it would be for the Court to determine the relevance of: the positioning of the crossing; its design; and/or record of incidents and the various factors that contributed to any injury or damage that resulted. Such would be considered in the context of the particular case before the Court.

I have requested that we review the crossing and explore what adjustments could be made to the design based on recommendations.

Supplementary question

Now that Herefordshire Council have decided to review the Zebra Crossing on the B4203, in Bromyard, can the crossing continue to be used in its current state?

Response

The cabinet member noted that there had been issues with accidents at the crossing and that the ward councillor had also raised the matter with him. The crossing would be reviewed quickly but he did not feel that it should not be used as it would be impossible to stop people crossing the road at that point. The cabinet member would ask that officers provide a further written response.

COUNCILLOR QUESTIONS TO CABINET – 29 October 2020

Question 1

Councillor Nigel Shaw, Bromyard Bringsty Ward

To: cabinet member, finance and corporate services

The Cabinet Member for Finance has been very vocal in promoting in-county spending by the Council as it awards contracts for goods and services, as well as by individuals. Can she now advise what proportion of the Council's expenditure is currently spent in-county and in neighbouring counties.(Say Herefordshire, Worcestershire, Gloucestershire, Shropshire, Warwickshire, Monmouthshire and other out of county?)

Response

The amount of council expenditure in-county has been rising, in percentage and in real terms, since we took office in May 2019.

This financial year 48% of the council's spend has been with businesses in Herefordshire compared with 33% in 2018-19. Over the last 12 months council spend with Herefordshire based businesses has risen by nearly £64m to £162m – an increase of 62% over the council's spend with local businesses in 2018-19.

Our stated intention to spend more public money locally is also reflected in the figures for spend when we add in our neighbouring counties (Worcestershire, Gloucestershire, Shropshire, Warwickshire, Monmouthshire), which has risen from 54% in 2018-19 to 66% of total spend so far this financial year.

The remaining 34% of council spend out of area includes statutory spend, e.g. with HM Revenue and Customs. It also includes a further 10% of total council spend through BBLP, which itself employs many local people and subcontracts to local businesses. So the amount of public money now circulating more tightly in the local economy is actually going to be higher than the figures able to be provided here.

Supplementary question

I thank the cabinet member and officers for this update.

My previous comparative data from June 2017 illustrates that the then conservative administration spend in county was 47% and in county and neighbouring counties was 77%. As these figures are so similar to that now being achieved I'd suggest that this data record becomes part of the regular performance data set reported to Council, so that future trends can be monitored.

As Cabinet Member for Finance you tabled at Council a fortnight ago the recommendation that the Hereford Leisure Centre received an additional £0.5m spend for repairs using the University of Worcester Framework agreement for procurement rather than open tender. Are you happy that such frameworks provide the best value for money and were you aware that none of the contractors in this framework are Herefordshire based companies?

Response

The cabinet member finance and corporate services noted that the issues raised crossed both her portfolio and that of the cabinet member for commissioning, procurement and assets. A written response would be provided.

Herefordshire Council

Meeting:	Cabinet
Meeting date:	Thursday 26 November 2020
Title of report:	Review of peer on peer abuse cases
Report by:	Cabinet member children and families

Classification

Part Exempt

Appendix 2 - This Appendix is Exempt from Public and Press Disclosure (Schedule 12A Local Government Act 1972) (As amended by Local Authorities (Access to Information Exempt Information (England) Order 2006 – Exempt Paragraph 2.(Information that is likely to reveal the identity of an individual) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To receive the outcomes of the review; to agree the recommendations arising from the review; to approve the executive response to the scrutiny committees recommendations on the report of the review and to approve the peer on peer model guidance for use in all Herefordshire schools.

Recommendation(s)

That:

(a)   The executive note the contents and recommendations set out in the Peer on Peer Review MASH Report (appendix 1).

(b)   The executive agree the recommendations set out in paragraph 3 of appendix 1;

Further information on the subject of this report is available from
Ceri Morgan, email: ceri.morgan@herefordshire.gov.uk

(c) **The executive approves the executive response to the children and young people's scrutiny committees recommendations set out in appendix 5;**

(d) **The executive approves the peer on peer model guidance set out in appendix 6 for use in all Herefordshire Schools.**

Alternative options

1. There no alternative options to the above recommendations; Cabinet may choose to request amendments to the peer on peer model guidance; or request alternative actions to address any identified areas of underperformance

Key considerations

2. On 15th September 2020, the children and young people's scrutiny committee reviewed the draft report of the review of multi-agency safeguarding hub (MASH) peer on peer abuse cases and made a series of recommendations to the Executive to be considered before this report was finalised.

3. The review looked at historic cases that were referred into the MASH of known recorded peer on peer sexual abuse where there was sexual assault/rape/or alleged cases (appendix 2 (exempt). It covered the years Jan 2017- Oct 2018 and Oct 2018 – Nov 19. The methodology involved reviewing over 300 cases reported to MASH and then identifying peer on peer sexual abuse cases from the period January 2017-November 2019 where pupils attended the same schools (appendix 3). The advice given by MASH, in those cases identified and where it was recorded, and was assessed against the guidance available from the Department for Education (DFE) on peer on peer abuse at the time

4. Furthermore the review considered the April 2017 (appendix 4) report that was commissioned by a school in Herefordshire to consider the approach taken and make recommendations to the senior leadership team of the school.

5. The local authority's role is the provision of support, advice and guidance in relation to safeguarding in early years settings, schools and colleges and to develop, implement and monitor quality assurance processes across schools, colleges and settings. This service is provided by the learning and achievement team who work with the organisations, not individual pupils.

6. The council recognises that issues of harm are a significant concern for individuals, families and schools in circumstances where peer on peer abuse takes place. As a result of the recommendations set out in this report, the council has committed to strengthened mechanisms, support, guidance and engagement with families and schools and partners, so as to more effectively mitigate and prevent circumstances of harm from occurring. The Council regrets that in some instances its processes have not supported individuals, families and schools as well as they could have done, and apologises for any hurt caused.

7. The council has committed to keeping training and guidance to schools a priority in all such cases for the future - and has accordingly - led training for all Designated Safeguarding Leads in all schools. There is also a set of recommendations agreed to

Further information on the subject of this report is available from
Ceri Morgan, email: ceri.morgan@herefordshire.gov.uk

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strengthen the review of any such fresh cases as they arise. This will adopt a multi-agency approach and we will apply rigorously any changes to DfE and legal advice in these cases. We will also implement any further service changes as a result of the findings of the National Society for the Protection of Cruelty to Children (NSPCC) audit work. The cabinet member has also agreed the response to the recommendations of the Children and Young People's Scrutiny Committee Spotlight review into peer on peer abuse and these will be implemented.

8. The recommendations of the Children and Young People's scrutiny committee are to be considered by the executive and are set out in appendix 5 and agreed by the executive as their response to the scrutiny recommendations. In addition the executive are asked to consider the draft model guidance attached as appendix 6 for handling peer on peer abuse cases in Herefordshire.

Community impact

9. The approach to peer on peer abuse for children and families in Herefordshire is an important and integral part in the provision of safeguarding, education, health and care services for vulnerable children and their families throughout Herefordshire. This enables the council to work with children, young people and their families where this is possible to keep children and young people safe and give them a great start in life; and secure better services, quality of life and value for money. This contributes to fulfilling the aims of the Herefordshire Children and Young People's Partnership Plan 2019-2024 and the councils County Plan 2020-2024.

Environmental Impact

10. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

Equality duty

11. 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.

12. 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

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Further information on the subject of this report is available from
Ceri Morgan, email: ceri.morgan@herefordshire.gov.uk

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that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. This is a factual report highlighting the outcomes of the review into historic cases of peer on peer abuse, including areas of good practice, areas for improvement and the next steps that council will take. Peer on peer abuse is an Equality issue and the outcomes of the review demonstrate that the council has considered this and is committed to working to support those effected while exercising its Equality duty

Resource implications

13. The outcomes arising from the review largely reflect work that is already underway. There are no additional cost implications to the outcomes as actions will be met from existing budgets.

Legal implications

14. The council, working with partner organisations and agencies, has specific duties to safeguard and promote the welfare of all children in their area. The Children Acts of 1989 and 2004 set out specific duties: section 17 of the Children Act 1989 places a duty on the council to provide services to children in need in their area. Section 47 of the Children Act 1989 requires councils to undertake enquiries if they believe a child has suffered or is likely to suffer significant harm.

15. These duties placed on the council can only be discharged with the full co-operation of other partners, many of whom have individual duties when carrying out their functions under section 11 of the Children Act 2004. Under section 10 of the same Act, the council is under a duty to make arrangements to promote co-operation between itself and organisations and agencies to improve the wellbeing of local children.

16. In dealing with Peer on Peer abuse, government guidance 'Keeping Children Safe in Education' (updated in September 2019 and again in June 2020) provides statutory guidance for schools and colleges who must have regard to the guidance when carrying out their duties to safeguard and promote the wellbeing of children

17. The legal basis for the recommendations in the draft report to the executive are commented upon in appendix 8

Risk management

18. There are no risks associated with agreeing the content of this report which provides information regarding the review of historic cases of peer on peer abuse and indicate how the work is being taken forward.

Consultees

19. The Children and Young People's scrutiny committee met on the 15 September 2020 and made a number of recommendations for the executive to consider and approve as the executive response shown in the appendix 5.

Further information on the subject of this report is available from
Ceri Morgan, email: ceri.morgan@herefordshire.gov.uk

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Appendices

Appendix 1 - Report on peer on peer abuse review of historic cases dealt with by the Multi-Agency Safeguarding Hub (MASH)

Appendix 2 – Historic cases of peer on peer

Appendix 3 – Details of cases under the review period

Appendix 4 – Redacted CSO report April 2017 and Recommendations

Appendix 5 – Executive response to scrutiny recommendations

Appendix 6 - Draft model guidance for handling peer on peer abuse cases in Herefordshire.

Appendix 7 - What is Peer on Peer Abuse

Appendix 8 – Legal basis for recommendations

Background papers

None

Further information on the subject of this report is available from
Ceri Morgan, email: ceri.morgan@herefordshire.gov.uk

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Title: Peer on Peer Review Herefordshire MASH 2017 – 2019

To: Councillor David Hitchiner, Leader, Councillor Felicity Norman, Cabinet Member Children and Families
From: Ceri Morgan, Assistant Director Education and Skills
Date: 13 November 2020

1   PURPOSE

1.1   The purpose of this review is to assess Herefordshire Council's handling of peer on peer sexual abuse (as defined in the terms of reference below) allegations referred to MASH in its schools since 2017. The definition of what constitutes peer on peer sexual abuse and what MASH is are set out below. It was commissioned by the Chief Executive following agreement for the review to take place with the Leader of the Council in autumn 2019 initially and requested for review as a result of the Herefordshire Council's Children and Young Persons scrutiny committee Spotlight Review December 2019. In addition to ensuring children are safeguarded, the Review looks at:

- How extensive peer on peer sexual abuse is within Herefordshire schools over a defined time period.

- Whether over that time there had been careful and correct application of the national guidance in place, and if that alone was enough to protect children or whether there is a need to improve monitoring and support practices.

- What response Herefordshire Council took following an incident at a Herefordshire school in April 2017.

- Seeks to provide an answer to the question of whether an assurance can be found that children who have experienced peer on peer sexual abuse will not end up in the same educational setting together in the future and that they are kept safe.

- Provides assurance how children in Herefordshire Schools are safeguarded in this regard.

1.2   This review considers the number and type of cases that were referred to MASH (see below for a definition of MASH) during a specific period (between January 2017 and November 2019) to see if the advice given was robust enough, the actions taken by the schools and the council were appropriate and whether or not the council could have done anything differently. This period was

then split into two periods as the national guidance and statutory provisions changed in December 2017, again in May 2018 and then again in September 2019. The two review periods are January 2017- October 2018 and October 2018 to November 2019. It is also the case that prior to October 2018 the council did not routinely keep a record of all the details of peer on peer referrals - hence the split time period.

The specific Terms of Reference commissioned for this review were:

1. Identify cases that were referred to MASH that were peer on peer sexual assault/rape cases/alleged cases. Start with 2019, then work back for 2018, then 2017.

2. Assess the advice given, taking into account the national guidance available at the time.

3. Contact the school/college to confirm if advice was followed or what action was taken.

1.3   In addition to establishing how robust our processes have been and if guidance given was appropriate, as discussed above, the review crucially, establishes that no children were put or left at risk. It is recognised that the effects of peer on peer abuse can be profound and can affect people into adulthood.

1.4   It will also summarise what are the next steps for Herefordshire Council and its other partners need to take, including questions asked nationally, in order to further strengthen the statutory and wider provisions and guidance in dealing with peer on peer abuse in schools

2   INTRODUCTION

2.1   The time period used in this review was selected as it covered the period when national awareness of the issue was growing and guidance was changing nationally. In addition, Herefordshire had experienced a growing incidence of reporting of peer on peer cases during the time, although numbers remained low. The reasons behind the growing trend are not fully known but are attributed to promoting wider awareness locally and better quality recording on MOSAIC (an internal secure recording system). Also Herefordshire Council had started to implement several changes to practice involving advice and guidance.

2.2   In essence how did Herefordshire compare with wider national bench marking. Did we have a higher or comparable incidence of cases? Were we acting in line with guidance or could we have done better?

2.3   The seriousness and scope of peer on peer sexual abuse has attracted national attention in recent years. This is partly as a result of a better awareness of individual cases and also as a result of better quality reporting. However, Ofsted

say (Ofsted published blog, 4 October 2019) that it is hard to say how widespread a problem it is. There is no reliable national benchmarking data available. It is therefore difficult to compare across local authority areas. As a consequence we are unable to compare the levels of incidence in Herefordshire with other areas easily. Ofsted do not hold such data either. This is a gap in the national system of recording.

2.4   A survey study conducted by The University of Bedfordshire in partnership with the Institute of Applied Social Research (Beyond Referrals, June 2020) provides some sense of the scale and extent of the national problem. The study looks at wider harmful sexual behaviour than this report. It shows some bleak figures. 64% of girls aged 13-21 experienced some kind of sexual harassment in school for example, and around one quarter have experienced some kind of unwanted sexual touching. It also highlights some very specific contexts (it is more likely to happen at the end of a school day and off site). Only around 49% of victims would speak to an adult about it and it is more likely to be a parent than a school teacher they speak to. The study also reports that when sexual harm takes place in schools, 'a focus on the individual young people is insufficient and it must be accompanied by a recognition of the broader context and culture that facilitates and can prevent, harm occurring'.

2.5   Ofsted report that they believe it is a growing problem. In Autumn 2018 they reported a 29% increase in children seeking help from Childline due to peer on peer sexual abuse. Ofsted do not specifically inspect this aspect during their routine inspections of schools but report if it comes up under any wider safeguarding concerns.

2.6   This growing trend led to specific guidance being established and published by the Department for Education. This has been updated since the early versions. In addition, the statutory guidance, **Keeping Children Safe in Education,** was updated in September 2019 and again in June 2020 with minor modifications.

2.7   That guidance, since September 2019 says that in the event of an alleged rape or assault by penetration, schools/colleges are expected to remove the alleged perpetrator immediately from both the classes and the transport that they may share with the alleged victim whilst an investigation into the case takes place. They are also expected to organise break times and mealtimes to avoid further contact. Separation of both the alleged victim and alleged perpetrator(s) during the investigation appears to be the main national mechanism for dealing with the issue as well as writing a risk assessment/safety plan and ensuring support is offered to all children.

2.8   There is no national guidance on how long these arrangements should continue, especially if any police investigation proves inconclusive. Therefore any separation arrangements must be continued for 'as long as necessary'. There is a recognition that schools and colleges cannot deal with this issue

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alone. There is little awareness nationally that this separation could last almost indefinitely, with the subsequent impact on both alleged victim and perpetrator and their families (and indeed the schools).

2.9   Given this national guidance, could Herefordshire Council have implemented any better advice than was minimally required? In particular in the light of learning from one particular case during 2017.

2.10   This review will summarise the extent and severity of the issue locally during the period in question (see exempt appendix table 1).

2.11   This review does not seek to ask individuals to revisit experiences that might cause them damage or harm. Although individual schools have been contacted to discuss what actions they took, no individuals involved in any cases have been contacted.

Multi Agency Safeguarding Hub (MASH) and Section 47

2.12   The review involved identifying referrals, (January 2017-November 2019), into MASH following allegations of peer on peer sexual abuse cases where the *pupils were in the same educational setting*. MASH is the Multi Agency Safeguarding Hub which has on it representation from all agencies involved in protecting children, including for example, social care, health, police and education. A section 47 reference refers to Section 47 of the Children Act 1989 requires councils to undertake enquiries if they believe a child has suffered or is likely to suffer significant harm.

2.13   Once cases were identified, the advice on each case was reviewed in light of the national guidance from the Department for Education (DfE) in place at the time, to assess if the advice was compliant with national guidance. Following the Children and Young People's Scrutiny meeting on 2nd June 2020 it was further requested that the recommendations from a report commissioned in April 2017 into a specific incident (see above) were also taken into account when reviewing the cases, given the learning that had been identified in that local case. Each of the settings identified were contacted to confirm if the advice had been followed and what action was taken as a result of the referral. What could we, as a council, have done better?

2.14   The review was undertaken by reviewing officers with limited or no connection with any previous cases, heads of service, the principal social worker(s), the quality assurance manager and the case progression officer in the children and families directorate. As such it was an objective, but internal, review process.

2.15   Contacting the schools/colleges was led by the Assistant Director Education, Development and Skills and involved staff within that division of the directorate. As such it is an internal but objective review.

2.16   This review also offers some recommendations for future activity which will themselves become subject to further scrutiny and review.

Key Documentation and Guidance

2.17   There are key documents which are mentioned in this review and which cover the period in question - some are national guidance and others are 'best practice' toolkits:

- Keeping Children Safe in Education, September 2019
- Brook Traffic Light Tool
- Herefordshire school and college safeguarding policies
- Sexual Violence and Sexual Harassment in Schools and Colleges (December 2017 and May 2018)
- West Midlands Policy: Children who abuse others
- Contextual safeguarding Network: Beyond Referrals
- NSPCC Let's Talk Pants campaign and tools
- Link to most recent update of KCSIE 2020 : https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892394/Keeping_children_safe_in_education_2020.pdf

2.18   This review looked at all cases of peer on peer sexual abuse reported to MASH within the time frame. Whilst all such cases are serious events there are varying levels of severity and different contexts surrounding the events. They are all not the same. Of those reviewed here, some took place out of school, some involved very young children and some involved multiple agencies. Similarly, some were disclosed long after the alleged events. Trying to respond in a proportionate and equitable way is not straightforward. However this review has looked at every case that fits the definition of peer on peer abuse (in the terms of reference above) that took place within the timeframe and where the victim(s) and alleged perpetrator(s) attended the same educational establishment. The definitions used in this review for sexual violence and harassment are taken from the Sexual Offences Act 2003 and explained further in an appendix to this report.

Peer on Peer abuse incident – Herefordshire School 2017

2.19   In 2017 a significant report was commissioned by the school, but funded by the Local Authority (who were provided with a copy), following an incident at a Herefordshire school. The report produced some recommendations for changes. A key part of this review is to see if those recommendations were implemented widely, or could we have, as council, have done more.

Summary of Peer on Peer Cases referred to MASH

2.20   The total number and nature of events are collated in a table attached to this review. It is anonymised however due to the fact that some of the detail may still identify individuals . This Appendix is exempt from publication for the public and press for that reason.

2.21   Although below there is a detailed analysis of the two periods under review, there is a tabular appendix which summarises the totals provided (appendix attached).

2.22   Taken together over the 33 months, there were 28 cases of differing severity and complexity. Of these 28 cases there are 7 where the records were not completed adequately or did not show if the advice was followed. This does not mean no advice was given or followed. The review shows that in only 1 case was advice not followed and although the appropriate actions had been taken they had not been recorded in a written format.

2.23   The detail of the numbers and nature of the incidents in the review are contained in an appendix published with this report. In summary however, there were 10 cases logged for the period January 2017 to October 2018 and a further 18 cases for the period November 2018 to November 2019. Of the 28 cases in total 18 took place outside of school. 14 were logged as no further action needed by social care as other agencies had provided support. Police investigations were held for 10 of the cases and in 9 no prosecution was brought with one case still under review.

2.24   In no case are the alleged victims and perpetrators now integrated in the same institution.

2.25   **Analysis of the outcomes of the referrals found that:**

- 14 cases are recorded as 'NFA' (no further action for social care). In these cases records indicate that support was put in place from other agencies which included support from the schools, the NSPCC, WMRSASC, Early Help assessments, keep safe work by social workers, family support workers or schools.

- A section 47 single agency investigation was conducted in one case resulting in a CIN Plan (child in need plan) being implemented.

- Section 47 joint enquiries (multi-agency) were conducted in one case resulting in a child and family assessment being completed. The case was closed 3 months after the initial referral.

- Strategy meetings were held for 3 further cases at which the presenting issues were deemed not to be high enough for a section 47 enquiry. Child and family assessments were subsequently completed and the cases closed to social care.

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- Police investigations were completed for 10 of the cases. In 3 of these cases the alleged victims did not want to pursue the investigations any further. In 9 of these cases it is recorded that, following police investigations, no charges were brought. 1 case is listed as still open to investigation whilst we await a decision on prosecution.

2.26 **Was the advice given at the time accurate and in line with National guidance ? Could we have done more?**

- The DFE guidance on Sexual Harassment and Sexual Violence in schools and colleges that applied during this period was the December 2017 version (updated in May 2018). It essentially centres on the need for completing risk assessments or a safety plan in cases of sexual violence (based on separation) and schools being advised to refer to another service, which may include the police or children and young people's sexual advisors (ChISVAs)

- In 12 of the 18 cases the advice given by MASH complied with the guidance and was recorded fully.

- In 2 of the 18 incidents, however there were no recorded actions on the internal system (MOSAIC) for a school to take regarding putting in place a risk assessment or safety plan (this is only compulsory if the incident is sexual violence) or advice to refer on another agency. **This does not mean that appropriate advice was not given, it was however not recorded adequately and in enough detail.**

- In one instance, the school had already put in place the safety plan before being advised to do so.

- In the other of these incidents, this was because the disclosure involved an historic incident that had occurred two or more years before the actual disclosure was made.

- In 4 incidents the advice given was correct: Appropriate advice was given regarding referrals or support for the children involved, but it is not recorded whether a safety plan was advised or not.

- In one of these 4 incidents where the victim and alleged perpetrator were no longer at the same school, a safety separation plan was not deemed appropriate.

- In another one of these 4 incidents (a disclosure about an alleged historic event), the alleged perpetrator and alleged victim did remain in the same school for a month after the disclosure was made and the review found

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that safety planning and the need for risk assessments was not recorded as being discussed by the MASH.

- This review then contacted the schools/colleges to confirm if advice was followed and what action was taken. These conversations were with the most appropriate staff member (usually the Designated Safeguarding Lead). This was partly to see if the advice was issued and also to check what subsequent actions were taken. No families were contacted.

- The advice given in the 16 cases where the MASH recorded the advice given was followed by 15 of the schools.

- In the remaining case, advice was to complete a <u>written</u> risk assessment/safety plan. The school did ensure that the two pupils were in separate classes and safe areas for break and lunch times were made available. However, the written risk assessment was not completed.

- This failure by the school to write a risk assessment had been discovered due to multi agency working. It resulted in a safeguarding visit from Herefordshire Council Education team on 13 December 2019. Consequently the school has been advised in writing about the requirements to undertake written risk assessments/safety plans in cases of sexual violence.

- To avoid this happening again in another setting, we are asking schools to send their risk assessments to the Education MASH team.

- Overall for the review there is clear evidence of the schools involved in these 18 incidents working with multi agencies e.g. the police, West Mercia Rape and Sexual Abuse Support Centre (WMRSASC) and the Early Help Team and ensuring support is offered to the victim and/or the perpetrator.

2.27 **What should we have done differently?**

- The quality of recording of referrals and subsequent activity was not consistently good enough in the period covered by this review. This includes the record of actions taken on MOSAIC, the internal recording system. As a consequence a historic review such as this is of less value - with the passage of time details have been missed.

- Herefordshire could have insisted on safety plans/risk assessments being completed by schools and colleges for incidents of alleged sexual violence from May 2017 and those risk assessments/safety plans being submitted to the MASH for recording and quality assurance checks. Given that the 2017 review recommendations were available, these recommendations

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were not more widely shared. Even allowing for the context that schools are self-governing and autonomous institutions, sharing of good practice would help.

- The dependency on implementing the national guidance - but crucially, not looking to go beyond this in a systematic and published fashion - was a potential weakness. For example, there was no full consideration or advice given at that time about additional human rights or equalities legislation. This is however also the case nationally and not just locally and national guidance was not clear about separation at that time. This is complex as balancing the rights of both alleged victim and alleged perpetrator can be a difficult judgement. There was an opportunity for a greater consideration of what more could be done to support the families of victims which takes into account the rights of both and in the light of equalities legislation.

- Although much has been done - it is now timely to refresh the risk assessment proforma policy for schools again - not least because the national guidance has been updated in July 2020 - but also because this provides an explicit opportunity to include wider legislation, especially equalities and human rights considerations as outlined above. It is also timely to create and issue a model policy and risk assessment process. Although any local authority cannot impose any policy on all schools it can - and we should - seek to reassure ourselves that if a school actively decides not to adopt it they are required to explain their reasoning. In the summer of 2020 Herefordshire appointed a new Safeguarding Officer, the national guidance has been updated and in September 2020 the new national Sex and Relationships Education programme is being implemented. Taken together this is the opportunity to integrate better practice into a broader picture of better contextual safeguarding for Herefordshire.

- In 2017 there was an independent review commissioned into one case - this was carried out by an organisation outside of the council. As part of that review, a helpful risk assessment process was shared with the school. It was not however shared more widely across the council. It could have been although that moment has now passed. It was not shared as a view was taken that it belonged to the school and that there were other tools that schools could use. This risk assessment is not now fit for purpose in view of up to date guidance and legislation. It was also the case that the risk assessment was itself deemed not as robust as it could have been. However, the delay in passing on the advice was simply wrong. Peer on peer awareness training was provided to schools in the Autumn of 2017 but this didn't go as far as the content of the report

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- The way in which Herefordshire Council (and partner agencies) engages with families affected by peer on peer sexual abuse was inconsistent and potentially lacking in structure. This is not to say that support was not offered - indeed it is now given via MASH and other partner agencies. Officers have met with some families but there is no deep awareness of the structured response plan now in place to engage with and support families or schools facing an event such as this. Schools do engage with Herefordshire Council and yet a case by case basis can lead to inconsistency. Whilst recognising that this would require specialist support skills it is not clear what would be the response in the event of a future case. This is not to say that this is not better now - it is - and there is a system in place which rests on good guidance and advice. However it remains the case that it is potentially variable. A flowchart is attached to show the expected process now which has been widely shared during 2020. This has helped improve consistency.

- Schools and settings do receive good quality and accurate advice now but they themselves do not have easy access to a support network - particularly where long term segregation needs to be in place. Support (including financial support to help with separation and the provision of on line learning) to schools facing a long term or contentious case should be strengthened.

- The lack of national comparative data is a concern. At present we have no robust way of comparing levels of abuse in Herefordshire to other areas. This is a national and remaining weakness. Whilst we have no reason to assume that levels are higher or lower locally, we cannot be sure.

- The measures above are aimed at providing advice and assessing risk - but more could be done to identify any preventative work that agencies could do. This is evident in schools where training in early preventative work is provided but less so in the sharing of information and support across agencies. More could be done to broker support for schools who experience this for the first time by being more systematic in the sharing - confidentially - of experience.

- When new members of staff join the Children and Families Directorate they are given a helpful induction period. This does not always include an emphasis on safeguarding risks and prevention, including an awareness of peer or peer sexual abuse. This could be included as a greater priority.

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- Finally, the issue of a prompt and rigorous responses to any disclosure should be improved. We could have listened more and acted more quickly in ensuring guidance was being followed and the recommendations from the 2017 report implemented. The timeliness of any action is crucial and a reliance on broad national guidance brought delay into some of the proceedings.

2.28 **What have we done since?**

What steps has the council already taken to improve how incidents of peer on peer abuse are dealt with?

- In 2019 we introduced an annual school safeguarding conference for designated safeguarding leads and safeguarding governors in schools. A key focus of this conference in 2019 was peer on peer abuse. This was led by national experts in the field. Attendance was high with almost all schools represented by school leaders, governors and safeguarding leads attending.

- All briefings to Chairs of Governors, Head Teachers and Designated Leads for Safeguarding include updates and guidance on best practice for dealing with peer on peer abuse. Briefings are often termly. They have taken place over a number of years now and are more usually provided by staff within the Children and Families Directorate but on occasions have national expertise also.

- Learning opportunities for designated safeguarding leads have been created using case studies of previous incidents of peer on peer abuse in order to highlight good practice and what lessons can be learned.

- A peer on peer abuse risk assessment pro forma has been issued for schools to use (autumn 2019). However a pro forma is only that - the process of risk assessment is more profound than the paperwork and council officers now support schools in this area more than previously. The newly appointed Education Safeguarding Officer will be expected to take a lead in this work. This is a significant move forward.

- The Children and Young People's Scrutiny Committee has undertaken a spotlight review into peer on peer abuse and Herefordshire Council has begun to implement the recommendations from this review.

- Participated in an audit into harmful sexual behaviour organised by the Safeguarding Children and Young People in Herefordshire Partnership using the NSPCC.

- There is greater support (via clearer guidance and associated toolkits) on offer now to schools and teachers than was the case previously. An exemplar policy has been produced by other Local Authorities (for

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example, Suffolk and Nottinghamshire). Herefordshire has included much of this in advice to schools but, given the significance of this issue, it should produce a similar local model.

- Multi-agency MASH thematic audits of peer on peer abuse referrals into the MASH take place. The most recent audit of a sample of cases has found improvements since the previous audit in both the approach and response to peer on peer abuse cases. Clear actions are in place for any highlighted areas for development.

- The council has reviewed the section 175/157 audit to ensure it includes a question on peer on peer abuse (the 2019 audit results show that all schools have policies and procedures in place to minimise the risks of peer on peer abuse). A number of quality assurance visits take place annually to ensure schools are robustly self-assessing their practice.

- The restructuring of the Learning and Achievement Team has created a new post: Education Safeguarding Officer. This post has now been recruited to and we are awaiting for the successful candidate to take up their post in August 2020. This is a significant development.

- We have also undertaken a 'lessons learned' exercise through discussions with Designated Safeguarding Leads at the most recent education safeguarding meeting to establish current challenges schools face when dealing with peer on peer abuse.

- Safeguarding visits to schools and desk top reviews of policies are undertaken.

- The Learning and Achievement Team's school visit form has been reviewed and whilst they have always included a section on safeguarding, they now ensure an additional focus on peer on peer abuse as well.

- Herefordshire Council has worked more closely with wider partner agencies and experts since 2017. For example, this includes WMRASASC (West Mercia Rape and Sexual Abuse Support Centre) - these agencies are now working in schools and supporting them in their work. This work could be extended and developed, particularly in the area of policy renewal and post incident support.

- There is a clear referral pathway process in the MASH for dealing with peer on peer abuse.

- We have recommended and supported the use of the Brook traffic light tool (a tool to aid prevention and early identification of cases that meet the threshold of concern based on age appropriate sexualised behaviour).

So - having done all this - can we give an assurance that children who have experienced peer on peer sexual abuse will not end up in the same educational setting together again?

- It remains the case that if no one knows about an incident (for example it has not been disclosed) it cannot be guaranteed the children will not be in the same setting. However once disclosure has been made, the evidence now supports the view that children are separated. This is not easy in some smaller settings, but schools have gone to great lengths recently to maintain the separation and now know this is required as a minimum. The issue emerges when children then move between settings, for example when transitioning between primary and secondary school or from secondary to tertiary colleges.

- The process of sharing of information between settings to prevent children meeting their alleged perpetrator is not straightforward. It is especially complex if no conviction has been made or with the passage of time. The process by which this could happen, confidentially and sensitively, exists but could be improved.

2.29 **The review has provided the following assurance-**

- Given the efforts that have been made in recent months, including the conferences and guidance, I believe that children are more safe now in Herefordshire schools than may have been the case previously. This can now be built on to become a best practice authority in this regard. To do this Herefordshire must involve the expertise and awareness of those who have lived through this experience.

- Where advice was given and recorded, it was found to be the correct advice, based on the national guidance from the DfE at the time with one exception (for which Herefordshire Council has issued an apology). Although the recommendations and risk assessment form issued in the report commissioned by Herefordshire Council in 2017 was discussed in Chair of Governor Briefings, however the specific circumstances or documentation were not shared. The Brooks Traffic Light Tool that supports professionals to assess and work with preventing sexual behaviours of children and the NSPCC "Let's Talk Pants" campaign were highlighted as useful tools as part of briefings on peer on peer abuse. Herefordshire Council subsequently shared a peer on peer risk assessment template with schools in the autumn of 2019. Other recommendations such as raising staff awareness through training have been now been completed and can be evidenced in the section 175/157 annual audit.

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- With the exception of one school, all other settings have followed the advice given by the MASH. In the one example, the school was advised to separate and indeed pupils were separated, but this was not recorded fully.

- Record keeping is improving but MASH must ensure that all advice given to schools relating to peer on peer abuse is recorded in MOSAIC.

- There are now regular audits co-ordinated by the Safeguarding Children and Young People in Herefordshire Partnership Quality and Effectiveness group - the latest is called a MASH thematic audit specifically on peer on peer sexual abuse (dated March 2020) which showed improvements in the quality of recording continue.

- Ofsted conducted a focussed inspection visit in December 2019 - as part of that visit they looked at the issue of peer on peer abuse. The report is now published on the Ofsted website - but the relevant paragraph is reproduced below. It is complimentary about the recent work in this area.

  There has been a significant strategic focus by the local authority since the last inspection on contextual safeguarding, and, in particular, peer-on-peer abuse and ensuring that there are appropriate responses to risk in this area. The local authority has worked closely with schools to ensure that that all have policies and procedures that both help to identify peer-on-peer abuse concerns and help to limit risks. The local authority has ensured that these issues have been the subject of practice reviews, including through a recent multi-agency spotlight review on peer-on-peer abuse. The local authority has also undertaken audit activity in relation to service responses, including looking at school safety planning. The responses of children's services indicate that thresholds for services are appropriate and that schools are using the multi-agency hub to appropriately refer concerns. They are also using both social care staff and education officers to discuss issues and plan further work with children and families.

2.30 **Next steps**

- The council has committed to keeping training and guidance to schools and officers and council members as a priority in all such cases for the future - and has accordingly - led training for all Designated Safeguarding Leads in all schools and colleges and is planning for the next education safeguarding conference. This could be tailored for individual need.

- We will also implement any further service changes required as part of the multi-agency Safeguarding Partnership approach as a result of the findings of the NSPCC audit work when they are received.

- The cabinet member has also agreed the response to the recommendations of the Children and Young People's Scrutiny Committee Spotlight review into peer on peer abuse and these will be implemented as appropriate. There will be several dates as the actions differ.

- To review what additional information needs to be recorded in MOSAIC for peer on peer abuse cases. This will include continued quality monitoring.

- To ensure cases of peer on peer abuse are regularly audited to enable us to continually improve and ensure best practice and advice is used by all agencies.

- Herefordshire will continue to engage with specialist outside-of-council agencies to support this work and further utilise their expertise.

- Now that an embedded process is in place by which risk assessments/safety plans are shared by schools with the MASH, the next planned step is to quality assure these documents with education and social care colleagues. Detailed feedback will then be provided to the individual school as well as sharing the generic findings from this quality assurance process with all Herefordshire DSLs (designated safeguarding leads).

3   RECOMMENDATIONS

3.1   The 'what could we have done differently?' section above, alongside the recommendations agreed during the spotlight review, leads to the following recommendations:

Attached to each recommendation is a suggested

1. Continue to improve the quality of recording on MOSAIC for any cases, including peer on peer cases. This has improved significantly since 2017 but this review found that it could be improved yet further by maintaining the quarterly audit (already in place) on all cases and adding occasional sampling exercises to identify if recording is not adequate. In particular, record keeping should indicate what advice was given and what actions were taken and there is evidence that this is now taking place.

    (Monthly audits starting September 2020 and to be conducted by the Education Safeguarding Officer)

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2. Issue wider guidance than the national expectations - by looking at all legislation that may impact on such cases. There is a timely opportunity to do this now. The national guidance, Keeping Children Safe in Education, has been updated again in July 2020 and a key appointment to support this work has recently been made in Herefordshire. Whereas schools, in general, have a right to implement their own policies (partly because the process by which any policy is agreed is a key component of any policy), a model exemplar should now be issued given the importance of this issue. Herefordshire Council cannot enforce schools to adopt it however. The context around this issue has moved on considerably since 2017 and what was deemed appropriate then is no longer adequate if we are to learn from our experiences. There is an opportunity now to set an exemplar policy which can be leading edge practice.

   (policy to be re-issued by Children's and Families Directorate by the end of January 2021 to allow for external consultation)

3. Reconsider what we do in terms of sharing risk assessments. A risk assessment has been shared with all schools (Autumn 2019). This is not the exact one produced in 2017 and things have progressed since then. Schools are ultimately responsible for their own risk assessment processes and multiple forms and guidance are now available. More importantly, we can provide guidance in completion of the process of risk assessments. There is a danger that multiple pro formas may confuse, but training in the process of risk assessment and prevention would outweigh this danger. The newly appointed Safeguarding Officer lead on this aspect.

   (to be a regular process but to be established by December 2020)

4. Continually review and check that information is passed between educational settings where individuals known to have been either alleged victim or alleged perpetrator and who are moving between settings is shared. To protect confidentiality and sensitivity this process should be supported by the Local Authority and not left to individual settings to complete. Although there is an existing protocol, the newly appointed Safeguarding Officer should hold this responsibility as part of the role. For example, an alert system should be established in MOSAIC to identify when individuals are likely to be moving settings.

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(to be established by the education safeguarding team by the end of December 2020) (to be established by December 2020 to allow for consultation)

5. Establish a planned approach to engaging with families (and children) impacted by peer on peer abuse. This is to include the seeking of their views and from a starting point of belief and with the consent of the families. This would include the schools involved. The level of engagement needs to also take account of equalities legislation and allow for appropriate extra counselling to be offered.

6. Establish a school support network (using existing groups) to provide help and advice in the event of any cases, but particularly long standing cases. For example, this could include a network of expert Designated Safeguarding Leads (DSLs) to advise and new DSLs, support schools and families.

    (to be established virtually by December 2020)

7. Propose, via a development with DfE (and Ofsted), a methodology of capturing high quality data to allow authority areas to benchmark the incidence and severity of peer on peer sexual abuse cases. The national system is not transparent enough as yet and Herefordshire, given recent efforts and advice, is well placed to contribute to improving the quality and clarity of data on peer on peer sexual abuse.

    (initial proposal to be shared with DFE and Ofsted by end of October 2020)

8. Ensure that all new members of staff appointed to the Directorate are given a wider safeguarding strand in their induction, which should include peer on peer sexual abuse. This should be aimed at prevention and risk assessment rather than historic analysis. It would help make Herefordshire a benchmark for good practice in this regard.

    (initial induction activity to be in place by end of September 2020)

9. That the council consider funding additional resources to support further peer on peer abuse training, in particular to support the educational specialist safeguarding post covering peer on peer

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abuse work (this post now exists - but additional resources available for peer on peer abuse training should be considered).
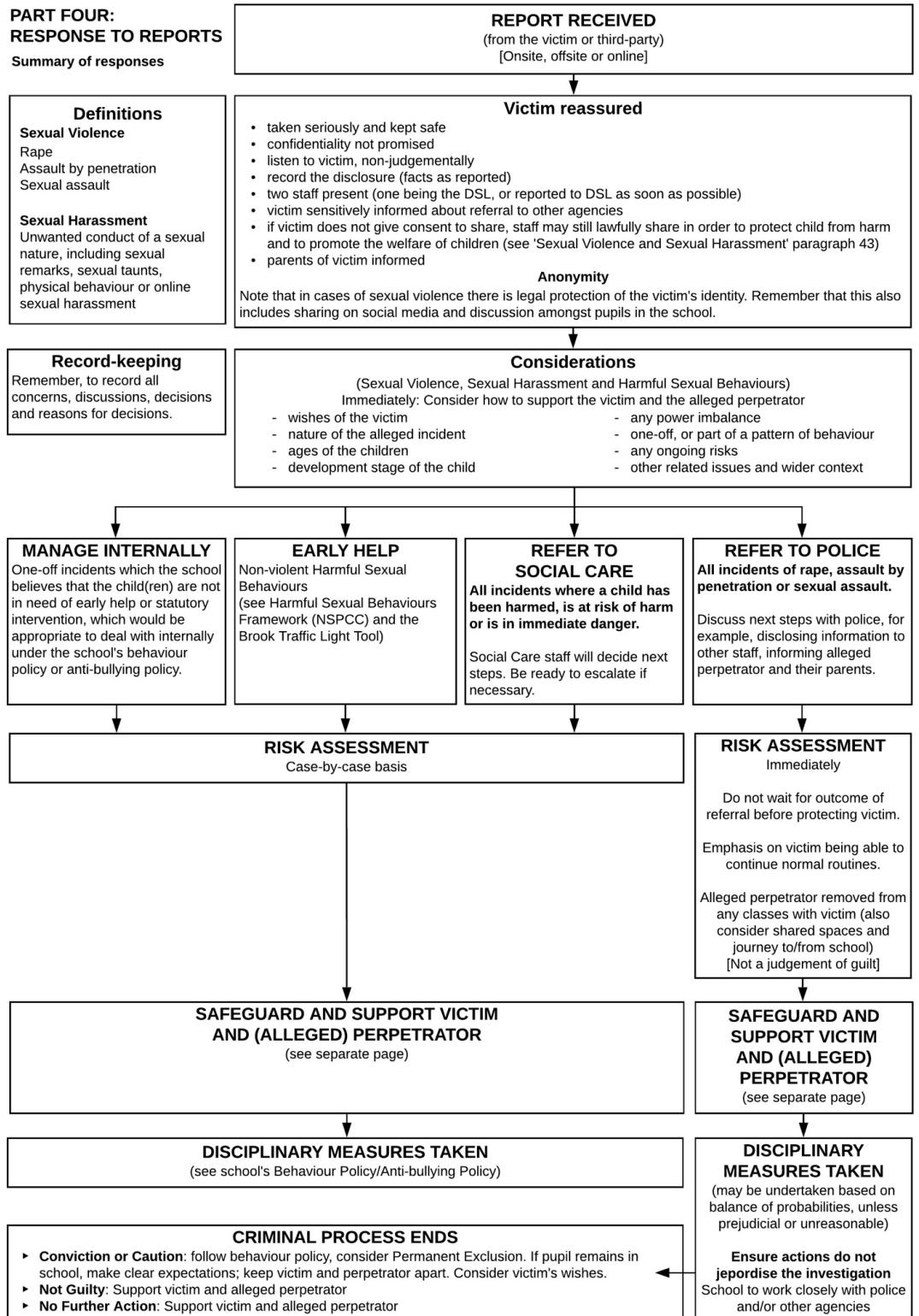
(resources to be in place as soon as council agree)

10. That Herefordshire produces an exemplar peer on peer safeguarding guidance and model policy which is issued to all settings. It is acknowledged that whilst all schools deal with Peer on Peer abuse in their safeguarding policy as well as in other policies (such as a school behaviour policy, the anti-bullying policy and the online safety policy - cyberbullying and sexting) schools now need to be more clear and specific about their strategies around wider behaviours relating to sexist and sexual bullying, sexual harassment and sexual violence. In all cases adoption of such a policy is inevitably voluntary (schools will have much in place already) but an exemplar will help with review work. There is the opportunity that given the experiences thus far, Herefordshire can become a centre for excellent practice in this area, in particular by adopting the good work done in this issue, such as by Suffolk and Nottinghamshire Local Authorities. This cannot be easily achieved without the following recommendation however.

