

Agenda

Cabinet

Date: **Thursday 30 April 2020**

Time: **2.30 pm**

Place: **Online only meeting**

Notes: This meeting will be streamed live on the Herefordshire Council YouTube channel. A recording will be made available shortly after the meeting has concluded.

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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.	<p>APOLOGIES FOR ABSENCE</p> <p>To receive any apologies for absence.</p>	
2.	<p>DECLARATIONS OF INTEREST</p> <p>To receive declarations of interests in respect of Schedule 1, Schedule 2 or Other Interests from members of the committee in respect of items on the agenda.</p>	
3.	<p>MINUTES</p> <p>To approve the minutes of the meeting held on 27 February 2020.</p>	9 - 22
<p>HOW TO SUBMIT QUESTIONS</p> <p><i>The deadline for submission of questions for this meeting is:</i></p> <p>9:30am on Monday 27 April 2020.</p> <p>Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.</p> <p>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</p>		
4.	<p>QUESTIONS FROM MEMBERS OF THE PUBLIC</p> <p>To receive questions from members of the public.</p>	
5.	<p>QUESTIONS FROM COUNCILLORS</p> <p>To receive questions from councillors.</p>	
6.	<p>REPORT ON THE COUNCIL'S RESPONSE TO THE CORONAVIRUS EPIDEMIC</p> <p>To report to cabinet on the response by Herefordshire Council to the coronavirus epidemic in the county and its impact on the council and the county.</p>	23 - 46
7.	<p>TREATMENT OF WEST MERCIA ENERGY PENSION LIABILITY</p> <p>Herefordshire Council, together with Worcestershire County Council, Telford & Wrekin Council and Shropshire Council, is one of the member authorities (the 'Owning Authorities') of West Mercia Energy (WME) Joint Committee, formerly known as West Mercia Supplies. At the point of sale of the West Mercia Supplies stationery division (WMS) in 2012, the existing pension deficit relating to the former WMS staff was retained within the continuing WME business and is overseen by the WME Joint Committee.</p> <p>The West Mercia Energy Joint Committee formally approved a request to the Owning Authorities to take direct responsibility for this pension deficit liability on the 24 September 2019. Having undertaken discussions via their respective senior Finance Officers, the Owning Authorities are each seeking</p>	47 - 62

approval to take on this liability, which is proposed to be achieved by the transfer of this pension deficit to a newly created 'employer body' within the Shropshire County Pension Fund ('WMS Pension') managed and overseen by a new 'WMS Pension Joint Committee' comprising the same Owning Authorities.

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 regulations¹. 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

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- 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.
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- 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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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

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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 Trish Marsh (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?

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

Herefordshire Council

Minutes of the meeting of Cabinet held at Ewyas Harold Memorial Hall, Pontrilas Road, Ewyas Harold, Herefordshire, HR2 0EL on Thursday 27 February 2020 at 2.00 pm

Present: Councillor David Hitchiner, Leader of the Council (Chairperson)
 Councillor Felicity Norman, Deputy Leader of the Council (Vice-Chairperson)
 Councillors Gemma Davies, John Harrington, Liz Harvey, Trish Marsh and Ange Tyler

Cabinet support members in attendance Councillors Ellie Chowns, Peter Jinman and Alan Seldon

Group leaders in attendance Councillor Jonathan Lester

Scrutiny chairpersons in attendance Councillor Jonathan Lester

Other councillors in attendance: Councillors Christy Bolderson, Jeremy Milln and David Summers

Officers in attendance: Chief executive, Director for economy and place, Solicitor to the council, Chief finance officer, Director for adults and communities and Assistant Director Education Development and Skills

128. FLOODING UPDATE (Pages 7 - 10)

The chief executive gave a briefing on the recent flooding in the county. The text of the briefing is attached as appendix 1 to these minutes.

Following the briefing questions were permitted from those present, including members of the public and attending councillors.

Points raised in the discussion included:

- Business flood recovery grants of £2,500 were available to small and medium sized enterprises and the council was apply to process applications very quickly, other support was being investigated subject to government rules;
- The council was also looking at providing temporary alternative work spaces for businesses whose premises were out of action;
- Businesses who had not suffered flood damage but had suffered indirectly such as by road closures were also encouraged to apply to the scheme and set out the details of their losses, applications would be considered on a case by case basis;
- The challenges of encouraging landowners to take responsibility for run off from their land and to work collaboratively;
- Following years of budget reductions the council could no longer afford to fund maintenance on land that it did not own and was seeking new ways of working with landowners and parish councils;
- The council was considering the relationship between the locality stewards and Balfour Beatty Living Places and exploring having the stewards employed by the council to strengthen their independence;
- Culverts and drainage should be considered when roads were re-surfaced to prevent the new surfacing being washed away during heavy rainfall or flooding;

- The council had declared a climate emergency and was moving towards being carbon zero, this would include being more resilient in the future to the impacts of the climate changes already experienced;
- A suggestion that communities should be able to bid for capital works to improve drainage and prevent flooding;
- Concerns about the ability to get insurance and the cost of premiums where insurance was available;
- The need for improved communication and support.

Councillors thanked all those who had worked to provide support to households and businesses impacted by the flooding and praised communities for coming together. The need for better government guidance and improved strategic approach was recognised. This would need to be raised at a national level.

129. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Pauline Crockett.

130. DECLARATIONS OF INTEREST

None.

131. MINUTES

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

132. QUESTIONS FROM MEMBERS OF THE PUBLIC

Questions received and responses given are attached as appendix 2 to the minutes.

133. QUESTIONS FROM COUNCILLORS

There were no questions received for this meeting.

134. QUARTER 3 2019/20 CORPORATE BUDGET AND PERFORMANCE REPORT

The cabinet member finance and corporate services introduced the report and summarised key areas of performance. The report reflected performance to the end of December 2019. The highlights included:

- A small projected overspend of £51k which it was hoped could be addressed by the end of the financial year;
- 70% of measures showing equivalent or improved performance from the same point in the previous year;
- A review of the capital programme would be undertaken including adjusting timelines as necessary to make them more realistic;
- An increase in the number of council staff taking up the flu vaccination through the Council's workplace programme;
- Key Stage 2 results from primary schools put Herefordshire in the top 20 of education authorities nationally, there had been some backsliding on performance at secondary schools but Looked After Children were now showing better improvement on performance;
- Further support to the NMiTe university project and the Hereford Enterprise Zone;
- Continued work on measures to address the Lugg catchment phosphate moratorium;
- Continued progress on delivery of superfast broadband and improved fibre connections in rural areas.

The head of corporate performance explained that the council was now in the final year of the current corporate plan and that two thirds of the current delivery plan actions were on track as complete or due to be completed by the end of the year. He highlighted changes to the corporate risk register where three risks had been removed, the risk around information governance had been increased and five new risks had been escalated and added to the corporate risk register as explained in the report.

In discussion of the report it was noted that:

- The council would be moving to new indicators for 2020/21 with the approval of the new county plan;
- Sickness absence figures related to average days absence in a 12 month rolling period and showed an upward trajectory compared with the same point in the previous year, the chief executive agreed to provide further information on the actions being taken to manage this;
- The proportion of 16 and 17 year olds participating in training had reduced slightly but the council was highly engaged with apprenticeships and was actively looking to do more to promote these options;
- Commissioning of major council contracts included requirements for the provision of apprenticeships and the council also promoted these through its relationship with Hoople, the chief executive agreed to provide further information on this area of work;
- As corporate parents all councillors and officers had a responsibility to support and encourage children in care and care leavers to participate in education and training, the cabinet member for children and families highlighted that the council would shortly be appointing a champion for young people;
- The legal services team were in the process of reorganisation and it was hoped that recruitment to vacant posts would commence this year however experience had shown that Herefordshire struggled to recruit in this field;
- The number of people killed or seriously injured was monitored very carefully as the county's roads needed to be safer for everyone to use, each accident was studied to understand the causes and what could be done to prevent further incidents;
- Drivers were encouraged to take particular care as there were still road closures and diversions resulting from the flooding, road closure signs should be respected and drivers should not attempt to drive through flood water;
- It was queried whether the number of people killed or seriously injured was better or worse than the same point in the previous year and the head of corporate performance agreed to review this and confirm following the meeting;
- Recruitment of social workers and other staff to children's social care was proving a stubborn challenge and the risks highlighted in the register were not moving in the right direction;
- The council needed to recognise that extreme weather events were more likely in the future and it was suggested that the need for increased resilience should be reflected in the risk register.