(this is in train already - to be issued as soon as wider consultation allows)

11. Finally - Herefordshire Council needs to further acknowledge that the impact of such cases on the families and the children involved (irrespective of any findings) is likely to be profound. An apology has already been given for some of the early work - but we could do more. The council should strongly consider establishing and adopting a **process of reconciliation;** offering any family who wishes to use it an opportunity to share their experiences in a safe space with independent and expert support. Although we recognise there is as yet no formal process for such a statement (and as such the reconciliation process would need to be established), the opportunity it would present is the key. If anything positive can come from such experiences then giving a voice to those who have experienced it can be something. It is also a better way of harnessing the experiences within the county to develop more leading edge practice. This cannot be achieved unless the voices of those affected are heard.

(timeline for consulting, engaging and establishing this process needs to start as soon as cabinet agree)

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Herefordshire Council

PART FOUR: RESPONSE TO REPORTS
Summary of responses

REPORT RECEIVED
(from the victim or third-party)
[Onsite, offsite or online]

Definitions
Sexual Violence
Rape
Assault by penetration
Sexual assault

Sexual Harassment
Unwanted conduct of a sexual nature, including sexual remarks, sexual taunts, physical behaviour or online sexual harassment

Victim reassured
- taken seriously and kept safe
- confidentiality not promised
- listen to victim, non-judgementally
- record the disclosure (facts as reported)
- two staff present (one being the DSL, or reported to DSL as soon as possible)
- victim sensitively informed about referral to other agencies
- if victim does not give consent to share, staff may still lawfully share in order to protect child from harm and to promote the welfare of children (see 'Sexual Violence and Sexual Harassment' paragraph 43)
- parents of victim informed

Anonymity
Note that in cases of sexual violence there is legal protection of the victim's identity. Remember that this also includes sharing on social media and discussion amongst pupils in the school.

Record-keeping
Remember, to record all concerns, discussions, decisions and reasons for decisions.

Considerations
(Sexual Violence, Sexual Harassment and Harmful Sexual Behaviours)
Immediately: Consider how to support the victim and the alleged perpetrator
- wishes of the victim
- nature of the alleged incident
- ages of the children
- development stage of the child
- any power imbalance
- one-off, or part of a pattern of behaviour
- any ongoing risks
- other related issues and wider context

MANAGE INTERNALLY
One-off incidents which the school believes that the child(ren) are not in need of early help or statutory intervention, which would be appropriate to deal with internally under the school's behaviour policy or anti-bullying policy.

EARLY HELP
Non-violent Harmful Sexual Behaviours
(see Harmful Sexual Behaviours Framework (NSPCC) and the Brook Traffic Light Tool)

REFER TO SOCIAL CARE
All incidents where a child has been harmed, is at risk of harm or is in immediate danger.

Social Care staff will decide next steps. Be ready to escalate if necessary.

REFER TO POLICE
All incidents of rape, assault by penetration or sexual assault.

Discuss next steps with police, for example, disclosing information to other staff, informing alleged perpetrator and their parents.

RISK ASSESSMENT
Case-by-case basis

RISK ASSESSMENT
Immediately

Do not wait for outcome of referral before protecting victim.

Emphasis on victim being able to continue normal routines.

Alleged perpetrator removed from any classes with victim (also consider shared spaces and journey to/from school)
[Not a judgement of guilt]

SAFEGUARD AND SUPPORT VICTIM AND (ALLEGED) PERPETRATOR
(see separate page)

SAFEGUARD AND SUPPORT VICTIM AND (ALLEGED) PERPETRATOR
(see separate page)

DISCIPLINARY MEASURES TAKEN
(see school's Behaviour Policy/Anti-bullying Policy)

DISCIPLINARY MEASURES TAKEN
(may be undertaken based on balance of probabilities, unless prejudicial or unreasonable)

Ensure actions do not jepordise the investigation
School to work closely with police and/or other agencies

CRIMINAL PROCESS ENDS
- **Conviction or Caution**: follow behaviour policy, consider Permanent Exclusion. If pupil remains in school, make clear expectations; keep victim and perpetrator apart. Consider victim's wishes.
- **Not Guilty**: Support victim and alleged perpetrator
- **No Further Action**: Support victim and alleged perpetrator

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Source:
Sexual Violence and Sexual Harassment between children in schools and colleges (DfE, 2017)

SVSH Flow Chart for Schools 2017 v.1.0

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4   Legal Comments

4.1   The council, working with partner organisations and agencies, has specific duties to safeguard and promote the welfare of all children in their area. The Children Acts of 1989 and 2004 set out specific duties: section 17 of the Children Act 1989 places a duty on the council to provide services to children in need in their area. Section 47 of the Children Act 1989 requires councils to undertake enquiries if they believe a child has suffered or is likely to suffer significant harm. The Director of Children and Families and Lead Member for Children and Families in the council are the key points of professional and political accountability, with responsibility for the effective delivery of these functions.

4.2   These duties placed on the council can only be discharged with the full co-operation of other partners, many of whom have individual duties when carrying out their functions under section 11 of the Children Act 2004. Under section 10 of the same Act, the council is under a duty to make arrangements to promote co-operation between itself and organisations and agencies to improve the wellbeing of local children. This co-operation should exist and be effective at all levels of an organisation, from strategic level through to operational delivery.

4.3   With regard to Peer on Peer abuse, Keeping Children Safe in Education (updated in September 2019 and again in June 2020) provides statutory guidance for schools and colleges who must have regard to the guidance when carrying out their duties to safeguard and promote the wellbeing of children.

4.4   From the information in this report, including the recommendations and as far as legal services are aware the council is meeting statutory duties as outlined in this section.

5   Appendices

Appendix 2 - Historic Data Peer on Peer Cases – Exempt Appendix

Appendix 3 - Details of the cases under the review period

Appendix 4 - Create Safer Organisations Report 2017 – Redacted version

Appendix 5 – Executive response to scrutiny recommendations

Appendix 6 - draft model policy attached as appendix 6 for handling peer on peer abuse cases in Herefordshire.

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Appendix 2 - This Appendix is Exempt from Public and Press Disclosure (Schedule 12A Local Government Act 1972) (As amended by Local Authorities (Access to Information Exempt Information (England) Order 2006 – Exempt Paragraph 2.

APPENDIX 3 - Details of the cases under the review period

January 2017 – October 2018

- 10 cases were identified between January 2017 and October 2018 that involved a form of sexualised peer on peer abuse where an alleged perpetrator(s) attended the same school as the alleged victim(s). Five of these identified cases were primary age pupils and five were secondary age pupils.

- 6 of the alleged recorded incidents took place outside of school with 4 of the alleged incidents taking place at school.

- All 10 cases have been recorded as alleged sexual violence. Of the cases recorded as sexual violence:

- 1 is recorded as alleged rape

- 1 is recorded as alleged assault by penetration

- 8 are recorded as alleged sexual assault including inappropriate touching.

- Analysis of the outcomes of the referrals found that:

- 6 are recorded as 'NFA (no further action for social care)

- In 2 cases that were referred in, the threshold for a section 47 enquiry (this is where a child is at risk of significant harm) was not met. In one of these cases a child and family assessment was completed. All 10 cases are now recorded as 'closed to social care'.

- A strategy meeting was held for one case that resulted in it being progressed to child protection level for one of the children involved.

- A section 47 enquiry (a child is at risk of significant harm) was held for 1 case and a child and family assessment was completed. This case was subsequently closed to social care.

- There were police investigations in 4 cases, of which 3 indicate that there were no prosecutions. 1 case we are unable to report on due to the confidential nature of the case and restrictions placed on access to the information.

Assess the advice given, taking into account the national guidance available at the time

- For the first 12 months of this period the guidance available to schools nationally was general safeguarding guidance e.g. Keeping Children Safe in Education, Working Together to Safeguard Children, which did not include specific sections or guidance on peer on peer abuse.

- The DFE central government guidance on Sexual Harassment and Sexual Violence in schools and colleges was implemented in December 2017. This

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sets out the requirements for the completion of a safety plan and advises to consider referral to another service.

- In April 2017 Herefordshire Council funded a report into a historical case of sexualised peer on peer abuse in one school; that delivered several recommendations. These recommendations (see appendix) included: a consideration of future risks posed to individual pupils and a template for a safety plan/risk assessment that was included in the report. It further recommended that Herefordshire Council would have its own policy.

- No advice was recorded as given by the MASH in 4 of the 10 recorded cases.

- Advice such as a safety plan was not given in one other case (a historical case): the victim and perpetrator no longer attended the same school.

- In the 5 remaining cases, advice is being recorded as given but safety plans were not included in this recorded advice for 4 of the cases. In the remaining case, the school had already put into place a written safety plan.

- There is evidence of schools completing 'keep safe work' such as the NSPCC PANTS programme, making referrals e.g. to the Police, social workers visiting schools and involvement of WMRSASC in order to keep young people safe and apart where recommended. There is evidence of multi-agency working. Contact a school/college to confirm if advice was followed or what action was taken

   In all cases where advice was given, the schools had followed the advice to refer to other services such as the police, WMRSASC and a health visitor. Support was also put in place by one school which is ongoing and includes the NSPCC PANTS programme and the New Start Network from Shropshire.

November 2018- November 2019

- Total cases during the period: 18 cases were identified that involved a form of sexualised peer on peer abuse where an alleged perpetrator(s) attended the same educational setting as the victim(s). However further analysis of the data in June 2020 found that 1 case has been incorrectly identified for this investigation: The alleged perpetrator did not attend the same school as the victim.

- Age Range : 4 of the cases occurred with primary age pupils, one involved pupils 16-18 years attending a college and the remainder of the cases (13) involved secondary school age pupils.

- Location: 12 of the alleged incidents occurred outside of school and 6 of the incidents occurred in school.

- Type of abuse - The types of sexual peer on peer abuse included in the 18 cases identified were: 1 case was of alleged sexual abuse, 1 was alleged consensual sexual touching, 2 were alleged sexual harassment and 14 were alleged sexual violence.

- For the 14 cases listed as alleged sexual violence: 2 involved alleged rape, 12 alleged sexual assault. 6 of the cases of alleged sexual assault related to inappropriate touching and one of these incidents is recorded as persistent inappropriate touching.
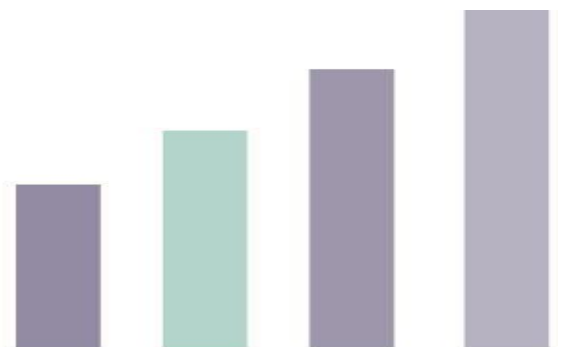
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[redacted]

APPENDIX 4

The Report is a review of the process undertaken by the Senior Leadership Team when assessing risk as a result of an incident that took place between two [redacted] pupils.

Commissioned by [redacted] Head Teacher
[redacted] school, [redacted]

[redacted]

Date: April 2017.

[redacted]

1. Introduction.

1.1. This report has been commissioned to review the process the senior leadership team undertook to 'assess risk' and the subsequent actions taken after a serious allegation had been made which involved two pupils [redacted]

1.2. The circumstances of that event are not in dispute and will not to be reviewed in this report

1.3. [redacted]

2. Background / Chronology.

2.1. [redacted].

2.2. [redacted].

3. Chronology of significant events: [redacted]

3. Review Process. Guidance.

[redacted]

3.1. The first area I considered when asked to conduct this review is what external guidance would be in place for the SLT in school to manage a situation of this nature.

3.2. Having spoken to (a Herefordshire council employee)who sits within the Multi Agency Safeguarding Hub I have established that there is no formal guidance in place in Herefordshire. I believe that there is an agenda for the Local authority to produce recommendations in the near future.

3.3. Therefore, at the present there is not anything in place for the SLT to be guided by locally and an absence of supporting services in the county. This is not an incident as regards notifying Ofsted.

3.4. The [redacted] local authority was made aware of these circumstances, (a Herefordshire council employee) informed the school that he would be taking no further action and could not see a reason for the pupil's separation.

4. Positive School Actions.

5.1. [redacted].

5.2. [redacted].

5.3. [redacted].

5. Conclusions.

6.1. [redacted] there should have been minutes of the decisions recorded. The action plan should then have been discussed with both sets of parents.

6.2. [redacted] there should not have been have been any contact at all between and a plan put in place to ensure that this was rigidly adhered to.

6.3. [redacted] there should have also been a supporting network in place for as well

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6.4.   [redacted] the pupils should have been given the option of whether   they could attend lessons together. This should not have been their decision and arrangements put in place so that there was strictly no contact,

6.5.   Arrangements should have been in place to prevent contact at breaks, lunchtime and any sporting event.

6.6.   Also arrival and departure at school should have been supervised so that any contact would have been avoided.

6.7.   The arrangements that were put in place were not detailed enough to ensure contact was not made and the supervision of these restrictions could have been improved.

6.8.   [redacted].

7. Recommendations.

7.1. Paragraph 42 of Keeping Children Safe in Education states:

> **All** *staff should be aware that safeguarding issues can manifest themselves via peer on peer abuse. This is most likely to include, but may not be limited to, bullying (including cyberbullying), gender based violence/sexual assaults and sexing. Staff should be clear as to the school or college's policy and procedures with regards to peer on peer abuse.*

7.2.   [redacted] I suggest that the school introduces a system of risk assessments should a similar incident occur in the future. This assessment should be robustly recorded. How the assessment is conducted and how the SLT has decided on what action to take.

7.3.   In these situations consideration should be given to what risks are posed to individual pupils involved, what is the likelihood of this event reoccurring and a pupil being put at further risk. Should a pupil be excluded and evidence provided if this decision is made.

7.4.   What are the needs of the pupils involved, what supporting factors can be put in place together with details of the actions decided on. This should all be recorded formally and discussed with all parties involved. The records then stored on the pupil's confidential file.

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7.5.   I have attached some forms that the school may wish to use. The local authority should be introducing a specific policy in the near future that should be included in the school safeguarding policy.

Monday 3rd April 2017.

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Summary of recommendations to the executive and executive responses [Peer on peer abuse review]   Appendix 5

On 15 September 2020 the children and young people scrutiny committee considered the Peer on Peer Review Herefordshire MASH 2017 - 2019 report.

Recommendations 1-3 and 5-11 are made to the executive
Recommendation 4 is to the Children and Young People Scrutiny Committee

Recommendation 1	That the committee calls on the executive to consider the recommendations of the committee during its finalisation of the Peer on Peer Review Herefordshire MASH 2017 - 2019 report;				
Executive Response	The executive has considered the recommendations of the committee during the finalisation of the report by officers that was commissioned through the chief executive and they have informed the final version of the report attached as Appendix 1 to the cabinet report.				
Action		**Owner**	**By When**	**Target/Success Criteria**	**Progress**
A final report of the review of the historic cases is attached.		Assistant Director, Education, Development and Skills	13/11/20	The report is now final	Completed

Recommendation 2	That the committee recommends that the report is strengthened to provide an explanation as to why the CSO report of April 2017 was not circulated to schools prior to the commencement of the summer term in 2017 together with the risk assessment template. An explanation as to why it was not shared or mentioned at the peer on peer abuse in schools spotlight review is also required. The use of the term 'unhelpful', to describe the decision to not share the report, should be reconsidered and a stronger term adopted;				
Executive Response	Why the CSO report was not circulated to all schools will require investigation. The term unhelpful in the report has been reviewed and replaced				
Action		**Owner**	**By When**	**Target/Success Criteria**	**Progress**
To provide an explanation regarding the circulation of the CSO report and template and why it was not mentioned at the spotlight review of 2019.		Andrew Lovegrove, Deputy Chief Executive	December 2020	Explanation provided	Terms of reference are currently being scoped

Recommendation 3	That the committee recognises that risk posed to victims of peer on peer abuse is not merely physical but also emotional and psychological. In light of the handling of some cases detailed in the review report the committee recommends that there is a reassessment of the finding in the review that no children were put or left at risk;				
Response	Response: Risks can be physical, emotional and psychological as indicated in the report. The report finding was that, for the period in question, no children were put or left at risk. However, it is recognised that this wording means different things to different people and that it is a sensitive issue. It is further recognised that the absence of evidence largely rests on the records available from that time which were imperfect. It is acknowledged that the effects of peer on peer abuse can be and are profound and can affect survivors into and through their adult life. This is stated in the final version of the report.				
Action		Owner	By When	Target/Success Criteria	Progress
The report is to make clear that although the review found no evidence that children were put or left at risk of harm this is different to children potentially being affected emotionally and psychologically into adulthood by peer on peer abuse		Assistant Director, Education, Development and Skills	Nov 2020	Report reflects the potential impact of its wording	Completed see appendix 1 to cabinet report

Recommendation 4	That the committee retains a watching brief, through the quarterly performance report, on the reporting rates of peer on peer abuse and the performance of the council in response to reported cases. This progress will be monitored at meetings of the children and families performance challenge. Any concerns with reporting rates or the performance of the council will prompt a report to the following meeting of the committee to explain concerning trends;				
Executive Response	Agreed and will be reported on quarterly. The reporting office is the Safeguarding Officer in children and families directorate and this will be done via the challenge sessions. We also recommend that when reviewing the quarterly figures the council should consider including a review of the data drawn from wider organisations than within the council itself.				
Action		Owner	By When	Target/Success Criteria	Progress
To provide the quarterly updates on the reports of peer on peer abuse allegations, and to review, in partnership with organisations beyond the council alone.		Children and Families Safeguarding Officer	On a quarterly basis but to include wider organisations as soon as can be agreed	That the committee are able to review information and performance and exercise their scrutiny function to inform practice	In place for council data but not yet beyond that.

Recommendation 5	That the committee recommends that the *Response to Reports* flowchart for Herefordshire schools (appendix 1 of the review report) is enhanced with yes and no actions and is regularly scenario-tested with schools by the council. The flowchart should incorporate details of individuals accountable for actions and timelines for the completion of actions;				
Executive Response	Response: Agreed in part. The flowchart is not produced by Herefordshire - it is part of the national system which can be improved as the report makes clear. Herefordshire could draft a similar local version with details of the roles and timelines as suggested.				
Action		**Owner**	**By When**	**Target/Success Criteria**	**Progress**
A 'local' flowchart will be produced to include aspects of the new SRE curriculum (which was due to be implemented nationally in September 2020 but delayed in it's implementation due to COVID-19)		Children and Families Safeguarding Officer	December 2020	New flowchart to be issued to all schools with the model guidance	In train

Recommendation 6	That the committee recommends that schools that do not implement the model policy are held to account for the decision not to implement. Schools should be encouraged to share any policy which they feel supersedes or is superior to the model policy produced by the council;				
Executive Response	Response: Agreed in part. Schools are not obliged to adopt any suggested policies - and indeed Ofsted do not encourage that as a default response by schools; instead Ofsted encourage schools to develop their own individually. Officers will log conversations with those that choose not to do so as to their reasons and what they have as alternatives. We anticipate however that most (if not all) schools will want to use the model guidance and incorporate it within their polices. Officers will ask that this guidance be adopted as a matter of urgency.				
Action		**Owner**	**By When**	**Target/Success Criteria**	**Progress**
Legal to approve the model guidance and CM to share with schools and other agencies such as WMRASAC		Assistant Director, Education, Development and Skills	End of December 2020	All schools have a copy and the Note of Visit completed when schools are visited shows whether they have adopted it - and if not why not - and a register kept.	The draft guidance has been approved by legal and is awaiting consultation response with The University of Bedfordshire as the national authority in this issue. We recognise the urgency in this now.

Recommendation 7	That the committee recommends that when consideration is given to an act of reconciliation there should be an assessment of long and short term processes to provide a variable response tailored to needs of children and families affected by peer on peer abuse. A longer term process would provide for comprehensive engagement with children and families who required and requested this level of reconciliation. A shorter term process would provide for those children and families who did not want or did not need to engage with the longer term approach. The reconciliation process is not intended to be counselling but to provide an opportunity for victims to be heard if they so wish. As such the process would need to differ according to each family.				
Executive Response	Response: Agreed. The recommendation to provide an opportunity for reconciliation will require more detail to be set out and will therefore consider how these aspects can be addressed.				
Action		**Owner**	**By When**	**Target/Success Criteria**	**Progress**
The opportunity for reconciliation will be established in detail and will take into account the short and long term approach, in line with the views of children and families. The process is optional and would be conducted in accordance with the wishes of the families of the victims.		Assistant Director, Education, Development and Skills	Jan 2021	This process be in place to offer to families by January 2021	In train

Recommendation 8	That the committee recommends that a comprehensive plan of help and support for victims of peer on peer abuse and their families is developed by the council. This should include detail of what ongoing mental health support for children and families would be available				
Executive Response	Response: Agreed. This is already underway and forms part of the model guidance - but expert advice is that each case needs to be considered with sensitivity and on an individual basis. When incidents of alleged peer on peer abuse emerge - there is now a clear pathway for schools to operate with - and the committee recommends that we engage with voluntary groups who have expertise in this area - we can and are doing this. Officers are setting out what more could be done. The intention is to prioritise the support for the mental health of both alleged victims and perpetrators (the evidence indicates most are themselves children).				
Action		**Owner**	**By When**	**Target/Success Criteria**	**Progress**
Complete and share the plans that are developed in partnership with wider agencies.		Safeguarding Officer	January 2021	Help and support for victims, survivors and perpetrators is enhanced	To be agreed with partner agencies

Recommendation 9	That the committee recommends that clarification is provided in the report around the distinction between policy and guidance. There should be an explanation of who was responsible for: providing peer on peer abuse policies for use in Herefordshire schools; the adoption of such policies; the production of guidance; and the sharing of new guidance.				
Executive Response	Agreed - there is a problem with the use of the word policy as most of our secondary schools have their own policies and we cannot enforce adoption. Guidance allows for more nuanced and detailed information to be shared. Draft guidance has been produced with support from others including the University of Bedfordshire who have a centre of expertise in peer on peer sexual abuse (as defined in the report) - it will be reviewed however continually and in the light of the forthcoming contribution of Ofsted and DFE				
Action		Owner	By When	Target/Success Criteria	Progress
Issue the approved model guidance and then establish a reporting mechanism listing which schools have adopted it or not – and not what they do instead.		Assistant Director, Education, Development and Skills / Safeguarding Officer	Jan 2021	Ensure all schools have discussed / adopted the guidance	In train

Recommendation 10	That the committee recommends that the timelines in the recommendations in the review report should be finalised and include the title of those officers responsible for actions.				
Executive Response	Agreed – see refreshed timelines in appendix 1 to the cabinet report				
Action		Owner	By When	Target/Success Criteria	Progress
The timelines in the report are agreed and has officer responsibility listed		Assistant Director, Education, Development and Skills	13/11/20	Timelines and responsibilities agreed	Complete

Recommendation 11	That the committee recommends that a summary is provided at the foot of the review report detailing the scrutiny committee's recommendations and providing a recognition that the report was the start of a process to understand and address peer on peer abuse in Herefordshire. The summary should explain that not all elements of peer on peer abuse were understood and that improved data gathering, new guidance and new processes were being developed to attempt to come to terms with and address the issue.			
Executive Response	Agreed - the report was written to the specific terms of reference dates. The recommendations in the report (appendix 1) also note that nationally we could help improve wider systems of advice, prevention, recording and data analysis - we have made progress in this regard .			

Action	Owner	By When	Target/Success Criteria	Progress
A summary will be provided at the foot of the report covering the scrutiny committee's recommendations and a recognition that in 2016 actions and understanding were limited. The action for improved data collection and guidance is being taken forward as there is still more to do to address this issue. Work will continue to be reviewed and developed.	Assistant Director, Education, Development and Skills	Quarterly reporting on progress will reflect on these	All schools locally contribute to and understand the processes - and Herefordshire Council continue to engage with national organisations and local expertise.	In train

Peer on Peer Abuse Model Guidance

Please Note: This guidance template remains current and in line with the statutory guidance contained within Keeping Children Safe in Education 2020 and Working Together to Safeguard Children 2018. Useful definitions can be found at the end of this document.

What is Peer on Peer Abuse?

Unfortunately, peer-on-peer abuse can and does happen in a whole range of settings that children attend, however it often goes unseen. It might take place online, for example, or away from the school or setting. Therefore, training for professionals to help them recognise the signs, and know what to do, is essential. All children are capable of abusing their peers, and this is most likely to include, but may not be limited to:

- bullying (including cyber bullying);
- physical abuse such as hitting, kicking, shaking, biting, hair pulling, or otherwise causing physical harm;
- sexual violence, such as rape, assault by penetration and sexual assault;
- sexual harassment, such as sexual comments, remarks, jokes and online sexual harassment, which may be stand-alone or part of a broader pattern of abuse;
- upskirting, which typically involves taking a picture under a person's clothing without them knowing, with the intention of viewing their genitals or buttocks to obtain sexual gratification, or cause the victim humiliation, distress or alarm;
- sexting (also known as youth produced sexual imagery); and
- initiation/hazing type violence and rituals.

All schools need to include peer on peer abuse in their schools' policies and procedures and all staff need to be aware of these and ensure they are part of their everyday practice. It should be clear that peer-on-peer abuse will never be accepted or dismissed as 'children being children'.

Settings should not wait until an incident of peer-on-peer abuse happens before taking action. We expect any provider educating or caring for children to create an environment in which children and staff show respect for one another. They should know what language and behaviour are acceptable and what to do and who to speak to if they are worried or feel unsafe.

All settings should take a whole-establishment approach to keeping children safe. They should set expectations that violence and harassment of any kind will not be tolerated, support children to have a good understanding of consent and healthy relationships and provide immediate support for victims of abuse.

All schools need to consider:

- Procedures to minimise the risk of peer on peer abuse
- How allegations are recorded, investigated and dealt with
- Clear processes as to how victims, child alleged to have caused harm and any other children affected will be supported
- Recognition of the gendered nature of peer on peer abuse but recognising, that all forms of this behaviour are unacceptable and will be taken seriously

It is important that schools see this guidance and model template as a framework that will need to be adapted to fit the age and developmental stage and understanding of their pupil group.

Additional areas for consideration can be found in Sexual Violence and Sexual Harassment between Children in Schools and Colleges guidance 2018) www.gov.uk/government/publications/sexual-violence-and-sexual-harassment-between-children- in-schools-and-colleges

Keeping Children Safe in Education 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892394/Keeping_children_safe_in_education_2020.pdf

Prevention

As well as having strategies for dealing with incidents schools and colleges should consider what they can do to foster healthy and respectful relationships between boys and girls including through Relationship and Sex Education and Personal Social Health and Economic education. The most effective preventative education programme will be through a whole-school approach that prepares pupils for life in modern Britain. The school will have a clear set of values and standards, and these will be upheld and demonstrated throughout all aspects of school life. This will be underpinned by the school's behaviour policy and pastoral support system, and by a planned programme of evidence-based content delivered through the whole curriculum. Such a programme should be developed to be age and stage of development appropriate (especially when considering SEND children and their cognitive understanding), and may tackle such issues as:

- Healthy and respectful relationships;
- What respectful behaviour looks like?
- Consent;
- Gender roles, stereotyping, and equality;
- Body confidence and self-esteem;
- Prejudiced behaviour;
- That sexual violence and sexual harassment is always wrong; and
- Addressing cultures of sexual harassment.

Schools often deliver this currently, through planned, high-quality, Sex and Relationship Education (SRE) and Personal, Social, Health and Economic (PSHE) education.

Compulsory Relationships Education for primary pupils and Relationships and Sex Education (RSE) for secondary pupils came into force from September 2020. Also, from September 2020 it is compulsory for all schools to teach Health Education.

Additional considerations for schools

When considering harmful sexual behaviour, ages and the stages of development of the children are critical factors to consider. Sexual behaviour between children can be considered harmful if one of the children is much older, particularly if there is more than two years' difference or if one of the children is pre-pubescent and the other is not.

However, a younger child can abuse an older child, particularly if they have power over them, for example, if the older child is disabled or smaller in stature. Schools and colleges should ensure that their response to sexual violence and sexual harassment between children of the same sex is equally robust as it is for sexual violence and sexual harassment between children of the opposite sex.

A further consideration that must be made is that SRE should be considered on a 1:1 basis for children who schools are aware have sexually abused. This work should be delivered on a 1:1 basis prior to the whole class SRE sessions so that anything the child wishes to explore, given their own experiences, can be done safely and without fear of judgment.

A Whole School Policy

While schools cover many aspects of peer on peer abuse in other policies such as the whole school behaviour policy, the anti-bullying policy and the online safety policy (cyberbullying and sexting) schools need to be robust and clear about their strategies around wider behaviours including sexist and sexual bullying, sexual harassment, sexual violence and how such behaviour will be managed and addressed. It is recommended that schools introduce a separate peer-on-peer abuse policy to fully encapsulate the management of such issues.

It's important that all schools and colleges familiarise themselves with the statutory guidance. Individual professionals should know, understand and, most importantly, use their school/college policy on peer-on-peer abuse to make sure that children are protected.

Multi-agency Approach

Peer-on-peer abuse that involves sexual assault and violence must always result in a multi-agency response. As well as supporting and protecting the victim, professionals need to consider whether the child alleged to have caused harm could be a victim of abuse too. We know that children who develop harmful sexual behaviour have often experienced abuse and neglect themselves.

We need to make sure that the children affected are getting the help they need. A typical response will involve:

- children's social care
- the police
- any specialist services that support children who demonstrate harmful sexual behaviour
- the family
- any other professionals who know or have had contact with the child

If the children involved are in the same class, the school will need to consider carefully whether to separate them while the concerns are being investigated. In situations of alleged rape and assault by penetration, the statutory guidance is clear that the child alleged to have caused harm should always be removed from classes they share with the victim.

Schools and colleges need to consider how best to keep the victim and child alleged to have caused harm a reasonable distance apart while they are on the same premises, as well as on transport to and from school or college, where appropriate.

The school will need to consider how long these measures should be in place, especially if any police investigation is inconclusive. Lack of a conviction is not the same as the allegation being unfounded. The school or college must continue to provide support to the victim and child alleged to have caused harm for as long as necessary. Therefore, any separation arrangements must also be continued with for as long as is necessary to make sure children are safe.

The importance of context

Professionals also need to consider risks to other children. If there's an incident in a school, has this put other children at risk? Have other children witnessed the incident? Could any siblings of the child alleged to have caused harm be at risk? There may well be a need for a range of assessments and interventions for different children. A multi-agency approach is needed. No school or college can deal with this issue alone.

In addition, schools need to consider the potential vulnerabilities of the victims and any risks to them, including their potential abuse by others. Extra consideration should be given for pupils who may have

additional vulnerabilities due to protected characteristics. Schools and colleges should consider how they are supporting their pupils with regard to their sex, sexuality, and if relevant, gender reassignment.

Schools and colleges should assess any potentially unsafe spaces on the premises, based on where incidents have occurred, and consider what can be done to make that environment safer.

It's equally important that schools and colleges think about children's safety outside of the school gates and any extra-familial risks. Things to consider include –

- Are they aware of any unsafe spaces in their local area?
- Are schools and colleges aware of incidents of sexual harassment or violence involving children in the local park or other places where young people congregate?

Contextual information like this needs to be assessed and shared in a multiagency forum so risks can be fully assessed outside of the school.

Useful definitions

Sexual Harassment

This can be defined as 'unwanted conduct of a sexual nature' that can occur online and offline. In the context of this guidance this means in the context of child on child sexual harassment. Sexual harassment is likely to: violate a child's dignity, and/or make them feel intimidated, degraded or humiliated and/or create a hostile, offensive or sexualised environment.

It can include

• Sexual comments, such as: telling sexual stories, making lewd comments, making sexual remarks about clothes and appearance and calling someone sexualised names;

• Sexual "jokes" or taunting.

Sexting

Sexting is when someone shares sexual, naked or semi-naked images or videos of themselves or others or sends sexually explicit messages. They can be sent using mobiles, tablets, smartphones, laptops - any device that allows you to share media and messages. This is also known as youth produced sexual imagery

The UK Council for Internet Safety (UKCIS) Education Group has published Advice for Schools and Colleges on Responding to Sexting Incidents

www.gov.uk/government/publications/sexting-in-schools-and-college

Upskirting

This typically involves taking a picture under a person's clothing without them knowing, with the intention of viewing their genitals or buttocks to obtain sexual gratification, or cause the victim humiliation, distress or alarm. It is now a criminal offence and may constitute sexual harassment. Cases of 'up skirting' have a mandatory requirement for being reported.

Rape

A person (A) commits an offence of rape if: he intentionally penetrates the vagina, anus or mouth of another person (B) with his penis, B does not consent to the penetration and A does not reasonably believe that B consents.

Assault by Penetration

A person (A) commits an offence if: s/he intentionally penetrates the vagina or anus of another person (B) with a part of her/his body or anything else, the penetration is sexual, B does not consent to the penetration and A does not reasonably believe that B consents.

Sexual Assault

A person (A) commits an offence of sexual assault if: s/he intentionally touches another person (B), the touching is sexual, B does not consent to the touching and A does not reasonably believe that B consents.

Consent

Consent is about having the freedom and capacity to choose. Consent to sexual activity may be given to one sort of sexual activity but not another, e.g.to vaginal but not anal sex or penetration with conditions, such as wearing a condom. Consent can be withdrawn at any time during sexual activity and each time activity occurs. Someone consents to vaginal, anal or oral penetration only if s/he agrees by choice to that penetration and has the freedom and capacity to make that choice.

It is important to know that: -
• A child under the age of 13 can never consent to any sexual activity; • The age of consent is 16;
• Sexual intercourse without consent is rape.

It is also important to differentiate between consensual sexual activity between children of a similar age and that which involves any power imbalance, coercion or exploitation. Due to their additional training, the designated safeguarding lead (or deputy) should be involved and leading the school or college response. If in any doubt, they should seek expert advice.

It is important that schools and colleges consider sexual harassment in broad terms. Sexual harassment (as set out above) creates an atmosphere that, if not challenged, can normalise inappropriate behaviours and provide an environment that may lead to sexual violence.

Harmful Sexual Behaviour (HSB)

Children's sexual behaviour exists on a wide continuum, from normal and developmentally expected to inappropriate, problematic, abusive and violent. Problematic, abusive and violent sexual behaviour is developmentally inappropriate and may cause developmental damage. A useful umbrella term is "harmful sexual behaviour". The term has been widely adopted in child protection and is used in this advice. Harmful sexual behaviour can occur online and/or offline and can also occur simultaneously between the two. Harmful sexual behaviour should be considered in a child protection context.

Useful guidance can be found in: -

NSPCC's and Research in Practice's Harmful Sexual Behaviour Framework:

www.nspcc.org.uk/globalassets/documents/publications/harmful-sexual-behaviour- framework.pdf

The Brook Sexual Behaviours Traffic Light Tool can also be very helpful in identifying sexual behaviours by children (Appendix 2)

www.brook.org.uk/our-work/the-sexual-behaviours-traffic-light-tool

Initiation/hazing

Hazing or initiation ceremonies refers to the practice of rituals, challenges, and other activities involving harassment, abuse or humiliation used as a way of initiating a person into a group. Hazing is seen in many different types of social groups, including gangs, sports teams and school groups. The initiation rituals can range from relatively low level pranks, to protracted patterns of behaviour that rise to the level of abuse or criminal misconduct. Hazing may include physical or psychological abuse. It may also include nudity or sexual assault.

Contextual Safeguarding

All staff, but especially the designated safeguarding lead (or deputy) should be considering the context within which incidents and/or behaviours occur. This is known as contextual safeguarding, which simply means assessments of children should consider whether wider environmental factors are present in a child's life that are a threat to their safety and/or welfare.

Legislation, guidance and Law

Additional areas for consideration can be found in Sexual Violence and Sexual Harassment between Children in Schools and Colleges guidance 2018) www.gov.uk/government/publications/sexual-violence-and-sexual-harassment-between-children- in-schools-and-colleges

Keeping Children Safe in Education 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892394/Keeping_children_safe_in_education_2020.pdf

Human Rights Act 1998

It is essential to note that this guidance adheres to and encourages all persons to ensure that they are adhering to the Human Rights Act 1998, specifically the right to an education, the right to a Fair trial and protection from discrimination.

https://www.equalityhumanrights.com/en/human-rights/human-rights-act

Equalities Act 2010

This guidance is designed to ensure that the Equalities Act is adhered to at all times. The Equalities Act 2010 provides a basic framework for protection against direct and indirect discrimination, harassment and victimisation in education as well as other sectors.

https://www.gov.uk/guidance/equality-act-2010-guidance

West Midlands Procedures for Peer on Peer abuse

https://westmidlands.procedures.org.uk/pkoso/regional-safeguarding-guidance/children-who-abuse-others

Herefordshire Council

MODEL PEER ON PEER ABUSE GUIDANCE FOR SCHOOLS AND EDUCATION SERVICES

Produced by the Safeguarding in Education team for Herefordshire Council

August 2020

Introduction

Our school/college/academy (Name of School) recognises that children are vulnerable to and capable of abusing their peers. We take such abuse as seriously as abuse perpetrated by an adult. This includes verbal as well as physical abuse. Peer on peer abuse will not be tolerated or passed off as part of "banter" or "growing up".

We are committed to a whole school approach to ensure the prevention, early identification and appropriate management of peer on peer abuse within our school and beyond.

Keeping Children Safe in Education (KCSIE), 2020 states that

'*Governing bodies and proprietors should ensure their child protection policy includes procedures to minimise the risk of peer on peer abuse and sets out how allegations of peer on peer abuse will be investigated and dealt with'.*

It also emphasises that the voice of the child must be heard

'*Governing bodies, proprietors and school or college leaders should ensure the child's wishes and feelings are taken into account when determining what action to take and what services to provide. Systems should be in place for children to express their views and give feedback. Ultimately, all system and processes should operate with the best interests of the child at their heart.'*

In cases where peer on peer abuse or bullying is identified we will follow our child protection procedures, taking a contextual approach to support all children and young people who have been affected by the situation.

We recognise that peer on peer abuse can manifest itself in many ways such as:

- Child Sexual Exploitation
- Sexting or youth produced digital imagery
- Upskirting
- Bullying
- Radicalisation
- Abuse in intimate relationships
- Children who display sexually harmful behaviour
- Gang association and serious violence (County Lines)
- Technology can be used for bullying and other abusive behaviour

Some of these behaviours will need to be handled with reference to other policies in school such as the behaviour policy, anti- bullying policy, child protection policy and online safety policy.

This policy concentrates on peer on peer abuse in the context of sexual harassment and sexual violence. It is compliant with the statutory guidance on peer-on-peer abuse as set out in Keeping Children Safe in Education (September 2020) and should be read in conjunction with the Local Safeguarding Children Board's (LSCB) Safeguarding Policy and Procedures, and any relevant Practice Guidance issued by it.

Policy Development

The policy has been developed in consultation with the following groups (Insert here how consultation was carried out with the relevant groups including Senior leaders, governors, staff, parents and children and young people)

Aims
The policy will: -

- Set out our strategies for preventing, identifying and managing peer on peer abuse
- Take a contextual approach to safeguarding all children and young people involved. Acknowledging that children who have allegedly abused their peers or displayed harmful sexual behaviour are themselves vulnerable and may have been abused by peer, parents or adults in the community.

Understanding Peer on Peer abuse

Sexual violence and sexual harassment can occur between two children of any age and sex or a group of children sexually assaulting or sexually harassing a single child or group of children.

The impact of this behaviour on children can be very distressing and have an impact on academic achievement and emotional health and wellbeing.

Sexual harassment and sexual violence may also occur online and offline.

The Context

All behaviour takes place on a spectrum. Understanding where a child's behaviour falls on a spectrum is essential to being able to respond appropriately to it.

In this policy we recognise the importance of distinguishing between problematic and abusive sexual behaviour (Harmful Sexual Behaviour HSB).

We are adopting the NSPCC definition of HSB as: -

"Sexual behaviours expressed by children...that are developmentally inappropriate, may be harmful towards self or others, or be abusive towards another child...or adult."

We will also use Simon Hackett's continuum model to demonstrate the range of sexual behaviours (Appendix 1) and the Brook Traffic Lights (appendix 2).

Vulnerable groups

We recognise that all children can be at risk however we acknowledge that some groups are more vulnerable. This can include: experience of abuse within their family; living with domestic violence; young people in care; children who go missing; children with additional needs (SEN and/or disabilities); children who identify or are perceived as LGBT and/or have other protected characteristics under the Equalities Act 2010.

Whist research tells is us girls are more frequently identified as being abused by their peers and, girls are more likely to experience unwanted sexual touching in schools this is not confined to girls.

Boys are less likely to report intimate relationship abuse and may display other behaviour such as antisocial behaviour. Boys report high levels of victimisation in areas where they are affected by gangs. We recognise that both boys and girls experience peer on peer abuse, but they do so in gendered ways.

All staff should be aware of indicators, which may signal that children are at risk from, or are involved with serious violent crime. These may include increased absence from school, a change in friendships or relationships with older individuals or groups, a significant decline in performance, signs of self-harm or a significant change in wellbeing, or signs of assault or unexplained injuries. Unexplained gifts or new possessions could also indicate that children have been approached by, or are involved with, individuals associated with criminal networks or gangs.

Responding to Alleged Incidents Responding to reports of sexual violence and sexual harassment

All reports of peer on peer abuse will be made on a case by case basis with the designated safeguarding lead or their deputy taking a leading role using their professional judgement and supported by other agencies such as social care or the police as required.

An assessment of an incident between peers should be completed and consider:

- Chronological and developmental ages of everyone involved
- Difference in their power or authority in relation to age, race, gender, physical, emotional or intellectual vulnerability
- ☐All alleged physical and verbal aspects of the behaviour and incident
- Whether the behaviour involved inappropriate sexual knowledge or motivation
- What was the degree of physical aggression, intimidation, threatening behaviour or bribery
- The effect on the victim
- ☐Any attempts to ensure the behaviour and incident is kept a secret
- ☐The child or young person's motivation or reason for the behaviour, if they admit that it occurred
- ☐Whether this was a one-off incident, or longer in duration

It is important to deal with a situation of peer abuse immediately and sensitively. It is necessary to gather the information as soon as possible to get the true facts. It is equally important to deal with it sensitively and think about the language used and the impact of that language on both the children and the parents when they become involved. Avoid language that may create a 'blame' culture and leave a child labelled.

Staff will talk to the children in a calm and consistent manner. Staff will not be prejudiced, judgmental, dismissive or irresponsible in dealing with such sensitive matters.

The immediate response to a report

- The school or college will take all reports seriously and will reassure the victim that they will be supported and kept safe.
- All staff will be trained to manage a report.
- Staff will not promise confidentiality as the concern will need to be shared further (for example, with the designated safeguarding lead or social care) staff will however only share the report with those people who are necessary to progress it.
- A written report will be made as soon after the interview as possible recording the facts as presented by the child. These may be used as part of a statutory assessment if the case is escalated later.
- Assess the needs of the victim and child alleged to have caused harm.
- Where the report includes an online element the school or college will follow advice on searching, screening and confiscation. The staff will not view or forward images unless unavoidable and only if another member of staff (preferably the DSL) is present.
- The DSL will be informed as soon as possible and consider a referral to the police and social care.
- The DSL must complete a risk assessment (Appendix A) whereby sexual violence has occurred. This must be shared with the MASH.

When Recording sexualised behaviour it is essential that;

- ☐Record as soon as possible, as you can quickly forget or confuse detail
- ☐Be clear, explicit and non-avoidant, and avoid vague statements or euphemisms
- Follow the prompts on your safeguarding and child protection recording form
- Use proper names for body parts but record exactly any language or vocabulary used by the child. Use the child's exact words in quotation marks.
- Note where and when the incident happened and whether anyone else was around.

Gather the Facts

Speak to all the young people involved separately, gain a statement of facts from them. use consistent language and open questions for each account. Ask the young people to tell you what happened. Use open questions, 'where, when, why, who'. (What happened? Who observed the incident? What was seen? What was heard? Did anyone intervene?). Do not interrogate or ask leading questions.

Consider the Intent

Has this been a deliberate or contrived situation for a young person to be able to harm another?

Decide on your next course of action

If you believe any young person to be at risk of significant harm you must report to the Designated Safeguarding Lead immediately; they will follow the school's Safeguarding and Child Protection Policy.

If MASH and the police intend to pursue this further, they may ask to interview the young people in school or they may ask for parents to come to school to be spoken to. It is important to be prepared for every situation and the potential time it may take.