Group leaders were invited to comment and ask questions, the following points were noted:

- The projected underspend in the adults and communities directorate was an excellent achievement and officers were praise for achieving this;
- There were no current plans to introduce fluoride into the water supply as this was not straightforward and could be controversial, the council was focussed on encouraging parents to ensure children had regular dental check-ups and consider having a fluoride varnish treatment which was seen to be effective;
- Cabinet members noted that many properties across the county would have private water supplies and would not benefit from fluoride in the mains water system, it was suggested that the lack of fluoride in the water system should be

advertised so that families were aware and to help them make choices about products and treatments;

- The number of looked after children continued to be a concern and it was hoped that the extra resources provided for the legal team would help;
- The chief executive stated that recent Ofsted reviews had not identified any child in care who should not have been there and that work was ongoing to manage these numbers, which included children settled in long term foster care and those subject to special guardianship orders;
- It was suggested that the withdrawal of the LEP grant funding for the South Wye Transport Package, risk of clawback and need to write back costs already incurred should be reflected in the risk register, in response it was noted that the current report covered the period to the end of December 2019 and that the register would be reviewed for the next quarter to ensure it was up-to-date with the latest developments.

It was agreed that:

- (a) Cabinet reviewed performance and financial outturn for quarter 3 2019/20, as set out in appendices A - G, and did not identify any additional actions to be considered to achieve future improvement.**

135. REVISED HOUSING ALLOCATION SCHEME FOR HEREFORDSHIRE 2020

The cabinet member housing, regulatory services and community safety introduced the report. She highlighted that the council was required to have an allocation scheme for determining priorities for allocating housing even though it did not currently own any housing stock. The delivery of the new scheme had been delayed due to difficulty with the IT system but this time had been used to further review the scheme and to take on board the requirements of the homelessness reduction act.

In discussion of the report it was noted that:

- The operational housing team worked closely with strategic housing to ensure that the policy worked on the ground and discussions has also taken place with a range of internal colleagues and external partners in developing the revised scheme;
- The housing associations had agreed in principle to pay for the addition of Band E for existing tenants and general applicants who did not have an identified housing need, the details of how this would operate were still under negotiation;
- The equality impact assessment was queried and officers confirmed that individuals with disabilities would likely access housing through specialist schemes rather than Homepoint, and those who were unable to use a computer would receive support from the council or housing association to make an application;
- There was an intention to include private landlords on the Homepoint system in future, once the initial phase with the housing associations had been delivered;
- The new system had an increased character limit for information about properties and this should include the energy performance of the property, cabinet members requested that the importance of including energy efficiency information be raised with landlords;
- The changes to the categories could lead to an increase in numbers on the waiting list however those in higher categories would still have preference, a longer waiting list might be seen as a more accurate reflection of need and would be reviewed after a year to judge the impact of the revised scheme;
- Properties around the borders of the county would be listed according to which authority they paid council tax to;
- The changes to criteria giving priority for military personnel were introduced by the government in a series of measures to support them and their families;

- Post graduate students might be eligible if they could demonstrate their local connections and employment status;
- Medical needs would be considered based on the information provided by applicants and referred to experts such as an occupational therapist, housing staff would not be assessing medical conditions but would make decisions on the information and expert advice provided.

Group leaders were invited to comment. The reasons for the delay to the implementation of the new system were understood and the implementation of the new scheme was welcomed.

It was agreed that:

- (a) The revised Housing Allocation Scheme at Appendix 1 is approved;**
- (b) Any minor amendments to the scheme necessary to enable implementation are delegated to the Cabinet member housing, regulatory services and community safety.**

136. BETTER WAYS OF WORKING IMPLEMENTATION

The cabinet member commissioning, procurement and assets introduced the report supported by the strategic property services manager and the assistant director corporate support. It was highlighted that the principles of better ways of working (BWOW) had been in place at Herefordshire Council for around 10 years and this represented the next phase. Objectives included keeping the cost of back office functions to a minimum and being mindful of the declared climate emergency. A key element of this next phase was to move staff out of Nelson House in Hereford in order to release the lease on that property and to increase usage of the Plough Lane offices. The move was expected to improve collaborative working and integrate staff from children's and adults social care.

In discussion of the report it was noted that:

- There were a lot of potential benefits to the approach but also some issues that would need to be addressed such as confidentiality requirements and sufficient parking for those staff who had emergency duties and required access to a vehicle;
- The desks currently in use at Plough Lane were quite deep and it was felt that by using narrower desks more staff could be accommodated in the same space without overcrowding;
- The council had been trialling new software to improve access to conference calling facilities and refurbishments of the multi-agency offices would increase capacity and encourage more staff to use them;
- Adaptations would be made to ensure that there were suitable areas for confidential discussions;
- Assessment of tenders for contracts such as providing new furniture and equipment would take account of the climate emergency, score bids against their ability to recycle and on their social value
- There would be specific consultation with staff moving from Nelson House to Plough Lane and reminders to staff currently in the Plough Lane offices of the standards they should be operating in terms of desk ratio and clear desk policies;
- Many staff who worked at Nelson House already used the car parks at Plough Lane so the impact on parking would be modest, it was recognised that there was more that could be done to encourage different ways of travel to Plough Lane;

- There was scope for increased flexible working subject to the specific needs of each service and ability to respond to public demands as the Plough Lane offices were open from 7am to 7pm;
- The wellbeing of staff was important and changes would include things like use of breakout spaces which could have a positive impact and the views of unions would also be taken on board.

Group leaders were invited to comment on the report. Key points noted were:

- Changes to working patterns could be disruptive to staff;
- The multi-agency safeguarding hub (MASH) had particular requirements and these needed to be addressed in its move to Plough Lane, the strategic property manager confirmed that discussions had already taken place to ensure that these requirements could be met.

The chief executive noted that a recent difficulty with the fire alarm system at Nelson House had required many staff to work remotely or from different offices for a short period and that this could be seen as a dry run. There had been positive feedback from that experience. He stated that there needed to be a whole county solution focussing on staff rather than buildings, getting them closer to communities and reducing traffic and travel stress.

It was agreed that:

- (a) notice is served to vacate the Nelson building from 30 September 2020 making an annual saving of £155k;**
- (b) approve spend of up to £850k to deliver the better ways of working project as detailed in this report through delegated authority to the chief finance officer in consultation with the cabinet member for commissioning, procurement and assets; and**
- (c) the principles of better ways of working are adopted by Herefordshire Council (point 21).**

The meeting ended at 4.23 pm

Chairperson

Statement from Alistair Neill to Cabinet regarding recent flooding

Thank you for this timely opportunity to update Cabinet on the recent flooding in the County.

Communities across Herefordshire were heavily impacted by Storm Dennis, with a month's worth of rain falling in two days over the weekend of Saturday 15 and Sunday 16 February 2020. The sheer volume of water caused generalised flooding in many areas severely affecting properties and roads, and the rivers Wye and Lugg both rose to their highest ever recorded peaks bursting their banks. What this means is that these levels were the highest in over 200 years. At one point around 700 tonnes of water per second were flowing under the Old Bridge in Hereford. With widespread disruption experienced by residents and businesses, a major incident was declared on Sunday 16 February 2020 at 11.20am.

Major incident response

A Tactical Control Group (TCG) was convened working out of Plough Lane, chaired by Sue Thomas, Superintendent Herefordshire, West Mercia Police. This brought together a number of key agencies including Herefordshire Council, Public Health, the Environment Agency, West Mercia Police, Hereford & Worcester Fire and Rescue Service, West Midlands Ambulance Service, our health partners and utility services. Through the TCG, services were coordinated to protect and provide assistance to Herefordshire residents and businesses, focusing our early efforts on the most vulnerable members of the community.

Travel and transport across the county was extremely difficult with around 80 major and minor roads impassable at peak flood. Road and bridge closures were put in place where they were flooded or where their condition had become unsafe. Whilst a priority was to keep Herefordshire moving, the top priority has been to keep people safe.

Some areas experienced power cuts, however these were generally short term.

More than 300 residential properties experienced devastating flooding. Recovery and rest centres were opened in Ross, Leominster and Holmer Leisure Centres and at Point4 for people whose homes were flooded, providing shelter and refreshment.

In Whitchurch, 24 residents were evacuated from a privately-run care home and moved safely to alternative accommodation. The eldest of the residents was 97. In Hampton Bishop a care home became inaccessible to normal vehicles, so staff were transported to and from the home by military and fire and rescue services, and the basement was continuously pumped so that residents could remain in their home.

In total, 204 people were rescued across the county by fire and rescue services from either properties or vehicles.

Due to its proximity to both the rivers Wye and Lugg, much of Hampton Bishop remained inaccessible by road for many days. The delivery of essential food and medicine supplies was arranged, with council staff visiting the local ASDA supermarket, who kindly provided the food free of charge, on behalf of stranded residents.

During this time information was provided to residents across the county through a dedicated page on the Council website and via the Council's social media channels - which were viewed more than 6.5million times in the last 11 days - with the latest situation updates and general advice on what to do if affected by the flooding. Information was also shared through local newspaper, radio and community social media sites, and interviews on regional TV. With national and international media interest, the online news reach (that is number of people who have read about the flooding) is 1.18billion to date.

In addition, video messages were sent to residents in Whitchurch and Hampton Bishop providing information specific to those communities. These were circulated through Whatsapp, the local parish council and local residents through electronic messaging.