Informing parents/carers

The best way to inform parents/carers is face to face. Although this may be time consuming, the nature of the incident and the type of harm/abuse a young person may be suffering can cause fear and anxiety to parents/carers whether their child is the child who was harmed or who harmed another.

Is the pupil 13+ and does not want to share with parents? Use the 'Gillick' test and the 'Fraser' guidelines.

https://www.nspcc.org.uk/preventing-abuse/child-protection-system/legal-definition- child-rights-law/gillick-competency-fraser-guidelines/

In all circumstances where the risk of harm to the child is evident then the school should encourage the young person to share the information with their parent/carer (they may be scared to tell parents/carers that they are being harmed in any way).

Points to consider;

- What is the age of the children involved?
- How old are the young people involved in the incident and is there any age difference between those involved? In relation to sexual exploration, children under the age of 5, in particular 1-4 year olds who are learning toileting skills may show a particular interest in exploration at around this stage. This, however should not be overlooked.
- Where did the incident or incidents take place?
- Was the incident in an open, visible place to others? If so was it observed? If not, is more supervision required within this particular area?
- What was the explanation by all children involved of what occurred?
- Can each of the young people give the same explanation of the incident and also what is the effect on the young people involved? Is the incident seen to be bullying for example, in which case regular and repetitive? Is the version of one young person different from another and why?
- What is each of the children's own understanding of what occurred? Do the young people know/understand what they are doing? E.g. do they have knowledge of body parts, of privacy and that it is inappropriate to touch?
- Is the young person's explanation in relation to something they may have heard or been learning about that has prompted the behaviour?
- Is the behaviour deliberate and contrived?
- Does the young person have understanding of the impact of their behaviour on the other person?

Repetition

Has the behaviour been repeated to an individual on more than one occasion? In the same way it must be considered has the behaviour persisted to an individual after the issue has already been discussed or dealt with and appropriately resolved?

Risk Assessment

When there has been a report of sexual violence, the designated safeguarding lead (or a deputy) will make an immediate risk and needs' assessment. Where there has been a report of sexual harassment, a risk assessment must be completed and submitted to the MASH. The risk and needs' assessment should consider:

- The victim, especially their protection and support;
- The child alleged to have caused harm; and
- All the other children (and, if appropriate, adult students and staff) at the school or college, especially any actions that are appropriate to protect them;

Risk assessments will be recorded (written or electronic say where these are filed) and be kept under review. The designated safeguarding lead (or a deputy) will ensure they are engaging with MASH.

Follow up Actions

Children sharing a classroom:

Whilst the school or college establishes the facts of the case and starts the process of liaising with children's social care and the police:

- The child alleged to have caused harm will be removed from any classes they share with the victim.
- We will consider how best to keep the victim and child alleged to have caused harm a reasonable distance apart on school or college premises and on transport to and from the school or college.

These actions are in the best interests of both children and should not be perceived to be a judgment on the guilt of the child alleged to have caused harm.

Options to manage the report

Manage internally

1. In some cases of sexual harassment, for example, one-off incidents, it may be appropriate to handle the incident internally, perhaps through utilising the behaviour and bullying policies and by providing pastoral support (you may wish to give details here). This decision is considered on the outcome of contact with the MASH and submission of a completed risk assessment.

This decision will be made based on the principle that sexual violence and sexual harassment is never acceptable and will not be tolerated. All decisions, and discussions around making these decisions will be recorded and stored (by whom, where).

It is important to ensure that details of sanctions for the child alleged to have caused harm are not shared with any other persons other than those providing care for them. This is to maintain confidentiality and privacy for the child involved.

2. In line with 1 above, we may decide that the children involved do not require statutory interventions but may benefit from early help. Early help means providing support as soon as a problem emerges, at any point in a child's life. Providing early help is more effective in promoting the welfare of children than reacting later. Early help can be particularly useful to address non- violent harmful sexual behaviour and may prevent escalation of sexual violence.

3. Where a child has been harmed, is at risk of harm, or is in immediate danger, we will make a referral to the MASH following locally agreed protocols.

Where statutory assessments are appropriate, the designated safeguarding lead or a deputy will be working alongside, and cooperating with, the relevant lead social worker. Collaborative working will help ensure the best possible package of coordinated support is implemented for the victim and, where appropriate, the child alleged to have caused harm and any other children that require support.

Reporting to the Police

DSL's have a responsibility to report all alleged crimes to the police. The designated safeguarding lead (and their deputies) will also follow local processes for safeguarding referrals.

Where a report of rape, assault by penetration or sexual assault is made, the starting point is this will be passed on to the police. Whilst the age of criminal responsibility is ten, if the child alleged to have caused harm is under ten, the starting principle of reporting to the police remains. The police will take a welfare, rather than a criminal justice, approach.

Where a report has been made to the police, the school or college will consult the police and agree what information can be disclosed to staff and others, the child alleged to have caused harm and their parents or carers. They will also discuss the best way to protect the victim and their anonymity.

Where there is a criminal investigation, we will work closely with the relevant agencies to support all children involved (especially potential witnesses). Where required, advice from the police will be sought in order to help us.

Whilst protecting children and/or taking any disciplinary measures against the child alleged to have caused harm, we will work closely with the police (and other agencies as required), to ensure any actions the school or college take do not jeopardise the police investigation.

The end of the criminal process

If a child is convicted or receives a caution for a sexual offence, the school /academy will update its risk assessment, ensure relevant protections are in place for all children. We will consider any suitable action following our behaviour policy. If the child alleged to have caused harm remains in school/academy we will be very clear as to our expectations regarding the child alleged to have caused harm now they have been convicted or cautioned. This could include expectations regarding their behaviour and any restrictions we think are reasonable and proportionate about the child alleged to have caused harm's timetable.

Any conviction (even with legal anonymity reporting restrictions) is potentially going to generate interest among other pupils or students in the school or college.

We will ensure all children involved are protected, especially from any bullying or harassment (including online).

Where cases are classified as "no further action" (NFA'd) by the police or Crown Prosecution Service, or where there is a not guilty verdict, we will continue to offer support to the victim and the child alleged to have caused harm for as long as is necessary. A not guilty verdict or a decision not to progress with their case

will likely be traumatic for the victim. The fact that an allegation cannot be substantiated does not necessarily mean that it was unfounded. We will continue to support all parties in this instance.

It is also important to note that by law every child has the right to an education.

Support for Children Affected by Sexual-Assault

What support they require depends on the individual young person. It may be that they wish to seek counselling or one to one support via a mentor. It may also be that they feel able to deal with the incident(s) on their own or with support of family and friends; in which case it is necessary that this young person continues to be monitored and offered support should they require it in the future. If the incidents are of a bullying nature, the young person may need support in improving peer groups/relationships with other young people, or some restorative justice work with all those involved may be required.

Other interventions that could be considered may target a whole class or year group for example a speaker on online bullying, relationship abuse etc. It may be that through the continued curriculum of Relationship and Sex Education (from 2020), PSHE and SMSC that certain issues can be discussed and debated more frequently.

If the young person feels particularly vulnerable it may be that a risk assessment can be put in place for them whilst in school so that they have someone named that they can talk to, support strategies for managing future issues and identified services to offer additional support.

Support for victims of sexual assault is available from a variety of agencies (see Appendix 3).

We will support the victim of sexual assault to remain in school but if they are unable to do so we will enable them to continue their education elsewhere. This decision will be made only at the request of the child and their family.

If they are moved, we will ensure the new school is aware of the ongoing support they may need. The DSL will support this move.

Where there is a criminal investigation the child alleged to have caused harm will be removed from any shared classes with the victim and we will also consider how best to keep them a reasonable distance apart on the school premises or on school transport. This is in the best interest of the children concerned and should not be perceived to be a judgement of guilt before any legal proceedings. We will work closely with the police.

Where a criminal investigation into a rape or assault by penetration leads to a conviction or caution, we may take suitable action, if we have not already done so. In all but the most exceptional of circumstances, the rape or assault is likely to constitute a serious breach of discipline and lead to the view that allowing the child alleged to have caused harm to remain in the same school or college would seriously harm the education or welfare of the victim (and potentially other pupils or students).

Where a criminal investigation into sexual assault leads to a conviction or caution, we may, if we have not already done so, consider any suitable sanctions using our behaviour policy, including consideration of permanent exclusion.

Where the child alleged to have caused harm is going to remain at the school or college, the principle would be to continue keeping the victim and child alleged to have caused harm in separate classes and continue to consider the most appropriate way to manage potential contact on school and college premises and transport. The nature of the conviction or caution and wishes of the victim will be especially important in determining how to proceed in such cases.

Reports of sexual assault and sexual harassment will, in some cases, not lead to a report to the police (for a variety of reasons). In some cases, rape, assault by penetration, sexual assault or sexual harassment are

reported to the police and the case is not progressed or are reported to the police and ultimately result in a not guilty verdict. None of this means the offence did not happen or that the victim lied. The process will have affected both victim and child alleged to have caused harm. Appropriate support will be provided to both as required and consideration given to sharing classes and potential contact as required on a case-by-case basis.

All the above will be considered with the needs and wishes of the victim at the heart of the process (supported by parents and carers as required). Any arrangements should be kept under review.

For the young person who has displayed harmful behaviour

It is important to find out why the young person has behaved in such a way. It may be that the young person is experiencing their own difficulties and may even have been harmed themselves in a similar way. In such cases support such as one to one mentoring or counselling may also be necessary.

Particular support from identified services may be necessary through an early help referral and the young person may require additional support from family members.

Once the support required to meet the individual needs of the young person has been met, it is important that the young person receives a consequence for their behaviour. This may be in the form of restorative justice e.g. making amends with the young person they have targeted if this has been some form of bullying. In the cases of sexually harmful behaviour it may be a requirement for the young person to engage in one to one work with a particular service or agency (if a crime has been committed this may be through the police or youth offending service). If there is any form of criminal investigation ongoing it may be that this young person cannot be educated on site until the investigation has concluded. In which case, the young person will need to be provided with appropriate support and education elsewhere.

It may be that the behaviour that the young person has displayed may continue to pose a risk to others, in which case an individual risk assessment may be required. This should be completed via a multi- agency response to ensure that the needs of the young person and the risks towards others are measured by all of those agencies involved including the young person and their parents. This may mean additional supervision of the young person or protective strategies if the young person feels at risk of engaging in further inappropriate or harmful behaviour.

The school may also choose a punishment as a consequence such as exclusion or internal exclusion/inclusion/seclusion for a period of time to allow the young person to reflect on their behaviour.

After care

It is important that following the incident the young people involved continue to feel supported and receive help even if they have stated that they are managing the incident. Sometimes the feelings of remorse, regret or unhappiness may occur at a much later stage than the incident. It is important to ensure that the young people do not engage in any further harmful behaviour either towards someone else or to themselves as a way of coping (e.g. self-harm). For this reason, regular reviews with the young people following the incident(s) are imperative.

Physical Abuse

While a clear focus of peer on peer abuse is around sexual abuse and harassment, physical assaults and initiation violence and rituals from pupils to pupils can also be abusive.

These are equally not tolerated and if it is believed that a crime has been committed, will be reported to the police.

The principles from the anti-bullying policy will be applied in these cases, with recognition that any police investigation will need to take priority.

When dealing with other alleged behaviour which involves reports of, for example, emotional and/or physical abuse, staff can draw on aspects of Hackett's continuum (Appendix 1) to assess where the alleged behaviour falls on a spectrum and to decide how to respond. This could include, for example, whether it:

• is socially acceptable
• involves a single incident or has occurred over a period of time
• is socially acceptable within the peer group
• is problematic and concerning
• involves any overt elements of victimisation or discrimination e.g. related to race, gender,

sexual orientation, physical, emotional, or intellectual vulnerability

• involves an element of coercion or pre-planning

• involves a power imbalance between the child/children allegedly responsible for the behaviour

• involves a misuse of power

Online Behaviour

Many forms of peer on peer abuse have an element of online behaviour including behaviours such as cyberbullying and sexting.

Policies and procedures concerning this type of behaviour can be found (in anti- bullying policy, online safety police, and child protection policy)

Prevention

Our school (Name of school/academy) actively seeks to raise awareness of and prevent all forms of peer-on-peer abuse by:

(Delete those which do not apply and add any you use effectively)

• Educating all Governors, Senior Leadership Team, staff and volunteers, [pupils/students], and parents about this issue. This will include training all Governors, Senior Leadership Team, staff and volunteers on the nature, prevalence and effect of peer-on-peer abuse, and how to prevent, identify and respond to it. This includes

(a) Contextual Safeguarding;

(b) The identification and classification of specific behaviours; and

(c) The importance of taking seriously all forms of peer-on-peer abuse (no matter how low level they may appear) and ensuring that no form of peer-on-peer abuse is ever dismissed as horseplay or teasing.

- Educating children about the nature and prevalence of peer-on-peer abuse via PSHE and the wider curriculum.
- Pupils/Students are frequently told what to do if they witness or experience such abuse, the effect that it can have on those who experience it and the possible reasons for it, including vulnerability of those who inflict such abuse.
- They are regularly informed about the School's approach to such issues, including its zero- tolerance policy towards all forms of peer-on-peer abuse.

- Engaging parents on this issue by:
  (a)Talking about it with parents, both in groups and one to one;
  (b) Asking parents what they perceive to be the risks facing their child and how they would like to see the School address those risks;
  (c) Involving parents in the review of School policies and lesson plans; and (d) Encouraging parents to hold the School to account on this issue.

- Ensuring that all peer-on-peer abuse issues are fed back to the School's safeguarding [team/lead] so that they can spot and address any concerning trends and identify [pupils/students] who maybe in need of additional support. [This is done by way of a weekly staff meeting at which all concerns about [pupils/students] (including peer-on-peer abuse issues) are discussed];
- Challenging the attitudes that underlie such abuse (both inside and outside the classroom);
- Working with Governors, Academy Trusts, Senior Leadership Team, all staff and volunteers, [pupils/students] and parents to address equality issues, to promote positive values, and to encourage a culture of tolerance and respect amongst all members of the School community;
- Creating conditions in which our [pupils/students] can aspire to and realise safe and healthy relationships;
- Creating a culture in which our [pupils/students] feel able to share their concerns openly, in a non-judgmental environment, and have them listened to; and
- Responding to cases of peer-on-peer abuse promptly and appropriately.

Multi-agency working

The School actively engages with its local partners in relation to peer-on-peer abuse, and works closely with Herefordshire Council children's social care, and/or other relevant agencies, and other schools.

The relationships the School has built with these partners are essential to ensuring that the School is able to prevent, identify early and appropriately handle cases of peer-on-peer abuse. They help the School

(a) To develop a good awareness and understanding of the different referral pathways that operate in its local area, as well as the preventative and support services which exist;

(b) To ensure that our [pupils/students] can access the range of services and support they need quickly;

(c) To support and help inform our local community's response to peer-on-peer abuse;

(d) To increase our awareness and understanding of any concerning trends and emerging risks in our local area to enable us to take preventative action to minimise the risk of these being experienced by our [pupils/students].

The School actively refers concerns/allegations of peer-on-peer abuse where necessary to Herefordshire Council children's social care, and/or other relevant agencies.
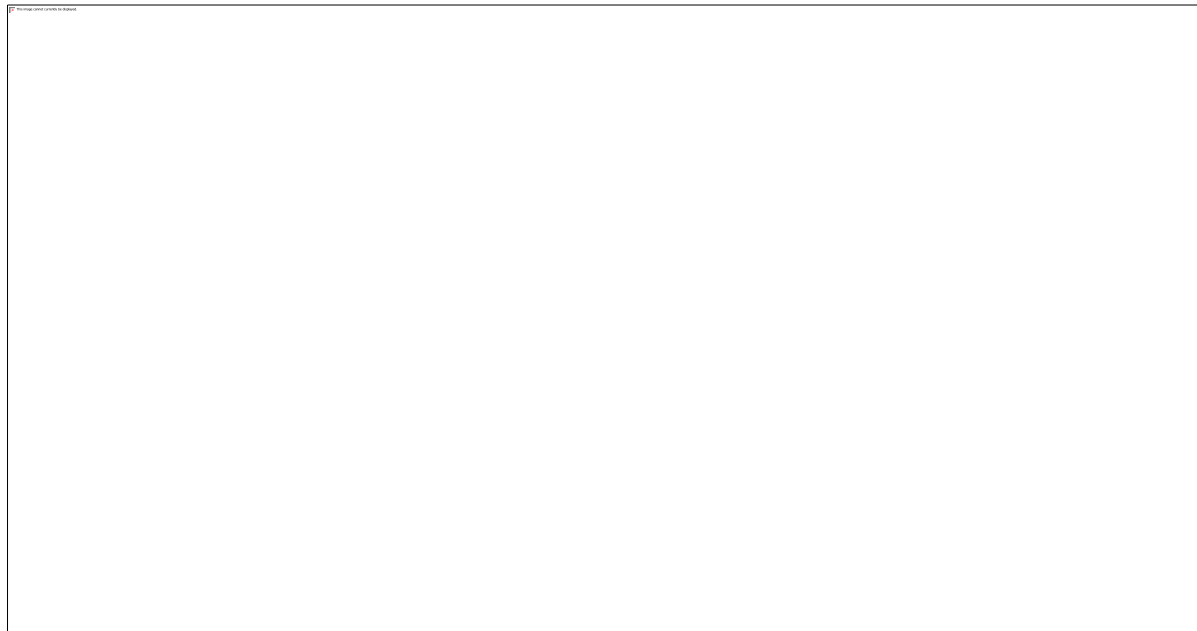
Children resident out of county but attending a Herefordshire school/academy will be reported to their home authority Social Care team.

In cases involving children who are subject to risk, harm and abuse and who have LAC status, the children's social worker must be informed and a coordinated approach to address any incidents or concerns will be required.

Appendix 1

Simon Hackett (2010) has proposed a continuum model to demonstrate the range of sexual behaviours presented by children and young people, from those that are normal, to those that are highly deviant:

https://www.nspcc.org.uk/globalassets/documents/publications/harmful-sexual-behaviour- framework.pdf

What is a green behaviour?

Green behaviours reflect safe and healthy sexual development. They are displayed between children or young people of similar age or developmental ability. They are reflective of natural curiosity, experimentation, consensual activities and positive choices

What can you do?

Green behaviours provide opportunities to give positive feedback and additional information.

Green behaviours

holding or playing with own genitals

- attempting to touch or curiosity about other children's genitals
- attempting to touch or curiosity about breasts, bottoms or geni- tals of adults
- games e.g. mummies and dad-dios,
- doctors and nurses
- enjoying nakedness
- interest in body parts and what they do
- curiosity about the differences between boys and girls

What is an amber behaviour?

Amber behaviours have the potential to be outside of safe and healthy behaviour. They may be of potential concern due to age, or developmental differences. A potential concern due to activity type, frequency, duration or con- text in which they occur.

What can you do?

Amber behaviours signal the need to take notice and gather information to assess the appropriate action.

Amber behaviours

- preoccupation with adult sexual behaviour
  • pulling other children's pants down/skirts up/trousers down against their will
  • talking about sex using adult slang
- preoccupation with touching the genitals of other people
- following others into toilets or changing rooms to look at them or touch them
- talking about sexual activities seen on TV/online

What is a red behaviour?

Red behaviours are outside of safe and healthy behaviour. They may be excessive, secretive, compulsive, coercive, degrading or threatening and involving significant age, developmental, or power differences. They may pose a concern due to the activity type, frequency, duration or the context in which they occur

What can you do?

Red behaviours indicate a need for immediate intervention and action.

Red behaviours

- persistently touching the genitals of other children
- persistent attempts to touch the genitals of adults
- simulation of sexual activity in play
- sexual behaviour between young children involving penetration with objects
- forcing other children to engage in sexual play

Appendix 2
Brook sexual behaviours traffic light tool

Behaviours: age 0 to 5

All green, amber and red behaviours require some form of attention and response. It is the level of intervention that will vary.

What is a green behaviour?

Green behaviours reflect safe and healthy sexual development. They are displayed between children or young people of similar age or developmental ability and reflective of natural curiosity, experimentation, con- sensual activities and positive choices

What can you do?

Green behaviours provide opportunities to give positive feedback and additional information.

Green behaviours 5-9

- feeling and touching own genitals
- curiosity about other children's genitals
- curiosity about sex and relationships, e.g. differences between boys and girls, how sex happens, where babies come from, same- sex relationships
- sense of privacy about bodies
- telling stories or asking questions using swear and slang words for parts of the body

What is an amber behaviour?

Amber behaviours have the potential to be outside of safe and healthy behaviour. They may be of potential concern due to age, or developmental differences. A potential concern due to activity type, frequency, duration or context in which they occur.

What can you do?

Amber behaviours signal the need to take notice and gather information to assess the appropriate action.

Amber behaviours 5-9

- questions about sexual activity which persist or are repeated frequently, despite an answer having been given
- sexual bullying face to face or through texts or online messaging
- engaging in mutual masturbation
- persistent sexual images and ideas in talk, play and art
- use of adult slang language to discuss sex

What is a red behaviour?

Red behaviours are outside of safe and healthy behaviour. They may be excessive, secretive, compulsive, coercive, degrading or threatening and involving significant age, develop- mental or power differences. They may pose a concern due to the activity type, frequency, duration or the context in which they occur

What can you do?

Red behaviours indicate a need for immediate intervention and action.

Red behaviours 5-9

- frequent masturbation in front of others
- sexual behaviour engaging significantly younger or less able children
- forcing other children to take part in • sexual activities • simulation of oral or penetrative sex
- sourcing pornographic material online

Behaviours: age 5 to 9

All green, amber and red behaviours require some form of attention and response. It is the level of intervention that will vary.

What is a green behaviour?

Green behaviours reflect safe and healthy sexual development. They are displayed between children or young people of similar age or developmental ability and reflective of natural curiosity, experimentation, con- sensual activities and positive choices

What can you do?

Green behaviours provide opportunities to give positive feedback and additional information.

Green behaviours 9-13

- solitary masturbation
- use of sexual language including swear and slang words
- having girl/boyfriends who are of

  the same, opposite or any gender

- interest in popular culture, e.g. fashion, music, media, online games, chatting online
- need for privacy
- consensual kissing, hugging, holding hands with peers

What is an amber behaviour?

Amber behaviours have the potential to be outside of safe and healthy behaviour. They may be of potential concern due to age, or developmental differences. A potential concern due to activity type, frequency, duration or context in which they occur.

What can you do?

Amber behaviours signal the need to take notice and gather information to assess the appropriate action.

Amber behaviours 9-13

- uncharacteristic and risk-related behaviour, e.g. sudden and/or pro- vocative changes in dress, withdrawal from friends, mixing with new or older people, having more or less money than usual, going missing
- verbal, physical or cyber/virtual sexual bullying involving sexual aggression
- LGBT (lesbian, gay, bisexual, transgender) targeted bullying
- exhibitionism, e.g. flashing or mooning
- giving out contact details online
- viewing pornographic material
- worrying about being pregnant or having STIs

What is a red behaviour?

Red behaviours are outside of safe and healthy behaviour. They may be excessive, secretive, compulsive, coercive, degrading or threatening and involving significant age, develop- mental or power differences. They may pose a concern due to the activity type, frequency, duration or the context in which they occur

What can you do?

Red behaviours indicate a need for immediate intervention and action.

Red behaviours 9-13

- exposing genitals or masturbating in public
- distributing naked or sexually pro- vocative images of self or others
- sexually explicit talk with younger children
- sexual harassment
- arranging to meet with an online acquaintance in secret
- genital injury to self or others
- forcing other children of same age, younger or less able to take part in sexual activities
- sexual activity e.g. oral sex or inter- course
- presence of sexually transmitted infection (STI)
- evidence of pregnancy

Behaviours: age 9 to 13

All green, amber and red behaviours require some form of attention and response. It is the level of intervention that will vary.

Behaviours: age 13 to 17

All green, amber and red behaviours require some form of attention and response. It is the level of intervention that will vary.
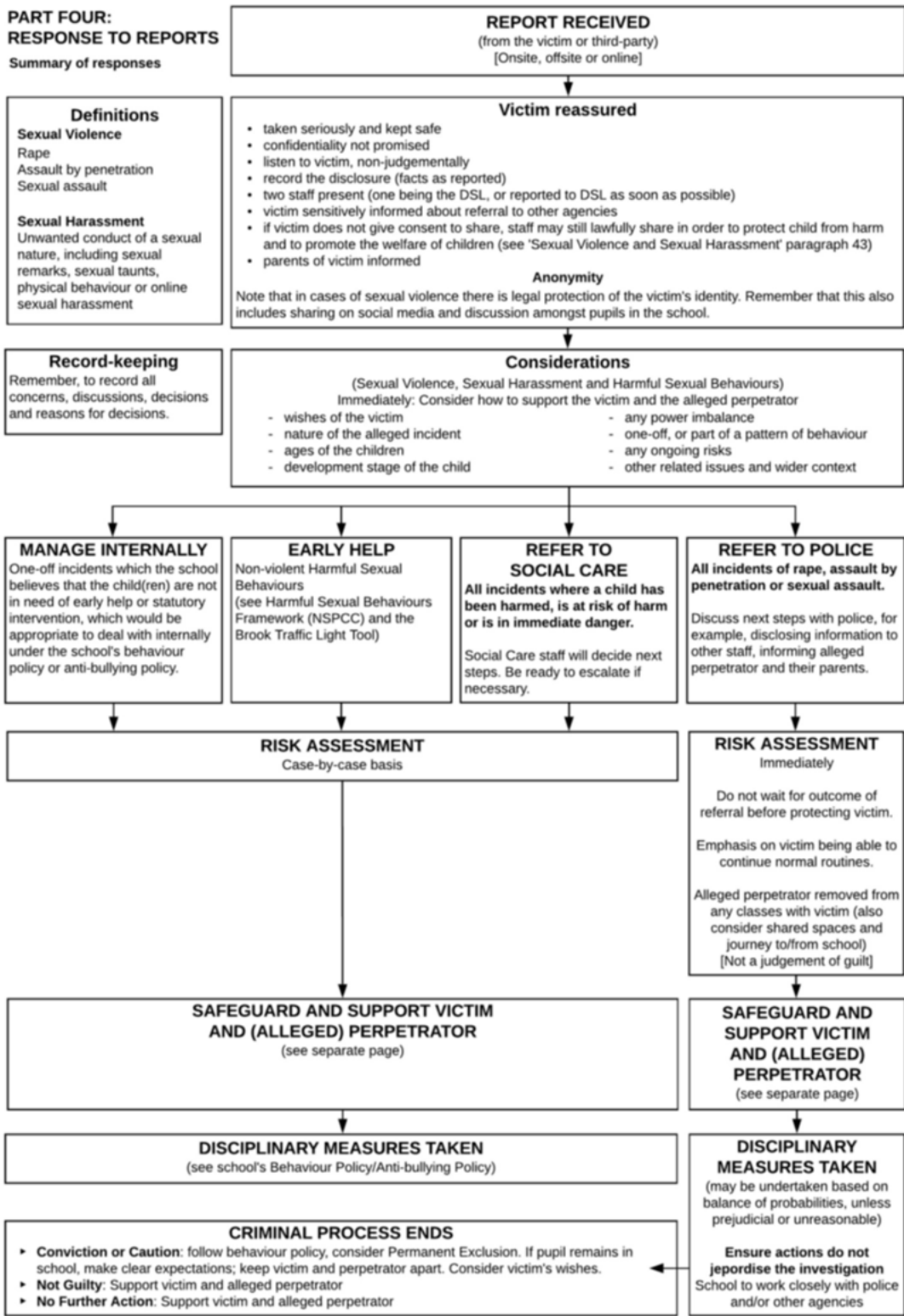
What is a green behaviour?

Green behaviours reflect safe and healthy sexual development. They are displayed between children or young people of similar age or developmental ability and reflective of natural curiosity, experimentation, consensual activities and positive choices

What can you do?

Green behaviours provide opportunities to give positive feedback and additional info

Green behaviours

- solitary masturbation
- sexually explicit conversations with peers
- obscenities and jokes within the current cultural norm
- interest in erotica/pornography
- use of internet/e-media to chat online
- having sexual or non-sexual relationships
- sexual activity including hugging, kissing, holding hands
- consenting oral and/or penetrative sex with others of the same or opposite gender who are of similar age and developmental ability
- choosing not to be sexually active

What is an amber behaviour?

Amber behaviours have the potential to be outside of safe and healthy behaviour. They may be of potential concern due to age, or developmental differences. A potential concern due to activity type, frequency, duration or context in which they occur.

What can you do?

Amber behaviours signal the need to take notice and gather information to assess the appropriate action.

Amber behaviours

- accessing exploitative or violent pornography
- uncharacteristic and risk-related behaviour, e.g. sudden and/or provocative changes in dress,
- withdrawal from friends, mixing with new or older people, having more or less money than usual, going missing
- concern about body image
- taking and sending naked or sexually provocative images of self or others
- single occurrence of peeping, exposing, mooning or obscene gestures
- giving out contact details online
- joining adult- only social networking

  sites and giving false personal information

- arranging a face to face meeting with an online contact alone

What is a red behaviour?

Red behaviours are outside of safe and healthy behaviour. They may be excessive, secretive, compulsive, coercive, degrading or threatening and involving significant age, developmental or power differences. They may pose a concern due to the activity type, frequency, duration or the context in which they occur

What can you do?

Red behaviours indicate a need for immediate intervention and action.

Red behaviours

- exposing genitals or masturbating in public
- preoccupation with sex, which interferes with daily function
- sexual degradation/humiliation of self or others
- attempting/forcing others to expose genitals
- sexually aggressive/exploitative behaviour
- sexually explicit talk with younger children
- sexual harassment
- non-consensual sexual activity
- use of/acceptance of power and control in sexual relationships
- genital injury to self or others
- sexual contact with others where there is a big difference in age or ability •
- sexual activity with someone in authority and in a position of trust
- sexual activity with family members

PART FOUR: RESPONSE TO REPORTS

Summary of responses

REPORT RECEIVED
(from the victim or third-party)
[Onsite, offsite or online]

Definitions

Sexual Violence
Rape
Assault by penetration
Sexual assault

Sexual Harassment
Unwanted conduct of a sexual nature, including sexual remarks, sexual taunts, physical behaviour or online sexual harassment

Victim reassured
- taken seriously and kept safe
- confidentiality not promised
- listen to victim, non-judgementally
- record the disclosure (facts as reported)
- two staff present (one being the DSL, or reported to DSL as soon as possible)
- victim sensitively informed about referral to other agencies
- if victim does not give consent to share, staff may still lawfully share in order to protect child from harm and to promote the welfare of children (see 'Sexual Violence and Sexual Harassment' paragraph 43)
- parents of victim informed

Anonymity
Note that in cases of sexual violence there is legal protection of the victim's identity. Remember that this also includes sharing on social media and discussion amongst pupils in the school.

Record-keeping
Remember, to record all concerns, discussions, decisions and reasons for decisions.

Considerations
(Sexual Violence, Sexual Harassment and Harmful Sexual Behaviours)
Immediately: Consider how to support the victim and the alleged perpetrator
- wishes of the victim
- nature of the alleged incident
- ages of the children
- development stage of the child
- any power imbalance
- one-off, or part of a pattern of behaviour
- any ongoing risks
- other related issues and wider context

MANAGE INTERNALLY
One-off incidents which the school believes that the child(ren) are not in need of early help or statutory intervention, which would be appropriate to deal with internally under the school's behaviour policy or anti-bullying policy.

EARLY HELP
Non-violent Harmful Sexual Behaviours
(see Harmful Sexual Behaviours Framework (NSPCC) and the Brook Traffic Light Tool)

REFER TO SOCIAL CARE
All incidents where a child has been harmed, is at risk of harm or is in immediate danger.

Social Care staff will decide next steps. Be ready to escalate if necessary.

REFER TO POLICE
All incidents of rape, assault by penetration or sexual assault.

Discuss next steps with police, for example, disclosing information to other staff, informing alleged perpetrator and their parents.

RISK ASSESSMENT
Case-by-case basis

RISK ASSESSMENT
Immediately

Do not wait for outcome of referral before protecting victim.

Emphasis on victim being able to continue normal routines.

Alleged perpetrator removed from any classes with victim (also consider shared spaces and journey to/from school)
[Not a judgement of guilt]

SAFEGUARD AND SUPPORT VICTIM AND (ALLEGED) PERPETRATOR
(see separate page)

SAFEGUARD AND SUPPORT VICTIM AND (ALLEGED) PERPETRATOR
(see separate page)

DISCIPLINARY MEASURES TAKEN
(see school's Behaviour Policy/Anti-bullying Policy)

DISCIPLINARY MEASURES TAKEN
(may be undertaken based on balance of probabilities, unless prejudicial or unreasonable)

Ensure actions do not jepordise the investigation
School to work closely with police and/or other agencies

CRIMINAL PROCESS ENDS
- **Conviction or Caution**: follow behaviour policy, consider Permanent Exclusion. If pupil remains in school, make clear expectations; keep victim and perpetrator apart. Consider victim's wishes.
- **Not Guilty**: Support victim and alleged perpetrator
- **No Further Action**: Support victim and alleged perpetrator

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Source:
Sexual Violence and Sexual Harassment between children in schools and colleges (DfE, 2017)

SVSH Flow Chart for Schools 2017 v.1.0

Appendix 3

Support for Young People:

• Rape Crisis Centre's can provide therapeutic support for children over 13 who have experienced sexual violence. www.nottsssvss.org.uk

• Internet Watch Foundation (to potentially remove illegal images) www.iwf.org.uk

Appendix 4

Useful Publications and Websites

Government Publications

Sexual harassment and sexual violence in schools

www.gov.uk/government/publications/sexual-violence-and-sexual-harassment-between- children-in-schools-and-colleges

Keeping Children safe in Education - www.gov.uk/government/publications/keeping- children-safe-in-education

Preventing youth violence and gang involvement

www.gov.uk/government/publications/advice-to-schools-and-colleges-on-gangs-and-youth- violence

Preventing and tackling bullying in schools

www.gov.uk/government/publications/preventing-and-tackling-bullying

Other useful documents

Sexting

Sexting in schools and colleges-Responding to incidents and safeguarding young people

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_ data/file/609874/6_2939_SP_NCA_Sexting_In_Schools_FINAL_Update_Jan17.pdf

Peer-on-peer abuse

Farrer &Co - Peer-on-peer abuse toolkit, guidance on peer-on peer abuse policy and template peer-on-peer abuse policy

www.farrer.co.uk/Global/Peer-on-peer%20abuse%20toolkit%2014.pdf

Anti-bullying alliance
There are some useful links on the section on sexual bullying:-

Sexual bullying: developing effective anti-bullying practice- A guide for school staff and other professional

www.anti- bullyingalliance.org.uk/sites/default/files/field/attachment/Sexual%20bullying%20-%20anti-bullying%20guidance%20for%20teachers%20and%20other%20professionals%20- %20Feb17_1.pdf

Preventing abuse among children and young people-guidance from Stop it Now

www.stopitnow.org.uk/files/stop_booklets_childs_play_preventing_abuse_among_children _and_young_people01_14.pdf

What is Age appropriate?

http://www.stopitnow.org/ohc-content/what-is-age-appropriate

Brook Traffic lights

https://www.brook.org.uk/our-work/using-the-sexual-behaviours-traffic-light-tool

NSPCC-Harmful sexual behaviour

https://www.nspcc.org.uk/preventing-abuse/child-abuse-and-neglect/harmful-sexual- behaviour/

NCB Harmful sexual behaviour

https://www.ncb.org.uk/resources-publications/resources/workforce-perspectives-harmful- sexual-behaviour

NSPCC –Is this sexual abuse?

https://www.nspcc.org.uk/globalassets/documents/research-reports/nspcc-helplines- report-peer-sexual-abuse.pdf

Online sexual harassment

Project deSHAME- Digital Exploitation and Sexual Harassment Amongst Minors in Europe Understanding, Preventing, Responding

https://www.childnet.com/our-projects/project-deshame

Sexism

It's Just Everywhere- a study on sexism in schools –and how we tackle it

https://ukfeminista.org.uk/wp-content/uploads/2017/12/Report-Its-just-everywhere.pdf

•Relationship Education , Relationship and Sex Education HMSO

www.gov.uk/government/news/relationships-education-relationships-and-sex

hfdscouncil   herefordshire.gov.uk

Herefordshire Council

APPENDIX 7 - What is Peer on Peer Abuse?

All children are capable of abusing their peers. This can manifest itself in a whole spectrum of behaviours including -

- Bullying including cyberbullying

- Sexual violence and harassment

- Physical abuse

- Sexting

- Up skirting (now a criminal offence and has reporting requirements)

- Initiation /hazing type violence and rituals

Some useful definitions:

Sexual Harassment

This can be defined as 'unwanted conduct of a sexual nature' that can occur online and offline. In the context of this guidance this means in the context of child on child sexual harassment. Sexual harassment is likely to: violate a child's dignity, and/or make them feel intimidated, degraded or humiliated and/or create a hostile, offensive or sexualised environment.

It can include

- Sexual comments, such as: telling sexual stories, making lewd comments, making sexual remarks about clothes and appearance and calling someone sexualised names;

- Sexual "jokes" or taunting;

Sexting

Sexting is when someone shares sexual, naked or semi-naked images or videos of themselves or others or sends sexually explicit messages. They can be sent using mobiles, tablets, smartphones, and laptops - any device that allows you to share media and messages. This is also known as youth produced sexual imagery

Up skirting

This typically involves taking a picture under a person's clothing without them knowing, with the intention of viewing their genitals or buttocks to obtain sexual gratification, or cause the victim humiliation, distress or alarm. It is now a criminal offence and may constitute sexual harassment.   Cases of 'up skirting' have a mandatory requirement for being reported.

Sexual Violence

In this guidance this refers to sexual violence in the context of child on child sexual violence. Children can and do abuse other children. Sexual violence covers a spectrum of behaviour. It can refer to sexual offences under the Sexual Offences Act 2013. This includes: -

Rape: A person (A) commits an offence of rape if: he intentionally penetrates the vagina, anus or mouth of another person (B) with his penis, B does not consent to the penetration and A does not reasonably believe that B consents.

Assault by Penetration: A person (A) commits an offence if: s/he intentionally penetrates the vagina or anus of another person (B) with a part of her/his body or anything else, the penetration is sexual, B does not consent to the penetration and A does not reasonably believe that B consents.

Sexual Assault: A person (A) commits an offence of sexual assault if: s/he intentionally touches another person (B), the touching is sexual, B does not consent to the touching and A does not reasonably believe that B consents.

Consent

Consent is about having the freedom and capacity to choose. Consent to sexual activity may be given to one sort of sexual activity but not another, e.g.to vaginal but not anal sex or penetration with conditions, such as wearing a condom. Consent can be withdrawn at any time during sexual activity and each time activity occurs. Someone consents to vaginal, anal or oral penetration only if s/he agrees by choice to that penetration and has the freedom and capacity to make that choice.

It is important to know that: -

- A child under the age of 13 can never consent to any sexual activity;
- The age of consent is 16;

Sexual intercourse without consent is rape.

Appendix 8 – Legal Basis for Recommendations

	Recommendation	Relevant legislation/guidance	Timeframe
a)	Continue to improve the quality of recording on MOSAIC for any cases, including peer on peer cases. This has improved significantly since 2017 but this review found that it could be improved yet further by maintaining the quarterly audit (already in place) on all cases and adding occasional sampling exercises to identify if recording is not adequate. In particular, record keeping should indicate what advice was given and what actions were taken and there is evidence that this is now taking place.	Section 10 (Co-operation to improve well-being) Children Act 2004 Section 11 (Arrangements to safeguard and promote welfare) Children Act 2004	Monthly audits starting September 2020 and to be conducted by education safeguarding officer
b)	Issue wider guidance than the national expectations - by looking at all legislation that may impact on such cases. There is a timely opportunity to do this now. The national guidance, 'Keeping Children Safe in Education', has been updated again in July 2020 and a key appointment to support this work has recently been made in Herefordshire. Whereas schools, in general, have a right to implement their own policies (partly because the process by which any policy is agreed is a key component of any policy), a model exemplar should now be issued given the importance of this issue. Herefordshire Council cannot enforce schools to adopt it however. The context around this issue has moved on considerably	Section 10 (Co-operation to improve well-being) Children Act 2004 Section 17 Children Act 1989 (places a duty on local authorities to promote and safeguard the welfare of children in need in their area) Statutory guidance - Keeping Children Safe in Education (September 2020) Statutory guidance - Working Together to Safeguard Children (July 2018)	Policy to be re-issued by Children's and Families Directorate by the end of January 2021 to allow for external consultation

	since 2017 and what was deemed appropriate then is no longer adequate if we are to learn from our experiences. There is an opportunity now to set an exemplar policy which can be leading edge practice.		
c)	A risk assessment has been shared with all schools (Autumn 2019). This is not the exact one produced in 2017 and things have progressed since then. Schools are ultimately responsible for their own risk assessment processes and multiple forms and guidance are now available. More importantly, we can provide guidance in completion of the process of risk assessments. There is a danger that multiple pro formas may confuse, but training in the process of risk assessment and prevention would outweigh this danger. The newly appointed safeguarding officer will lead on this aspect.	Section 10 (Co-operation to improve well-being) Children Act 2004 DfE ADVICE Sexual violence and sexual harassment between children in schools and colleges May 2018 Statutory guidance - Keeping Children Safe in Education (September 2020)	To be a regular process but to be established by December 2020
d)	Continually review and check that information is passed between educational settings where individuals known to have been either alleged victim or alleged perpetrator and who are moving between settings is shared. To protect confidentiality and sensitivity this process should be supported by the Local Authority and not left to individual settings to complete. Although there is an existing protocol, the newly appointed safeguarding officer should hold this responsibility as part of the role. For example, an alert system should be established	Data Protection Act 2018 GDPR Working Together to Safeguard Children (July 2018) Non- statutory guidance - Information sharing (Advice for practitioners providing safeguarding services to children, young people, parents and carers) July 2018 Section 10 (Co-operation to improve well-being) Children Act 2004	To be established by the education safeguarding team by the end of December 2020

	in MOSAIC to identify when individuals are likely to be moving settings.		
e)	Look to establish a planned approach to engaging with families (and children) impacted by peer on peer abuse. This is to include the seeking of their views and from a starting point of belief and with the consent of the families. This would include the schools involved. The level of engagement needs to also take account of equalities legislation and allow for appropriate extra counselling to be offered.	Section 10 (Co-operation to improve well-being) Children Act 2004 Section 17 Children Act 1989 (places a duty on local authorities to promote and safeguard the welfare of children in need in their area) Equality Act 2010 Statutory guidance - Keeping Children Safe in Education (September 2020) Statutory guidance - Working Together to Safeguard Children (July 2018)	To be established by December 2020 to allow for consultation
f)	Establish a school support network (using existing groups) to provide help and advice in the event of any cases, but particularly long standing cases. For example, this could include a network of expert Designated Safeguarding Leads (DSLs) to advise and new DSLs, support schools and families.	Section 10 (Co-operation to improve well-being) Children Act 2004 Section 11 Children Act 2004 Statutory guidance - Keeping Children Safe in Education (September 2020) Statutory guidance - Working Together to Safeguard Children (July 2018)	to be established virtually by December 2020
g)	Propose, via a development with DfE (and Ofsted), a methodology of capturing high quality data to allow authority areas to	Section 10 (Co-operation to improve well-being) Children Act 2004	initial proposal to be shared with DFE and

	benchmark the incidence and severity of peer on peer sexual abuse cases. The national system is not transparent enough as yet and Herefordshire, given recent efforts and advice, is well placed to contribute to improving the quality and clarity of data on peer on peer sexual abuse.	Section 11 (Arrangements to safeguard and promote welfare) Children Act 2004	Ofsted by end of October 2020
h)	Ensure that all new members of staff appointed to the Directorate are given a wider safeguarding strand in their induction, which should include peer on peer sexual abuse. This should be aimed at prevention and risk assessment rather than historic analysis. It would help make Herefordshire a benchmark for good practice in this regard.	Section 10 (Co-operation to improve well-being) Children Act 2004 Statutory guidance - Keeping Children Safe in Education (September 2020) Statutory guidance - Working Together to Safeguard Children (July 2018)	Initial induction activity to be in place by end of September 2020
i)	That the council consider funding additional resources to support further peer on peer abuse training, in particular to support the educational specialist safeguarding post covering peer on peer abuse work (this post now exists - but additional resources available for peer on peer abuse training should be considered).	Section 10 (Co-operation to improve well-being) Children Act 2004 Section 16I Children Act 2004	Resources to be in place as soon as council agree
j)	That Herefordshire produces an exemplar peer on peer safeguarding guidance and model policy which is issued to all settings. It is acknowledged that whilst all schools deal with Peer on Peer abuse in their safeguarding policy as well as in other policies (such as a school behaviour policy, the anti-bullying policy and the online safety policy	Section 10 (Co-operation to improve well-being) Children Act 2004 Section 17 Children Act 1989 (places a duty on local authorities to promote and safeguard the welfare of children in need in their area)	This is in train already - to be issued as soon as wider consultation allows

	- cyberbullying and sexting) schools now need to be more clear and specific about their strategies around wider behaviours relating to sexist and sexual bullying, sexual harassment and sexual violence. In all cases adoption of such a policy is inevitably voluntary (schools will have much in place already) but an exemplar will help with review work. There is the opportunity that given the experiences thus far, Herefordshire can become a centre for excellent practice in this area, in particular by adopting the good work done in this issue, such as by Suffolk and Nottinghamshire Local Authorities. This cannot be easily achieved without the following recommendation however.	Statutory guidance - Keeping Children Safe in Education (September 2020) Statutory guidance - Working Together to Safeguard Children (July 2018)	
k)	Finally - Herefordshire Council needs to further acknowledge that the impact of such cases on the families and the children involved (irrespective of any findings) is likely to be profound. An apology has already been given for some of the early work - but we could do more. The council should strongly consider issuing a process of reconciliation; offering any family who wishes to use it an opportunity to share their experiences in a safe space with independent and expert support. Although we recognise there is as yet no formal process for such a statement (and as such the reconciliation process would need to be established), the opportunity	Section 10 (Co-operation to improve well-being) Children Act 2004 Section 11 (Arrangements to safeguard and promote welfare) Children Act 2004 Section 17 Children Act 1989 (places a duty on local authorities to promote and safeguard the welfare of children in need in their area)	timeline for consulting, engaging and establishing this process needs to start as soon as scrutiny / council agree

	it would present is the key. If anything positive can come from such experiences then giving a voice to those who have experienced it can be something. It is also a better way of harnessing the experiences within the county to develop more leading edge practice. This cannot be achieved unless the voices of those affected are heard.		