On Tuesday 18 February 2020, under emergency provisions, the decision was taken to allocate £1million of council reserves to support local residents and businesses impacted by flooding. Since this decision, the Government (Ministry for Housing, Communities and Local Government) has announced community and business flood recovery grants, which the council will assist people to access, with £500 available to residents and £2500 for businesses. Payment of grants started on Monday 24 February 2020 to the 322 residents and 64 businesses who have applied to date. In addition council tax and business rate relief is available for three months for flooded properties. At the this time we await word from the Department for Environment, Food and Rural Affairs (DEFRA) as to whether local farmers affected can access its Farming Recovery Fund.

Recovery

With the impact of further rainfall and possible raised river levels, the formal position of emergency response was maintained until Tuesday 25 February 2020 when we formally moved to a 'recovery' position. However recovery for many communities started sooner than this.

The council provides recovery support and signposting to assist affected communities during recovery so that they can work towards restoring local services and facilities and returning to normal.

Additional resources have been deployed across the county to expedite road cleaning and inspection and assessment of the condition of roads and bridges. Surveys using specialist equipment are being carried out. We have established that there are at least 71 locations across the highways network where repair work is required and of these 51 require extensive work to remedy the damage caused which is expected to cost upwards of £1.6million. Whilst work to repair damage has commenced, several roads and bridges will require longer term attention and investment to fully address flood damage and secure their resilience. As such I expect the final repair bill to multiply.

We are extremely mindful of the experiences of people who live and work in the communities affected by current road and bridge closures, however it will take weeks before many are safe to reopen. As of 27 February, there remain 28 road closures in place, with restricted access particularly problematic around Fownhope/ Holme Lacy and Walford/ Leintwardine. We ask people to continue to adhere to road these closures and bear with us while this work takes place. We will be looking for Government funding under the Bellwin scheme for the repair of roads and other infrastructure. Clearly travel through the county will continue to be impacted and additional bus services have been established in those areas that are impacted by prolonged road closure. School transport services have also been supplemented.

Communities across the county are facing the unenviable task of cleaning-up their homes and businesses. Herefordshire Council are providing a free service to collect flood-damaged household items from outside residents' houses, and commercial vehicles won't need permits at household recycling centres in Herefordshire until Sunday 1 March, for the disposal of flood damaged items. Lost wheelie bins are being replaced.

Helping with the clean-up effort, Herefordshire Council staff joined with others from local response services to deliver cleaning supplies and assistance to a number of communities affected by flooding. The Talk Community Big Herefordshire clean-up has involved hundreds of staff who volunteered to visit residents and businesses in prioritised areas to distribute information about flood recovery, provide help with completing grant forms and deliver cleaning essentials to designated community hubs. These door-to-door visits by our staff have been very gratefully received by residents and businesses. Among the other volunteers were retired firefighters who had driven from Kent, east London and north Yorkshire to support

our efforts by clearing out flooded properties. In total more than 400 volunteers have now visited 42 different sites. Those volunteers were not only from the council, but also from:

- Police
- Fire and Rescue
- Herefordshire Council
- British Red Cross
- Tunnels to Towers provided support to lift and move heavy furniture and equipment out of homes ready for waste collection.

With many local play areas affected by the flooding, the council funded sessions in local leisure centres offering a safe place for children to play during the half term. And as pupils returned to school, the Council's school transport service put alternative services in place for those communities still impacted by flooding and road closures.

Information has been sent to local businesses and representative groups about how to access short-term desk or office space to aid with business continuity, and recovery grants. Our farming and agricultural businesses will be impacted beyond a single season.

Over the coming weeks we will be working with residents and businesses to access flood resilience grants, once details on this have been received from Government.

Future considerations

Although the recent high river levels and extent of flooding across the county was unprecedented, climate changes mean that it is sensible to assume that they will become a more regular occurrence. If unprecedented is the new normal, we need to think and plan differently. It must be a priority for us to work to build community resilience to flooding across the county and work with partner agencies to consider and plan flood defence and prevention measures.

We will be looking to Central Government to provide special funding to support this and repairs to our road network, bridges and other infrastructure to a standard that will be able to better withstand extreme weather conditions, and are writing to government departments and MPs in this regard.

In the longer-term, the council will need to give careful consideration to planning issues, where we build and how we manage our environment appropriately, and again we will be looking to Government to support this through policy and action.

I am mindful that whilst Herefordshire is well into recovery mode, our west Mercia neighbours in Shropshire and Telford and Wrekin in particular remain in emergency response, with once again, unprecedented flooding. We continue to liaise across west Mercia through the Strategic Control Group, where Herefordshire Council will chair the region's communications as all areas move into recovery.

I would like to round-off by recognising and thanking people from across the county during this time of extraordinary disruption. The impact of this flooding has been substantial and significant, and we do not underestimate how upsetting and disruptive it has been for many. It may take several months before the county can return to 'business as normal'. However, residents have responded with resilience and a wonderful sense of community.

PUBLIC QUESTIONS TO CABINET – 27 February 2020**Question 1****Mr R Board, Hereford****To: cabinet member, infrastructure and transport**

An Article in the Hereford Times identified as being written by Bill Wiggin indicates the following "This proposed spending seems extravagant when the council are considering rejecting £182 million from central government for the bypass that will improve air quality around the city." Could the relevant Councillor inform me if they are aware that this funding exists and what they are doing to pursue and retain this funding for the Herefordshire Bypass?

Response

The Council has not received any offer of funding from central government for the bypass and I have not rejected any such offer as your question suggests. Submissions were made by the previous administration to Highways England for the Road Investment Strategy 2 and Housing Infrastructure Fund but to be clear no funding offer has been made as a result of these submissions. Following the decision to review the southern link road and bypass schemes we have liaised closely with central government departments to keep them up to date with the timescale and process for the review and it is likely they will form part of the transport review steering group. We are also tracking a number of grant announcements recently made by government regarding sustainable funding (including electric bus and cycle schemes) and will be applying for relevant opportunities as the review of the bypass scheme progresses.

Question 2**Mr D Mills, Ewyas Harold****To: cabinet member, infrastructure and transport**

When is the Herefordshire Council going to liaise with the other Agencies with a view to replacing the out of date and inadequate drainage system with a system 'fit for purpose and for future needs? We are continually experiencing flooding from the highway - B4347 - between Morgan's Garage and the bridge over the Dulas Brook - causing damage to the adjoining properties and making them inaccessible and also causing structural damage to the highway and pavements. Further - the lack of maintenance of the Dulas Brook and maintenance of the existing drainage system is exasperating the situation.

Response

I am aware that officers have been working with other agencies about this matter including the Environment Agency and Welsh Water. There have been discussions and a number of meetings to determine what can be done and responsibility of each organisation. There are a number of complex issues associated with this drainage system but officers are working with agencies on this to develop a coordinated programme of works and I will make sure officers update the ward and parish councillors as soon as possible.

Supplementary Question

There were concerns that the drainage in the village was inadequate, particularly taking into account the increase in the number of properties and increased runoff. It was recognised that this would take time to address but in the meantime existing facilities such as culverts needed to

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be maintained. There were also concerns over flooding from a foul sewer which was understood to be a Herefordshire Council asset.

Response

The cabinet member infrastructure and transport responded that these issues would be followed up.

Question 3

Ms Overstall, Dulas

To: cabinet member, environment, economy and skills

Is the Council aware the Biological Records Centre which is part of Herefordshire Council's Ecology service, is no longer supporting biological recorders within Herefordshire, which means it is not fulfilling its duty of submitting data to regional and national projects? It is also charging substantial fees to organisations that need biological data to develop projects, which means it is hard for environmental charities to pursue their goals.

Response

The Herefordshire Biological Records Centre (HBRC) is based in the Council's HARC building and operates as a not-for-profit partnership service, collecting, managing and distributing data relating to wildlife sites, species, habitats, biodiversity and nature. Its aim is to provide wide access to both species and habitat records for Herefordshire and assist in their protection, currently holding over 570,000 records.

As we face an ecological emergency, quality data on our local environment is of increasing importance. Our officers therefore continue to support recorders in a variety of ways as we always have done. This assistance has never ceased for any amount of time and nor do we plan to stop. We share data with many local and national recording schemes, as it is essential to the work of our HBRC. With regard to the charging element of your question, we apply fees in a comparable way to our colleagues in other Local Environmental Record Centres (LERCs). In fact, we recently found that we are nearer the lower end of the charges applied by LERCs across the UK, when we last benchmarked this.

I have asked that the HBRC contact you directly so that you can discuss this matter more fully.

Supplementary Question

It was suggested that new technologies existed which recorders could use by themselves and that the business model of the HBRC needed to be reviewed.

Response

The cabinet member environment, economy and skills responded that the council was open to new ideas about how things could be done differently in the future.