Herefordshire Council

Meeting:	Cabinet
Meeting date:	26 November 2020
Title of report:	Delivery Plan 2020/22 (April)
Report by:	Leader of the Council

Classification

Open

Decision type

Key

Wards affected

All wards

Purpose and summary

To agree proposals for the council's Delivery Plan 2020-22. Each year Cabinet is required to produce a delivery plan which sets out how the strategic ambitions within the council's County Plan will be delivered and monitored.

Recommendation(s)

That:

> **(a) Cabinet approves the Delivery Plan, as set out in appendix A**

Alternative options

1. Cabinet may choose to make amendments to the current proposals. It is open to Cabinet to recommend alternatives to the projects and initiatives and associated measures identified in the delivery plan. Any alternatives would need to be in line with the County Plan 2020-24 priorities and within agreed 2020/21 budget.

Key considerations

Further information on the subject of this report is available from
Donna Vickers, Tel: 01432 383629383629, email: donna.vickers@herefordshire.gov.uk

2. The County Plan 2020-24, alongside the Medium Term Financial Strategy, provides the overarching policy framework within which decisions will be taken and resources allocated over the next 4 years.

3. The County Plan 2020-24 was developed through a process of engagement and consultation with the public and key stakeholders and was agreed at Council on 14 February 2020. It sets out the key strategic ambitions for the county and the success measures which will be used to monitor progress.

4. The delivery plan would normally be developed and agreed in April but due to the extraordinary circumstances of the COVID-19 pandemic, the delivery plan has been delayed to ensure plans incorporate activities that address the ongoing impact of the pandemic.

5. It is proposed that this delivery plan covers the 18 month period of November 2020 to April 2022, recognising the delay in the production of the plan and the medium to longer term nature of the projects and work programmes.

6. The delivery plan identifies the work programme that progresses the ambition within the County Plan with a focus on the environment, our communities and our economy. Each of the projects contribute to one or more of the objectives set out in these priority areas. This is denoted through the coloured symbols against each of the projects.

7. Whilst there are a number of projects planned, the proposed top priorities for delivery in the coming years are:

   - **Delivery of affordable homes built to strong environmental standards**

   - **Improving the digital connectivity of the county**

   - **Creating jobs and skills that enable our residents to earn higher wages**

   - **Creating a modern and resilient transport network within the City and County**

8. This delivery plan forms a key part of the council's performance framework. Reporting on progress against this plan will form the basis of the budget and performance reports each quarter.

9. Each of the projects identified within the delivery plan will be delivered within the council's project management methodology and overseen by the new programme management officer (PMO). This will enable a greater level of internal scrutiny and oversight to ensure projects at risk are identified early and appropriate action taken.

10. The projects and activities have been grouped within a programme to allow for easier location of the work, allocation of associated resources and where the work sits within the organisation.

Community impact

11. The County Plan 2020-24 and supporting delivery plan, have taken into account the key characteristics of Herefordshire, as outlined on Understanding Herefordshire (the council's Joint Strategic Needs Assessment – available here). Factors such as Herefordshire's rurality, the aging population profile and social mobility for our young people, all have impacts on individuals, our communities and provide challenges for service delivery. These

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challenges are recognised and are the key drivers at the heart of the County Plan 2020-24 and associated delivery plan.

12. As part of the County Plan 2020-24, one of the three strategic ambitions is to "strengthen communities to ensure everyone lives well and safely together"; this delivery plan identifies the programmes of work which will develop this ambition over the next 18 months.

13. Talk Community is the council's strategic approach to developing our partnership with communities and the business sector. The delivery plan sets out a number of key projects and initiatives that builds on and strengthens support at a local level. These include the development of a network of community hubs including larger hubs that will bring together services and support that meet the needs of the local community.

14. Talk Community also provides a critical operational response during times of crisis, this has been clearly demonstrated during the floods and the ongoing pandemic. Work detailed in the delivery plan sets out our work to increase the number of volunteers to ensure community resilience and also the support to bring funding into the county for the voluntary sector.

Environmental Impact

15. The delivery plan sets out a number of projects and initiatives that will deliver against the ambition set out in the County Plan 2020-2024. These include:

- Reviewing the current waste collection and disposal contracts to inform a future waste strategy and delivery arrangements
- Construction of integrated wetlands as tertiary treatments for waste water treatment works to reduce phosphate levels within the River Lugg catchment area
- Deliver the River Wye and Lugg Natural Flood Management Project to reduce flood risk to communities within Herefordshire
- Improve public buildings through grant aided environmental improvements
- Support for the most vulnerable people in our communities by providing energy efficient and more affordable heating including project to deliver 575 first time central heating (FTCH) systems to fuel poor residents across Herefordshire
- Improve our carbon footprint with our environmental performance e.g. Beryl Bikes, Council electric cars and vans and Hereford Heat network to provide more efficient heating to public & private buildings in the area of the new link road
- Reduce energy costs by vacating buildings the council operates from and decrease staff travel by moving to home working where possible

16. In additional to those specific projects related to the environment ambition in the County Plan, all projects will be expected to reflect on their environmental impact and details will be set out in the individual decision reports.

17. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

Equality duty

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18. 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;

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

19. 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.

20. Improving equality of opportunity and access, and reducing inequality, underpins both the County plan and the delivery plan. Individual projects will undergo equality impact assessments as an integral part of their planning and implementation.

Resource implications

21. The recommendations of this report have no direct financial implications. The resource implications of any necessary decisions required will be set out within relevant decision reports. Proposals within the delivery plan 2020/22 will be delivered as part of the budget agreed by Council on 14 February 2020, and include activities to deliver the savings required for a balanced budget.

Legal implications

22. There are no legal implications arising directly from the recommendations of this report. The legal implications of any decisions to be taken by the executive in implementing delivery plan will be set out within the relevant decision report; this plan sets the direction of travel, specific activities identified within the plan will require specific decisions of the executive as and when they are brought forward for detailed consideration.

Risk management

23. The County Plan and associated Delivery Plan are integral elements of the council's performance management framework. Risks associated with objectives and projects are

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entered onto the relevant project or service risk registers and escalated as appropriate. The corporate risk register is a living document and reviewed regularly by Management Board, Cabinet and Audit and Governance Committee.

24. The financial challenge and capacity to deliver the corporate priorities particularly during the pandemic, remains a significant risk; this will be mitigated by ensuring that there is regular oversight and monitoring as detailed in the performance and risk framework.

25. There is a significant risk that future outbreaks of COVID-19 and subsequent lockdowns could severely impact the council's ability to deliver the work programme within the timetable.

Consultees

26. The County Plan 2020-24 was developed following an extensive consultation process with the public and key stakeholders. The County Plan 2020-24 was also reviewed by scrutiny committees, Group Leaders and full Council as part of the developments and approval processes.

27. This delivery plan has not been subject to consultation as the plan is setting out how the County Plan ambitions, which have been consulted on, will be delivered. The projects identified within the plan will be subject to their own decision making processes which may require consultation.

Appendices

Appendix A   Draft Delivery Plan 2020-22

Background papers

None

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Herefordshire Council

Respecting our past, shaping our future

OUR DELIVERY PLAN 2020-2022

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Contents

Challenging times: still moving forward

The past few extraordinary months have changed the world. In Herefordshire the impacts of the pandemic will be felt by us all for generations. Everyone who lives here has been affected by COVID-19 and lockdown and many of us have been touched by deep personal loss and tragedy.

During this time, we've also seen communities coming together to support each other. A renewed appreciation of our beautiful and unique natural environment and a growing feeling that we can – and will – recover, learn from what we've been through and face the future together with hope.

We are determined to work with everyone who lives and works here so we can continue to develop and deliver our shared vision which lies at the heart of our plan to make Herefordshire an exemplar of 21st century rural living.

As we recover from the impact of the past few months and learn to live with the ongoing threat from COVID-19 we know that, more than ever, it is important to connect to one another across communities, in local neighbourhoods and to the wider world. We will use our unique role as leaders of the places we represent to help people feel safe, supported and proud of our unique and beautiful environment and we shall tackle the climate challenge through new approaches to sustainability. In doing this we will base our work on the lessons we have learned, what our residents and businesses tell us and our understanding of what our county needs for a successful future.

Our local government role in community leadership has never been more important. The challenges to our economy, to the vulnerable members of our communities and to our continued wellbeing are massive. We don't underestimate the magnitude of the challenge that lies ahead.

But we face these challenges together as a proud county with a rich heritage, strong, creative and connected communities and with a shared and absolute commitment to build a better future for us all – so that everyone feels safe, supported and is proud to live here.

Our plans for the coming years

Herefordshire Council adopted the new County Plan in February 2020, which stated a clear vision for the future of the county:

Respecting our past, shaping our future - we will improve the sustainability, connectivity and wellbeing of our county by strengthening our communities, creating a thriving local economy and protecting and enhancing our environment.

The world may have changed– but this vision for the county continues to provide the ambition and focus for the future. The challenge now is to prioritise our action, focus our energy and work in partnership with residents, stakeholders, communities and businesses to lead Herefordshire into the future with confidence.

The County Plan has three key themes - **connectivity, wellbeing and sustainability**, which sit at the core of our policy making, planning and design for the future. These themes continue to form the basis of our plans over the coming years.

Connectivity	Wellbeing	Sustainability
Connecting people digitally and physically across communities, in local neighbourhoods and to the wider world	**Helping people feel safe, supported and valuing Herefordshire and their community**	**Pride in Hereford's unique and beautiful environment and rural heritage and tackling the climate challenge through new approaches to sustainability**
Our aims: • Digital connectivity – supporting flexible working, connecting rural communities and businesses • Connecting and supporting communities – especially deprived communities • Connecting with partners – parish councils, businesses, public and community sector • Connecting locally – supporting and promoting local, independent shops and businesses	Our aims: • Supporting vulnerable people and communities and developing the strong community networks that have grown and flourished • Improving quality of life – appreciating what's special about the county as a place to live, work and visit • Helping people most impacted by pandemic (jobs/business/young people) • Being creative and encouraging innovation • Recognising the value of art and culture as a contributor to wellbeing • Welcoming visitors, promoting pride in the place and all it has to offer	Our aims: • Building to strong environmental standards • Travel to work/school – encouraging more walking and cycling • Public transport – safe, accessible and connecting communities • Rural environment – supporting farming and rural communities • Shopping/buying/doing business locally

Tackling the differences in people's health and wellbeing is a key aspect of this plan. Health & wellbeing inequalities arise because of the conditions in which people are born, grow, live, work and age. These conditions influence our opportunities for good health, and how we think, feel and act, and this shapes our mental health, physical health and wellbeing. They also impact on the care that people receive and the opportunities that people have to maintain wellbeing and lead healthy lives.

This plan includes a focus on the wider determinants that impact our health and wellbeing such as the quality of housing, income, employment opportunity, transport, education and skills. The immediate economic shock and uncertainty around both the speed and nature of recovery from COVID-19 has exposed and deepened many of these longstanding inequalities in Herefordshire and across the country. Recent events have also highlighted just how important digital connectivity

is to our lives and livelihood and this is certain to play a major part in our recovery and future economic resilience. Investing in digital infrastructure is therefore critical, especially for those 'hardest to reach' areas of our county.

We are publishing a COVID-19 Recovery Plan alongside this delivery plan so that we can ensure that priority is given and the pace is maintained in supporting businesses and communities through and beyond the many faceted effects of the pandemic.

The pandemic has also highlighted just how important digital connectivity is to our lives and livelihood and will play a major part in our recovery and economic resilience. Investing in digital infrastructure is therefore critical, especially for those 'hardest to reach' areas of the county.

What we plan to do

Ensuring that our work programme consists of projects and initiatives that contribute to the outcomes and principles set out in the County Plan remains central. Equally, as resources become more limited and the full impact of the pandemic is known, it is really important that we understand where to prioritise our efforts to maximise the benefits to all our residents.

We are therefore ensuring our top priorities in the coming years will be:

- Delivery of affordable homes built to strong environmental standards
- Improving the digital connectivity of the county to enable digital inclusion
- Creating jobs and skills that enable our residents to earn higher wages
- Creating a modern and resilient transport network within the City and County

In our County Plan 2020-2024 we highlighted three areas of focus and ambition – Environment, Communities, Economy.

The COVID-19 pandemic demands that we reorder some of our plans and strategies so as to capture, strengthen and increase the pace of change in some areas. These include:

- Shift in consumer behaviour during lockdown alongside demand for new products and services present both challenges and new opportunities for the county
- Shortages and supply problems have also reiterated the importance of the retail centres of our city and towns to the health of our rural county
- Encourage new sectors and markets such as creative and high tech industries to set up in Herefordshire
- Hereford City Centre and our market towns being reimagined, refocused and transformed as the way in which we live, work and play has dramatically changed even in the space of a few months
- Home/digital working - the pandemic has already caused a drastic shift in working patterns with a high rise in the number of people working from home, learning on-line and social interaction
- Ensuring our countywide workforce has the skills required to deliver future growth
- Rise in the "stay-cation" and the importance of tourism to the county
- Reduced carbon consumption – with industries temporary closing down and restrictions on travel, there has been a notable shift in pollution and carbon emissions and an increase in more active ways to travel
- Increased national and public focus on climate change is providing an opportunity to rethink economic growth and how we champion a 'green recovery'

Delivery Plan 2020 (November) - 2022 (April)

The following section highlights our work programme over the next 18 months that delivers against the objectives set out in the County Plan 2020-2024.

Objectives set out in the County Plan 2020-2024

	Environment		Community		Economy	
Overarching objective	**EN0:** Protect and enhance our environment and keep herefordshire a great place to live		**CO0:** Strengthen communities to ensure everyone lives well and safely together		**EC0:** Support an economy which builds on the county's strengths and resources	
Objectives						
	EN1	• Minimise waste and increase reuse, repair and recycling	CO1	• Ensure all children are healthy, safe and inspired to achieve	EC1	• Develop environmentally sound infrastructure that attracts investment
	EN2	• Improve and extend active travel options throughout the county	CO2	• Ensure that children in care, and moving on from care, are well supported and make good life choices	EC2	• Use council land to create economic opportunities and bring higher paid jobs to the county
	EN3	• Build understanding and support for sustainable living	CO3	• Build publicly owned sustainable and affordable houses and bring empty properties back into use	EC3	• Invest in education and the skills needed by employers
	EN4	• Invest in low carbon projects	CO4	• Protect and improve the lives of vulnerable people	EC4	• Enhance digital connectivity for communities and business
	EN5	• Identify climate change action in all aspects of council operation	CO5	• Use technology to support home care and extend independent living	EC5	• Protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism
	EN6	• Seek strong stewardship of the county's natural resources	CO6	• Support communities to help each other through a network of community hubs	EC6	• Spend public money in the local economy wherever possible
	EN7	• Protect and enhance the county's biodiversity, value nature and uphold environmental standards				

The following section highlights our delivery programme over the short to medium term to April 2022. The work programme delivers against the objectives set out in the County Plan 2020-2024. A refresh of the delivery plan will be undertaken annually from April 2022.

Where projects are contributing to one or more of the objectives within a priority area, this is denoted by the use of the related coloured symbol 🍎 🍎 🍎

Programme	Key projects and initiatives	Contribution to objectives	Lead Cabinet Member	Lead Officer
Environment	• EN0.1: Develop the evidence base for the update of the **Core Strategy** and confirm programme for new plan following enactment of the planning white paper	🍎🍎🍎	Infrastructure and Transport	Programme Director Housing and Growth
Environment	• EN1.1 Develop a new **waste strategy** that drives the environmental ambition of the council, delivers value for money and meets residents' expectation. The new strategy will inform the future commissioning of waste collection and disposal in Herefordshire	🍎🍎🍎	Commissioning, Procurement and Assets	AD for Regulatory, Environment and Waste
Environment	• EN2.1: Complete the **Hereford Transport Strategy Review** and begin implementation of the preferred options	🍎🍎🍎	Infrastructure and Transport	AD Highways and Transport
Environment	• EN2.2: Continue to deliver and extend the Choose How You Move sustainable and **active travel** programme to increase levels of walking and cycling	🍎🍎🍎	Infrastructure and Transport	AD for Regulatory, Environment and Waste
Environment	• EN2.3: Significantly increase electric vehicle charging infrastructure by leveraging private sector investment through the development of a concession contract	🍎🍎🍎	Infrastructure and Transport	AD for Regulatory, Environment and Waste
Environment	• EN2.4: Explore feasibility for the development of a **cycle super highway**	🍎🍎🍎	Infrastructure and Transport	AD Highways and Transport
Environment	• EN3.1: Create a **new countywide climate & ecological emergency partnership, strategy and action plan** to improve biodiversity and achieve countywide carbon neutrality by 2030	🍎	Environment, Economy and Skills	AD for Regulatory, Environment and Waste
Environment	• EN3.2: Introduce supplementary planning guidance on **environmental building standards** to ensure all new buildings are compatible with our climate and nature goals	🍎	Infrastructure and Transport	Programme Director Housing and Growth
Environment	• EN4.1: Support the most vulnerable people in our communities by providing **energy efficient** and more **affordable heating**	🍎🍎	Environment, Economy and Skills	AD for Regulatory, Environment and Waste
Environment	• EN4.2: Develop new domestic building retrofit programmes to further improve the **energy efficiency** of Herefordshire's housing stock, reducing carbon emissions, improving wellbeing and tackling fuel poverty	🍎🍎	Environment, Economy and Skills	AD for Regulatory, Environment and Waste
Environment	• EN5.1 Reduce the council's own carbon footprint through implementing our **Carbon Management Action Plan**	🍎🍎🍎	Environment, Economy and Skills	AD for Regulatory, Environment and Waste

Programme	Key projects and initiatives	Contribution to objectives	Lead Cabinet Member	Lead Officer
Environment	EN5.2: Improve the **environmental and energy efficiency standards** of Council buildings through the introduction of: a) new minimum standards for energy efficiency b) a plan for investing in energy efficiency and renewable energy measures for existing buildings c) a plan for achieving net zero carbon for all council new-build buildings	🌱🌱🌱	Environment, Economy and Skills	AD for Regulatory, Environment and Waste
Environment	EN6.1: Construct the first of up to eight **integrated wetlands** as tertiary treatments for waste water treatment works to reduce phosphate levels within the River Lugg catchment area	🌱🌱🌱	Infrastructure and Transport	AD for Regulatory, Environment and Waste
Environment	EN6.2: Develop & implement **supplementary planning guidance** on intensive livestock units to protect water quality in our rivers	🌱🌱🌱	Infrastructure and Transport	AD for Regulatory, Environment and Waste
Environment	EN6.3: Continue to support the River Wye and Lugg pilot **Natural Flood Management Project** to reduce flood risk to communities within Herefordshire	🌱🌱🌱	Infrastructure and Transport	AD Highways and Transport
Environment	EN7.1: Develop & implement a new **nature strategy** to enhance and protect biodiversity across the Council's estate	🌱🌱🌱	Environment, Economy and Skills	AD for Regulatory, Environment and Waste
Communities	CO0.1: Improve the overall **mental and physical health and wellbeing** of residents of all ages with a more diverse and increased level of support that helps people to make healthy food and lifestyle choices	🌱🌱🌱	Health and Adult Wellbeing	AD Talk Community Operations
Communities	CO0.2: Improve the capacity and capability of **data management and use of systems** to drive efficiencies and maximise user experience	🌱🌱🌱	Finance and Corporate Services	AD Corporate Support
Communities	CO0.3: Implement **capital highway maintenance** projects	🌱🌱🌱	Infrastructure and Transport	AD Highways and Transport
Communities	CO0.4: Deliver the **asset management plan** to improve road conditions across the county	🌱🌱🌱	Infrastructure and Transport	AD Highways and Transport
Communities	CO0.5: Complete the **infrastructure repair** work following the flooding in winter 2019	🌱🌱🌱	Infrastructure and Transport	AD Highways and Transport
Communities	CO0.6: Complete the review of **governance arrangements** and implement new arrangements and constitution	🌱🌱🌱	Leader of the Council	Solicitor to the Council
Communities	CO0.7: Development of a **communication strategy and engagement framework** that supports the delivery of the County Plan and improves the involvement by residents and key stakeholders in the development of services and ongoing direction of travel	🌱🌱🌱	Leader of the Council	AD Strategy
Communities	CO0.8: Development and delivery of the **SafeHerefordshire campaign** to support the fight against the pandemic and ensure key messages are being targeted effectively	🌱🌱🌱	Health and Adult Wellbeing	Head of Communications
Communities	CO0.9: Effectively **manage COVID-19 outbreaks** through the development and implementation of the Outbreak Control Plan	🌱🌱🌱	Health and Adult Wellbeing	Director of Public Health

Programme	Key projects and initiatives	Contribution to objectives	Lead Cabinet Member	Lead Officer
Communities	• CO1.1: Deliver **schools investment** programme including completion of the expansion of Marlbrook and Mordiford primary schools and development of Brookfield and Peterchurch schools		Commissioning, Procurement and Assets	AD for Education
Communities	• CO1.2: Work with school leaders locally and nationally to develop and implement an **action plan to support pupils and students** to make the most of their education, particularly at Key Stage 4 and the move into the world of work		Children and Families	AD for Education
Communities	• CO1.3: Work with school and education leaders and other partners to minimise the impact of the pandemic by enabling and implementing a range of support including **online teaching and home learning**		Children and Families	AD for Education
Communities	• CO1.4: Improve the **oral health of children** in the county		Children and Families	Director of Public Health
Communities	• CO2.1: Implement and embed a new Children's **social work model of practice** which provides a strengths based approach to child protection case work (model is known as **Signs of Safety**)		Children and Families	AD Children's Safeguarding Quality and Improvement
Communities	• CO2.2: Continue the **improvement of the children's safeguarding system** to ensure children and families get the right support at the right time, including early help and reduce the number of children needing to be cared for by the council		Children and Families	AD Children's Safeguarding and Family Support
Communities	• CO3.1: Develop feasibility and options for the development of **council owned homes and confirm the model for delivery**		Housing, Regulatory Services, and Community Safety	Programme Director Housing and Growth
Communities	• CO3.2: Submit planning application for the first site of Council owned **affordable net zero carbon housing**		Housing, Regulatory Services, and Community Safety	Programme Director Housing and Growth
Communities	• CO4.1: Develop and adopt **new models of care accommodation** to support vulnerable young people, people with learning disabilities and older people		Health and Adult Wellbeing	AD All Ages Commissioning
Communities	• CO4.2: Develop and deliver a community meal offer (**Talk Community Kitchen**) that provides healthy meals to the local community and offers skills and training opportunities for young people and those at risk of long term unemployment		Health and Adult Wellbeing	AD Talk Community Operations
Communities	• CO4.3: Develop **Right Support, Right Time for Families** through our Talk Community approach and building on strengths within local communities		Children and Families	Director of Children and Families
Communities	• CO4.4: Embrace the principles of "no second night out" and "housing first" through developing a model of delivery that **prevents homelessness**		Health and Adult Wellbeing	Head of Prevention Adults & Communities

Programme	Key projects and initiatives	Contribution to objectives	Lead Cabinet Member	Lead Officer
Communities	• CO4.5: Develop the council owned **Hillside Care Centre** to be a fully digital, dementia friendly and environmental care home	🍎🍎🍎	Health and Adult Wellbeing	AD All Ages Commissioning
Communities	• CO4.6: Develop and implement an **all ages, whole system commissioning strategy** that improves outcomes for people and families and maximises the use of resources	🍎🍎🍎	Health and Adult Wellbeing	AD All Ages Commissioning
Communities	• CO5.1: Develop a new **Independent Living Services offer** for Herefordshire residents	🍎🍎🍎	Health and Adult Wellbeing	Director of Adults and Communities
Communities	• CO5.2: Develop our **assistive technology** offer to enable people to maximise independent living including the delivery of a demonstration centre at Hillside Care Centre and an online catalogue	🍎🍎🍎	Health and Adult Wellbeing	AD All Ages Commissioning
Communities	• CO6.1: Support communities to improve community resilience through development of a network of **community led hubs** throughout the county	🍎🍎🍎	Health and Adult Wellbeing	AD Talk Community Operations
Communities	• CO6.2: Develop **integrated service hubs** within communities to **tackle inequalities**, meet the needs of the local community and that make best use of council and community assets	🍎🍎🍎	Commissioning, Procurement and Assets	Director of Adults and Communities
Economy	• EC0.1: Develop an **engagement framework for the business sector** that enables the effective coordination of advice and support	🍎🍎🍎	Leader of the Council	Head of Economic Development
Economy	• EC0.2: Enhance engagement with the private sector through a Talk Business programme of communications, networking and events	🍎🍎🍎	Leader of the Council	Head of Economic Development
Economy	• EC0.3: Provide support to businesses to enable the soonest possible recovery of the local economy from the impacts of COVID-19	🍎🍎🍎	Environment, Economy and Skills	Head of Economic Development
Economy	• EC1.1: Introduce policy to ensure that a robust **climate and nature impact assessment** is conducted for all infrastructure proposals	🍎🍎🍎	Environment, Economy and Skills	AD for Regulatory, Environment and Waste
Economy	• EC2.1: Work with partners to develop and implement a £25m **Town Investment Plan** for Hereford, to be funded through the Stronger Towns Fund	🍎🍎🍎	Environment, Economy and Skills	Head of Economic Development
Economy	• EC2.2: Develop & implement **Market Town Economic Development Investment Plans** for each of the five market towns (Bromyard, Kington, Ledbury, Leominster and Ross) to support recovery, growth and jobs	🍎🍎🍎	Environment, Economy and Skills	Head of Economic Development
Economy	• EC2.3: Develop a **Rural Economic Development Investment Plan** to support job creation in rural areas	🍎🍎🍎	Environment, Economy and Skills	Head of Economic Development
Economy	• EC2.4: Continue to support **development of the Hereford Enterprise Zone**, including completion & successful operation of the Shell Store business incubation centre and the Midlands Centre for Cyber Security, to deliver new **high-skill job opportunities**	🍎🍎🍎	Environment, Economy and Skills	Head of Economic Development

Programme	Key projects and initiatives	Contribution to objectives			Lead Cabinet Member	Lead Officer
Economy	• EC2.5: Develop Maylord Orchards as a key strategic site; acting as a catalyst for the **regeneration of Hereford City Centre**	🍎	🍎	🍎	Commissioning, Procurement and Assets	Head of Economic Development
Economy	• EC3.1: Enable and support the development & expansion of **higher education** in the county (NMITE, HCA), including through supporting work to increase the availability of student accommodation	🍎	🍎	🍎	Environment, Economy and Skills	Head of Economic Development
Economy	• EC3.2: Work with partners to expand our **adult and community learning programme**, with a particular focus on those at risk of long term unemployment, and young people at risk of not being in education, training or employment	🍎	🍎	🍎	Environment, Economy and Skills	AD for Education
Economy	• EC3.3: Provide more **apprenticeships**, including through the council's direct contracts	🍎	🍎	🍎	Environment, Economy and Skills	AD people
Economy	• EC4.1: Expand the Fastershire programme to increase delivery of **superfast and ultrafast broadband coverage**, including launch of Stage 5 to reach the remaining 3% of premises at the end of current contracts through Community Broadband Grant	🍎	🍎	🍎	Environment, Economy and Skills	AD Corporate Support
Economy	• EC4.2: Increase the number of **businesses connected to high speed broadband** by providing bespoke grant support	🍎	🍎	🍎	Environment, Economy and Skills	AD Corporate Support
Economy	• EC4.3: Undertake feasibility study for a low power **digital infrastructure** that delivers benefits to residents and business and reduce the impact of digital exclusion	🍎	🍎	🍎	Finance and Corporate Services	Director Adults and Communities
Economy	• EC5.1: Work with private sector partners to support the **growth of the tourism industry** across Herefordshire building on our strengths of outdoor activities, heritage & culture; and support the development of a destination business improvement district	🍎	🍎	🍎	Environment, Economy and Skills	Head of Economic Development
Economy	• EC5.2: Implement the **Leominster Heritage Action Zone Project**, to act as a catalyst to the regeneration of the town and to attract new visitors	🍎	🍎	🍎	Environment, Economy and Skills	Head of Economic Development
Economy	• EC6.1: Develop and implement a **Social Value procurement policy** to maximise the local benefit of all council spending	🍎	🍎	🍎	Commissioning, Procurement and Assets	AD Corporate Support

How we will deliver the plan

The council recognises and values the central role our employees play in delivering this plan and our many statutory services. We will continue to invest in activities that ensure we attract and retain a highly skilled workforce and develops people appropriately and supports their continued wellbeing. Where knowledge and skills are not available within the employed workforce, we will work with external partners to bring in particular expertise to ensure this plan can be delivered at pace.

All the projects and change activity detailed in this plan will be managed through a project management approach. Management oversight of the plan will be through the newly established programme management office (PMO) to enable visibility of progress, risks and accountability for delivery.

The delivery plan will provide the basis for a reenergised approach to communications, public engagement, openness and transparency. Increased use of social media and technology to create more effective campaigns to support strategic objectives, highlight particular issues or opportunities and communicate progress on projects. A new communication strategy and associated campaign programme we be developed to enable and support this delivery plan.

The involvement of residents and stakeholders in the development of services and projects is critical to ensure that we do the right things at the right time and in the right way. Central to this is to understand the role of the council in the years ahead. We plan to do this through a new engagement framework that will be developed and implemented in early 2021.

Increased involvement in the democratic process is important to us. To realise this, we shall complete the promised governance review for the council so as to increase the opportunity for the involvement of all elected representatives in decision-making.

How we will monitor progress

Progress against the delivery plan will be assessed and reported to Cabinet in the quarterly budget and performance reports. In addition, a number of key performance measures will be monitored to provide the information we need to achieve our ambitions, and provide regular assurance that meaningful progress is being made.

This delivery plan will also form the basis for directorate performance challenge sessions which will enable elected representatives from across the political spectrum to review progress and help to identify and overcome barriers that may be hampering the delivery of our County Plan.

Indicators we plan to use to track progress include:

Environment

✓ Reduce the average kilograms of waste per person
✓ Increase in the percentage of waste sent for recycling
✓ Increase the % of journey-kilometres made by walking, cycling and public transport
✓ Reduce the county's carbon footprint
✓ Increase the % of investment that contributes significantly to achieving climate and nature goals
✓ Reduce the council's carbon footprint
✓ Improve water quality in our rivers
✓ Increase tree cover
✓ Increase biodiversity
✓ Increase residents' access to wild space and green space

Community

✓ Increase the number of affordable houses delivered with 450 homes built by March 2022
✓ Reduce the number of rough sleepers in Herefordshire to no more than 12 people at any time
✓ Reduce the rate of admissions to care homes (aged under 65 & 65+)
✓ Maximise the take up of the Talk Community Seed Funding
✓ Increase the income generation into the county for the use by the third sector
✓ Increase the volunteer capacity
✓ Increase the number of people engaging with the Healthy Lifestyle Trainer Service
✓ Increase the number of talk community hubs active in the county to 50 by march 2022
✓ Increasing the number of schools which show a positive progress indicator at age 16 and attainment in second quartile (measure to be determined given lack of national data due to cancellation of exams in 2020)
✓ Reducing the number of school leavers who are not in education, training or employment (target to be set but with the caveat of potential impact of COVID-19 on opportunities).

Reduce the average kilograms of waste per person

CO2

Reduce the council's carbon footprint

Increase residents' access to wild space and green space

450

Increase the number of affordable houses delivered

Increase the volunteer capacity

Maximise the take up of the Talk Community Seed Funding
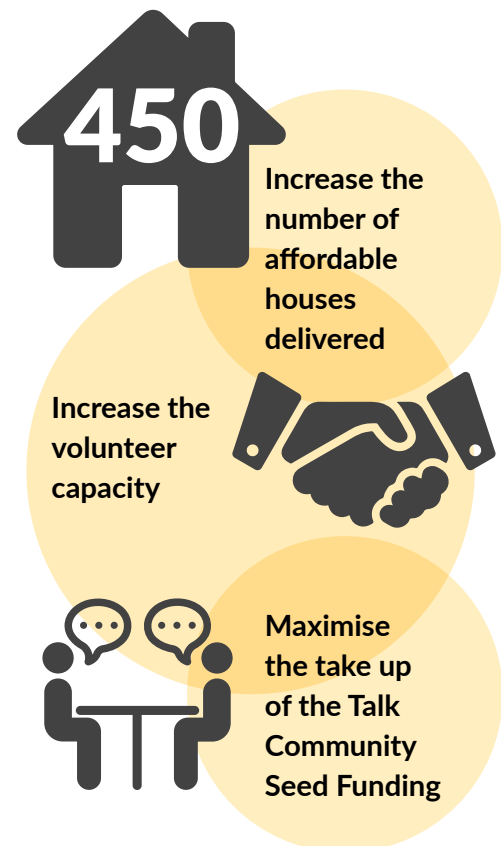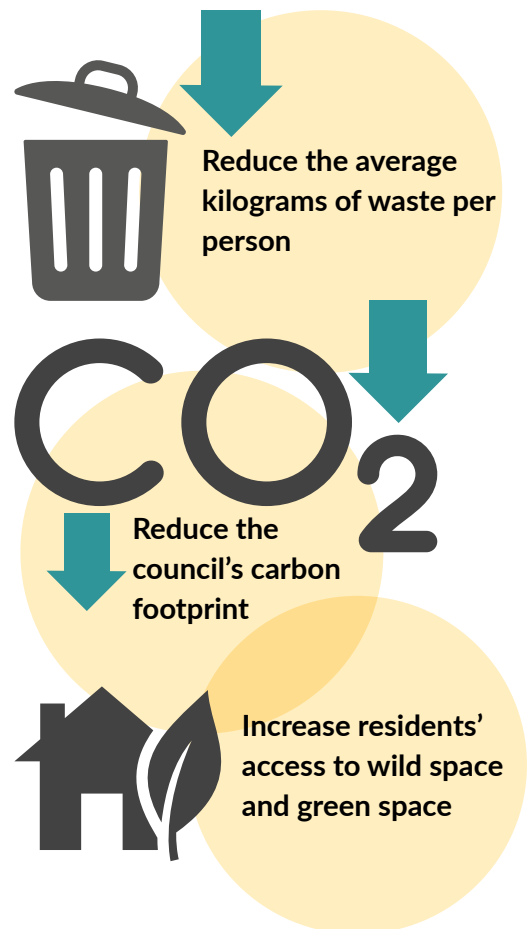
✓ Aim to have no more than 320 looked after children by end of 2021– in line with West Midlands regional average from 2018/19

✓ Increase the proportion of audits of children's cases rated as good or outstanding

✓ Increase the proportion of care leavers in touch, in suitable accommodation and in Education, Employment or Training (3 separate measures) – 92%, 87%, 57% respectively i.e. good statistical

✓ Reduction in the number of people claiming unemployment related benefits (Claimant count) (Note: This could increase significantly in the short term due to COVID- 19 & may not be possible to reduce within 18 months)

✓ Increase employee engagement (council workforce)

✓ Improve resident engagement and overall satisfaction with the council

✓ Number of people in Herefordshire using the internet

Economy

✓ Increase investment in the county from both public and private sources.

✓ Increase the number of jobs created through investment on council land and local procurement

✓ Increase the % of residents with skills at NVQ level 4 and above.

✓ Increase the number of HE (Higher Education) students, adult and community learning students, apprenticeships and job placements, and quality of the provision in each

✓ Increase the number of tourism visitors to the county and average visitor spend

✓ Increase the % of the council procurement budget spent locally.

✓ Increase the percentage of premises in Herefordshire able to access a superfast broadband service (over 30Mbps) (target 94%)

Aim to have no more than 320 looked after children by end of 2021
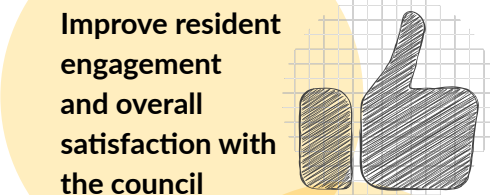
Improve resident engagement and overall satisfaction with the council
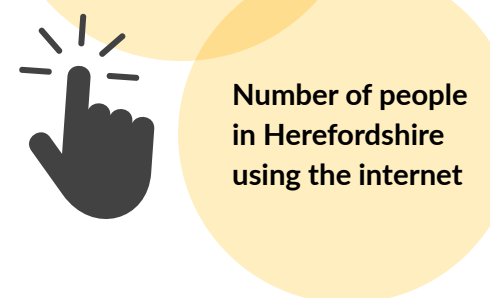
Number of people in Herefordshire using the internet

Increase investment in the county

Increase the number of tourism visitors to the county and average visitor spend
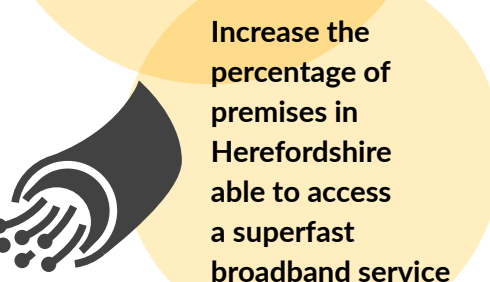
Increase the percentage of premises in Herefordshire able to access a superfast broadband service

Herefordshire Council

Meeting:	**Cabinet**
Meeting date:	**Thursday 26 November 2020**
Title of report:	**Quarter 2 Budget & Performance Report**
Report by:	**Cabinet member corporate strategy and budget**

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To review performance for Quarter 2 2020/21 and the budget forecast.

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

The 2020/21 forecast outturn is a £14,790k overspend as at the end of September 2020.

Recommendation(s)

That:

(a)   Cabinet review performance and financial outturn for quarter 2 2020/21, as set out in appendices 1 - 8, and identifies any additional actions to be considered to achieve future improvement

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Further information on the subject of this report is available from
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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 Budget

2. The 2020/21 outturn is £14,790k overspend as at the end of September 2020.

3. The table below sets out the directorate position at the end of September. Further service detail is available in appendix 1.

	Working Budget	Outturn	Forecast Outturn	Movement since last quarter
	£000	£000	£000	£000
Adults & Communities	58,249	61,996	3,747	(708)
Social Care	-	-	0	1,254
Children & Families	33,139	37,401	4,262	(1,668)
Economy & Place	29,686	33,187	3,501	(107)
Corporate	16,852	17,223	371	101
Directorates	**137,926**	**149,807**	**11,881**	**(1,128)**
Central, treasury management, capital financing & reserves	19,191	18,708	(483)	0
Total Revenue	**157,117**	**168,515**	**11,398**	**(1,128)**
Covid 19 additional expenditure	0	3,392	3,392	0
Total Revenue	**157,117**	**171,907**	**14,790**	**(1,128)**

4. The outturn position forecasts a £14,790k overspend, £11m of this position relates directly to the COVID-19 impact on both expenditure and income. This is an improvement since quarter 1 of £1,128k.

5. Adults & Communities is reporting a forecast overspend of £3,747k of which £3,666k (98%) is directly related to COVID-19 pressures. This reflects a non-COVID-19 forecast overspend position of £81k for the directorate as at Q2. Of the £3,666k COVID-19 pressure, £1.5m is estimated to form part of future NHS claims in this financial year, leaving £2.1m to be funded from the central government grants to the local authority. A reduction in income has been seen across services in Economy and Place, together with increases in costs associated with responding to the pandemic. Children and Families reflects the cost pressure in placements costs. In addition, the revenue budget includes the COVID-19 pressure of PPE and community support.

6. Government has awarded grants to local authorities to manage the COVID-19 pressures, this is expected to cover around 70% of the pressure, depending on the final COVID-19 spend, although this is ongoing discussions between government and the local authority. A summary has been provided at appendix 6 in relation to COVID-19. The remainder of the pressures will be funded by the change in activity of the council in reducing costs and by reserves if required.

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7. The central, treasury management, capital financing and reserves underspend is detailed in Appendix 3 and reflects the delayed need to borrow from a combination of high cash balances and slippage in capital investment spend, detailed in appendix 2.

8. As at end September claimants of council tax reduction, due to being a low income household, have increased in 2020/21 from an expected working age caseload of 5,375 to 6,255. This means that council tax income in 2020/21 is forecast to decrease by £0.8m due to the additional discounts awarded. This deficit can be carried into 2021/22 and will be reflected, with the latest forecast estimates, as part of the 2021/22 budget setting process.

Capital Budget

9. The capital Budget for 2020/21 has been revised to £88.989m, the summary breakdown is shown in the table below, but this consists of £51.712m 2019/20 carry forwards of unspent budget. Additional grants of £8.454m, further borrowing to fund the flooding works of £4.027m and a reduction in the use of the capital receipts reserve of £1.053m due to an external grant allocation to replace this funding. Details of the exercise to re-profile project budgets in quarter 1 are in appendix 2, which saw a reduction of £98.613m.

10. The forecast spend is £72.056m, which is an underspend of £16.933m, of the £88.989m 2020/21 budget equates to 79%; full details for each capital project are in appendix 2. This forecast underspend consists of projects that are anticipated to deliver below the project budget, may no longer be required or where there have been further delays in progress. COVID-19 restrictions have had an impact upon a number of construction projects where work was suspended for a period.

11. There are a few outstanding items that may affect the overall future capital programme budget, these are recent LEP grant allocations and Towns Fund Grant, but these will only be added to the capital programme if the decision is taken to accept the terms of the grant. Also a decision to Council to fund the leisure pool non-insurable costs was made in quarter 2 (25 September 2020).

	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000	Total
February 2020 Council Approved Budget	121,796	47,386	29,531	21,113	219,826
Re-profiled	(98,613)	46,510	52,103	-	-
19/20 Carry Forwards	51,712	-	-	-	51,712
Priority Flood Works Borrowing	4,027				4,027
Reduction for HEZ grant	(1,053)				(1,053)
Additional Grants	11,120	(2,666)	-	-	8,454
Revised Capital Budget	**88,989**	**91,230**	**81,634**	**21,113**	**282,966**

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Savings Delivery

12. The graph below shows the confidence in delivery of savings identified for 2020/21 and 2021/22. This represents an improvement in savings identified and achieved (green) for the current reporting year of £600k compared to the quarter 1 report. Further information can be found at appendix 5.

Savings confidence
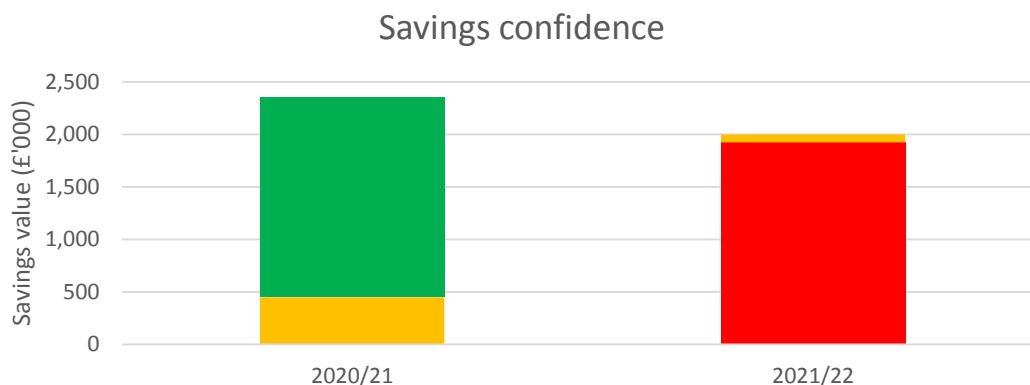
Green = achieved, Amber = in progress, Red = delay or at risk

Performance and Risk

13. Council approved the new County Plan in February 2020, identifying three key areas for prioritisation across the four year period 2020-24;

- ECONOMY: support an economy which builds on the county's strengths and resource; and
- COMMUNITY: strengthen communities to ensure everyone lives well and safely together; and
- ENVIRONMENT: protect and enhance our environment and keep Herefordshire a great place to live

14. Below are a list of highlights relating to performance during the quarter. More detail on the delivery plan items can also be found in appendix 7.

15. The councils Risk Framework has been updated since the last quarterly report, as such risks are now escalated to the councils corporate risk register based solely on risk score after control. As a result of the changes to the framework, some scoring mechanism have also changed, so changes of risks from the previous quarter will not be reported in this quarter.

16. The risks from the Corporate Risk register have been displayed against the ambitions in appendix 7.

17. In addition, an updated COVID-19 Risk Register has been supplied at appendix 8. COVID-19 specific risks have been documented in a separate risk register to support a more flexible, project style approach.

Economy

18. COVID-19 and the related lockdown restrictions has severely affected Herefordshire's local economy since mid-March 2020, with the true extent of the impact not yet fully known. Whilst the lifting of lockdown measures for many sectors in June and July helped

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the economy to start to recover, many business have remained either closed throughout or are continue to operate at reduced levels.

19. In August 2020, 24,800 people (31% of the eligible workforce) were on furlough through the Job Retention Scheme. The closure of the Job Retention Scheme later in the year could have a further significant impact on local unemployment.

20. In September 2020, the total number of claimants for out-of-work benefits was 5,000; a 137% increase since March compared to a 117% rise in England in the same period and unchanged from August. Within this number there were 960 claimants aged 18-24; an increase of 131% since March compared to a 126% rise in England in the same period and a decrease of 3% from August.

21. A recent report by Grant Thornton for The County Councils Network identified Herefordshire as one of the counties estimated to have experienced a greater than average decline in Gross Value Added (GVA) and classified 55.59% of employment in the county as currently 'at risk' (compared to a national average of 48.8%), due to the high prevalence of particular industries locally, self-employed workforce and the county's demography.

22. Throughout the last 7 months Herefordshire Council has worked with local partners to deliver a wide range of support to businesses, including;

- Providing information, advice and guidance to thousands of businesses across Herefordshire via Marches Growth Hub or the council directly. Cabinet Member for Economy, Environment and Skills has frequently written to and e-mailed businesses across the county to raise awareness of the support that is available to during the crisis.
- The council established a group of key business representative organisations to provide a forum to share information on the key impacts on the economy, identifying the support requirements, and co-ordinating delivery of services across the different organisations.
- As of 30 August 2020, the council's finance team had supported 4,946 businesses with small business support grant payments totalling £56,840,000 - 98% of eligible hereditaments (compared to 93% nationally).
- The council has provided £3.21m of Discretionary Grants (the full allocation) to 407 local businesses and charities that had not been supported by the previous grants but were affected by the crisis. The Discretionary Grant Scheme included a hardship/exceptional circumstances element to help those that needed assistance the most, recognising the high number of micro and self-employed businesses across the local economy.
- The council and the Herefordshire Business Board secured a £444,220 grant from the Marches Local Enterprise Partnership to support the soonest possible recovery of the visitor economy. Recognising that the visitor economy (accommodation, attractions, retail, hospitality, cultural venues etc.) has been worst affected by COVID-19 during their usual peak season. The project is delivering an extensive tourism marketing and PR campaign to encourage day and overnight visits. To date the Apples for Autumn campaign has established significant coverage across a range of national newspapers and other media outlets.
- An application to the government Kickstart scheme has been submitted to both provide direct placements ourselves, but to also be a 'gateway' for other businesses or organisations. The Kickstart scheme provides 100% funding for 6 monthly placements for 16 to 24 year olds claiming universal credit to gain critical work experience. In order to apply directly to the scheme an employer needs to offer 30 placements or more. Through being a gateway applicant, smaller organisations will be able to offer placements to those that need this support the most.

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- The Marches Small Business Recovery Grant ERDF Scheme is currently allocating £182,000 to around 73 Herefordshire small businesses to support their recovery from the crisis.
- Plans to allocate the £172,000 ERDF Re-Opening of the High Street Safely Fund is being finalised to deliver a range of communications and advice services, and public realm improvements to enable people to safely return to the high street.
- Emergency active travel measures were introduced in Hereford and each of the market towns following local consultation to provide space for social distancing to support retail and promote the use of cycling and walking. These measures include footway widening, road closures and cycle lane provision to enable people to choose active modes of travel and to remain socially distanced as restrictions were lifted.

23. Despite COVID-19 restrictions that required a suspension of construction works earlier in the year, the Number 1 Station Approach Student Accommodation is due to be completed by the end of the year and will support higher education and skills in partnership with Hereford College of Arts and NMiTE. The renovation of the previously derelict WWI Shell Store in to a modern high quality business incubation space is due to be completed in November. The construction of the Midlands Centre for Cyber Security has now been completed through a joint venture between the council and the University of Wolverhampton, providing specialist facilities and support to enable the country to build on our significant strengths in this sector.

24. There were a total of 136 young people Not in Education, Employment or Training (NEET) in August 2020 compared to 123 in March, which equates to 3.8% of the total cohort of who have reached statutory school leaving age. Of the total NEETs, 98 (72%) were available for the labour market and 38 (28%) were not available for the labour market due to being a carer, teenage parent, sickness, or pregnancy. There is national concern that there will be a significant increase in youth unemployment. The council is working with two Opportunity Areas (Blackpool and West Somerset) which have made inroads into this area; looking at their best practice and implementing their successful initiatives locally, alongside better tracking. It is the intention to move from the bottom quintile (bottom 20%) to quartile 3 (50-75% of authorities), however it is recognised that the current climate will make performance volatile across the country in 2020.

25. By September 2020 the percentage of premises in the county that can access superfast broadband had risen to 91.9% - the target for the financial year is 94%. Whilst the digital inclusion training sessions at libraries and other venues ceased due to Covid-19, the council introduced the "Keep Connected" Grant. This was to help not-for-profit groups and organisations to adapt their services and enable people to access digital support. Up to quarter end 81 grants have been offered to groups (including 39 to parish councils) – a collection of case studies were produced and published [here](#).

26. Support has also been provided for Parish and Town Councils to help improve their online presence – the need for this became more apparent as councils supported their communities during lockdown with digital being a key way of engaging; this provided assistance with webpages, sharing information, social media and emails ([more information](#)).   Fastershire business training moved online with 80 attendees in the quarter; and community information events also moved online to give an outline of future deployment (supported by direct mail).

27. The implementation of repairs following the major flooding in early 2020 has continued with priority being given to the major works to the Hereford to Fownhope Road. The first phase was completed in July 2020 and following the council's decision to allocate additional

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funding on 27 July 2020 the second phase of works is now underway and due for completion in February 2021.

Community

28. There have been delays due to COVID-19 in the delivery of the planned 220 affordable dwellings for 2020/21. Development sites were closed down for 6 weeks or more and the closure of numerous supply businesses has resulted in a continuing shortage and delay on some building materials. However, the Registered Providers have clawed back progress on some sites and at present predicted delivery to 200 dwellings this year, a 10% reduction on the original plans for the year. Delivery of this revised target, and potentially a few additional units, is dependent on continued good weather and lockdown restrictions.

29. There is evidence of a sustained upturn in key measures across the children's safeguarding and family support services. Contacts handled in MASH are meeting timescales in 93% of occasions and police notifications for the domestic abuse hub are dealt within 48 hours in 97% of the time. Timeliness at this point of the system is key to ensuring that children receive the right help at the right time. An early help hub was also established in September, and whilst performance monitoring will not show results until October, having this preventative approach embedded in to the MASH will further help to ensure timeliness and that children are routed more effectively at an earlier stage.

30. Assessment timeliness remains at a consistently higher level than recent years and changes around the allocation of Child In Need cases so that they remain with the workers in the assessment team leads to greater continuity, which is associated with improved practice and better outcomes. Furthermore the involvement of Family Support Workers at an earlier stage intends to prevent further escalation of cases.

31. The number of looked after children remains relatively high, but the service has seen a reduction from 356 in February this year, to 337 at the end of September. Teams continue to pursue Special Guardianship Orders (SGO) where this is the most appropriate option; this supports children to be placed in their wider family and minimising the requirement for a social work intervention. Between 01 April and 30 September 2020 13 children have had their care orders discharged following the granting of an SGO. A project to reduce the numbers of children placed in residential care has been established. At the end of quarter 2 there were 22 children living in residential placements, often a long way from their friends and family, who would be better supported within a family setting, including foster care.

32. To further support reducing the number of children that become looked after, the Edge of Care service, ECHo, has now been established this year. To the end of quarter 2, 35 children and young people have been worked with, 3 cases have been closed to the team, with two of these children not requiring care as a result; this is estimated to have avoided £141,000 approx. in costs and these children have continued to live with their family.

33. Audit activity shows an improvement on 2019/20 figures. To date 42% of cases audited have been identified as good or outstanding, up from 17% last year. To support the improvement in this area, Signs of Safety (SoS) (a strength based social work model) is being implemented. To date, training has been delivered to staff, partners and cabinet members, the implementation plan has received praise from Elia (the international body which oversees SoS).

34. The Children & Families directorate also continues to develop the offer to support the recruitment drive. Twenty newly qualified social workers have been recruited, a refreshed draft childrens workforce strategy and appointments to the Principal Social Worker for the

social work academy. This has meant more permanent staff in place to support children and avoid drift and delay in cases.

35. Attendance in Herefordshire schools remains high running at around 91-94% (this is well above national performance). Similarly schools in the county are above national for the attendance of pupils with education, health and care plans and also those with a social worker.

36. As the winter approaches, discharges from hospital in to adult social care are increasing and are now at the levels we experienced before COVID-19 with discharge routes closely monitored. A bid for additional discharge to assess money has been submitted to the Clinical Commissioning Group, following the predictions of winter and COVID-19 pressures in coming months – which would equate to an increase of 31% in the number of clients. The added resource would cover additional staff to manage the flow of cases, as well as additional Reablement workers, increased number of residential and nursing discharge to assess beds.

37. As the national lockdown eased, the Talk Community response was scaled back during the quarter. The phone line was embedded in to business as usual within the customer services team at Blueschool House and continues to link in vulnerable people to meet their needs with essential supplies and befriending. During the quarter the following activity took place:

   - 80,000 letters sent to Herefordshire households
   - Over 4,000 calls to the Talk Community helpdesk
   - More than 2,000 people supported (1,300+ with food supplies and 900+ with medication collections)
   - 1,500 volunteers registered
   - 150 community groups actively engaged
   - More than 200 community contacts made
   - 200 council staff redeployed into Talk Community;
     - Including 70+ link workers redeployed as liaison officers with communities & providing advice and support

38. During the quarter, surveys were undertaken with all known community groups that supported the COVID-19 response to understand future resilience plans and a further survey was sent to all 1500 volunteers that registered with us to assess future volunteering capacity. The Talk Community team worked in partnership with a number of community and voluntary organisations during COVID-19 – in particular with HVOSS. The council have since commissioned HVOSS to be the strategic third sector umbrella organisation that will support in developing and engaging with the community sector, and to provide a volunteering infrastructure for the county.

39. Following cabinet approval for the Talk Community strategic approach in September 2020, a number of projects are currently in the scoping stage with 2 Talk Community Hubs launched in September and a number to be launched during quarter 3.

40. Environmental Health and Trading Standards officers have worked with police on daily patrols monitoring compliance of COVID-19 restrictions since the start of lockdown across all the market towns and the city. This continued until July when the lockdown was effectively lifted, however this resumed as of September. Environmental health officers have also been embedded into the public health teams to assist with contact tracing and trading standards and environmental health officers continue to respond to numerous daily complaints from the public about non-compliance.

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41. As part of Project Brave, the council has sourced accommodation and provided support for over 80 vulnerable homeless people in various locations as a continuation of the 'Everyone in' arrangements under COVID-19 (63 were accommodated at end of quarter 2). During the operation of the national 'everyone in' policy accommodation was offered and sourced to everyone who was identified as rough sleeping or at risk of rough sleeping. A small number of people remained sleeping rough, either through refusing the offer of accommodation or by accepting the accommodation and then leaving it; or through being required to leave by the private sector landlord. The service has also introduced a 24/7 emergency contact service to support the private sector landlords who are contributing to Project Brave.

42. There has been considerable success in finding solutions for individuals through the approach; including 46 people provided with long-term sustainable housing, and 8 supported into employment. Others have identified individual achievements such as reduced substance misuse, better self-care etc.

43. Project and capital funding has been identified to deliver 14 new units of long term sustainable homes, in addition a further 20 – 25 additional units of transitional and emergency accommodation have been identified including the development of a new homelessness hub on White Cross Road. A grant of £410,000 has been secured from Ministry of Housing, Communities and Local Government (MHCLG) to support people where they are currently accommodated, whilst helping to secure long term sustainable homes. A bid for a further £102,000 has been also made and the decision is awaited.

Environment

44. Work to reduce the council's carbon footprint continues. A corporate energy efficiency programme is delivering projects across the council; some of these projects had been delayed due to COVID-19, however these are now back on track. The council has most likely made carbon savings during the summer months due to the reduced occupancy of offices, however the latest guidelines of keeping buildings well ventilated throughout the winter to prevent the spread of COVID-19 will see potential increases in our heating related emissions, particularly across maintained schools (to be assess at the end of the financial year).

45. The Climate and Ecological Emergency county group are currently developing an action plan due to be published in the new-year and setting up a new, permanent structure to take the action plan forward beyond 2021, this will reduce the target for the county's carbon footprint. The Warm Homes Fund first time heating scheme has been delayed during the first half year due to concerns over letting contractors into premises. The council has also secured just over £1m from central government under the Green Homes Grant, Local Authority Delivery scheme to install energy efficiency measures in approximately 100 fuel poor households across Herefordshire and Shropshire, to be delivered by the end of the financial year 2020/21.

46. Through increased staff working from home change in practices to be more digital based has seen a reduction in print, postage and mileage (full figures available at the end of financial year). Whilst creating reduced cost in those area they also have a positive impact on the un-necessary use of resources.

Community impact

47. In accordance with the adopted code of corporate governance, Herefordshire Council must ensure that it has an effective performance management system that facilitates effective

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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.

48.   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.

Environmental Impact

49.   This decision does not have any direct implications for the environment. The report details how progress is being made in achieving the Delivery Plan which in turn identifies how the council will work deliver the Environmental ambitions within the County Plan. The individual projects/deliverables detailed within the delivery plan will all be subject to their own governance arrangements.

Equality duty

50.   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.

51.   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. This report has no direct equality implications; it is a report to cabinet on work undertaken by the local authority in the last quarter, each of these workstreams will consider their individual equality duties. This report will have no detrimental impact on people with a protected characteristic.

Resource implications

52.   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

53. The recommendations have no direct legal implications.

Risk management

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54. The risks associated with the councils business, and delivery plan objectives or projects are entered on to the relevant service risk register and escalated as per the council's Performance Management Framework and Risk Management Plan.

55. The COVID-19 Risk Register has also been included at appendix 10. The risk register records the risks in relation to COVID-19 as at the end of September.

Consultees

56. None in relation to this report.

Appendices

Appendix 1   Revenue Budget Forecasts

Appendix 2   Capital Budget Forecasts

Appendix 3   Treasury Management

Appendix 4   Debt Write-Offs (April 2020 – September 2020)

Appendix 5   Savings

Appendix 6   COVID-19 Spend Summary

Appendix 7   Delivery Plan dashboards

Appendix 8   COVID-19 Risk Register

Background papers

None Identified

Appendix A: Revenue Budget Position 2020/21 as at September 2020

	Working Budget	Outturn	Forecast Outturn	Movement since last quarter	Covid 19 related
	£000	£000	£000	£000	£000
Adults & Communities	58,249	61,996	3,747	(708)	3,666
Social Care	-	-	0	1,254	0
Children & Families	33,139	37,401	4,262	(1,668)	0
Economy & Place	29,686	33,187	3,501	(107)	3,453
Corporate	16,852	17,223	371	101	253
Directorates	**137,926**	**149,807**	**11,881**	**(1,128)**	**7,372**
Central, treasury management, capital financing & reserves	19,191	18,708	(483)	0	0
Total Revenue	**157,117**	**168,515**	**11,398**	**(1,128)**	**7,372**
Covid 19 additional expenditure	0	3,392	3,392	0	3,392
Total Revenue	**157,117**	**171,907**	**14,790**	**(1,128)**	**10,764**

Movement in Net Budget:

Adults & Communities: £381k Additional pension budget allocation, £444k rural monies from the sparcity reserve, £800k social care pool funding, £342k pay award.

Childrens & Families: £222k additional pension budget, £137k IT and telephone budgets moved to Corporate, £1,959k drawn down from reserves, £400k pay award

Economy & Place: £214k additional pension budget, £212k net transfer from reserves, £213k reduction for RCCO, pay award £374k

Adults and Communities: Revenue Budget Position 2020/21 as at September 2020

	Gross Budget	Working Net Budget	Full Year Outturn	Full Year Variance	Movement since last quarter
	£000	£000	£000	£000	£000
Learning Disabilities	25,386	21,868	21,955	87	(425)
Memory & Cognition	3,669	2,691	3,121	430	157
Mental Health	4,397	3,691	3,548	(143)	132
Physical Support	33,823	25,081	29,448	4,367	4,118
Sensory Support	459	389	405	16	19
Client Sub-Total	**67,734**	**53,721**	**58,477**	**4,757**	**4,001**
All Ages Commissioning	1,751	1,751	1,703	(48)	(46)
Care Operations	8,678	8,659	7,756	(903)	(535)
Commissioned Services	4,619	3,274	3,810	536	(13)
Transformation & Improvement	614	614	596	(18)	(32)
Prevention & Support	4,152	3,385	3,759	374	285
Directorate Management	(572)	(13,154)	(14,105)	(951)	(4,368)
Public Health	9,266	0	(0)	(0)	(0)
Adults & Communities	**96,242**	**58,249**	**61,996**	**3,747**	**(708)**

The key variances are:

Client budgets – The forecast overspend of £4,757k in the client area is mostly attributable to Covid-19, the majority being in the Physical Support client category.

Care Operations – The forecast underspend is due to vacancies across most of the operational teams.

Commissioned Services, Prevention & Support – The forecast overspend across both of these areas is mostly attributable to Covid-19 ie. temporary block contracts to support hospital discharge & homelessness support.

Directorate Management – The forecast underspend of £951k is a combination of NHS income claimed to date in relation to Covid-19 expenditure, other Covid-19 expenditure

to be funded by grant monies and a budget shortfall of £915k (currently being met by staffing underspends within Care Operations).

Children and Families: Revenue Budget Position 2020/21 as at September 2020

	Gross Budget	Working Net Budget	Forecast Outturn	Forecast Variance	Movement since last quarter
	£000	£000	£000	£000	£000
Children's Commissioning	885	616	568	(48)	(37)
Directorate	315	315	285	(30)	(10)
Directorate	**1,200**	**931**	**853**	**(78)**	**(47)**
Additional Needs	2,440	2,195	2,174	(21)	(29)
Commissioning Management	2,794	624	590	(34)	(22)
Development and Sufficiency	1,762	929	823	(106)	(47)
Early Help	1,002	832	712	(120)	(91)
Early Years	81	71	73	2	(1)
Education Improvement	584	339	365	26	0
DSG	83,583	0	0	0	0
Education & Commissioning	**92,246**	**4,990**	**4,737**	**(253)**	**(190)**
Safeguarding and Review	1,096	936	902	(34)	(97)
Children in Need	3,987	3,987	3,733	(254)	(196)
Looked After Children	21,535	19,903	24,901	4,998	(1,079)
Safeguarding Development	510	480	471	(9)	(17)
Safeguarding & Early Help Management	1,912	1,912	1,804	(108)	(42)
Safeguarding & Family Support	**29,040**	**27,218**	**31,811**	**4,593**	**(1,431)**
Children & Families	**122,486**	**33,139**	**37,401**	**4,262**	**(1,668)**

The key variances are:

The placement costs of the LAC population continues to be a pressure in children and families, the budget setting allowed for this pressure through creating a social care pot and contingency.

Economy and Place: Revenue Budget Position 2020/21 as at September 2020

	Working Net Budget	Full Year Outturn	Full Year Variance	Movement since last quarter
	£000	£000	£000	£000
Economic Growth	1,250	1,250	0	0
Highways & Transport	15,169	15,467	298	215
Housing and Growth	2,591	2,662	71	(43)
Management	223	213	(10)	(10)
Regulatory, Environment & Waste	14,815	15,727	912	(160)
Technical Services	(4,362)	(2,132)	2,230	(109)
Economy & Place	**29,686**	**33,187**	**3,501**	**(107)**

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The key variances are:

Highways & Transport - COVID19 related pressure £411k – mainly due to loss of vacant seat income whilst still paying 90% school/college contract costs and PPE costs. SEN transport pressure £50k

Housing and Growth – income pressure caused by COVID19 closure of libraries and museums

Regulatory, Environment & Waste – pressure on planning income £465k, £255k COVID19 related pressure on waste income and £170k reduction in licensing income

Technical Services – significant loss if income due to COVID19. Car parking £1.6m, Building Control £32k, Registrars £150k, Fairs and Markets £113k. Property Services pressures - £190k relating to Hereford Leisure Pool and Ross Swimming Pool, £300k COVID19 slippage in capital projects and BWOW, £61k expenditure to create PPE storage and distribution unit

Corporate: Revenue Budget Position 2020/21 as at September 2020

	Working Net Budget	Full Year Outturn	Full Year Variance	Movement since last period
	£000	£000	£000	£000
Corporate Support Services	6,270	6,199	(71)	(71)
Finance, Legal & Governance	8,477	8,749	272	244
People & Performance	2,105	2,275	170	(72)
Corporate	**16,852**	**17,223**	**371**	**101**

The overspend reflects the additional resource supporting the councils covid19 work.

Appendix B

Table A - 2020/21 Capital Budget Forecast			**2020/21**		
*Adjustments include reprofiling to future years and additional grants allocations	2020/21 Budgets £000s	Adjustments in Year* £000s	Budget £000s	Forecast £000s	Variance £000s
Adults and Communities					
Disabled facilities grant	1,853	146	1,999	1,999	-
Hillside	-	2,550	2,550	1,000	(1,550)
Carehome & Extra Care Facility	-	250	250	250	-
Technology Enabled Communities	300	700	1,000	1,000	-
Super Hubs	2,000	(1,800)	200	100	(100)
Private sector housing improvements	-	199	199	99	(100)
Total Adults & Communities	**4,153**	**2,045**	**6,198**	**4,448**	**(1,750)**
Corporate					
Fastershire Broadband	8,607	(5,036)	3,571	3,100	(471)
PC Replacement	641	(10)	630	630	-
Widemarsh Gardens	80	-	80	-	(80)
Electronic Document Management Storage	380	-	380	380	-
Better Ways of Working	850	-	850	350	(500)
Children Centre Changes	-	116	116	-	(116)
Total Corporate	**10,557**	**(4,930)**	**5,627**	**4,460**	**(1,166)**
Children's and Families					
Colwall Primary School	-	85	85	20	(65)
Schools Capital Maintenance Grant	1,200	1,114	2,314	1,164	(1,150)
Peterchurch Primary School	5,000	(4,700)	300	50	(250)
Expansion for Marlbrook school	2,000	1,348	3,348	3,348	-
Brookfield School Improvements	167	577	744	300	(444)
C&F's S106	-	649	649	374	(275)
Healthy Pupils	-	24	24	24	-
Individual Pupil Needs	-	38	38	38	-
Short Breaks Capital	-	118	118	118	-
Blackmarston SEN	-	52	52	32	(20)
Basic Needs Funding	8,891	(7,700)	1,191	-	(1,191)
2 Year Old Capital Funding	-	27	27	-	(27)
Preliminary works to inform key investment	-	986	986	186	(800)
Temporary school accommodation replacement	300	-	300	-	(300)
Total Children's & Families	**17,558**	**(7,381)**	**10,177**	**5,654**	**(4,522)**
Economy and Place					
Hereford City Centre Transport Package	1,500	132	1,632	1,632	-
South Wye Transport Package (detailed below)	14,795	(14,653)	142	68	(74)
Hereford City Centre Improvements (HCCI)	2,000	(1,000)	1,000	1,000	-
Hereford ATMs and Super Cycle Highway	1,000	-	1,000	1,000	-
Passenger Transport Fleet	7,800	(7,800)	-	-	-
Hereford Transport Package (detailed below)	350	1,640	1,990	182	(1,808)
Local Transport Plan (LTP)	12,272	(13)	12,259	12,259	-
Emergency Active travel Fund	-	19	19	19	-

Pothole & Challenge Fund 20/21	-	7,674	7,674	7,674	-
Priority Flood Repair Works	-	4,027	4,027	4,027	-
E & P's S106	-	511	511	511	-
Lea Flood Alleviation Scheme	-	299	299	299	-
Investment in C & U Roads	2,000	-	2,000	-	-
Investment in Infrastructure Assets	2,000	-	2,000	-	-
Highway asset management	3,750	(2,214)	1,536	1,536	-
Hereford Enterprise Zone	1,831	(884)	947	947	-
Hereford Enterprise Zone - Further funded dev	-	5,432	5,432	5,432	-
Herefordshire Enterprise Zone Shell Store	1,298	1,710	3,008	3,008	-
Ross Enterprise Park (Model Farm)	4,174	(3,174)	1,000	60	(940)
Marches Renewable Energy Grant	764	(476)	288	152	(136)
Marches business improvement grants	1,125	(408)	717	717	-
Empty Property investment & Development	1,000	-	1,000	650	(350)
Employment Land & Incubation Space in Market Towns	843	(843)	-	-	-
Leominster Heritage Action Zone	238	57	295	97	(198)
Development Partnership activities	25,000	(17,185)	7,815	5,115	(2,700)
Property Estate Enhancement Works	-	869	869	749	(120)
Corporate Accommodation	-	142	142	126	(16)
Leisure Centres	-	368	368	368	-
Solar Photovoltaic Panels	1,473	(1,228)	245	68	(177)
Integrated Wetlands	-	1,200	1,200	600	(600)
Sustainable Landscape Sustainable Places	-	195	195	195	-
SEPUBU Grant	-	329	329	97	(232)
LED street lighting	-	119	119	26	(93)
Estates Capital Programme 2019/22	2,095	833	2,928	1,912	(1,016)
Three Elms Trading Estate	-	240	240	240	-
Energy Efficiency	46	48	94	32	(63)
Warm Homes Fund	397	429	827	740	(87)
Gypsy & Traveller Pitch development	899	188	1,087	682	(405)
Car Parking Strategy	-	110	110	72	(38)
Car Park Re-Surfacing	-	115	115	-	(115)
Office and Car Park Lighting Replacement	58	134	192	65	(127)
Upgrade of Herefordshire CCTV	136	(4)	132	132	-
Schools Transport Route Planning	30	(14)	16	16	-
Courtyard Development	611	-	611	611	-
Corporate Fleet Procurement	-	325	325	325	-
Vehicle Replacement	19	-	19	19	-
Strangford Landfill Site Toilet Facilities	25	-	25	25	-
Hereford Library	-	211	211	12	(199)
Total Economy and Place	**89,529**	**(22,542)**	**66,987**	**57,493**	**(9,494)**

Total	**121,796**	**(32,807)**	**88,989**	**72,056**	**(16,933)**

Table B – Reprofiled budget details

	2020/21 Budgets Adj £000s	2021/22 Budgets Adj £000s	2022/23 Budgets Adj £000s	Reason
Children's and Families				
Peterchurch Area School Investment	(5,193)	2,000	3,193	Building works to commence later than planned
Expansion for Marlbrook school	(1,600)	1,600	-	Building works will not complete in 20/21
Brookfield School Improvements	(2,000)	2,000	-	Building works to commence later than planned
Basic Needs Funding	(7,700)	5,700	2,000	Finalising plans on where pupil places are required
Temporary School Replacement	(150)	150	-	Building works to start commence than planned
Total Children's & Families	**(16,643)**	**11,450**	**5,193**	
Corporate				
Fastershire Broadband	(13,414)	6,707	6,707	This profile is based on BT, Gigaclear and future contracts and is based on contractual milestones but with this financial years figures accounting for slippage.
Total Corporate	**(13,414)**	**6,707**	**6,707**	
Adults & Communities				
Carehome & Extra Care Development	(669)	669	-	Budgets re-profiled to reflect the delay in taking forward due to Covid 19. Budget retained in 20/21 to carry out initial feasibility works.
Technology Enabled Communities	700	(700)		Plan to deliver earlier due to current working practices.
Super Hubs	(1,800)	1,800	-	Budgets re-profiled to reflect the delay in taking forward due to Covid 19. Budget retained in 20/21 to carry out initial feasibility works.
Total Adults & Communities	**(1,769)**	**1,769**	**-**	
Economy and Place				
Hereford City Centre Transport Package	-	(2,000)	2,000	Spend profile revised to reflect delivery programme for consultation on public realm and transport hub projects and associated revised programme for delivery.
South Wye Transport Package	(18,200)	4,000	14,200	Spend profile revised to reflect project has been paused whilst transport review is undertaken.
Hereford City Centre Improvement	(2,500)	1,000	1,500	Spend profile is revised to reflect revised delivery programme of High Town refurbishment and development of additional area around Broad Street and King Street areas. This later work has been impacted by current COVID restrictions which limit stakeholder engagement.
Passenger Transport Fleet	(7,800)	-	7,800	Spend profile revised as grant funding has not yet been secured.
Hereford Transport Package	(1,000)	1,000	-	Spend profile revised to reflect project has been paused whilst transport review is undertaken.

Hereford Enterprise Zone	(1,965)	1,965	-	A delay to approval of the budgets in 2019 delayed the HEZ programme, which is reflected in the re-profiling. The re-profiling also considers the likely impact of additional £5m of funding secured from the Marches LEP in March 2020 (awaiting contract from the LEP prior to seeking a decision to add these funds to the capital programme).
Ross Enterprise Park	(5,279)	5,279	-	Budgets re-profiled to reflect delays to the development of the project, with funding sought from the LEP to meet an identified gap available funding.
Marches Investment Business Programme	(465)	(444)	909	MHCLG have agreed for the programme to be re-profiled due to the current impact of COVID. Project Change Request is in the process of being submitted.
Empty Property Investment & Development	(452)	452	-	Budgets re-profiled to reflect the delay in agreeing the grant element of schemes due to Covid 19.
Employment Land & Incubation Space in Market Towns	(843)	843	-	Budgets re-profiled to reflect the delay in taking forward the Employment Land and Business Space market town programme due to Covid 19.
Leominster Heritage Action Zone	58	(585)	527	Budgets re-profiled to reflect the delay in taking forward the Leominster Heritage Action Zone project due to Covid 19. Heritage England have approved the project delivery plan, but they have delayed the commencement of their national programme due to Covid 19.
Development Partnership Activities	(26,535)	13,268	13,267	Budgets re-profiled to reflect the delay in taking forward DRP projects primarily due to Covid 19. For example a decision regarding the development of student accommodation at the Hereford Football Club site, and progressing development option assessments of sites along the City Link Road and on College Road Campus have been paused until the impacts of Covid 19 are better known.
Solar Photovoltaic Panels	(1,286)	1,286	-	Spend profile revised to reflect project delays due to Covid and also seeking legal advice on feasibility of potential new projects.
Warm Homes Fund	165	(165)	-	Spend profile revised to reflect project delays due to Covid as home assessments are delayed. Project will continue as restrictions are lifted.
Gypsy & Traveller Pitch Development	(700)	700	-	Spend profile revised to reflect part of the delivery programme being delayed. Planning permission is yet to be agreed to continue with the 4 new pitches works, therefore expected to not be fully delivered until 21/22.
Schools Transport Route Planning	15	(15)	-	In line with agreed contract, remains within overall budget.
Total Economy & Place	**(66,787)**	**26,584**	**40,203**	

Total	**(98,613)**	**46,510**	**52,103**

Table C – Capital Programme position September 2020/21

Scheme Name	Prior Years £000	2020/21 budget £000	2021/22 budget £000	2022/23 budget £000	2023/24 budget £000	Total scheme budget £000
Economy & Place						
Hereford City Centre Transport Package	33,665	1,632	3,353	2,000	-	40,651
South Wye Transport Package	8,155	142	10,422	16,281	-	35,000
Hereford City Centre Improvements	-	1,000	3,000	1,500	-	5,500
Hereford ATMs and Super Cycle Highway	-	1,000	-	-	-	1,000
Passenger Transport Fleet	-	-	7,800	15,600	15,600	39,000
Hereford Transport Package	3,970	1,990	1,625	625	-	8,210
Local Transport Plan (LTP)	-	12,259	-	-	-	12,259
Emergency Active travel Fund	-	19	-	-	-	19
Pothole & Challenge Fund 20/21	-	7,674	-	-	-	7,674
Priority Flood Repair Works	-	4,027	-	-	-	4,027
E & P's S106	-	511	-	-	-	511
Lea Flood Alleviation Scheme	-	299	-	-	-	299
Investment in C & U Roads	-	2,000	-	-	-	2,000
Investment in Infrastructure Assets	-	2,000	-	-	-	2,000
Highway asset management	-	1,536	1,000	-	-	2,536
Hereford Enterprise Zone	12,035	947	1,965	-	-	14,947
Hereford Enterprise Zone - Further funded dev	-	5,432	-	-	-	5,432
Herefordshire Enterprise Zone Shell Store	4,309	3,008	-	-	-	7,317
Ross Enterprise Park (Model Farm)	284	1,000	5,786	-	-	7,070
Marches Renewable Energy Grant	12	288	120	-	-	420
Marches business improvement grants	41	717	892	1,349	-	2,999
Empty Property investment & Dev	-	1,000	752	300	-	2,052
Employment Land & Incubation Space in Market Towns	-	-	5,052	3,066	5,513	13,631
Leominster Heritage Action Zone	-	295	841	2,664	-	3,800
Development Partnership activities	6,250	7,815	13,268	13,268	-	40,601
Property Estate Enhancement Works	1,871	869	-	-	-	2,740
Corporate Accommodation	2,759	142	-	-	-	2,901
Leisure Centres	-	368	-	-	-	368
Solar Photovoltaic Panels	603	245	1,286	-	-	2,134
Integrated Wetlands	-	1,200	800	-	-	2,000
Sustainable Landscape Sustainable Places	-	195	-	-	-	195
SEPUBU Grant	64	329	-	-	-	393
LED street lighting	5,536	119	-	-	-	5,655
Estates Capital Programme 2019/22	517	2,928	1,390	-	-	4,835
Three Elms Trading Estate	235	240	-	-	-	475
Energy Efficiency	5	95	-	-	-	100
Warm Homes Fund	133	827	-	-	-	960
Gypsy & Traveller Pitch development	51	1,087	739	-	-	1,877

Car Parking Strategy	136	110	-	-	-	246
Car Park Re-Surfacing	1	115	-	-	-	116
Office and Car Park Lighting Replacement	108	192	-	-	-	300
Upgrade of Herefordshire CCTV	52	132	-	-	-	184
Schools Transport Route Planning	59	16	15	-	-	90
Courtyard Development	-	611	-	-	-	611
Corporate Fleet Procurement	413	325	-	-	-	738
Vehicle Replacement	-	19	-	-	-	19
Strangford Landfill Site Toilet Facilities	-	25	-	-	-	25
Hereford Library	134	211	-	-	-	345
Total E & P Capital Projects	**81,398**	**66,988**	**60,106**	**56,653**	**21,113**	**286,259**
Corporate						
Fastershire Broadband	18,754	3,571	6,707	6,707	-	35,738
PC Replacement	489	630	397	-	-	1,516
Widemarsh Gardens	-	80	-	-	-	80
Electronic Document Management Storage	-	380	-	-	-	380
Better Ways of Working	-	850	-	-	-	850
Children Centre Changes	314	116	-	-	-	430
Total Corporate Capital Projects	**19,557**	**5,627**	**7,104**	**6,707**	**0**	**38,994**
Children and Families						
Colwall Primary School	-	85	-	-	-	85
Schools Capital Maintenance Grant	-	2,314	1,200	-	-	3,514
Peterchurch Primary School	7	300	7,353	3,193	-	10,853
Expansion for Marlbrook school	1,193	3,348	1,600	-	-	6,141
Brookfield School Improvements	6	744	3,195	-	-	3,945
C&F's S106	-	649	-	-	-	649
Healthy Pupils	75	24	-	-	-	99
Individual Pupil Needs	233	38	-	-	-	271
Short Breaks Capital	-	118	-	-	-	118
Blackmarston SEN	32	52	-	-	-	84
Basic Needs Funding	-	1,191	5,700	2,000	-	8,891
2 Year Old Capital Funding	79	27	-	-	-	106
Preliminary works to inform key investment	29	986	-	-	-	1,015
Temporary school accommodation replacement	-	300	150	-	-	450
Total C & F Capital Projects	**1,654**	**10,177**	**19,198**	**5,193**	**0**	**36,221**
Adults and Communities						
Disabled facilities grant	-	1,999	1,853	-	-	3,852
Hillside	-	2,550	-	-	-	2,550
Carehome & Extra Care Facility	-	250	669	13,081	-	14,000
Technology Enabled Communities	-	1,000	500	-	-	1,500
Super Hubs	-	200	1,800	-	-	2,000
Private sector housing improvements	-	199	-	-	-	199
Total A & C Capital Projects	**0**	**6,198**	**4,822**	**13,081**	**0**	**24,101**
Total	**102,609**	**88,989**	**91,230**	**81,634**	**21,113**	**385,575**

	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000	Total
February 2020 Council Approved Budget	121,796	47,386	29,531	21,113	219,826
Reprofiled	(98,613)	46,510	52,103	-	-
19/20 Carry Forwards	51,712	-	-	-	51,712
Priority Flood Works Borrowing	4,027	-	-	-	4,027
Reduction for HEZ grant	1,053	-	-	-	(1,053)
Additional Grants	11,120	(2,666)	-	-	8,454
Revised Capital Budget	**88,989**	**91,230**	**81,634**	**21,113**	**282,966**

Grant Additions since February Council

	£000
Disabled Facilities Grant	146
Emergency Active Travel Fund	19
Integrated Wetlands (NHB)	2,000
Sustainable Landscape Sustainable Places	195
Highways Asset Management	-7,250
Pothole & Challenge Fund 20/21	7,674
Schools Maintenance Grant	551
HEZ - Further Development (LEP)	5,432
LTP Income to fund SWTP	-13
Lea Flood Alleviation Scheme	299
E&P S106	511
SEPuBu	-341
Marches Renewable Energy Grant	-768
	8,454

Appendix C Treasury Management Interim Report (30 September 2020)

This report ensures the council demonstrates best practice in accordance with CIPFA's recommendations in their Code of Practice for Treasury Management, by keeping members informed of treasury management activity.

1.   The UK Economy

- The Covid-19 pandemic remains the dominating factor, the national 'lockdown' has ended and in its place we are seeing more localised lockdowns, which are less strict in terms of shops, pubs, restaurants and businesses being allowed to remain open but with restrictions on the number of people in those shops at any one time, table service and a 10pm closing time on licensed premises. There are also limits on the number of people who can meet at any one time. The Test and Trace app is now up and running and individuals are required to check in at venues.

- The UK furlough scheme with the government meeting 80% of the salary payments is changing to 60% government and 20% employer from the beginning of October. This follows on from employers being required to meet the cost of pension contributions and National Insurance for employees on the scheme which was effective from August.

- The Bank of England made two emergency rate reductions, from 0.75% to 0.25% on 11th March and a further cut to 0.10% on 19th March. There was no change to the interest rate or Quantitative Easing programme when the MPC met on 17th September. The Bank did warn that in addition to the Covid-19 pandemic, a lack of clarity over the UK's future trade relationship with the EU could further threaten economic recovery.

2.   The Council's Investments

2.1   At 30 September 2020 the council held the following investments:

Investment	Term	Maturity Date	Interest Rate	Amount £m
Instant access bank accounts:				
Handlesbanken	N/A	N/A	0.03%	5.00
NatWest	N/A	N/A	0.01%	0.25
Instant Access Money Market Funds:				
Federated	N/A	N/A	0.05%	5.00
Aberdeen Standard	N/A	N/A	0.08%	5.00
Insight	N/A	N/A	0.01%	5.00
Blackrock	N/A	N/A	0.01%	2.81
Morgan Stanley	N/A	N/A	0.01%	5.00
Invesco	N/A	N/A	0.04%	5.00
CCLA	N/A	N/A	0.12%	5.00

95 Day Notice Bank Accounts:				
Santander	N/A	N/A	0.85%	5.00
NatWest	N/A	N/A	0.15%	3.00
Fixed Term Deposits:				
Coventry Building Society	184 days	10/01/21	0.18%	5.00
Thurrock Council	185 days	18/01/21	0.15%	5.00
Lancashire County Council	243 days	14/04/21	0.30%	5.00
Blackpool Council	273 days	14/06/21	0.25%	5.00
Total			**0.16%**	**66.06**

2.2   The council continues to select counterparties suitable for investment based on the credit worthiness service provided by their treasury advisors, Link Asset Services. The service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies. The modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system to which Link Asset Services allocate a series of colour coded bands with suggested maximum durations for investments as shown below;

- Yellow   5 years
- Purple   2 years
- Blue   1 year (only applies to nationalised or part nationalised UK Banks)
- Orange   1 year
- Red   6 months
- Green   100 days
- No colour not to be used

2.3   The council has earned interest on its investments as follows:

Month	Average amount invested		Average rate of interest earned		Amount of interest earned / *Forecast* £000	Budget £000	(Surplus) /Deficit £'000
	Actual / *Forecast* £m	Budget £m	Actual / *Forecast* %	Budget %			
Apr-20	78.5	40	0.50	0.50	30	17	(13)
May-20	63.2	40	0.47	0.50	25	17	(8)
Jun-20	67.0	40	0.39	0.50	21	17	(4)
Jul-20	79.4	40	0.24	0.50	16	17	1
Aug-20	75.7	40	0.20	0.50	13	17	4
Sep-20	72.2	40	0.17	0.50	10	16	6
Oct-20	*40.0*	40	*0.50*	0.50	5	17	*12*
Nov-20	*40.0*	40	*0.50*	0.50	5	16	*11*
Dec-20	*40.0*	40	*0.50*	0.50	5	17	*12*
Jan-21	*40.0*	40	*0.50*	0.50	5	17	*12*
Feb-21	*40.0*	40	*0.50*	0.50	5	15	*10*
Mar-21	*40.0*	40	*0.50*	0.50	5	17	*12*
Total					*145*	**200**	**55**

2.4   Interest income earned in the first quarter has been higher due to high balances following the receipt of COVID-19 grants from central government and the time taken to pay some of these grants over to businesses. However the average interest rate has fallen by 60% between April and September resulting in substantially lower returns than originally forecast.