Question 4

Mr M Gardiner, Michaelchurch

To: cabinet member, infrastructure and transport

Appendix 2

Why aren't the local authority, Hereford County Council, speaking to local land owners and the farming community about water runoff from their land and attempting to minimise said runoff and so preserve our local roads?

Response

We do engage with landowners (including farmers) throughout the county about their responsibilities to maintain land drains, watercourses and culvert on their land. They are required to maintain these systems regularly and to undertake any necessary clearance after a flood event. Balfour Beatty Living Places (BBLP) locality stewards speak regularly with landowners to support this and if needed we can take enforcement action if a landowner is not complying with what they are required to do in law. I have asked BBLP to issue parish councils and landowners with a fact sheet on who is responsible for what with regards to drainage maintenance (this is also now on the website) and to step up its efforts to make sure all landowners are aware of their responsibilities. This is an area the Council is giving a lot of thought and time to at the moment and I understand how essential it is that gullies, culverts and water courses are as well maintained as possible and BBLP now have 3 gully cleaning tankers out on our roads making sure we are doing all we can outside as a Council to do this.

Supplementary Question

There was concern that the locality stewards did not have the ability to contact landowners and that no noticeable action had been taken to minimise the impact of significant water levels on the local road surfaces. It was suggested that someone with more teeth was needed who could move issues forward.

Response

The cabinet member infrastructure and transport responded to say that he understood the frustration and the council was considering how to respond to issues with run off, being mindful of the available funding, and was working on improving communications with communities and how to resolve issues with culverts and drains etc. where these were not the responsibility of the council.



Meeting:	Cabinet
Meeting date:	Thursday, 30 April 2020
Title of report:	Report on the council's response to the Coronavirus epidemic
Report by:	Chief executive

Classification

Open

Decision type

Non-key

Wards affected

All wards

Purpose

To report to cabinet on the response by Herefordshire Council to the coronavirus epidemic in the county and its impact on the council and the county.

Recommendation

That:

- a) cabinet reviews the progress made in delivering the response to Covid-19 in Herefordshire and determines any recommendations it wishes to make.

Alternative options

1. It is essential that the council responds effectively to a major public health pandemic. Failure to respond effectively would leave services and residents at greater risk. Therefore there is not a viable option on extraordinary matters of this kind.

Key considerations

2. Coronavirus was declared a world-wide pandemic in March 2020 by the World Health Organization (WHO). The timeline of the crisis is as follows:

Timeline of Coronavirus pandemic	
2019 31 December	Pneumonia of unknown cause, and with no vaccine or effective clinical treatment reported to WHO China Office, in Wuhan, Hubei Province. According to the authorities, some patients were vendors in the Huanan Seafood Market.
2020 10 January	The WHO refers to coronaviruses such as SARS and MERS, in issuing a tool for countries to check their ability to detect and respond to a novel coronavirus
11 - 12 January	China makes Covis-19 genome sequencing publicly available
13 January	First case of novel coronavirus outside of China confirmed, in Thailand.
31 January	First case in Italy.....suspended China flights, declared state of emergency
05 February	First British national in UK diagnosed with Covid-19
11 February	Novel coronavirus disease named Covid-19
17 February	WHO issues guidance on mass gathering and taking care of ill travellers
21 February	WHO Director-General warns that the window of opportunity is "narrowing"
28 February	First confirmed case of British national to catch the virus in UK
01 March	The British government announced a 4 stage Covid-19 'battleplan': Containment, Delay, Research, Mitigate. The country had entered 'containment' phase.
02 March	WHO states that Covid-19 is capable of community transmission
05 March	WHO: Covid-19 "can be pushed back, but only with.....the entire machinery of government"

11 March	WHO characterizes COVID-19 as a pandemic. This is the world's first pandemic caused by a coronavirus
13 March	Europe has more cases, deaths than the rest of the world apart from China.
23 March	British government announces national lockdown.

Coronavirus in Herefordshire – in summary

3. Herefordshire Council found itself fully engaged in responding to the flooding emergency in February. Whilst this was a calamitous emergency for many residents and businesses, it did ensure that Herefordshire Council was in emergency response mode alongside other key agencies as we entered March 2020.
4. The council took the opportunity to review and refresh its emergency response plans, its resilience plans, and its risk assessments fresh from addressing the impact of the floods.
5. With Covid-19 declared a pandemic on 11 March 2020, it was clear that this coronavirus could not be contained indefinitely. It would inevitably spread across the country and the county. The council took steps to prepare for the impact on its services and its ability to function.