2.5   In addition to investment income the council earns interest on the provision of loan finance to the waste disposal PFI provider, this is expected to generate loan interest payable to us of £2.2m in 2020/21, this will be recharged through the waste disposal PFI arrangement.

3.   The Council's Borrowing

Short-term borrowing

3.1   The council is continuing its policy of using short-term borrowing (if required) from other local authorities for short-term liquidity needs. These short-term interest rates are significantly below levels available from other sources avoiding a large cost of carry when comparing fixed interest debt to current (variable) investment rates.

3.2   The council can only borrow up to its Capital Financing Requirement, which represents the need to borrow for capital spend, and cannot borrow beyond this to finance the revenue budget. This is approved at budget setting in the Treasury Management Policy.

3.3   At the end of September 2020 there were no short-term loans outstanding.

Long-term borrowing

3.4   At 30 September 2020 the council held long-term borrowing of £128.4m, no new long-term borrowing has been secured. Rates are monitored and discussed with our treasury advisors to determine the optimum timing of securing any new long-term borrowing.

3.5   The current capital financing budget position is summarised below:

Summary of Borrowing Budget	Budget	Forecast	(Surplus) /Deficit
	£m	£m	£m
Minimum revenue provision	7.6	7.4	(0.2)
Interest payable on all loans	6.2	5.6	(0.6)
Total	**13.8**	**13.0**	**(0.8)**

4.   Summary of forecast outturn

4.1   The current net treasury forecast outturn is expected to be a surplus (underspend) of £0.7m, the main reason being the delayed need to borrow from a combination of high cash balances and slippage in capital investment spend.

Debt write offs for the period 1 April 2020 to 30 September 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 April 2020 to 30 September 2020 there were no cases exceeding £20k (2 cases for the period 1 October 2019 to 31 March 2020).

2 Individual debts written off in the period 1 April 2020 to 30 September 2020 totalled £103k (£708k for the period 1 October 2019 to 31 March 2020). 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:

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
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

Savings Performance 20/21

The savings plans for the council for the next two years were set out in the 20-21 budget papers. The savings requirement to balance the budget is £2,350 for 2020/21, this is shown in the breakdown below by directorate and by savings plan.

Savings	2020/21 £000	2021/22 £000	Total £000
Reducing the need for formal care services	600	500	1,100
Adults and Communities Directorate Total	**600**	**500**	**1,100**
Manage inflation and secure contract efficiencies	300	450	750
Organisational restructure to reflect the service requirements		200	200
Children and Families Directorate Total	**300**	**650**	**950**
Efficiency savings	523	273	796
Corporate Accommodation efficiencies	150		150
Commercial waste collections	200		200
Economy and Place Directorate Total	**873**	**273**	**1,146**
Efficiency savings	77	77	154
Corporate Services Total	**77**	**77**	**154**
Pension deficit	500		500
Treasury management - in house cashflow management		500	500
Central Total	**500**	**500**	**1,000**
Total Savings	**2,350**	**2,000**	**4,350**

Achieved
In progress
Delay or risk of none delivery

Adults and Communities

The savings are dependant on the LD and Complex Cases Project which was re-started due to Covid-19 on the 26th June. Staff vacancies are covering the gap in savings in the short-term.

Childrens & Families and Economy & Place

It is appreciate the savings will be made within the financial year.

Corporate Services and Central

These savings have been achieved.

Covid 19 Pandemic

Government has awarded grants to local authorities to manage the Covid 19 pressures. The allocation of spend is explained below:

Business Grants of £69m has been paid directly to local businesses under the following schemes, Small Business, Retail and Leisure, discretionary business and exceptional circumstances.

Central Government has awarded £12.5m to the local authority to fund the following

- 10% ex-gratia payment made to care providers and the commissioning of temporary block contracts and enhanced provider rates to support hospital discharge estimated at £3.6m
- **PPE** spend has been £2m which includes PPE issued to care homes.
- Losses of income including car parking £3.4m
- Supporting individuals shielding
- Fostering allowances
- Homeless and temporary accommodation costs
- Capacity for additional beds including Hillside.

Outbreak control grant of £877k has been allocated to staffing including Environmental Health Officers, Health Improvement practitioners, PPE coordinators and communications. The costs of the farm outbreak, local contact tracing and swabbing & testing facilities.

Economy · *Support an economy which builds on the county's strengths and resources* · Quarter 2 - 2020/21

Develop environmentally sound infrastructure that attracts investment	Use council land to create economic opportunities and bring higher paid jobs to the county	Invest in education and the skills needed by employers
Enhance digital connectivity for communities and business	Protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism	Spend public money in the local economy wherever possible

Delivery

| Reference	Action	Status	Comments
EC0.1	Develop an engagement framework for the business sector that enables the effective coordination of advice and support		The Economic Development Team are currently reviewing the areas of existing business engagement, idenifying gaps and drafting a framework to improve engagement going forward. This includes working with other areas of the council such as Talk Community and public health.
EC0.2	Enhance engagement with the private sector through a Talk Business programme of communications, networking and events		Adults and Communities and Economic Development Team working closely to develop a package of wellbeing and community engagement support for businesses.
EC0.3	Provide support to businesses to enable the soonest possible recovery of the local economy from the impacts of COVID-19		Discretionary Grant scheme successfully delivered in response to the first lockdown period, circa 500 businesses supported committing the total £3.2m government funding allocated. Significant national PR coverage generated through the visitor economy recovery marketing campaign. Currently finalising proposals for the Additional Restrictions Grant scheme to be established to support businesses through the second lockdown.
EC1.1	Introduce policy to ensure that a robust climate and nature impact assessment is conducted for all infrastructure proposals		Due to commence in January 2021.
EC2.1	Work with partners to develop and implement a £25m Town Investment Plan for Hereford, to be funded through the Stronger Towns Fund		The Hereford Town Investment Plan is currently on track to be submitted to government by their deadline of the end of January 2021. The external partnership Board has been formed, consultants appointed, stakeholder engagement underway, and potential project ideas being identified.
EC2.2	Develop & implement Market Town Economic Development Investment Plans for each of the five market towns (Bromyard, Kington, Ledbury, Leominster and Ross) to support recovery, growth and jobs		Consultants have been appointed to develop ED Investment Plans for each of the five market towns, with this work due to conclude by May 2021. Each town has been engaged, evidence base established and analysed.
EC2.3	Develop a Rural Economic Development Investment Plan to support job creation in rural areas		To be commenced following the conclusion of the Hereford and market town plans above.
EC2.4	Continue to support development of the Hereford Enterprise Zone, including completion & successful operation of the Shell Store business incubation centre and the Midlands Centre for Cyber Security, to deliver new high-skill job opportunities		Final fit out of the Shell Store is due to complete in November, with a number of potential tenants expressing interest in moving into the business space from January. The construction of the Midlands Centre for Cyber Security has been completed and the University for Wolverhampton are finalising plans for the building to become operational from early 2021.
EC2.5	Develop Maylord Orchards as a key strategic site; acting as a catalyst for the regeneration of Hereford City Centre		Consultants have been appointed to undertake a options appraisal of the potential redevelopment opportunities identified to date. This will conclude in December 2020.
EC3.1	Enable and support the development & expansion of higher education in the county (NMITE, HCA), including through supporting work to increase the availability of student accommodation		The county's first bespoke 178 bedroom student accommodation, Number 1 Station Approach, is due to open in early 2021. The council is working closely with Hereford College of Arts, NMITE and Wye Valley NHS Trust to consider how future student and key worker accommodation needs can be met.

| EC3.2 | Work with partners to expand our adult and community learning programme, with a particular focus on those at risk of long term unemployment, and young people at risk of not being in education, training or employment | | Our adult and community learning programme is funded by the Education and Skills Funding Agency and is aimed at people aged 19+ including those at risk of long term unemployment. Procurement for the academic year 2020/21 has concluded. A list of providers and current courses can be found HERE along with the adult and community learning plan 2019/22. We have 9 providers delivering this year, an increase of 3 new provider, National Star College, Walsingham and Whitehead Ross. We have also successfully delivered on-line courses during COVID-19 lockdown, starting from scratch, without previously having the infrastructure in place to do this. Validated performance data and benchmarking is reported in March each year.

We have led the procurement of the European Social Fund allocation on behalf of the Marches LEP. For those young people age 15 to 24 at risk of or not in education, employment or training (NEET), an ESF funded engagement programme has been awarded to Landau until March 2023. Called In2, this programme is delivered in partnership with the HVOSS, The Cart Shed, Horizon Training and Off The Bench Training, further information can be found in the Herefordshire prospectus. |
|---|---|---|---|
| EC3.3 | Provide more apprenticeships, including through the council's direct contracts | | The Covid response means there is a reduced focus on recruitment and workforce development activities and the start of the fully funded kick-start scheme may result in managers and employers favouring kick-start. |
| EC4.1 | Expand the Fastershire programme to increase delivery of superfast and ultrafast broadband coverage, including launch of Stage 5 to reach the remaining 3% of premises at the end of current contracts through Community Broadband Grant | | 91.9% of premises being able to access a superfast broadband service and 30.9% ultrafast. Procure of Stage 5 suppliers in process and first communities under this scheme progressed in the new year. |
| EC4.2 | Increase the number of businesses connected to high speed broadband by providing bespoke grant support | | Relaunch of the Business Grant scheme after confirmation of funding. |
| EC4.3 | Undertake feasibility study for a low power digital infrastructure that delivers benefits to residents and business and reduce the impact of digital exclusion | | In Quarter 2 an initial scoping study was undertaken across the County to understand feasibility, costs and infrastructure needed for the potential implementation of the network. |
| EC5.1 | Work with private sector partners to support the growth of the tourism industry across Herefordshire building on our strengths of outdoor activities, heritage & culture; and support the development of a destination business improvement district | | Consultants have been appointed to lead the next stage of the development of a Destination Business Improvement District. This includes working with the private sector to develop a business plan, leading up to a referendum of relevant businesses in 2021. The LEP funded visitor economy Covid 19 recovery marketing and PR project has already established significant national media coverage of the county. |
| EC5.2 | Implement the Leominster Heritage Action Zone Project, to act as a catalyst to the regeneration of the town and to attract new visitors | | Recruitment of the Heritage Action Zone Programme Manager is underway with interviews due to be held mid-November. |
| EC6.1 | Develop and implement a Social Value procurement policy to maximise the local benefit of all council spending | | Revised social value definition and pledges due to cabinet member decision in November 2020; and revision to the Contract Procedure Rules in 4th quarter to reflect increased drive for social value benefits through contracts. |

Corporate Risks

Risk

CRR.09 - EU Exit
CRR.31 - South Wye Transport Package
CRR.33 - South Wye Transport Package
CRR.46 - Parking Income
CRR.47 - Hereford Transport Package
CRR.48 - Hereford City Centre Transport Package
CRR.49 - Hereford City Centre Transport Package
CRR.50 - School Assets

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain				CRR.31	
	4 Likely				CRR.09, CRR.48, CRR.49, CRR.50	CRR.33, CRR.46, CRR.47
	3 Possible					
	2 Unlikely					
	1 Rare					

County Plan - Success Measures

Outcome Measure

01	Average Workplace Earnings
02	Unemployment rate
03a	Educational Attainment: Progress8
03b	Educational Attainment: Attainment8
04	Sustainable travel
05a	Killed/Seriously Injured
05b	Overall Highway Condition

| 06 | Gross Value Added |
| 07 | Broadband coverage |

CP.ECON.05b

CP.ECON.03b

CP.ECON.05a

CP.ECON.04
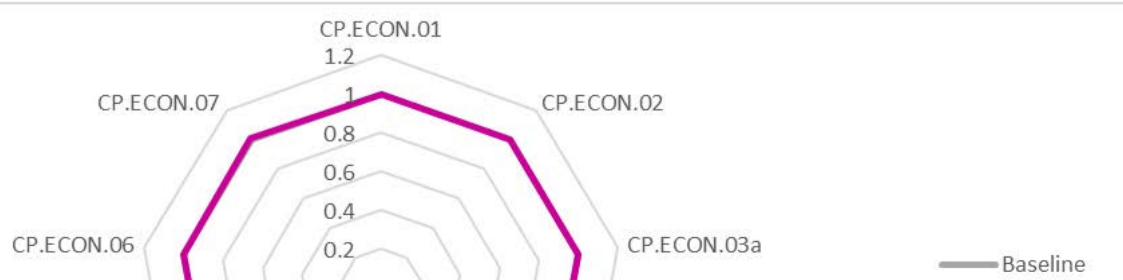
Q1 Update
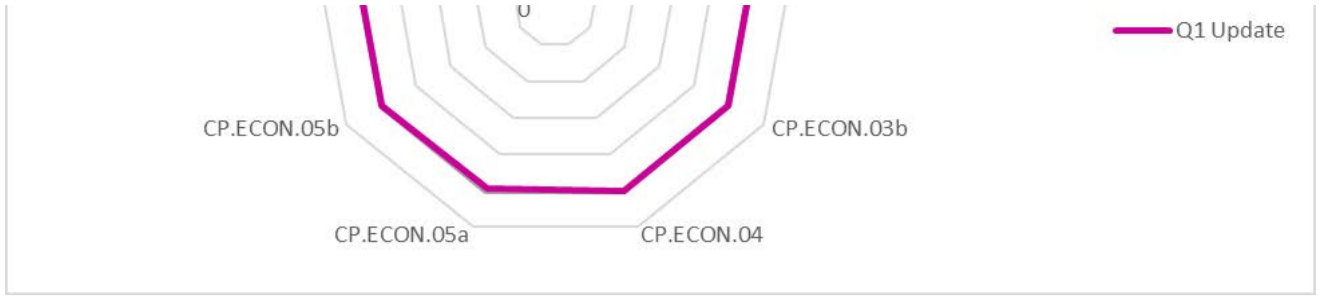
Ensure all children are healthy, safe and inspired to achieve	Ensure that children in care, and moving on from care, are well supported and make good life choices	Build publicly owned sustainable and affordable houses and bring empty properties back in to use
Protect and improve the lives of vulnerable people	Use technology to support home care and extend independent living	Support communities to help each other through a network of community hubs

Delivery

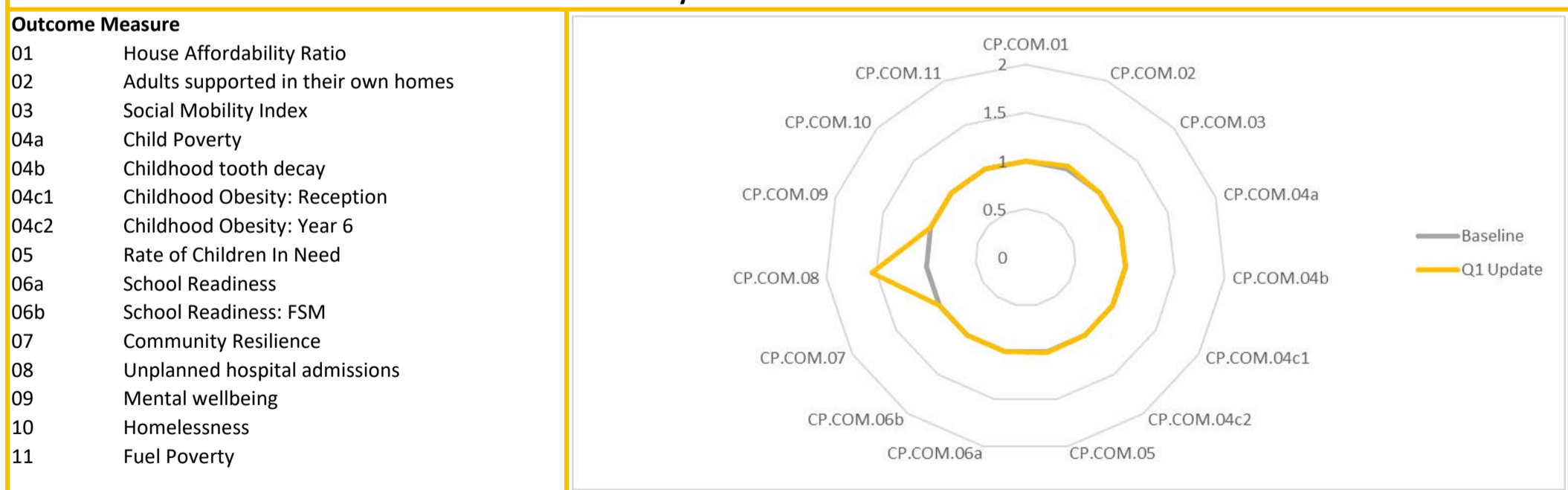| Reference	Action	Status	Comments
CO0.1	Improve the overall mental and physical health and wellbeing of residents of all ages with a more diverse and increased level of support that helps people to make healthy food and lifestyle choices		A review and redesign of Talk Community operational teams and functions commenced in September, with the underlying principles to increase reach, build resilience and improves impact of the service that targets the most vulnerable in our community and also increasing our engagement with communities.
CO0.2	Improve the capacity and capability of data management and use of systems to drive efficiencies and maximise user experience		First phase to fully implement PowerBI across the organisation, tested in Adults and Communities Directorate.
CO0.3	Implement capital highway maintenance projects		Public Realm Annual Plan (2020/2021) capital highway maintenance on programme for delivery by end March 2021. Additional Pothole & Challenge Fund and Investment in Infrastructure capital projects on programme for delivery by end March 2021.
CO0.4	Deliver the asset management plan to improve road conditions across the county		Asset management led infrastructure investment and delivery of revenue and capital highway maintenance delivery through public realm annual plan 2020/21.
CO0.5	Complete the infrastructure repair work following the flooding in winter 2019		B4224 Lechmere Lay (Fownhope) flood repair works completed July 2020. B4224 Fownhope Stone Cottage flood repair works commenced October 2020 for completion February 2021. Remaining high priory flood repair works will be completed by March 2022.
CO0.6	Complete the review of governance arrangements and implement new arrangements and constitution		The Audit and Governance Committee (AGC) recommended to full council on 9 October the adoption of a hybrid cabinet model of governance for implementation at the annual council meeting in 2021. AGC will receive updates from the Rethinking Governance working group about the review of the constitution aligning it to the new model of governance.
CO0.7	Development of a communication strategy and engagement framework that supports the delivery of the County Plan and improves the involvement by residents and key stakeholders in the development of services and ongoing direction of travel		The Communications Strategy and associated protocols and campaign plan and template have been developed and are due to be decided by Cabinet in December. This is to complement the Delivery Plan and is on course to be completed by the end of the year.
CO0.8	Development and delivery of the SafeHerefordshire campaign to support the fight against the pandemic and ensure key messages are being targeted effectively		The Safe Here campaign has been in process for the last six months and has proved highly effective in getting our messages out into the local community and through our partners. The latest strand of the campaign is to support the local economy and provide a network for independent and local suppliers to showcase their services through the Love Herefordshire map throughout lockdown and in the lead up to Xmas. A Covid 19 dashboard has been developed and is available on the website to help provide local residents with the latest information on local cases and links to Public Health England and ONS datasets. A special edition of Herefordshire Now focused on help and support during the pandemic was delivered to all households in the county in October.
CO0.9	Effectively manage COVID-19 outbreaks through the development and implementation of the Outbreak Control Plan		The Outbreak Control Group meets weekly and is overseeing the implementation of the Outbreak Control Plan which is subject to ongoing review and development based on current and future impacts of the pandemic. The Outbreak Control Hub has increased significantly to provide a 7/week offer including contact tracing, testing, surveillance, outbreaks control, enforcement and advice and support working with partners.

CO1.1	Deliver schools investment programme including completion of the expansion of Marlbrook and Mordiford primary schools and development of Brookfield and Peterchurch schools	The expansion of Marlbrook is underway. Contractor Morgan Sindall are on site and the fabric of the extension has been erected, the internals are underway and they are still currently on target for completion in readiness for occupation in September 2021. Peterchurch primary is going for cabinet decision on 26 November for approval to proceed with the developed design. Assuming approval is granted, tenders for this design work will commence in January 2021. A further report will need to go before cabinet to get approval to proceed with the actual construction once a firmer cost has been secured. Mordiford primary were reliant on the creation of off street car parking before any ability to expand could be considered. This has been completed this year. The expansion was a condition of planning. We are now working on removing this condition with a view to the admission number at the school being increased for September 2021. Brookfield development is also in the design stages. An architect has been appointed and is currently working with the council to develop plans for the improvements required.
CO1.2	Work with school leaders locally and nationally to develop and implement an action plan to support pupils and students to make the most of their education, particularly at Key Stage 4 and the move into the world of work	
CO1.3	Work with school and education leaders and other partners to minimise the impact of the pandemic by enabling and implementing a range of support including online teaching and home learning	
CO1.4	Improve the oral health of children in the county	Soft market testing for training and fluoride application undertaken but has not resulted in a formal tender process due to costs. Now negotiating a different model through Public Health Nurses. Limited progress on other elements of the plan due to Covid and the suspension of dental activity.
CO2.1	Implement and embed a new Children's social work model of practice which provides a strengths based approach to child protection case work (model is known as Signs of Safety)	Signs of safety implementation is continuing to progress with virtual training sessions and workshops taking place. Collaborative audit tool has been developed and work started on co-producing practice vision and supporting standards (practice manual)
CO2.2	Continue the improvement of the children's safeguarding system to ensure children and families get the right support at the right time, including early help and reduce the number of children needing to be cared for by the council	ECHO: 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 children on the edge of care have been identified and direct work has commenced. Early Help: The Early help hub went live on 21/09/2020 with induction and training completed.
CO3.1	Develop feasibility and options for the development of council owned homes and confirm the model for delivery	Feasibility and options analysis has been completed and a report prepared for consideration by Cabinet in November through which the model for delivery will be confirmed.
CO3.2	Submit planning application for the first site of Council owned affordable net zero carbon housing	Cabinet will be considering a report in November that will kick-start the process for the identification and preparation of a suitable site for development.
CO4.1	Develop and adopt new models of care accommodation to support vulnerable young people, people with learning disabilities and older people	Draft accommodation strategy was published for comment, further development of the strategy is underway. Framework for complex, learning disabilities cohort has been commissioned in collaboration with Worcester. Plans for 100 bed care home/care village are progressing with sites being short listed.
CO4.2	Develop and deliver a community meal offer (Talk Community Kitchen) that provides healthy meals to the local community and offers skills and training opportunities for young people and those at risk of long term unemployment	Scoping and developing the Talk Community Hillside kitchen offer took place in Quarter 2. The kitchen will be providing hot nutritious meals for the community to access 4 days a week. Existing assets and resources within Hillside will be used to deliver and support this offer. The launch date is Thursday 15th October.
CO4.3	Develop Right Support, Right Time for Families through our Talk Community approach and building on strengths within local communities	Initial work has taken place to review the information, advice and guidance for people who lose their jobs or face financial hardship; including what is provided via WISH, via council staff, via the private sector and community and voluntary sectors. Some information, including early help information has been updated and disseminated. A project is being established to put this on a clear project management footing.
CO4.4	Embrace the principles of "no second night out" and "housing first" through developing a model of delivery that prevents homelessness	Through a partnership of practice with 'Vennture' Project Brave has designed a model of support for those at risk of rough sleeping based on link-working and a 'Team Around The Need'. Accommodation options are being prepared sourced via Housing Strategy and successful funding bids to MHCLG.

CO4.5	Develop the council owned Hillside Care Centre to be a fully digital, dementia friendly and environmental care home		Scoping took place in Quarter 2 for the technology and digital approach in Hillside. This recommended the commissioning of a subject matter expert which is underway.
CO4.6	Develop and implement an all ages, whole system commissioning strategy that improves outcomes for people and families and maximises the use of resources		Initial project brief was presented to Corporate Directors, support was obtained to undertake diagnostic of Children's and Adults commissioning. It is planned to present the diagnostic findings to Corporate Directors in December. Draft Market Position statement was published this is to be presented to Scrutiny in November.
CO5.1	Develop a new Independent Living Services offer for Herefordshire residents		
CO5.2	Develop our assistive technology offer to enable people to maximise independent living including the delivery of a demonstration centre at Hillside Care Centre and an online catalogue		The Digital, Technology and Systems Programme is currently developing and delivering a range of projects including supporting people to maintain their independence in their homes (reducing falls and independent living tools) and infrastructure to support these.
CO6.1	Support communities to improve community resilience through development of a network of community led hubs throughout the county		Engagement and development of the Talk Community Hubs during Quarter 2 working with over 20 communities with 2 community led hubs going live by the end of September. There is continued engagement with communities to deliver the targets set.
CO6.2	Develop integrated service hubs within communities to tackle inequalities, meet the needs of the local community and that make best use of council and community assets		Scoping the project success criteria and stakeholders to develop a feasibility and asset review across the market.

Corporate Risks

Risk

CRR.03 - Budget & Savings Plan - Childrens & Families
CRR.04 - Human Rights Claims
CRR.39 - COVID-19
CRR.45 - COVID-19 Funding Issues
CRR.51 - Foster Carers
CRR.52 - Court Carers
CRR.53 - Market Viability
CRR.54 - Nursing Capacity
CRR.55 - Access to health funding (CHC funding)
CRR.56 - Discretionary Housing Payment

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain				CRR.04, CRR.51, CRR.52	CRR.39, CRR.55
	4 Likely				CRR.45, CRR.53, CRR.54, CRR,56	CRR.03
	3 Possible					
	2 Unlikely					
	1 Rare					

County Plan - Success Measures

Outcome Measure

01	House Affordability Ratio
02	Adults supported in their own homes
03	Social Mobility Index
04a	Child Poverty
04b	Childhood tooth decay
04c1	Childhood Obesity: Reception
04c2	Childhood Obesity: Year 6
05	Rate of Children In Need
06a	School Readiness
06b	School Readiness: FSM
07	Community Resilience
08	Unplanned hospital admissions
09	Mental wellbeing
10	Homelessness
11	Fuel Poverty

Environment

Protect and enhance our environment and keep Herefordshire a great place to live
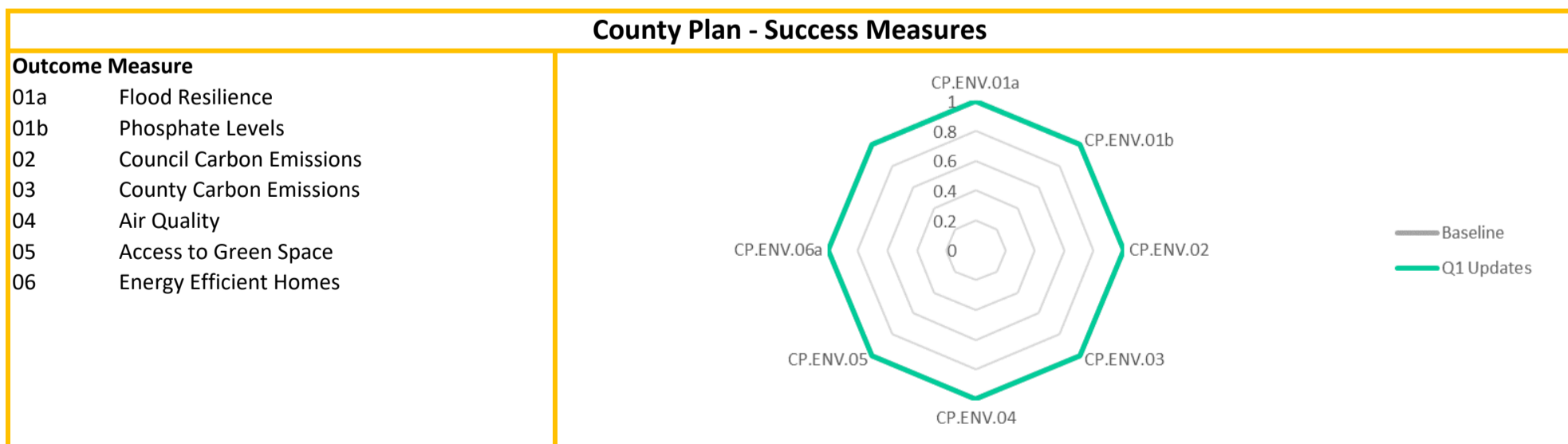
Herefordshire Council

Minimise waste and increase reuse, repair and recycling	Improve and extend active travel options throughout the county	Build understanding and support for sustainable living
Invest in low carbon projects	Identify climate change action in all aspects of council operation	Seek strong stewardship of the county's natural resources
	Protect and enhance the county's biodiversity, value nature and uphold environmental standards	

Delivery

Reference	Action	Status	Comments
EN0.1	Develop the evidence base for the update of the Core Strategy and confirm programme for new plan following enactment of the planning white paper		The development of the evidence base for the Core Strategy is being continued in areas likely to be of relevance and value whatever the outcome of White Paper consultation. Updated project plan is being drafted but will be finalised for decision/approval following confirmation of revised local plan framework and enactment date.
EN1.1	Develop a new waste strategy that drives the environmental ambition of the council, delivers value for money and meets residents' expectation. The new strategy will inform the future commissioning of waste collection and disposal in Herefordshire		Consultants appointed to develop public consultation exercise on the two waste collection options from the GSC T&F group (kerbside sort or twin stream recycling). Consultation period - 7th Dec - 7 Feb. Report on F/W for 29/10/20 to consider resource requirements for review. Further report planned May 2021 to decide collection service. Ongoing officer level discussions with WCC regarding the waste collection service and options to reprocure.
EN2.1	Complete the Hereford Transport Strategy Review and begin implementation of the preferred options		Transport review technical report and peer assessment report completed (October 2020). Cabinet due to consider review reports and to agree next steps December 2020.
EN2.2	Continue to deliver and extend the Choose How You Move sustainable and active travel programme to increase levels of walking and cycling		Project live and ongoing, although activity has been impacted and delayed by Covid. DfT have given approval to continue existing scheme delivery into 2021/22. Additional funding secured by Eco Dev team for the development of an eBike share scheme and a eBike/eCargo Bike grant scheme as part of the Towns Fund accelerated funding. This is being mobilised and project completion deadline is 30th April 2021.
EN2.3	Significantly increase electric vehicle charging infrastructure by leveraging private sector investment through the development of a concession contract		Preparing to commence procurement exercise for an EV concession contract. Initially planned to commence in Nov, however some further preparatory work is required before we can commence. In order to minimise impact of the Christmas break we have been advised to postpone the procurement until after Christmas to reduce the risk of less bidders. The three rapid charge points at Leominster, Ross and Hereford have been installed; however, we are still chasing WPD to commission these.
EN2.4	Explore feasibility for the development of a cycle super highway		Progress on this project is pending the decision on the next steps of the Hereford transport strategy assessment.
EN3.1	Create a new countywide climate & ecological emergency partnership, strategy and action plan to improve biodiversity and achieve countywide carbon neutrality by 2030		Interim webpages drafted and with CEE group for comment. Full website to begin development in Dec for Jan 2021 launch. Initial stakeholder events starting w/c 09/11/20. Draft action plans to be circulated by 13/11/20. Developing recommendations for future governance structure.
EN3.2	Introduce supplementary planning guidance on environmental building standards to ensure all new buildings are compatible with our climate and nature goals		Scoping report under preparation for procurement, with first draft of SPG for review targeted for May 2021 and for consultation July 2021 towards adoption November 2021.
EN4.1	Support the most vulnerable people in our communities by providing energy efficient and more affordable heating		Warm Homes Project live and underway although impacted by Covid due to impact on home visits and work in homes.
EN4.2	Develop new domestic building retrofit programmes to further improve the energy efficiency of Herefordshire's housing stock, reducing carbon emissions, improving wellbeing and tackling fuel poverty		£1m secured through the Green Homes Grant Local Authority Delivery programme to retrofit 100 of the worst energy performing buildings across Herefordshire and Shropshire. Delivery to be complete by 31st March 2021. Outline capital bid in development for domestic energy retrofit project.

EN5.1	Reduce the council's own carbon footprint through implementing our Carbon Management Action Plan		Carbon Management Plan underway and numerous energy efficiency projects in progress, e.g. Solar PV and LED lighting currently being installed at Widemarsh Workshop. Annual performance report drafted for 2019/20, which shows a 49% reduction against the baseline year. Initial forecasts for 2020/21 is for a 60% reduction.
EN5.2	Improve the environmental and energy efficiency standards of Council buildings through the introduction of: a) new minimum standards for energy efficiency b) a plan for investing in energy efficiency and renewable energy measures for existing buildings c) a plan for achieving net zero carbon for all council new-build buildings		Developing draft policy for inclusion with the Corporate Estates Strategy and Schools Capital Strategy. Draft due in November.
EN6.1	Construct the first of up to eight integrated wetlands as tertiary treatments for waste water treatment works to reduce phosphate levels within the River Lugg catchment area		Undertaken 7 site visits with remaining planned in Nov. Preparing to commission red book valuations and external land negotiations to enable land acquisitions. Interim Delivery Plan commissioned - due for completion Jan 2021. Finalising grant agreement with LEP for £1m match.
EN6.2	Develop & implement supplementary planning guidance on intensive livestock units to protect water quality in our rivers		Report on F/W for 15/11 recommending development of Supplementary Planning Document (SPD). Project plan under development alongside commissioning brief to enable procurement of consultants to develop the SPD.
EN6.3	Continue to support the River Wye and Lugg pilot Natural Flood Management Project to reduce flood risk to communities within Herefordshire		River Wye and Lugg natural flood management project (1) will be completed by end of March 2021.
EN7.1	Develop & implement a new nature strategy to enhance and protect biodiversity across the Council's estate		Report on F/W for 06/11/20 - Exec response to tree strategy and hedgehog motions. Will formally declare ecological emergency and recommend the development of a nature strategy by May 2021 . Initial scoping for Nature Strategy underway, however Ecology team experiencing v high workloads with ecology planning consults.

Corporate Risks

Risk

		Impact				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Significant
Likelihood	5 Certain					
	4 Likely					
	3 Possible					
	2 Unlikely					
	1 Rare					

County Plan - Success Measures

Outcome Measure

01a	Flood Resilience
01b	Phosphate Levels
02	Council Carbon Emissions
03	County Carbon Emissions
04	Air Quality
05	Access to Green Space
06	Energy Efficient Homes

Ref	Overarching risks	Specific Risks	Corporate Ambtion			Opened	15/07/2020			14/08/2020			18/09/2020			20/10/2020			3 Month Trend
			Environ-ment	Comm-unity	Economy		Likelihood	Impact	Score	Likelihood	Impact	Score	Likelihood	Impact	Score	Likelihood	Impact	Score	
CV1	Risk to the vulnerable people in Herefordshire (children not in education, not in social care)		x			Apr-20	3	3	9	3	3	9	3	3	9	3	3	9	
		Ability to carry out business as usual to support vulnerable people in the community	x			Apr-20													
		National focus is largely on protecting the NHS, which might result in poor practices generating increased (long term) pressures on social care				Apr-20													
		Residents impacted by the recent flooding are unlikely to be able to repair properties and will remain in temporary accommodation	x			Apr-20													
		Assurance that Care Home are effecitvely managing the COVID risks and contamination control within their settings	x			Apr-20													
		Adequacy of Infection Protection control	x			May-20													
		testing availablity				Sep-20													
		increase in infection rate				Sep-20													
		patchy test and trace communication and servcie				Oct-20													
CV2	Risk to our staff		x			Apr-20	3	4	12	2	4	8	2	4	8	2	4	8	
		Availability of PPE				Apr-20													
		Staffing levels will make BAU, and COVID responses under pressure				Apr-20													
		Risk of infection/death to frontline staff working in the community				Apr-20													
		Working from home H&S and well being				Apr-20													
		Risk to BAME workforce				May-20													
		Covid secure workplaces				May-20													
		testing availablity				Aug-20													
		Risk to social work practice as supervision continues to be remote				Oct-20													
CV3	Risk to the council's finances		x	x		Apr-20	5	5	25	5	5	25	5	5	25	5	5	25	
		A reduction in council tax income				Apr-20													
		A reduction in business rate income				Apr-20													
		A reduction in income for other sources, such as car parking				Apr-20													
		Additional unbudgeted spend including PPE @ significant cost				Apr-20													
		Uncertainty over central government support and unavioadable costs				May-20													
		Timing deadline for central government support				Jun-20													
CV4	Risk to the local economy		x	x		Apr-20	5	5	25	5	5	25	5	5	25	5	5	25	
		Local economy will suffer as a result of the COVID measures				Apr-20													
		Increased likelihood of businesses failing				Apr-20													
		Delays in progressing some of the key council developments which will increase the capacity to				Apr-20													
		Market failures for LA services				Jun-20													
		Impact for market towns not covered by specific grants				Jun-20													
		Increased unemployment				Jun-20													
		Ability for transport serivces to provide covid secure service and still be viable				Jun-20													
		difficulty in recruiting in some areas ie agriculture				Jun-20													
		Uncertainty of pandemic on top of flooding this year				Jun-20													
		local lockdowns in other areas				Sep-20													
CV5	Risk to the Talk Community COVID response		x			Apr-20													
		Fragile processes have been developed to support immediate resolution, which rely too heavily on individuals and single points of failure.				Apr-20													
CV6	Risk to the Shield, BRAVE and other vulnerable groups COVID response		x			Apr-20	3	3	9	3	3	9	3	3	9	3	3	9	
		Due to numerous lists being issued from health, there is a risk that some people are missed and not contacted				Apr-20													
		Fragile processes have been developed to support immediate resolution, which rely too heavily on individuals and single points of failure.				Apr-20													
		sufficiency of foster care places				Jun-20													
		availability of volunteers and sheilf bodies as normal duties resume				Jun-20													
		impact of public realm changes for the visually impaired				Jun-20													
		increase in infection rates				Sep-20													
		testing ability				Sep-20													
		patchy test and trace communications and serivce				Oct-20													
CV7	Risks to Communications and national messaging		x		x	Apr-20	3	3	9	3	3	9	3	3	9	3	3	9	
		Herefordshire council might not agree with the national messaging				Apr-20													
		The requirement to respond to the national governments decisions quickly poses a risk to the council				May-20													

				Environ-ment	Comm-unity	Economy		Likelihood	Impact	Score	Likelihood	Impact	Score	Likelihood	Impact	Score	Likelihood	Impact	Score	Trend
			Messages not understood due to unclear messaging and different counties/welsh border.				May-20														
			inaccesible communications not reaching audience				Jun-20														
	CV8	Risk to delivery of Strategic Objectives		x	x	x	Apr-20	4	5	20	4	5	20	4	5	20	4	5	20	
			non compliance by members of public				Apr-20														
			Transformational projects stalling due to inability to build/develop/transform services				May-20														
			HE ability/pressures				Jun-20														
			lockdowns and furtehr restrictions				Sep-20														
	CV9	Risk of non compliance with advice/guidance by general public			x		Jun-20	5	5	25	4	5	20	5	5	25	5	5	25	
			Pressure on council enforcement resources				Jun-20														
			Not securing court orders				Aug-20														
			Increase in infection rates				Sep-20														
	CV10	Risk of larger outbreaks leading to wider lockdown			x	x	Jun-20	3	5	15	3	5	15	5	5	25	5	5	25	
			LA not have powers for wider lockdown				Jun-20														
			Community tensions rising				Jun-20														
			Local authority and local system capacity being overwhelmed if multiple large outbreaks occur simultaneously				Jul-20														
			increase in infection rate				Sep-20														
			scholl reopeneing				Sep-20														
	CV11	Missed education for herefordshire learners			x	x		5	5	25	4	5	20	4	5	20	4	5	20	
			Impact of lack of learning /virtual learning capability				Jun-20														
			Parental and school tensions				Jun-20														
			Non-attendance for september return				Aug-20														
			schools returned and preparing for virtual learning				Sep-20														
			ability to catch up on missed education				Sep-20														
	CV12	Lack of digital inclusion /IT				x		4	3	12	4	3	12	3	4	12	3	4	12	
			Superfast broadband not accesible to all				Jun-20														
			digital inclusion - feeling more excluded				Jun-20														
			Cyber security risk increasing given increase of matter online				Jun-20														

Herefordshire Council

Meeting:	Cabinet
Meeting date:	Thursday 26 November 2020
Title of report:	Hereford Towns Fund accelerated funding
Report by:	Cabinet member environment, economy and skills

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

Aylestone Hill; Belmont Rural; Central; College; Dinedor Hill; Eign Hill; Greyfriars; Hinton & Hunderton; Holmer; Kings Acre; Newton Farm; Redhill; Saxon Gate; Tupsley; Whitecross; Widemarsh;

Purpose

This report seeks approval to accept this grant funding from government and approval for the funds to be spent on delivering the projects submitted to government. The council has been successful in securing £750,000 Towns Fund accelerated finance from government to deliver a programme of projects across Hereford City that will provide economic and environmental benefit.

Further information on the subject of this report is available from
Nick Webster, Tel: 01432 260601, email: nwebster@herefordshire.gov.uk

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Recommendations

That:

(a) **The £750,000 funding from government for the Towns Fund accelerated projects be accepted by the council;**

(b) **The spending of the £750,000 funding from government on the Towns Fund accelerated projects as detailed within this report is approved; and**

(c) **The Director of Economy and Place be authorised to take all operational decisions to implement recommendation (b) including, but not limited to, the procurement and commissioning of new projects, and, following consultation with the S151 officer, the movement of budgets between projects to ensure the full expenditure of funding.**

Alternative options

1.   Alternative Option 1 – Not accept the funding and do not approve expenditure on the projects contained within the submission to government.

2.   Advantage – the council would not be exposed to potential financial risk associated with the delivery of the projects contained within the submission to government. Projects will manage their financial risk at an individual level and at programme level by the Town Investment Plan project board.

3.   Disadvantage – the city would miss out on securing £750,000 of government investment to assist in economic regeneration, with associated reputational consequences.

4.   This option is not recommended because of the loss of grant income that will deliver projects within the city that help to deliver the council's county plan.

Key considerations

5.   In late 2019 Hereford was included, along with another 99 towns, within the government's "Towns Fund" Programme. The overarching aim of the Towns Fund is to drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth.

6.   The outcome of the Towns Fund process is obtaining a Town Deal with government and the potential to access up to £25m.

7.   A Town Deal is an agreement in principle between government, the council and the Town Fund Board, confirmed in a Heads of Terms document. All three parties will be required to sign the Heads of Terms. It will set out a vision and strategy for the town, and what each party agrees to do to achieve this vision.

8.   There was no application process for selection within the Towns Fund programme and Hereford's inclusion was a government, rather than local, decision. There was no engagement with the council about the process prior to the announcement of the selected

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towns and launch of the programme, and neither was there any ability to lobby for the inclusion of other towns within Herefordshire.

9. The process of developing the Towns Fund submission is ongoing and a bid will be submitted by the closing date of 29 January 2021.

10. In July 2020 government announced that under the Towns Fund programme they were offering Hereford a grant of £750,000 to fund capital projects that can be delivered this financial year. This grant will be used to support capital spend within the intervention framework as set out in the Towns Fund Further Guidance.

11. To release the funding the council was required to confirm to government what it intended to do with the grant. Confirmation was required from the S151 officer that the spending was in line with the Towns Fund intervention framework, will achieve good value for money and that the project(s) could be delivered this financial year.

12. The council submission contained five individual projects, the table below provides the project name, intervention framework theme, and Towns Fund contribution. Please see appendix 1 for the full submission details.

Project	Intervention Framework theme	Contribution
St Owen's Street Cycleway	Local Transport	£300,000
Ecargo and eBike scheme	Local Transport	£200,000
Green Space enhancements	Arts, Culture and Heritage	£100,000
Maylord Orchards improvements	Urban regeneration, planning and land use	£100,000
Castle Green Pavilion improvements	Arts, Culture and Heritage	£50,000

13. In September 2020 government confirmed that the council's submission had been accepted and they awarded the £750,000 in the form of a S31 grant paid directly to the council. This grant has been received by the council. In their confirmation letter, see appendix 2, the Government confirmed that the funding must be spent this financial year, on the projects approved by the council's S151 officer.

14. Each of the projects has a specific lead Officer who has developed the business case and will be responsible for delivery within the criteria set by government. A Towns Fund programme board has been set up to oversee the delivery of these projects, and the drafting of the Towns Fund Town Investment Plan (TIP).

Community impact

15. These projects will contribute to both the Environment and Economy ambitions within the County Plan 2020 - 2024. Specifically they will meet the following success measures:

   a. Work in partnership with others to reduce county carbon emissions;
   b. Improve residents' access to green space in Herefordshire;
   c. Increase the number of short distance trips being done by sustainable modes of travel – walking, cycling, public transport.

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Environmental Impact

16.   Agreeing to receive this grant funding and approving the projects submitted to
       government will assist in the delivery of the council's environmental policy commitments
       and aligns to the following success measures in the County Plan 2020 - 2024.
       - Reduce the council's carbon emissions
       - Work in partnership with others to reduce county carbon emissions
       - Improve the air quality within Herefordshire
       - Improve residents' access to green space in Herefordshire
       - Increase the number of short distance trips being done by sustainable modes of
         travel – walking, cycling, public transport

17.   Specifically the St Owen's Street cycleway, eBikes and eCargo bike scheme,the Green
       Space Enhancements project, and the Castle Green Pavilion improvement project will all
       directly impact on the success measures above by either reducing the carbon emissions
       associated with travel and accommodation, or increase the trips undertaken by
       sustainable modes of travel.

18.   The council provides and purchases a wide range of services for the people of
       Herefordshire. Together with partner organisations in the private, public and voluntary
       sectors we share a strong commitment to improving our environmental sustainability,
       achieving carbon neutrality and to protect and enhance Herefordshire's outstanding
       natural environment.

19.   The development of these projects has sought to minimise any adverse environmental
       impact and will actively seek opportunities to improve and enhance environmental
       performance.

Equality duty

20.   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.

21.   The public sector equality duty (specific duty) requires the council to consider how the
       council can positively contribute to the advancement of equality and good relations, and
       demonstrate that the council are paying 'due regard' in our decision making in the design
       of policies and in the delivery of services. The council's providers will be made aware of
       their contractual requirements in regards to equality legislation.

22.   Each of the projects will undertake an Equality Impact Assessment as it progresses to
       ensure that there is a positive impact on the delivery of the council's quality duty and
       provision of equality of opportunity.

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Resource implications

23.   The funding received will fully fund all the projects and there is no required funding contribution from the council or other partners. Acceptance of the funding will need to be confirmed and included within the medium term financial strategy and capital programme. Any revenue impact of the projects will be managed within current revenue budgets so there is no additional funding requirements, with all projects managed within existing teams for delivery.

Capital cost of project	2019/20	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000	£000
St Owen's Street Cycleway		300			300
Ecargo and eBike scheme		200			200
Green Space enhancements		100			100
Maylord Orchards improvements		100			100
Castle Green Pavilion improvements		50			50
TOTAL		750			750

Funding streams – External grant	2019/20	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000	£000
Towns Fund accelerated projects grant		750			750
TOTAL		750			750

24.   The delivery model for each project will be different, the table below demonstrates the proposed procurement route, revenue implications, and delivery body:

Project	Procurement	Revenue funding	Delivery Body	Delivery Risk
St Owen's Street cycleway	Use of suitable framework for contractors.	£0	Herefordshire Council	High
eBikes and Ecargo bikes	Direct award contract to Beryl bikes to deliver ebikes to align	£0	Herefordshire Council Sustainability	Medium/Low

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	with their existing contract deliverables. Grant scheme for business to apply for ebikes and ecargo bikes. Businesses would need to demonstrate competitive quotes to be eligible for grant.		Team and delegated grants team Beryl Bikes	
Green Space Enhancements	Competitive tender process to select a contractor who can supply and install trees.	£0	Herefordshire Council Sustainability team.	Low
Maylord Orchards improvements	Competitive tender process to select contractor to undertake refurbishment works.	£0	Herefordshire Council Property Services	Low
Castle Green Pavilion enhancements	Grant process to award Friends of Castle Green with a grant to undertake works. The onward grant agreement would require the recipient to run a competitive quotation process to be demonstrate by the applicant.	£0	Herefordshire Council Local Enterprise and Resources Team Friends of Castle Green.	Low

25. Business cases have been developed for each of the projects. It should be noted that the grant funding has already been received by the council as a section 31 grant from government.

26. Any procurement undertaken required to deliver the projects will be in line with the Public Contract Regulations 2015 and the council's contract procedure rules.

Legal implications

27. The council has a general power of competence under s1 of the Localism Act 2011 which allows the council to do anything an individual can do, this would include accepting grant monies and spending those monies.

28. The grant is understood to have been transferred to the council under s31 of the Local Government Act 2003. Ministry of Housing, Communities & Local Government (MHCLG) do not appear to have put any other criteria on payment of the grant other than the grant must be spent on specified projects within this financial year. No rights to clawback the grant have been retained by MHCLG.

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29.   The grant awarded can only be used for the projects listed in the proposal submitted in relation to the call for Town Fund accelerated projects, which were approved by the s151 officer prior to submission. All the grant monies must be spent in this financial year and the business plan for each of the five individual projects has taken this into account. The progress of each of the projects against the required timeframe will be monitored through a programme board to mitigate the risk of underspend or failure to deliver by the end of this financial year.

Risk management

30.

Risk / opportunity	Mitigation
Failure to spend the funding within the financial year.	Project management demonstrates that the projects can spend within the financial year. There is a risk that the St Owen's Street cycleway project is not able to complete within the financial year. The project team will manage this risk and if necessary risks will be escalated to the Programme Board for a resolution. The government has stated that funding must be spent within the current financial year but has given no contract for the funding nor any indication as to implications if this deadline is not met i.e. there is no mention of clawback or penalty in government correspondence. Provision in this decision allows for the movement of budget between projects that were submitted to government to manage spend.
Overspends on the projects.	Projects have a set budget. In some cases the projects are purchasing goods or equipment in which case the budget will set how much is purchased. In the case of the Castle Green Pavilion project a grant is being given to a third party, any project overspends will be the responsibility of the third party to manage. In all cases an appropriate procurement process that is in accordance with the council's contract procedure rules will be followed to demonstrate value for money and adherence with the project programme.
Reputation risk if the council does not accept the funding.	It is accepted that the government imposed funding timescales are very tight but it is unlikely that this consideration will be understood if the council decline the opportunity to draw down £750,000 to deliver projects that will make the city more accessible and attractive to investment.
Impact of Covid 19 on the ability to deliver projects.	Covid 19 and associated "lock downs" will have some impact on project delivery depending on the nature of the project. Projects where the council are playing a facilitating role in terms of purchase of equipment or goods will be minimally impacted as officers will be able to deliver the project remotely using current remote working arrangements. Delivery of the Castle Green Pavilion Improvements Project will be achieved on passporting of the grant funding for this project. Projects which require a physical presence or works – St Owen's Street cycleway, Maylords enhancements, – may be more impacted. Project

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> delivery and programming will take account of Covid 19 mitigation measures that need to be implemented and, under current government guidelines, will continue to be permissible economic activity.

31. If accepted the risks associated with these projects will be managed by the project leads reporting to the new Towns Fund Programme Board. Risks will be managed according to the council's risk management framework.

Consultees

32. Members consultation is currently underway and comments will be included in the final version of the report.

Appendices

Appendix 1 – Hereford Accelerated Funding submission details

Appendix 2 - Government letter of confirmation of accelerated funding

Background papers

None

Please include a glossary of terms, abbreviations and acronyms used in this report.

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TOWNS FUND – SUBMITTED PROJECTS

<table>
<tr><td rowspan="4">Project One</td><td>Project Title</td><td>St Owen's Street cycle contraflow</td></tr>
<tr><td>Description</td><td>St Owen's St is an inner city road currently operating one way out of the city. It connects the historic city centre with the southern section of the north eastern quadrant of Hereford. The street is wide in places where it can be difficult for pedestrians to cross.

We have identified significant demand for a contraflow facility for cyclists into the city centre to access employment. It also provides a valuable link for cyclists across the city in the morning and evening peak periods, avoiding the higher traffic flow routes and the A49 trunk road network.

The scheme will provide a segregated contraflow cycle lane along St Owen Street from Bath Street and will provide enhanced pedestrian crossing points, including the introduction of a controlled crossing, along the street to improve the pedestrian permeability across this wide street.</td></tr>
<tr><td>Intervention Theme</td><td>Local transport

Outputs:
- New or upgraded cycle or walking paths.
- Wider cycling infrastructure such as cycle parking.

Target Outcomes
- Improved affordability, convenience, reliability, and sustainability of travel options to and from places of work
- Improved affordability, convenience, reliability, and sustainability of travel options
- Reduced congestion within the town</td></tr>
<tr><td>Towns Fund contribution</td><td>£300,000</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td rowspan="2">Project Two</td><td>Project Title</td><td>eCargo and eBike scheme</td></tr>
<tr><td>Description</td><td>Operate a grant scheme to cover 80% of costs for eCargo bikes/eBikes for businesses within the city and also offer expansion of the public eBike scheme (Beryl).

The existing Beryl Bikes scheme has been extremely popular with usage exceeding initial estimates of take up. Increasing the number of bikes within the scheme and the type of bike available will improve accessibility, increase the impact and degree of modal shift.

The eCargo and eBike elements will operate as a grant where businesses purchase a bike using a set specification from one of a number of</td></tr>
</table>

		suppliers of eCargo or eBikes. The grant provides a subsidy of this cost providing that the purchase meets the scheme specification and other eligibility criteria.
		This project will promote and encourage low carbon transport solutions. It will help reduce congestion and improve air quality with the added benefit of reduced fuel charges and vehicle maintenance charges to individual businesses. It will also encourage people to make healthier travel choices and help reach the carbon neutrality target by 2030.
	Intervention Theme	Local transport Outputs • Increase in the number of bus services; new or upgraded cycle and walking routes; new or upgraded road infrastructure; pedestrianised streets Target Outcomes • Improved affordability, convenience, reliability, and sustainability of travel options to and from places of work • Improved affordability, convenience, reliability, and sustainability of travel options • Reduced congestion within the town
	Towns Fund contribution	£200,000
Project Three	Project Title	Green Space enhancements
	Description	Hereford benefits from a significant amount of existing green space across the city and is surrounded by beautiful natural environment. Enhancing how this natural environment can be brought into the city to link with existing green spaces and provide green corridors across the city will be considered by the Stronger Towns Board. This project will Increase the number and quality of green spaces across the city by planting new trees in a series of chosen locations to enhance existing features and buildings providing foundations on which a wider project to construct new green infrastructure could commence. Community engagement will be key to the choice of locations and the features that are improved. The project will further enhance efforts to "green" the city and provide well designed, attractive places for people to live and work.
	Intervention Theme	Arts, culture and heritage Outputs

		• New, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens • New, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth Target Outcomes • Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access
	Towns Fund contribution	£100,000
Project Four	Project Title	Maylord Orchards – Provision of Business Space and Public Facilities/ Townscape Improvements
	Description	Maylord Orchards shopping centre is a strategically significant site located at the heart of Hereford, which through some relatively limited capital investment could provide a catalyst for the economic recovery and growth in the city centre as a whole. Herefordshire Council secured control of the site in June 2020 to prevent the shopping centre falling in to further decline, and to realise the medium to long term opportunities in redeveloping the site to support the regeneration of the City Centre. Small scale capital investment is required to internal services and fit out to enable a number of vacant units to be utilised by pop up retailers and creative industry businesses. The units would be available on short-term leases on a cost covering basis only. A larger unit would be established for a number of market style stalls for businesses from across the county to be able to display and sell their produce in the heart of the city centre. Some further works are required to improve the public realm within the centre and to bring the public toilets back into use. These works will further increase footfall within the centre and support existing and new retailers.
	Intervention Theme	Urban regeneration, planning and land use Outputs • Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites) Target Outcomes • Enhanced townscape that is more attractive and more accessible to residents, businesses and visitors Enterprise infrastructure Outputs

		• Increase in the amount of high-quality and affordable commercial floorspace; • Increase in the number of shared workspaces or innovation facilities Increased number of enterprises utilising high-quality, affordable and sustainable commercial spaces. Target Outcomes • Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces.
	Towns Fund contribution	£100,000
Project Five	Project Title	Castle Green Pavilion improvements
	Description	Castle Green Pavilion is a council building on a community asset transfer for 25 years from 2018. The lease is with the Friends of Castle Green, which is a Community Interest Company (social enterprise) delivering services from the building to meet the needs of the local community. Friends of Castle Green are introducing building improvements which will create a multifunctional, flexible and accessible space for evolving community use, including use as a training facility for disadvantaged groups from a number of neighbouring areas of deprivation. The project is specifically for the fitting of a new renewable energy system (a hybrid renewable energy heating system using a combination of an Air Source Heat Pump and a gas condensing boiler),to the existing building to reduce utility costs and make the building more hospitable and attractive to existing and potential users,
	Intervention Theme	Arts, culture and heritage Outputs • New, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens • New, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth Target Outcomes • Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access
	Towns Fund contribution	£50,000

Ministry of Housing, Communities & Local Government

Mark Stevenson
hello@workhereford.co.uk

25 September 2020

Dear Mark Stevenson,

On 30 June, the Prime Minister announced that government is bringing forward £5 billion of capital investment projects, supporting jobs and the economic recovery.

Thank you for submitting your proposal for the £750,000 in accelerated funding. This grant is being offered to your town to fund capital projects that are in line with the Towns Fund intervention framework.

We are pleased to confirm that funding will be made available for all the projects listed in your proposal. Your Lead Council should receive payment on or around 30 September via a S31 grant.

We remind you that this funding must be spent this financial year, on the projects approved by your Lead Council's S151 officer.

As you know, the Towns Fund aims to unleash the economic success of towns and high streets across the country, levelling up communities and ensuring everyone can contribute to and benefit from economic growth.

The impact of Covid-19 makes these investments more important than ever. We know the past few months have been hugely challenging for communities across the country and we hope that the funding that government has brought forward to this financial year will make an immediate impact in towns. The capital projects you have identified to receive accelerated funding will be key in supporting the growth and recovery of our towns during the pandemic.

We look forward to continuing to work with you.

Yours sincerely,

Robert Jenrick.

Herefordshire Council

Meeting:	Cabinet
Meeting date:	**Thursday, 26 November 2020**
Title of report:	**Options for the Delivery of Council Owned Affordable Housing**
Report by:	**Cabinet Member Housing, Regulatory Services, and Community Safety**

Classification

Open

Decision type

Key

Wards affected

(All Wards); County Wide

Purpose

To approve the approach to the delivery housing model options available to the council to increase the supply of affordable housing in the County. Cabinet is also requested to approve Phase 2 of this strategic work to develop a pipeline of sites suitable for development as affordable housing to support discussions with key partners including Homes England.

The County Plan 2020-2024 sets out the council's ambition to provide 1,000 affordable housing units in the county. The term affordable is taken in its widest sense – to provide a range of housing that is genuinely affordable to both rent and purchase given local earnings. The council has not owned its own housing stock since 2002 and a review has therefore been undertaken as to the most appropriate role for the council in delivering its ambition. The options and delivery proposals suggested recognise the structures already in place and available to the council.

Recommendation(s)

That:

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(a) Cabinet consider the options set out in this paper and select the one that best represents the way forward to deliver up to 2,500 homes in the County over the next 10 years. The options are:

      i. the council own the affordable units initially under the General Fund and then establish a HRA,

      ii. the council set up a Housing Company to deliver and own the units,

      iii. the council set up a formal Joint Venture to deliver and own the units, or

      iv. the council enter a formal partnership with existing Registered Provider(s) for them to deliver and own the units;

(b) approval to spend up to £72k on the development of the housing model chosen in option (a), by developing a full business case;

(c) ask Engie to develop recommendations for proceedable sites to be reviewed at Cabinet in December 2020;

(d) approval to spend up to £71k to develop recommendations for potential sites to be reviewed at Cabinet in January 2021 to agree how to progress affordable housing delivery in Herefordshire; and

(e) appoint an independent expert within a budget of £20k to advise on ensuring that housing built through this programme is compatible with our commitment to being a net zero carbon council by 2030.

Alternative options

1. The council could choose not to intervene in the provision of affordable housing in the County and allow the current arrangement of Registered Providers (RPs) and house builders to meet provision. However, the type and scale of development produced via RPs and private house builders in recent times has not kept pace with demand for affordable housing seen as one of the key components of the County's wider economic ambitions.

Key considerations

2. Herefordshire has experienced a housing affordability gap for a number of years and is regularly identified as having one of the worst house price to earnings ratios in the West Midlands. Based upon median house price to income levels the ratio was 9.82 in September 2018 compared to highest (Malvern Hills) at 11.31 and lowest (Stoke on Trent) at 4.39.

3. A Local Housing Market Assessment has recently been commissioned and is due for publication in November 2020. This is a survey to understand market and affordable need in the County and from the results it will be possible to determine what the unmet need in the County is and where delivery should be focused. There is a limited supply of affordable housing being released through the housing waiting list each year and access to the private rental sector, which might ordinarily represent an alternative route to housing, is similarly limited due to high rental values being out of reach to many households (Shelter Report 'The cost of unaffordable rents in the private rented sector'

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November 2019), and, more recently, evidence of smaller private landlords withdrawing from the private rental market.

4. At a strategic supply level the delivery of both market and affordable new housing is falling short of the housing target of 16,500 new homes set out in the adopted Herefordshire Core Strategy, with only a 4.05 years forward housing land supply reported in 2019 against the 5 year minimum requirement set out in the National Planning Policy Framework (NPPF) and currently dropping. In the developer-led market where the focus continues to be on developing the most profitable housing types on the most profitable and deliverable sites, some larger strategic housing sites in the Core Strategy have not yet been delivered. The lack of delivery of smaller and more affordable new homes is therefore placing additional pressure on house prices and the associated accessibility of the housing market to local and/or newly forming households. NPPF policy, removing any obligations to deliver affordable housing on sites of 10 houses or less, has contributed to the challenges faced by local authorities in securing new affordable homes.

5. The impact on Herefordshire's population is that many residents, especially within the younger population, are unable to remain living in their local communities. The lack of housing availability and choice in the County raises house prices and creates barriers for Herefordshire's vulnerable residents and its growing population of older people to secure suitable homes that are affordable, accessible and can be adapted to suit their changing needs. This therefore increases the risk of older and vulnerable households becoming overly reliant on statutory support and care services and losing independence at an earlier stage than necessary. The wider economic, health and wellbeing impacts of housing market failure in Herefordshire represents a significant challenge for the broader communities of Herefordshire and creates a financial risk for the council in sustaining services to meet the increasing demand for support services.

6. Delivering council owned housing to help address the shortage of affordable housing in the County is intrinsically linked to the ambitions of the new County Plan 2020 – 2024:

    • Environment – protect and enhance our environment and keep Herefordshire a great place to live

    • Community – strengthen communities to ensure everyone lives well and safely together

    • Economy – support an economy which builds on the County's strengths and resources

7. Affordable housing is defined under the council's Draft Affordable Housing Supplementary Planning Guidance Document (SPD) as:

    • Social rented for which guideline target rents are determined through the national rent regime

    • Affordable rented housing subject to rent controls that require no more than 80% of the local market rent

    • Intermediate homes for sale and rent, provided at a cost above social rent but below market levels, including Shared Ownership (SO)

    • First homes – homes sold at a minimum 30% discount in perpetuity.

8. Engie Regeneration and ARK Consultancy have been engaged to review the role the council should play in the delivery of affordable housing in the County. ARK are an experienced consultancy who have advised a number of local authorities on this subject matter. They have also worked with housing associations and developers so understand the affordable housing market from all sides. Their experience also extends to supporting organisations establish commercial trading companies to deliver their objectives.

9. The starting point for ARK's review was the fact that the council currently does not have a Housing Revenue Account (HRA). Dialogue has been held with Cabinet Members on the options available to the council and full details of Engie and ARK's analysis and recommendations can be found in Appendix 1.

10. Their analysis considers the provision of affordable housing in two parts:

    - The option for the council to either own direct or be involved in a structure that owns the affordable units, and

    - The option for the council to engage with other partner(s) and for them to deliver and own the affordable units.

11. ARK's review is summarised in the matrix in Appendix 1 page 30 of this paper. All of the options assume that the council will want to be able to receive public funds from Homes England. The key points on each option are as set out in the table below.

Option and Characteristics	Strengths	Weaknesses
Council build and retain affordable units initially under the General Fund and then a HRA. Generally used by Local Authorities to concentrate on delivering affordable housing	Council retain full control over what is developed and when and how the units are managed and maintained. Some flexibility over rent levels (within Homes England guidelines), however social rent will not be able to be delivered as this is currently not supported by HE grant funding. HRA is the cheapest and simplest way of establishing an asset owning structure. It is also possible to develop open market for sale however, the profit has to be used as a cross subsidy on an identified affordable housing scheme	Council required to fund the development of units. Need to have resource in finance and housing teams to manage HRA. All monies collected from the housing have to be reinvested into the HRA and it cannot be used to pay off council debt. Would need to have expertise available around developing market housing should that be required for viability purposes although this can be mitigated via existing Development Regeneration partnership (DRP) arrangements.
Council establish Housing Company as a trading entity to develop both affordable and market housing. Generally used by Local	All rewards from market housing go back to the council. Council in full control of what it does and when it	More expensive and complex to establish than HRA. Company would need to become a RP to hold affordable units or the

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Authorities who already have a HRA and want to trade in market housing.	does it without influence from a partner.	council set up a HRA. Council takes full risk on all market housing. Need to develop expertise to deliver and run the company but this could be mitigated via existing DRP arrangements.
Establish formal Joint Venture with a partner or partners to develop both affordable and market housing. Generally used by Local Authorities who already have a HRA and want to trade in market housing, sharing risk and reward with a partner.	Risk and reward is shared with a partner who can also provide the development and management expertise. Council, through the agreement retains some control over what is developed and when and how units are managed.	The most expensive option to establish and complex to set up. JV would need to become a RP to hold affordable units or the council need to establish HRA for the affordable units. Seen by some as remote from a governance perspective.
Form strategic partnership with existing RP(s) to deliver and manage affordable units. Could be structured as a simple partnership agreement with clear roles and responsibilities.	Simplest, cheapest and potentially quickest arrangement to establish. RP has expertise and will fund and manage completed units. Development and management risk borne by the RP depending upon the agreement.	Council won't own the asset or build up an asset base. No income through trading for the council. Council will cede an element of what happens and when, viability control and setting of rent levels to the RP but can control this via the agreement.

12.   In summary, if the council wish to retain ownership of the completed affordable units then the simplest, quickest and cheapest option of achieving this would be by the establishment of a HRA. Establishing a Housing Company or entering into a formal JV would expose the council to greater risks and require either the company to become a RP or the council to have a HRA to hold affordable units. On the other hand, the most straightforward route to delivering affordable units is to form a partnership with one or more RPs with the RP taking the risk on development and management. However, the council would cede an element of control over what happens and when and would not own the affordable units developed.

13.   Whichever housing options is chosen further resource will be required for continual housing management and ongoing maintenance. The details would be developed as part of the detailed business case.

14.   In terms of the council's ambition to develop a portfolio of new council owned housing, initial discussions have been undertaken with Homes England (HE). The council's ambitions to deliver 1,000 units in a four year period were well received. HE are currently reviewing their approach to supporting the delivery of housing across the country and are looking to establish strategic partnering arrangements with public sector organisations who have the scale of ambition identified by the council. The fact that the council is a significant land owner with partners already procured and who can therefore deliver quickly is attractive to HE. Whilst there is some way to go in establishing a programme

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approach with HE (as opposed to a project by project approach) these initial conversations have been positive. To advance the dialogue and to re-inforce the commitment of the council, HE are looking for comfort around the pipeline of delivery of schemes that could come forward.

15. In conjunction with the dialogue with HE, the council will continue to undertake regular reviews with RPs operating in the County. Undertaking the development of affordable housing in the manner envisaged by this paper and achieving strategic delivery partner status with HE could impact on the development plans of existing RPs. A co-ordinated approach to the wider delivery of affordable housing with an increase in the number of affordable homes available in the County is a key driver for the council and the investment decisions by current RPs in the County is an important consideration in this regard.

16. There are few examples of where councils who disposed of their council housing stock have fully re-established their HRA. Examples of Local Authorities who have considered or are considering re-opening their HRA include Sunderland, Peterborough, Bromley, Liverpool and Pendle. Having exceeded the number of homes now allowed under the general fund exemption (199), Bradford Council have re-established a HRA from 1 April 2020.

17. Other Local Authorities have established delivery vehicles (wholly owned companies) through which they can develop homes. However, comparisons with others is not straight forward. Most have retained a HRA and can utilise this to attract public grant and manage stock. Others are comfortable taking the development and sales risk rather than sharing this with partners.

Community impact

18. The County plan aims to shape the future of Herefordshire and encourage and strengthen communities whilst creating a thriving local economy and protecting and enhancing the environment to ensure Herefordshire remains a great place to live, visit, work, learn and do business. Taking forward one of the options would allow for all of those strands to be achieved.

19. The council recognises that healthy, connected and vibrant ecosystems strongly support the local economy, improve health and wellbeing and make the County an attractive place to live and to visit. It is vital that we protect and enhance this environment while stewarding it for future generations. Access to green space in Hereford is vital and this will be a key consideration throughout all developments.

20. High quality formal care for vulnerable people of all ages will be a primary consideration in the development pipeline. This commitment is supported in the County Plan, to improve outcomes for children in care, and moving on from care, and support them to make good life choices and enabling people to reach their goals.

21. Technology will be used to contribute to meeting any desired outcomes. Some of Herefordshire's most vulnerable residents have very complex needs which can be very challenging and costly to meet. Investing in new models of care, housing and accommodation will maximise the levels of personal independence these vulnerable people are able to attain while remaining in their communities. This could include new care homes, care villages, technology or specialist accommodation for vulnerable children and young people.

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22. Providing 'genuinely' affordable homes delivered through carefully planned policies and sustainable development will meet the needs of local people, improving Herefordshire's house affordability ratio making accommodation more affordable.

23. Increasing the number of private rental properties will contribute to a balanced community providing additional accommodation of an alternative tenure to meet a wider cohort of residents in the County and encourage existing private landlords to increase the standards of their existing current accommodation.

Environmental Impact

24. Depending upon the option chosen the council can heavily influence or retain full control of what is ultimately built as part of this programme. This ensures that all the council's sustainability policies and objectives can be met for each project.

25. The proposal for the council to advance affordable housing and have at least an element of control over design helps deliver the council's environmental policy commitments and aligns to the following success measures in the County Plan:

- Increase flood resilience and reduce levels of phosphate pollution in the County's river – by ensuring that new developments take into account opportunities to minimise the impact on the environment including, where appropriate, through grey water capture and other methods.

- Reduce the council's carbon emissions – seeking high levels of sustainability and energy efficiency in the construction and operating costs of new homes delivered.

- Work in partnership with others to reduce County carbon emissions – working with partners to minimise our carbon footprint in terms of methods of construction and in seeking the use of local materials and labour wherever possible.

- Improve the air quality within Herefordshire – supporting the development, where appropriate, of car free schemes in new developments and making provision for safe cycling and walking spaces.

- Improve residents' access to green space in Herefordshire - ensuring new developments make appropriate provision for green space and the use of appropriate, indigenous planting.

- Improve energy efficiency of homes and build standards for new housing – good design and high levels of energy efficiency in council-owned or influenced developments will provide a blueprint principle to other developers in Herefordshire.

- Increase the number of short distance trips being done by sustainable modes of travel – walking, cycling, and public transport – promoting access to sustainable modes of transport in the master-planning of larger scale developments.

26. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability,

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achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

27. The environmental impact of any development proposals will be considered through the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management.

28. The development of this project will seek to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance.

Equality duty

29. 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.

30. Section 9 of the Housing Act 1985 (the 1985 Act) is the key power for councils to provide housing accommodation. It includes two sets of acquisition provisions: Sections 9(1)(b) and 9(2) - a local housing authority (LHA) may acquire houses – and alter, enlarge, repair or improve a house so acquired; Section 9(3) – a LHA can exercise the Section 9 powers to provide housing accommodation "in relation to" land acquired for the purpose of (a) disposing of houses provided, or to be provided, on the land or (b) disposing of the land to a person who intends to provide housing accommodation on it.

31. The Localism Act 2011 enables local authorities to make their own decisions to adapt housing provision to local needs, and make the system fairer and more effective giving local authorities more control over the funding of social housing, helping them to plan for the long term and giving the people who live in social housing new ways of holding their landlords to account. From this programme a focus will be to deliver supported and accessible accommodation for vulnerable groups which advances the equality of opportunity to access the housing market by those who share a protected characteristic.

32. Establishing a delivery mechanism for affordable housing will provide particular benefit for disabled people, older people, care leavers, LAC who all belong to groups who share protected characteristics. The current housing market is failing to make adequate provision for these cohorts, the development pipeline will focus on their needs and develop accommodation in line with identified need such as a care home.

33. The accommodation will add to the County's housing stock and will be affordable in perpetuity allowing future households who share protected characteristics to also have access to appropriate accommodation. Consideration has been given to the types and standard of accommodation required taking a fabric first approach to building design,

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maximising the performance of the components and materials. Taking this approach can minimise the need for energy consumption so will be cost beneficial to the occupant, demonstrating the council's commitment to equality and their pro-active approach to ensuring the right properties are available in the right location and built to a high specification to meet the their needs.

Resource implications

34.   The choice of a housing model does not have any financial implications as it is purely a mechanism to manage housing stock.

35.   The remainder of the original allocated £150k Housing Reserve for Engie to develop a detailed proposal to take forward the selected model can be used as a contribution towards developing the initial business plan.

36.   In order to progress the development pipeline and establish a draft programme for delivery, it will be necessary to allocate funding from the DRP capital budget of £71k, if the work does not progress the costs will revert to revenue costs. This piece of work will be provided from Engie to assess the deliverability of potential sites and, will consider the viability of each site and recommend a number of options which ensure the full cost of building the houses can be recovered by either sale or rental income. Due to the ambition to deliver housing to passivhous standard and rent at social rent levels, it may be a requirement that a number of houses need to be sold to ensure the full cost recovery over 40 years.

37.   HM Treasury wrote to all local authorities in March 2020 to explain borrowing for a HRA can be 100 (1%) basis points lower than the current Public Works Loan Board rate at the time of borrowing.

38.   Once the units are constructed and held then the full annual costings of managing and maintaining the units will need to be funded from the revenue received from the units, irrespective of the model chosen.

39.   The tables below show a summary of costs already incurred for scoping of housing models and future costs to complete the detailed analysis on the chosen housing solution.

Revenue or Capital cost of project	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000
Scoping report and research by Engie & ARK	78			78
Undertake further analysis on the chosen housing option	72			72
Pipeline of sites	71			71
Advice on environmental aspects to building	20			20
TOTAL	241			241

Funding streams	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000
Housing revenue reserve, approved in October 2019	150			150
DRP Capital Budget	91			91
TOTAL	241			241

Legal implications

40. The council has the legal power to deliver any one of the options listed in Recommendation (a).

41. The council has procured its development and regeneration Engie Regeneration Limited (Engie) through a Public Contract Regulations 2015 compliant procurement process. The council entered into legally binding overarching agreement with Engie under the terms of which Engie can be commissioned to develop options for proceedable sites.

42. There are no other specific legal implications arising from this report as it relates to the consideration of housing delivery options.

Risk management

43. The key risks associated with the options outlined in the paper are as follows:

Risk / opportunity	Mitigation
After the first 199 units are completed and held in the General Fund, a HRA is not established in time to secure Homes England funding for future schemes	Continue to engage with RP partners who could step in and develop and own the units potentially including via the DRP
There is a risk that developing and owning in whatever guise the first 1,000 units prove to be uneconomic and inefficient in relation to the costs associated with such a small number of units	Current viability modelling undertaken suggests a positive cash flow for some of the tenures in the early years based upon industry norm allowances for management and maintenance. Would need to be monitored as the business case is developed.

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The council wishes to develop affordable units that would be rented at social rent levels but this is not supported by Homes England grant	Current Homes England grant arrangements exclude use for social rent but the latest round of funding recently announced suggests this may change.
If RPs are utilised to develop and manage units the council can't control what is delivered	The council would retain control by way of nomination rights, restrictive covenants on the land sale/ transfer and construction to an agreed specification between the RP and the Council.
Existing RPs developing in the County decide to no longer include schemes in their forward plans as the council are now developing affordable units, thereby reducing the overall number of new affordable units built	Continue dialogue with all existing RPs developing in the County to understand the expectations of the organisations, understand their ambitions and agree what steps can be jointly agreed to maximise the delivery of affordable housing in the County
Affordable homes developed as part of the programme and owned by the council either in the General Fund or HRA are subject to Right to Buy and could be purchased by individuals at large discount	This is a statutory responsibility of stock owning authorities. The risk can be mitigated for the first 10 to 15 years via the cost floor rule where the discount could be reduced to nil if the cost floor is more than the value. Supported schemes can be excluded from Right to Buy.
The council doesn't have the resources currently in house to staff a Housing Company or formal Joint Venture	Would need to recruit appropriately qualified staff into the separate company or JV to implement intelligent client role or outsource to others
Risk of procurement challenge from external developers and contractors in the event of the council utilising the DRP partners to design and construct the units	In the event the council decided to utilise the DRP for design and construction, ensure that any projects delivered by the existing DRP partners are drawn down in a manner that is fully compliant with the terms of the Overarching Agreements already in place
Value for money cannot be achieved utilising the existing DRP partners	Try and resolve via Programme Board. Council retains the right to seek bids from alternative contractors, acknowledging possible delays to delivery as any alternative would need to be publicly procured
The council does not have the capacity in the Finance team to progress with establishing a HRA	Utilise external resource to supplement internal resources
Early schemes are not viable and would lead to the HRA operating in deficit	Consider the mix of tenures to be developed and in particular the proportion

	of homes for sale to cross subsidise the affordable element
HRA funds cannot be utilised to fund homes for market sale or rent or to build ancillary commercial uses	As long as the council is not seeking to trade for a profit then it can use funds from the general fund to develop out a scheme in the first instance. Only affordable units are then transferred to HRA
The council does not have the internal capacity to bring forward a pipeline of developments at the pace required	Utilise the resources and expertise within the DRP partners and their development management skills to develop a pipeline of deliverable projects attractive to Homes England
The council retain the risk of compliance with health and safety requirements	Part of the intelligent client role would be to engage the services of a Principal Designer at the outset of a scheme in line with normal procedures
The council will be required to take on too much risk in the delivery of homes for sale or market rent to make a scheme viable	Potential to utilise the existing DRP arrangements to agree risk and reward with partners on a scheme by scheme basis
The council don't achieve the delivery of 1,000 affordable units as quickly as they would like	Reviewing a pipeline of sites to understand their suitability for delivery and ranking them in order of priority enables decisions to be made early on implementation of the programme
There is difficulty engaging with the local sub-contractors to get their involvement in building the units, reducing the social value impact of the programme	Developing a pipeline of schemes and committing to the programme enables positive engagement with local sub-contractors and certainty around potential workloads. Could also consider modular construction.

44. Risks are managed according to the council's performance risk management framework, and recorded on a service risk register, being escalated to the directorate or corporate risk register according to the significance of the risk.

45. A project risk register will be maintained on the council's project management system, Verto.

Consultees

46. Consultations have taken place with the Cabinet Members for Housing, Regulatory Services, and Community Safety; Finance and Corporate Services; Commissioning, Procurement and Assets; and Environment, Economy and Skills.

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47. Two workshops have also been held with full Cabinet to review and debate the options available to the council and to introduce issues around scheme viability and the impact of decisions around mix of tenures, type and style of development and the like.

48. This paper and the recommendations contained within it incorporate comments received during the above consultations.

49. Full consultation for the likes of planning will be undertaken on schemes as they emerge.

50. Comments received from political consultation support the provision of housing that remain within the control of the council for a long term and are delivered as quickly as possible. Other questions regarding the sites and managing of properties is outside the scope of this report and will be reviewed in later decisions.

Appendices

Appendix 1 – ARK Consulting - Report to Cabinet Outlining Options for the Delivery of Council Owned Housing, September 2020

Background papers

None

Please include a glossary of terms, abbreviations and acronyms used in this report.

Included in ARK Report

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HEREFORDSHIRE COUNCIL

Report to Cabinet Outlining Options for the Delivery of New Council Homes

Revised - November 2020

CONTENTS

1 INTRODUCTION, BRIEF AND APPROACH

1.1 ARK has been jointly appointed by the Council and one of your Development and Regeneration Partnership partners Engie, to review options to support the Council's ambition "to help tackle the housing market's failure to meet local housing need in Herefordshire by increasing the delivery of affordable housing and open market housing and to create improved housing choice generally, including for vulnerable residents".

1.2 The report investigates the opportunities and delivery mechanisms for the Council to develop and own its own housing stock and the approaches that might be adopted to support the objective of tackling the housing market failures across a range of tenures.

1.3 This paper does not address the standards, specifications or the costs and viability of building homes merely the options available to the Council to develop, own and manage new housing stock.

1.4 The brief was issued as part of a tender pack on 14 July and submitted on 23 July, the key points discussed in the briefing include:

"Purpose of Commission:

To commission an investigation of different models of delivering council housing. The ambition of the Council is to help tackle the housing market's failure to meet local housing need in Herefordshire by increasing the delivery of affordable housing and open market housing and to create improved housing choice generally, including for vulnerable residents.

In support of the objectives outlined above, Herefordshire Council wishes to engage specialist support to undertake the investigations. The brief therefore is to review the background to the Council's desire to investigate potential models of delivery of council housing, investigate the different models of delivering council housing available for Herefordshire Council to consider and to prepare and deliver a report of findings".

1.5 The Council described this assignment as being "an initial stage to assist the Council to consider its options and agree any next steps".

1.6 The background information regarding Herefordshire is presented as **Appendix 1**.

1.7 ARK submitted a detailed response and the key actions proposed are presented in highlights below together with a brief synopsis of the activities undertaken to date.

1.7.1 ACTION 1 – INCEPTION MEETING(S) & CONFIRMATION OF ASSIGNMENT BRIEF AND METHODOLOGY

We held inception meeting with David Walker and Debbie Greenhill representing Engie and Richard Gabb and Hayley Crane representing the Council.

That meeting confirmed the requirement of the brief and began to expand on the likely requirements of the Council and your members.

1.7.2 ACTION 2 – RESEARCH

As the assignment has progressed, we have completed a range of research assignments to inform this report. A summary list of this is attached as **Appendix 2.**

A further element of the research has been to ascertain the drivers underpinning the brief and to more fully understand the expectations and the ambitions of the Council. To date we have held four meetings with councillors and several meetings with officers.

ARK, with Council officers and Engie, met Homes England on 12 August to discuss the initial reaction from Homes England to the prospect of the Council becoming a delivery partner.

1.7.3 ACTION 3 – SCOPING THE OPTIONS

In preparation for a Cabinet Briefing on 13 August we produced an options matrix outlining a number of options for the delivery of homes by the Council and included an option for the delivery of homes by your Registered Provider (RP) partners. That Matrix has subsequently been updated and is presented as **Appendix 3**.

1.7.4 ACTION 4 - CABINET WORKSHOP

Held on 13 August the Cabinet Workshop received a presentation and an initial report.

1.7.5 ACTION 5 – FURTHER OPTION DEVELOPMENT AND REPORT DRAFTING

This current stage of the process and, in essence, this report.

1.7.6 ACTION 6 – REPORT CIRCULATION AND ATTENDANCE AT CABINET

The assignment was commissioned on 27 July with the initial report being delivered by 24 August. The report has been completed in short order but within that timeframe we have held meetings with the members responsible for Housing, Regulatory Services, and Community Safety; Finance and Corporate Services; Commissioning, Procurement and Assets; and Environment, Economy and Skills and with Council Officers including the Senior Project Manager, Programme Director Housing and Growth, Strategic Housing Manager and Senior Solicitor.

We have met the Cabinet in a briefing session and were part of a team who met Homes England.

Since the delivery of the August report and following discussions with officers the report has been reviewed and final amendments accepted in October.

1.8 UNDERSTANDING THE COUNCILS DRIVERS FOR CHANGE

In our report and presentation to the Cabinet we noted a series of drivers for change, we tested those drivers for change with the wider Cabinet and set out below the drivers for the Council wishing to develop Council owned Housing:

1.8.1 **CUSTOMERS AT THE HEART** – The desire is to put local people at the heart of your aspirations, you want to see more and better engagement during the planning, design and development process and you wish to investigate the possibilities of delivery of homes through by CLT and cooperative arrangements once your own programme is underway.

1.8.2 **LACK OF BREADTH OF HOUSING PROVISION** – You are keen to increase the range of provision and the mix of affordable housing, above that provided by the housing providers in the County, especially the supported and specialist homes that your communities need.

1.8.3 **LOCALITY APPROPRIATE** – You want placemaking to be at the forefront of development in the County and to provide local design solutions and a sense of place that is genuinely Herefordshire.

1.8.4 **SCALE AND AT PACE** – You feel that with your land bank you can make an immediate and substantial contribution.

1.8.5 **RENT & SPACE STANDARDS** – You are concerned to ensure that homes are built to decent space standards and that rents are genuinely affordable across all social / affordable housing tenures.

1.8.6 **DE-CARBONISATION** – The Council wants to seize the opportunity to build houses to a far higher environmental standard than is currently being achieved by your existing partners.

1.8.7 **SOCIAL VALUE** – You are keen to use any resulting programme of development to deliver increased social value over and above that being achieved by your partners. Your land holding provides an opportunity to add real social value.

1.9 The highlighted sections are the bullet points from the presentation and the additional wording is how we describe the detail of those points.

1.10 What is clear is that the Council's initial focus is on the development of social/ affordable homes owned by the Council for the benefit of residents. However, there is a recognition that market homes have a place in the mix to support affordable housing developments by:

- Provide cross subsidy
- Pump priming key sites
- Offering, particularly for first time buyers, different opportunities.

2 THE COUNCIL'S KEY PRIORITIES

2.1 Following the Cabinet presentation, we have distilled your drivers for change into key priorities as follows:

- To provide high quality, genuinely affordable housing (to be defined as rents of 80% market rents or less) across the County that contributes to both the social value and the economic development ambitions of the County.

- To provide a range of social/affordable housing to suit all generations, including the provision of specialist and supported housing in the County through the delivery of appropriate housing where people can age well.

- To have greater input into managing and controlling the type and delivery of units that are required in the County and not be fully dependent upon developers and Registered Providers in this regard. However, the Council will continue to work with and encourage other housing providers across the tenures to invest in Herefordshire.

- To potentially have income generating publicly owned assets, well designed and built to high environmental standards (for example Passivhaus / CfSH / Home Quality Mark / AECB Lifetime Carbon Standard).

- To be able to make choices when developing, regarding rent levels, service charge levels and management and maintenance standards.

- To be able to utilise and benefit from external sources of funding including that provided by Homes England and/or other funding bodies.

- To potentially build up a portfolio of assets and benefit directly from capital appreciation that could be utilised to borrow against in the future.

- To establish a structure that balances risk and reward and has the flexibility to adapt to future needs and changing priorities.

- To start to deliver quickly affordable housing in the County.

3 DEFINITIONS OF HOMES THAT CAN BE CONSIDERED AS COUNCIL HOMES

3.1 Council housing fits in the broader definition of affordable housing and your Draft Affordable Housing Supplementary Planning Document (SPD) describes such housing in some detail (see **Appendix 4** for that detail). Broadly these are homes made available to those who cannot afford to rent or purchase a home at market value. In summary, they are:

- Social rented for which guideline target rents are determined through the national rent regime.

- Affordable rented housing subject to rent controls that require no more than 80% of the local market rent.

- Intermediate homes for sale and rent, provided at a cost above social rent but below market levels, including Shared Ownership (SO).

- In addition, the Government have recently promulgated a new model.

- First homes – Under this programme it is planned that homes would be sold at a minimum 30% discount in perpetuity.

- By omission, homes that are sold at their full market value with no discount or let at their full market rate are considered to be "market homes".

4 SUPPORT FROM HOMES ENGLAND

4.1 In considering the Council's options we felt it worth noting our interpretation of the discussions held by Council Officers with Homes England on 12 August. Homes England were interested to hear of the extent of the Council's land holding and the potential for the development of homes on your sites.

4.2 To some extent they were ambivalent about whether those sites were brought forward by the Council or others.

4.3 However, after understanding the Council's drivers for change the Homes England representatives were engaged in the prospect of working with the Council to fund development. They are interested in longer term programmes but equally keen to say that if the Council were interested in bringing forward early schemes for consideration, they would be interested in understanding those early opportunities.

4.4 Homes England schemes are developed under a standard contract arrangement between Homes England and their providers and the Council will be expected to sign the contract unamended from the standard. The contract sets out the grant relationship between Homes England and Grant recipients.

5 OPTIONS FOR THE DEVELOPMENT OF COUNCIL OWNED HOMES

5.1 Based on our engagement with the Council to date there is a clear desire for owning your own homes. Therefore, in this section of the report we have considered the routes to achieving that objective.

5.2 In so doing we have excluded any route to owning your own homes that would disallow the Council from benefiting from grants available from Homes England. We cannot envisage a scenario where you would want to build social/affordable homes and not benefit from publicly available grants.

5.3 There are few examples that we have yet come across where Councils who disposed of their Council housing stock have fully established their HRA, examples of LA's who have considered or are considering re-opening their HRA include Sunderland, Peterborough, Bromley, Liverpool and Pendle.

5.4 We understand that having exceeded the number of homes now allowed under the general fund exemption Bradford Council have re-established a HRA from 1 April 2020.

5.5 Broadly and to meet your obligations to deliver homes within the existing structure of the Council or on "balance sheet" there are two credible options:

5.6 OWNERSHIP WITHIN THE GENERAL FUND

5.6.1 Councils are allowed to develop homes outside of the HRA but there is a limit of 199 homes that can be held within the Council's General Fund, before there is a requirement to open an HRA those homes do not have to be bought into a HRA (subject to conditions) so there is the opportunity to get started on your housing journey without establishing a Housing Revenue Account (HRA).

5.6.2 The Government require that "Local authorities planning to build outside the HRA must write to the Secretary of State for Housing, Communities and Local Government to apply for a direction that permits these homes to be held outside the HRA; this is usually a formality, though in some instances there is a duty to consult". There are accounting implications for owning property within the General Fund and the Council must be satisfied that it has established the minimum requirements of the regulator. In summary those requirements are included in the table below:

Standard	Summary of Requirement
Governance and Financial Viability	Ensure effective governance and resource management that delivers long-term financial viability.
Value for Money	Obtain best value from assets and resources.
Rent	Charge rent in line with Government rules.

Standard	Summary of Requirement
Home	Keep homes safe, decent and in a good state of repair.
Tenancy	Let homes and manage tenancies in a fair, transparent and efficient way.
Neighbourhood and Community	Keep the wider area clear and safe, help tackle anti-social behaviour and promote community wellbeing.
Tenant Involvement and Empowerment	Understand and respond to the diverse needs of tenants, provide choice and opportunities for involvement, resolve complaints fairly and promptly.

5.6.3 The Council must comply with the Accounting and Service Codes of Practice issued by The Chartered Institute of Public Finance and Accountancy (CIPFA) so there are internal resource requirements in establishing the correct finance and housing management protocols to operate within the general fund. Any investment in new homes need to be included in a revision to the Council's annual investment strategy. The Council will also need to consider any impact of Minimum Revenue Provision (MRP) on the programme.

5.6.4 We have set out the relative strengths and weaknesses of owning homes within the General Fund below.

Ownership within the General Fund	
Strengths	**Weaknesses**
• A straightforward route to owning the Council's first 199 new homes. • Grant available from Homes England. • Low external resource costs. • Council wholly in control of what it does and when it does it. • The Council has access to development advice and support through the DRP. • Many of the processes required under an HRA will be required of the accounting and management within the general fund and will be transferrable.	• Public procurement rules apply to all development but mitigated as DRP was procured to be compliant. • The Council will be reliant on developing in house client management (intelligent client) expertise or outsourcing that role to deliver a programme and to manage and maintain the homes. • Although we do not agree wholeheartedly with the view expressed, we should record that some members see Right to Buy as a weakness.

5.6.5   In the table below we have set out the likely costs of establishing and managing and maintaining housing within the general fund.

Ownership within the General Fund		
Likely requirement heading	Likely Requirement Description	Internal Resource Implications
External consultancy and advisory fees	Assumes most work undertaken internally with 10 days consultancy support.	Finance team setting up accounting processes Housing team setting up housing processes if delivered internally or developing contract standards if outsourced.
Procuring Management and maintenance services from an existing RP	Local short-term arrangements for low numbers of homes could be entered into with the competition managed by the Council and we assume no recourse to external support.	We have assumed that initially the Housing team establishes processes for managing in-house or processes and standards for the procurement and ongoing management of an outsourced service.
Managing the Development, management and maintenance contracts	We assume that additional resources will be required to establish and manage a range of contractual relationships.	We have assumed there is insufficient capacity within the existing in- house team for the management and monitoring of construction, management and maintenance contracts. But the Council must develop an "intelligent client" capability.

5.7   OWNERSHIP WITHIN A HOUSING REVENUE ACCOUNT

5.7.1   Once the threshold of 199 homes has been reached a Council must establish a HRA, the Council is though allowed to establish a HRA at any point once it has decided to develop and own Council Housing.

5.7.2   The Government states that the HRA "is intended to record expenditure and income on running a council's own housing stock and closely related services or facilities, which are provided primarily for the benefit of the council's own tenants".

5.7.3   We have set out the relative strengths and weaknesses of owning homes within the HRA below.

Ownership within a HRA	
Strengths	**Weaknesses**
• The Government expects stock owning Councils to operate a HRA. • Changes from November 2018 have released the borrowing cap on an HRA increasing borrowing capacity. • There are established rules and guidance to follow. • Grant available from Homes England. • Council wholly in control of what it does and when it does it. • The Council has access to development advice and support from the Council's DRP partners	• Although there are clear rules and guidance it is likely that external advice will be required to guide the establishment of the HRA. • Public procurement rules apply to all development but mitigated as DRP was procured to be compliant. • The Council will be reliant on developing in house client management expertise or buying it in to deliver a programme and to manage and maintain the homes. • Although we do not agree wholeheartedly with the view expressed, we should record that some members see Right to Buy as a weakness.

5.7.4   In the table below we have set out the likely costs of establishing and managing and maintaining housing within the HRA.

Ownership within the HRA		
Likely requirement heading	**Likely Requirement Description**	**Internal Resource Implications**
External consultancy and advisory fees	Facilitation and workshop-based consultancy support to guide the finance team through the process.	Finance team setting up accounting processes Housing team setting up processes for in-house or outsourced service delivery.
Procuring Management and maintenance services from an existing RP	Long term contract required to support larger numbers of homes. Assumes procurement competition managed externally Maintenance services are available through the DRP partners(s).	Housing team establishing processes for in-house or outsourced service delivery

Ownership within the HRA		
Likely requirement heading	**Likely Requirement Description**	**Internal Resource Implications**
Managing the Development, management and maintenance contracts	We assume that additional resources will be required to establish and manage a range of contractual relationships.	We have assumed there is insufficient capacity within the existing in-house team for the management and monitoring of construction, management and maintenance contracts. But the Council must develop an "intelligent client" capability.

5.8 SETTING UP AN HRA

5.8.1 If your target is to exceed 199 homes in ownership, then the Council should consider the work required to establish a HRA at an early stage.

5.8.2 The key features of an HRA are:

- It is a landlord account, recording expenditure and income arising from the provision of housing accommodation by local housing authorities (under the powers and duties conferred on them in Part II of the Housing Act 1985 and certain provisions of earlier legislation).
- It is not a separate fund but a ring-fenced account of certain defined transactions, relating to local authority housing, within the General Fund.
- The main items of expenditure included in the account are management and maintenance costs, major repairs, loan charges, and depreciation costs.
- The main sources of income are from tenants in the form of rents and service charges.
- The HRA should be based on accruals in accordance with proper accounting practices, rather than cash accounting.

5.8.3 Legislative features are:

- Ring-fenced account within the General Fund.
- Credits and Debits are prescribed by statute.
- No general discretion to breach the ring-fence.
- Cannot budget for a deficit.
- All borrowing within the HRA is in line with the CIPFA Prudential Code.

5.8.4 The Council does not have to manage the homes held under the HRA and can, if you wish, engage other parties to manage the development, management and repair of the homes held in the account.

5.8.5 The account will be maintained and monitored through a local authority's existing accounting channels. You do not need to have permission granted by the Secretary of State to open an HRA, however the Ministry of Housing, Communities and Local Government requests a letter to the Secretary of State declaring the intention to open an HRA.

5.8.6 The process for establishing an HRA is achievable and other Councils are going down this route. It will require as a minimum the approval and development of an HRA business plan, a strategy for borrowing included in the Council's Treasury Strategy, and update to the Council's Medium Term Financial Strategy (MTFS) and a notification sent to the MHCLG.

5.8.7 The Council should not underestimate the work required to establish the systems, processes and procedures required to account for and manage the development, management and maintenance of Council owned homes. Some things to consider are:

- HRA accounting is a specialist area of public finance and expertise might need to be engaged where not held in-house.
- The HRA business plan will need to be maintained, accounted for regularly and reported upon annually. Assumptions underpinning the HRA Business Plan will need to be reviewed annually.
- Borrowing within the HRA will contribute to the Council's overall borrowing headroom.
- Any land held in the general fund and transferred to a new HRA for housing use will need to be appropriated at a market value at the appropriate time. Land cannot be simply moved into a HRA at no cost. A valuation policy will therefore need to be developed.

5.9 RIGHT TO BUY

5.9.1 Most homes developed in the General Fund or within the HRA are subject to the Right to Buy (RTB). This is a statutory responsibility of stock owning authorities and we would generally advise that off-balance sheet structures where not used for trading purposes, should not be deliberately constructed to avoid such duties. We have, however as requested by Members considered the impacts of Right to Buy and wish to draw attention to two significantly mitigating elements under Right to Buy.

(a) Cost floor rule – If the home has recently been purchased by a Council landlord or they have spent money on repairing or maintaining it. The discount could be reduced to nil if the cost floor is more than the value. The cost floor is based on either the 10-year period prior to receipt of the RTB application form: or 15 years if the home was built or acquired by the Council after 2 April 2012. (Which would apply here).

(b) Supported housing is largely excluded from the Right to Buy.

6 OPTIONS FOR THE DEVELOPMENT OF NEW HOMES OUTSIDE OF ANY HRA

6.1 The establishment of subsidiary companies, both wholly owned and as JV's, is a well-established route for the development of market homes where councils have been willing to accept sales risk in return for income rewards.

6.2 Most, if not all councils, setting up such companies do so from a position of owning their own stock within an established HRA and often after re-establishing the council as a council house builder. In this way they can then take the learning from their council house building programme into their market subsidiaries.

6.3 Whilst most companies are created to facilitate the development of homes for sale, a company could be created to own your homes. However, that company would have to register to become a Registered Provider incurring time and additional costs. The Regulator states that the process of becoming an RP takes around 12 months.

6.4 The processes required of a company; accounting, rent charging, voids, arrears, management and maintenance arrangements will be the similar to those required within a General Fund or HRA. The arrangements for lending and loan repayments, accounting for tax and establishing governance arrangements and remunerating Board members add complexity and cost.

6.5 The Council requested that ARK provide details of these options as members have expressed a willingness to engage in the development of homes under a wider range of "market sale and rent" tenures than those offered within the HRA. For instance, there is a recognition that the development of larger sites should incorporate a range of tenures in order to create sustainable and balanced communities.

6.6 There is, we believe, a further recognition that in some locations private housing developers are failing to step forward and take on risk, so there may be a need to "pump prime" development.

6.7 The Council could use surpluses generated from open market housing (sale and market rent) to help fund the development of the target – affordable homes.

6.8 In this report we have concluded that the subsidiary would focus on the development, sale or management of open market homes. Routes to development of new market homes by the Council can broadly be:

- Option A – Developing new homes as a Council standalone developer through a company for the purposes of housing development and trading plus delivery of policy compliant S.106.

- Option B – Set up a wholly owned Joint Venture company for the purposes of housing development and trading plus delivery of policy compliant S.106 subject to JV partner agreement.

6.9 OPTION A – THROUGH A COMPANY STRUCTURE

6.9.1 If the Council wishes to build homes for profit, then it must exercise its powers to do so through a company. The Council has two general powers granted under legislation that it may use to set up a company. Namely, the general power of competence contained within Section 1, Localism Act 2011 (the 2011 Act) and the power to trade contained within section 95, Local Government Act 2003 (the 2003 Act).

> **Power to Trade** – Section 95 Local Government Act 2003 gives the Council the power to trade but is subject to restrictions contained within Regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 (the **2009 Order**). The 2009 Order states at Regulation 2 that "a best value authority" (such as the Council) is authorised to do, for any commercial purpose, anything which it is authorised to do for the purpose of carrying out its ordinary functions and will be required to prepare a business case supporting the exercise of the section 95 power and the council must approve this.
>
> **General Power of Competence** – Local authorities have the power to do anything that an individual may do in accordance with section 1 of the 2011 Act. This is referred to as the "general power of competence", and a local authority may use this power for its own purpose, a commercial purpose or/and for the benefit of others. This is the power that most councils that ARK has worked with have used.

6.9.2 The Council would set up a group structure (generally with a holding company and trading subsidiary) and then broadly has two options:

Option A1 – Use the subsidiary and enter directly into contract with a contractor for build. Council takes reward for commercial sales and transfers any S.106 homes social/affordable to local RP or stock holding district. Council can take the decision to go beyond 'policy compliance' in the delivery of affordable homes where viable.

Option A2 – The HoldCo sets up a JV with another party who undertakes the construction and any profits are shared. Outcome as per direct delivery company but with reduced delivery risk and therefore reduced reward.

6.9.3 The suggested structure for options A1 and A2 is shown graphically in the diagram below:

HEREFORDSHIRE COUNCIL
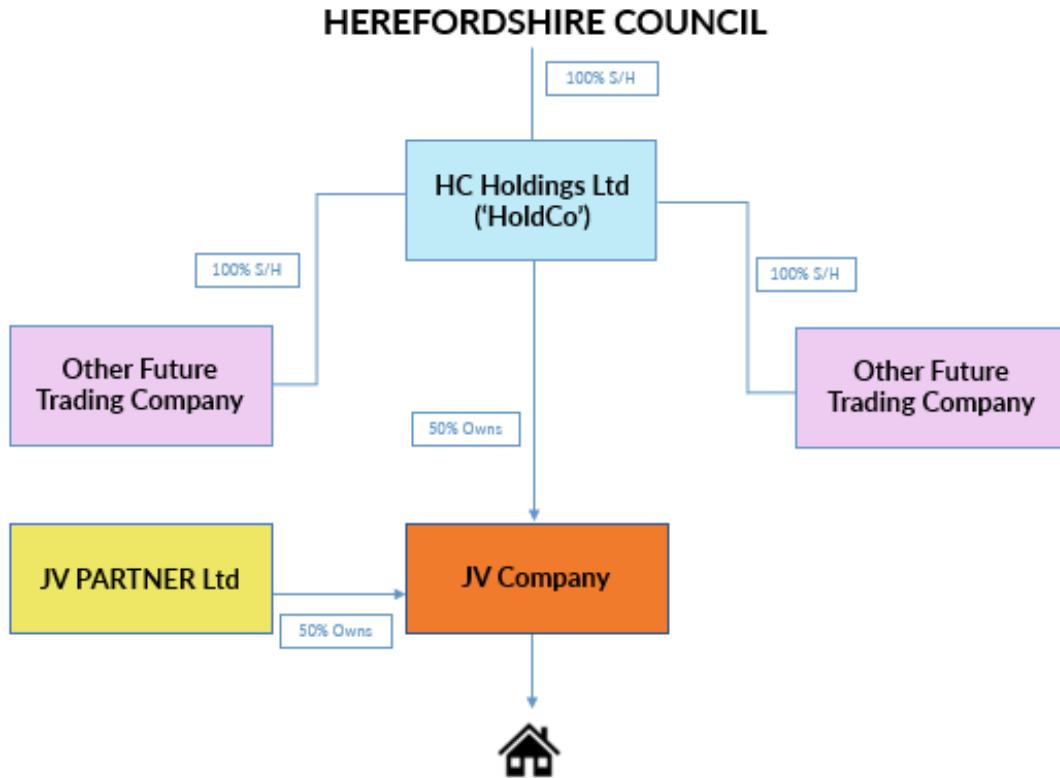
6.9.4 We have set out the relative strengths and weaknesses of Developing new homes for profit with HC as a standalone developer thorough a group structure below.

Option A – Developing new homes for profit with HC as a standalone developer thorough a group structure	
Strengths	**Weaknesses**
- Any reward that results from trading is returned 100% to HC rather than shared. - Any S.106 can be policy compliant or beyond and transferred to the Council. - Council remains in direct control without sharing governance structures. - Council wholly in control of what it does and when it does it without influence from a partner. - The time taken in setting up, might allow the current market to settle and become less volatile. - The Council has access to support from your DPR partners.	- The Council is not sharing the risk or the costs in its trading at a time when the market is less certain. - Public procurement rules apply to all development contracts (unless it is able to and uses a Teckal exempt vehicle). - The Council will be reliant on developing in house client management expertise or buying it in to deliver a programme. - This expertise is not currently in place but could potentially come from your DRP partners. - Developing property for a return is a risk and losses are always possible. - Will take more time in setting up which could result in delivery being delayed.

Option A – Developing new homes for profit with HC as a standalone developer thorough a group structure	
Strengths	**Weaknesses**
- Non-executive directors with specific talent in the business stream can be appointed to support the delivery of the business plan. - Councillors sitting on the Board develop business expertise which can transfer to other projects. - Profit is returned to the Council for use on wider regeneration projects.	- Council owned companies are seen by some commentators as being too remote in governance terms. - Building for profit may reduce focus on core activity – homes for rent. - More complex structure than building directly or in partnership with an RP. - Structure requires executive support to maintain effective operation. - Conflicts can arise with councillor/officer director appointees where those conflicts are not managed effectively. - Challenge - setting local housing policies AND acting as a 'for profit' developer.

6.9.5   In the table below we have set out the likely costs of Developing new homes for profit with HC as a standalone developer thorough a group structure.

Option A – Developing new homes for profit with HC as a standalone developer thorough a group structure		
Likely requirement heading	**Likely Requirement Description**	**Internal Resource Implications**
External consultancy and advisory fees	Consultancy and legal support to guide the Council through the establishment of the company. Consultancy support to work through the application to register the company as a Registered Provider with the Regulator of Social housing.	Finance team setting up accounting and monitoring processes. Legal team setting up and monitoring Governance structures.
Procuring Management and maintenance services from an existing RP	Long term contract required to support larger numbers of homes. Assumes procurement competition managed externally. Maintenance services are available through the DRP	Housing team establishing processes for in-house or outsourced service delivery

Option A – Developing new homes for profit with HC as a standalone developer thorough a group structure		
Likely requirement heading	**Likely Requirement Description**	**Internal Resource Implications**
	partners/s or could be separately procured.	
Managing the Development and sales or market lettings and management process	We assume that additional resources will be required to establish and manage a range of contractual relationships.	We have assumed there is insufficient capacity and sales capability within the existing in-house team. But the Council must develop "intelligent client" capacity to manage services that are outsourced. That capacity could, in itself, be outsourced.
Governance and relationship arrangements and reporting	The Council may wish to bring Non-Executive Directors on board these would expect to be remunerated.	The Council may also choose to bring officers into the Governance arrangements.

6.10 OPTION B – JV DEVELOPMENT COMPANY

6.10.1 We have set out the relative strengths and weaknesses of Developing new homes for profit with HC as a standalone developer thorough a group structure below.

Option B – The setting up a JV development company for profit	
Strengths	**Weaknesses**
• Non-executive directors with specific talent in the business stream can be appointed to support the delivery of the business plan. • Councillors sitting on the Board develop business expertise which can transfer to other projects. • Council, though objectives agreed in advance, remains in control of the programme and annual review of the business plan. • Procurement advantages - JV can be structured to operate outside of public procurement rules. • Strong experienced partner improves the likelihood of a profitable return. • Any S.106 can be policy compliant or beyond and transferred to the Council HRA. • Potentially the partner, which could be a DRP partner, bids for and administers grant which is transferred	• Developing property for a return is a risk and losses are always possible. • Council owned companies are seen by some commentators as being too remote in governance terms. • More complex structure than building directly or in partnership with an RP. • Structure requires executive support to maintain effective operation. • Conflicts can arise with councillor/officer director appointees where those conflicts are not managed effectively. • Challenge - setting local housing policies AND acting as a 'for profit' developer.

Option B – The setting up a JV development company for profit	
Strengths	**Weaknesses**
to the Council (now an RP) on completion.	

6.10.2 In the table below, we have set out the likely costs of setting up a JV development company for profit.

Option B – The setting up a JV development company for profit		
Likely requirement heading	**Likely Requirement Description**	**Internal Resource Implications**
External consultancy and advisory fees	Consultancy support to guide the Council through the establishment of the company and selection of a JV partner. Additional Legal, treasury and tax advice Consultancy support to work through the application to register the company as a Registered Provider with the Regulator of Social housing.	Finance team setting up accounting processes. Teams involved in selecting the JV partner.
Procuring Management and maintenance services	Long term contract required to support larger numbers of homes. Services could come from JV partner or be procured separately. Maintenance services are available through the DRP partners/s.	Housing team establishing processes for in-house or outsourced service delivery The Council may choose to the review the DRP arrangements and potentially scope a DRP based JV.
Managing the Development and sales or market lettings and management process	We assume that additional resources will be required to establish and manage a range of contractual relationships.	We have assumed there is insufficient capacity and sales capability within the existing in-house team. But the Council must develop "intelligent client" capacity to manage services that are outsourced. That capacity could be outsourced.

Option B – The setting up a JV development company for profit		
Likely requirement heading	**Likely Requirement Description**	**Internal Resource Implications**
Governance and relationship arrangements and reporting	The Council may wish to bring Non-Executive Directors on board these would expect to be remunerated.	The Council may also choose to bring officers into the Governance arrangements.

6.11 OPEN MARKET HOMES DELIVERED BY OTHERS

6.11.1 The most straight forward route to the sale and market renting of homes is to utilise the skills, experience and capacity of the market.

6.11.2 Our understanding of the DRP is that it was established to deal with the development and sale of homes on your existing sites. We understand that both partners stand by their commitment to support development with their wider skills and expertise.

6.11.3 Sales can then be addressed on a site by site basis. In designing the schemes, the quantity and type of the open market homes can be established, and your partners engaged.

6.11.4 The arrangements for the transfer of land to enable market housing development can include building licences, transfers with overage or claw back arrangements or the simple receipt of a land value.

6.11.5 As the landowners the Council will be able to influence the design and specification of the homes and to build placemaking into the scheme design.

6.11.6 An alternative route would be to engage with your RP cohort to ascertain whether they will be prepared to take sale risk.

Open Market Homes delivered by others		
Likely requirement heading	**Likely Requirement Description**	**Internal Resource Implications**
External consultancy & advisory fees	Legal services to scope the sale, licence or development agreement.	Legal department

6.12 STRATEGIC ALLIANCE WITH A REGISTERED PROVIDER (RP)

6.12.1 The drivers for owning your own Council housing are clearly set out but we think it right to highlight that working with RP partners can be a direct and efficient way of building affordable homes without an HRA. The RP's are already established to develop, manage and maintain social and affordable homes and many also provide market homes to complement their affordable offer.

6.12.2 The Council could choose to transfer the freehold or long lease of some land to an established and developing RP. RP develops and manages stock. The Council could seek 100% nominations and set design and other standards as part of the land sale or lease arrangements.

6.12.3 We have set out the relative strengths and weaknesses of this approach in the table below.

| Strategic Alliance with an RP	
Strengths	**Weaknesses**
• Simplest of all options with no further in-house development structure. • Quickest in delivery. • Council selects partner(s) with shared values and aspiration could be a Housing Association or a district Council HRA. • Council remains in direct control of outcome without additional governance or new development risks. • Choice of transfer of land for immediate development through partner or could use building licences to control standards.	• Additional income through trading not realised. • Expertise that could be developed through trading is not realised. • Council influences delivery through land supply agreement but subsequent management is the domain of the RP with little or no influence from HC. • Council will cede a degree of design, specification and viability control to the partner RP.
• Management undertaken by established RP. • RP can access grant for delivery from Homes England.	

6.12.4 The Council names the following Registered Providers as partners:

- Citizen Housing Group
- Platform Living
- Connexus
- Stonewater
- Sanctuary Housing Group
- Two Rivers Housing
- The Wrekin Housing Trust Ltd
- Bromford Housing
- Legal and General

6.12.5 This is a diverse group of partners and one which we would expect to be able to deliver the range of homes that the Council requires and who would be able to work at pace with you. However, it is clear from discussion that your partners are often restricted in their delivery by the lack of revenue support for mostly supported housing. This sometimes results in them not being able to deliver to the Council's expectations.

6.12.6 Whatever the decision of the Council with regard to the delivery of Council housing your relationships with your partner RP's will be an essential part of the future delivery of affordable homes across the County. Successful developing Council's work closely with RP partners to ascertain their current ambitions and explore any decision regarding Council Housing (whatever that may be) with them. Their experiences of working with the Council and what steps can be jointly agreed to maximise the delivery of affordable housing in the County can be crucial to future delivery on both sides.

7 DELIVERY OPTIONS SUMMARY SCHEMATIC

7.1 The chart below offers a schematic view of the interaction between various parties involved in new homes being developed, managed, maintained and accounted for by the Council.

7.2 This schematic drawing compliments the options table in Appendix 3 and should be read in conjunction with it.
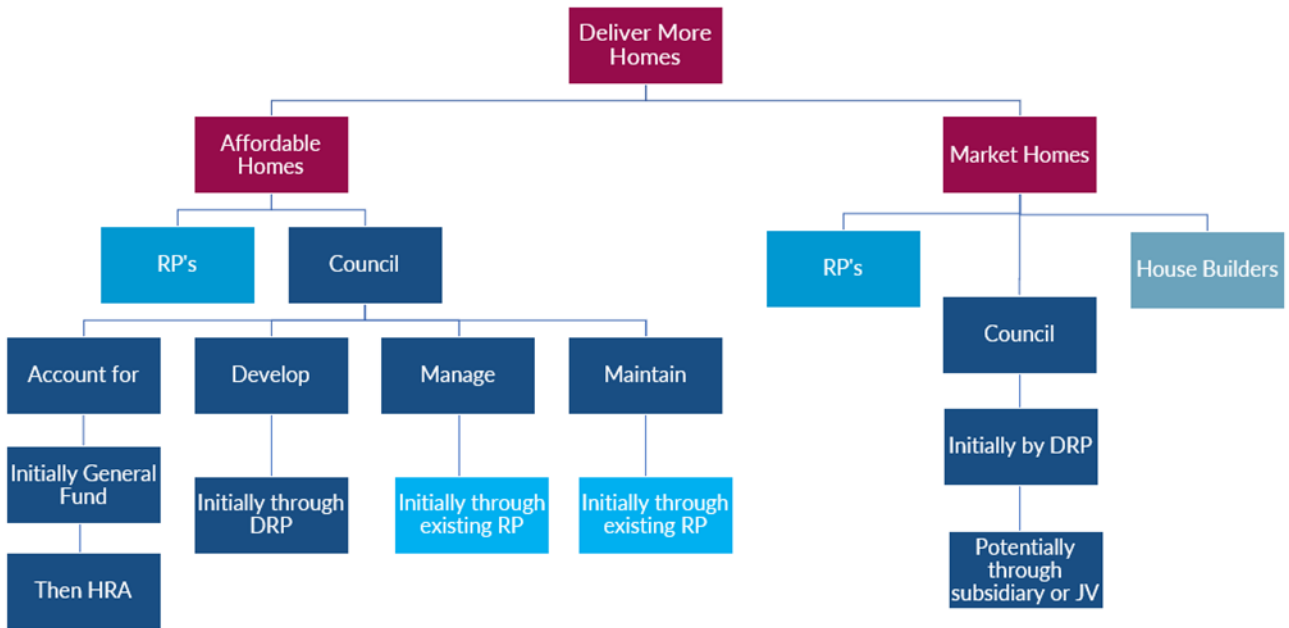
8 DELIVERY OPTIONS NEXT STEPS

8.1 Depending upon the delivery option chosen there will be a number of key next steps for the Council. Each start with an outline business plan for the chosen scenario which will include scheme level feasibility and viability analysis. Viability of schemes and the understanding of what goes into an assessment is critical to understanding delivery. Training and information on viability is already being planned in anticipation.

8.2 The table below outlines the critical next steps to reach a viable plan for delivery.

Delivery & Management Scenario	Critical Next Steps
New Homes Development Scenarios	
All development scenarios	Develop an organisational and Political understanding of 'viability' and development and what contributes to a viable scheme of new homes. Draw conclusions to the quality and standard of homes to be developed within the context of a financially viable programme. Develop an outline business plan based upon realistic and contemporary assumptions on borrowing costs, overheads, estimated returns. Set financial 'hurdles' or 'tests' for the delivery of new homes including expected development payback period and Internal rate of Return for each scheme. Develop a programme pipeline of new homes and combine the costs and returns of that programme into a comprehensive 30-year business plan showing all costs, including assumptions of management, maintenance and capital improvement over the life of the plan.
Developing new homes through a company structure	In addition to the above, confirm returns on investment and preferred governance structure for delivery and transparency. Assess the impact of state aid, taxation, transfer pricing and company structural costs (e.g. the service costs of Non-Executive directors, annual audit and additional legal support) in delivery
New Homes Management Scenarios	
If management of new homes by an provider	Develop a brief for the management of stock and soft market test potential strategic management partners. Assess likely costs and factor these into the business plan.
If management of new homes 'in house' is	Assess the costs of setting up a housing management service from scratch including, IT,

PROPERTY   PEOPLE   PERFORMANCE   PROGRESSION

Delivery & Management Scenario	Critical Next Steps
preferred	staff, internal corporate support, leadership and technical. Develop strategies and policies for the delivery of management and maintenance services and the implications of meeting the standards of the Regulator of Social Housing.

APPENDIX 1 – BACKGROUND CONTAINED IN THE BRIEF

1. Herefordshire has experienced a housing affordability gap for a number of years and is regularly identified as having one of the worst house price to earnings ratios in the West Midlands. Based upon median house price to income levels the ratio was 9.82 in September 2018 compared to highest (Malvern Hills) at 11.31 and lowest (Stoke on Trent) at 4.39.

2. A Local Housing Market Assessment has recently been commissioned and due for publication in October. This is a survey to understand market and affordable need in the County and from the results it will be possible to determine what the unmet need in the County is and where delivery should be focused. There is a limited supply of affordable housing being released through the housing waiting list each year and access to the private rental sector, which might ordinarily represent an alternative route to housing, is similarly limited due to high rental values being out of reach to many households (Shelter Report 'The cost of unaffordable rents in the private rented sector' November 2019), and, more recently, evidence of smaller private landlords withdrawing from the private rental market.

3. At a strategic supply level the delivery of both market and affordable new housing is falling short of the housing target of 16,500 new homes set out in the adopted Herefordshire Core Strategy, with only a 4.05 years forward housing land supply reported in 2019 against the 5 year minimum requirement set out in the National Planning Policy Framework (NPPF) and currently dropping. In the developer-led market where the focus continues to be on developing the most profitable housing types on the most profitable and deliverable sites, some larger strategic housing sites in the Core Strategy have not yet been delivered. The lack of delivery of smaller and more affordable new homes is therefore placing additional pressure on house prices and the associated accessibility of the housing market to local and/or newly forming households. NPPF policy, removing any obligations to deliver affordable housing on sites of 10 houses or less, has contributed to the challenges faced by local authorities in securing new affordable homes.

4. The impact on Herefordshire's population is that many residents, especially within the younger population, are unable to remain living in their local communities. The lack of housing availability and choice in the County raises house prices and creates barriers for Herefordshire's vulnerable residents and its growing population of older people to secure suitable homes that are affordable, accessible and can be adapted to suit their changing needs. This therefore increases the risk of older and vulnerable households becoming overly reliant on statutory support and care services and losing independence at an earlier stage than necessary. The wider economic, health and wellbeing impacts of housing market failure in Herefordshire represents a significant challenge for the broad communities of Herefordshire and creates a financial risk for the Council in sustaining services to meet the increasing demand for support services.

5. Delivering Council owned housing to help address the shortage of affordable housing in the County is intrinsically linked to the ambitions of the new County Plan 2020 – 2024:

- Environment – protect and enhance our environment and keep Herefordshire a great place to live
- Community – strengthen communities to ensure everyone lives well and safely together
- Economy – support an economy which builds on the County's strengths and resources

APPENDIX 2 – SUMMARY LIST OF RESEARCH

ARK have received and reviewed a number of documents during out work including:

Affordable Housing DRAFT Supplementary Planning Document Consultation Document June 2020 (*Herefordshire Council*)

Becoming a registered provider -Information for intending applicants – Regulator for social Housing – (*https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/801982/Becoming_a_registered_provider.pdf*)

Guidance - Housing Revenue Account- Gov.uk (*https://www.gov.uk/guidance/housing-revenue-account*)

Herefordshire Council Development & Regeneration Programme - Affordable Housing - Housing Numbers (*Herefordshire Council*)

High Level Affordable Housing Sites and Programme, Rev 1, 14 July 2020 (*Herefordshire Council*)

Inside Housing – articles relating to HRA including (*https://www.insidehousing.co.uk/news/news/bradford-council-forced-to-reopen-hra-following-mhclg-guidance--64225*)

QWest Services brochure

Section 106 Standard Template 10.05.2018 (*Herefordshire Council*)

Technical data to support the Supplementary Planning Document for Planning Obligations (April 2008) *Herefordshire Council*)

APPENDIX 3 – OPTIONS MATRIX

Updated 24 August 2020

Route	Notes	Tenures Delivered	Level of Council Control	Access to Capital Funding - Loans	Access to Grants	Impact of/ on RTB	Ability to retain surplus	Access to expertise	Establishing Governance Structures	Cost of Establishing the Structure/ Organisation etc.	Legal Implications	Tax Implications	Risk		
													Sales	Contract	H&S
	Descriptor	SR / AR / IR / SO / FH / ORS / MR	High = Green	Readily accessible = Green	A range available = Green	Have to offer RTB = Red	Retain all = Green	Expertise as part of package = Green	Complex structure = Red	Green = lower cost	Complex advice required = Red	Complex advice required = Red	Higher sakes risk = Red	Higher sakes risk = Red	More direct appointments = Red
Undertake development under General Fund	Limited to 199 Council Homes but could start under this model	SR / AR / IR / SO / FH	Full Control of the levers	PWLB	Possibly access some grant funding	Unlikely early years sales	Yes but general fund surplus	Would have to be bought in for Development, management, asset mngt Could utilise DRP partners skills	Undertaken under General fund	£10K The processes for accounting for housing need establishing within the GF £50K allowed for ongoing management of contracts	Deliver to CIPFA accounting standards & comply with HRA guidance / rules	Within GF regime	Low no of sales	All the Contract / contractor risk is with the Council	All the Client CDM risk is with the Council
Undertake development within HRA account	Undertake Council House Building (assuming not mixed tenure AH only)	SR / AR / IR / SO / FH	Full Control of the levers	PWLB	HE	Will impact over time	Yes -ring fenced in HRA account	Would have to be bought in for development, housing management, asst mngt could utilise DRP partners skills	Will need to establish internal governance structures	Consultancy support to establish HRA accounting & reporting process £30K Procuring Mngt / Maint agreements £25K & allowed for ongoing management of contracts £50K	Deliver to CIPFA accounting standards	Within HRA regime	SO Only	All the Contract / contractor risk is with the Council, mitigated by the procurement process for your DRP partners	All the Client CDM risk is with the Council
Company Structure A - Wholly Owned Subsidiary	Undertake Open Market initiatives to compliment AH, generate surplus or pump prime development. SR/AR/SO/ FH completed and returned to the HRA	SR / AR / IR / SO / FH / ORS / MR	Full Control of the levers	On lending from council PWLB	Possibly infrastructure type grants	NA open market homes	Yes but take all risk	Would have to be bought in for development, management, asset management - Likely to bring in expertise to the Board	Need to establish Parent (Council) & subsidiary governance arrangements	£30K to establish the company £25K to support application to become an RP £25K to procure mngt and maint £50K to manage devt / mngt / maint	Requires legal advice regarding structure / funding & governance	Corporation tax and gifting of surplus	All the sales risk is with the Council or could proentially be shared with DRP partners	All the Contract / contractor risk is with the Council, mitigated by the procurement process for your DRP partners	All the Client CDM risk is with the Council
Company Structure B - JV	Undertake Open Market initiatives to compliment AH, generate surplus or pump prime development. SR/AR/SO/ FH completed and returned to the HRA	SR / AR / IR / SO / FH / ORS / MR	Joint Board control	On lending from council PWLB & access to partners capital funding	Possibly infrastructure type grants	NA open market homes	Risk and reward is shared	Partner should bring expertise to the JV	A slightly more complicated governance arrangement to facilitate JV partner	£30K to establish the company £30K tax, legal & treasury advice £25K to support application to become an RP £25K to procure mngt and maint £50K to manage devt / mngt / maint	Requires legal advice regarding structure / funding & governance	Corporation tax and gifting of surplus - Agreement as to how reward & tax are accounted	Depending on the agreement sales risk could proportionally sit with partner but rewards would be lower	Depending on the agreement contract risk could proportionally sit with partner but rewards would be lower	Depending on the agreement H&S risk could proportionately sit with partner but rewards would be lower
Enter a formal partnership with an existing provider / providers	Could use building licences and long leases to set standards on own sites. Deliver full range of tenures	SR / AR / IR / SO / FH / ORS / MR	Control only exercised through the agreement	Partner access to capital funding	HE	But RTA applies and possibly RTB if grant funded	No risk = No reward but might be able to shape an agreement	Access through partners own team/s	Arrangements governed by contract	Contract arrangement should be low cost £10K	Straight forward SLA type contract	NA	Partner risk	Partner risk	Partner risk

APPENDIX 4 – GLOSSARY

AFFORDABLE HOUSING DEFINITIONS

Affordable Housing: housing that is provided for sale or rent to those whose needs are not met by the market including low cost home ownership and which complies with one or more of the following definitions:

Affordable Rent (AR): affordable rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Discounted Market Sales Housing: housing that is sold at least 20% below local market value.

First Homes (FH): a recent government initiative initially targeted at armed forces and keyworkers allows the home to be purchased at 70% or less of its market value with that percentage being held in perpetuity.

Intermediate Rent (IR): offered to eligible households at a rent of up to 100% of the Local Housing Allowance (housing benefit for people who rent a home from a private landlord) for Herefordshire.

Low Cost Market Housing (LCMH): is housing that is sold at a discount of at least 20% below local market level. A Herefordshire product therefore any discount should be sufficient to meet local housing needs.

Rent to Buy: let at an intermediate rent for a maximum of 5 years to a household that is looking to buy but are unable to save for a deposit.

Shared Equity: is housing that 100% of the title is to be transferred to a Qualifying Purchaser at no more than 80% of Open Market Value subject to a legal charge in favour of the Council for 20% of the units' equity value.

Shared Ownership (SO): part rent, part buy by leasehold. Rents on the unsold equity (USE) set below 2.75% for Homes England funded schemes and up to 3% for S106 schemes. Initial sale percentages set to be affordable.

Social Rent (SR): rents set in line with guideline target rents which are determined through the Government's rent policy. Generally presumed to be lower than affordable rents.

HOUSING MARKET DEFINITIONS

Market Rent (MR): housing that is available for rent to any party and which is determined by the landlord, locality and property type. Is taken as the base point for affordable rents.

Outright Sale (ORS): a term used to describe homes made available on the open market and sold at the market value. Sometimes referred to as Open Market Sale (OMS).

HOW AFFORDABLE HOUSING IS SECURED

Building Regulations: set minimum standards for the design and construction of **buildings** to ensure the safety and health for people in or about those **buildings.**

Homes England: is the non-departmental Government body that funds new affordable housing in England.

Homes England Grant Funding: is available to Homes England partners to assist them in purchasing land for development or properties for refurbishment.

Perpetuity: an unlimited duration of time. For instance, homes provided under the First Homes Initiative must remain available at 70% in perpetuity.

Planning System: through the submission of a planning application that is over 10 dwellings, negotiated on the threshold of the HMA in which it is located, taking into consideration the results of any needs studies and specific needs e.g. accessible homes.

Purchase & Repair: achieved through match funding RP's with capital funds to purchase properties off the open market to meet the needs of identified families requiring a dwelling that will not be available through Home Point.

Rural Exception Sites: for small affordable housing schemes to be developed on land either within or adjoining the village where housing would not normally be permitted as an exception to normal planning policy.

S.106: is a legally binding agreement between an applicant seeking planning permission and the local planning authority and are an established and valuable way of bringing developments in line with the objectives of sustainable development as articulated through relevant Local Regional and National Planning Policies.

Shared Ownership and Affordable Housing Program (SOAHP): Homes England's current main funding pot. Still open for bids and providing funding through to SOS in March 2023.

HOUSING MANAGEMENT

Registered Provider/Registered Social Landlord/Housing Association (RP/RSL/HA): these are all terms, often used interchangeably, for private non-profit making organisations that provide low cost housing. Although independent they are regulated by the state and often receive public funds. The different names reflect alternative designations in legislation.

The term Registered provider includes profit-making organisations. These are also sometimes known as housing associations or registered social landlords.

Choice Based Lettings (CBL): choice based lettings is an approach to the allocation of social housing which puts the onus on the applicant to express an interest (or 'bid') on properties becoming available to let. Applicants are shortlisted in priority for the specific property they have bid on. The property is usually offered to the applicant at the top of the shortlist. The CBL scheme in Herefordshire is known as **Home Point**.

Cost Floor Rule: if the home has recently been purchased by a Council landlord or they have spent money on repairing or maintaining it the RTB discount could be reduced to nil if the cost floor is more than the value and is capped at the difference between cost and value. The cost floor is based on either the 10-year period prior to receipt of the RTB application form, or 15 years if the home was built or acquired by the Council after 2 April 2012 (which would apply here).

General Fund (GF): the fund/account from which most Council services are funded and in which most assets including land are held.

General Needs Housing: a term applied to homes made available to non-specialist groups therefore often applied to the bulk of housing stock – houses.

Housing Revenue Account (HRA): this is a landlord account, recording expenditure and income arising from the provision of housing accommodation by local housing authorities. It is ring-fenced within the General Fund. Any local housing authority that owns 200 or more social dwellings are required to account for them within their HRA.

Regulator of Social Housing (**RSH**): regulates registered providers of social housing to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.

Right to Acquire (RTA): applies to most homes owned by RP's and operates in a similar way as the RTB but the discounts are significantly lower. In Herefordshire the RTA discount is £10,000.

Right to Buy: the Right to Buy scheme helps eligible council and housing association tenants in England to buy their home with a discount of up to £84,200 outside London. All homes held within a General Fund or Housing Revenue Account, with some exceptions for supported and older people's accommodation, are eligible for the discount.

Service Level Agreement (**SLA**): is a contract between a service provider and its internal or external customers that documents what services the provider will furnish and defines the service standards the provider is obligated to meet.

Preferred Partners Operating in Hereford: Connexus, Stonewater, Platform, Citizen, Two Rivers, Sanctuary, Bromford, Legal & General Affordable Homes.

DELIVERY TERMS

Development Regeneration Partnership: between the Local Authority, Engie and Keepmoat, procured as a delivery partner to accelerate development in the County by building on LA land or through the identification of new sites.

Joint Venture (JV) and Joint Venture Company (JVco): a company limited by shares jointly owned by the Council and another or other partners. The basic premise of the model rests on a local authority entering an equal partnership with private investors. The council transfer property assets into a new joint venture company, with the JV partner – a developer or RP – matching the value of the portfolio.

Prudential Code: local authorities are able to borrow without government consent, provided they are satisfied they can afford the borrowing costs. They are required by law to "have regard" to the Prudential Code, published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and MHCLG. The PWLB requires assurance from the authority that it is borrowing within relevant legislation and its borrowing powers.

Public Works Loan Board (PWLB): the Public Works Loan Board (PWLB) is a statutory body within HM Treasury. Its function is to lend money to local authorities mainly for capital projects, and to collect the repayments. PWLB funds borrowed by a council can be lent on to a subsidiary company (e.g. wholly owned local housing company) though there are State Aid issues.

State Aid: is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union (EU).

Wholly Owned Local Housing Company: there are a number of legal forms that could be used including establishing a Company Limited by Shares in which 100% of shares are held by the Council.

(Note – Based on original work by Herefordshire with ARK enhancements)

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