The council's response:

- On 12 March the management board declared an emergency, which ensured that joint agency-planning was in place: our Tactical Coordinating Group (TCG).
- On the same day, the West Mercia Strategic Coordinating Group (SCG) moved into place, bringing all key agencies together with local government chief executives, and the Ministry of Housing, Communities and Local Government (MHCLG) across the region.
- The council further revised Herefordshire Council's emergency planning, this time specifically for a pandemic.
- Staff recognised as our first priority, instituting a major information campaign and specific actions in support of hygiene control, including heightened cleaning of office touch points and doors.
- Identification of the most vulnerable in our communities as our second priority – and that in this emergency period these would be our two fundamental priorities: by ensuring staff were safe and well, we would be able to support the most vulnerable in our community.
- Extended Better Ways of Working (BWOW) strategy, designed to reduce unnecessary travel, and established digital platforms that would enable full functionality for its management team across the county. This would equip officers and many staff to continue to work effectively from agile or remote-working sites, including at home.
- Established clear website space to advise residents of all government announcements, of important hygiene control behaviours for every resident.
- Established a Helpline, initially training re-deployed staff to be ready for calls from residents.
- Sent out letters to 80,000 residents to reassure that we would continue to deliver core community services, and pointing residents towards our webpage and Helpline.

- Government announced its Operation Shield Plan to protect the most vulnerable in our communities, setting a timeline of one week for councils to have established: we had our hub centre in place, at Halo on Homer Rd.
 - Began food deliveries to those who required shielding, but were not supported by government's Operation Shield – this has meant delivering directly to around 70 households, whilst sign-posting those residents to the direct delivery operation from government.
 - Working with our local GPs and hospital, to identify the most vulnerable in our county, and we have contacted those people to ensure they are supported by family, friends, neighbours or community networks: if not, we have helped them to put the necessary support in place
 - Collected prescriptions from community pharmacies and delivered these to residents, including at weekends.
 - Through our public health team, we have ensured that all staff are fully aware of the critical importance of hygiene control, and social distancing.
 - Through our finance team, grants have been paid out to over 3,000 local businesses, totalling at 20 April £34.8m. Central government is to be congratulated for making grants available to businesses, so quickly: for our part we have ensured that this grant funding reaches qualifying businesses as quickly as possible, following important security/ fraud checks. Many businesses have written or called to express thanks not only for the grant but also for the speed and care in which we have delivered that service.
6. Talk Community has been a central part of our work programme in addressing the challenges of Covid-19 through connecting our staff and services with our communities.
7. It is notable that the residents of Herefordshire have responded very well to the government requirements to stay at home and avoid unnecessary travel, and practice social distancing if outside for specific reasons. Compliance has, overall, been good. It is recognised that this is a particular challenge for residents in more confined spaces, with a garden, with young children and with dogs as pets.

Management and Reporting Systems

8. The joint TCG work at a local level across all agencies – police, fire and rescue, health, the voluntary sector – has been effective and continues to work well. An example of this is in our parking enforcement team: from mid-March the council temporarily stopped parking charges in its car-parks to enable key workers to park as close as possible to where they were needed at no cost. This freed up staff in this area of work, which allowed them to be redeployed into working alongside police in enforcing social distancing.
9. The West Mercia SCG – also known as our Local Resilience Forum (LRF) – has met frequently throughout the last 5 weeks, including weekends when necessary. It has been an important forum in which to jointly plan, liaise and pass key messages back to central government. For example, in planning for excess deaths, it has been necessary to model the projected position for many weeks ahead, based on relatively weak intelligence and data: through the LRF we were able to order a temporary mortuary which will shortly be delivered in Hereford.
10. The Herefordshire Council Management Board (chief executive, directors, corporate centre chief officers, and assistant directors) has met 3 times per week and continues to do so, in order to share, jointly plan, and take the most appropriate action on myriad matters arising. It is notable that whilst in early March there were no WebEx, Zoom or Skype Business video-conference meetings within the council, by 20 April, more than 4,000 had taken place. This reflects the busy nature of management and staff in this period,

but also the effectiveness of these new platforms of communication. When we return to more normal times, we will have an increased capacity in effective working without the need to travel to meetings – which has long been part of the BWOW vision, increasing productive time, whilst reducing traffic on our roads.

11. Effective financial management has continued throughout this period, as has staff management. Approximately 200 staff have been redeployed into essential work in support of core community services, and we have further staff numbers capable of being redeployed if necessary.
12. Engagement with staff union representatives has been important and has continued in this period.
13. Weekday Situation Reports have been provided to cabinet members, group leaders and our 2 MPs; Weekly Summaries have been sent to all councillors.
14. Staff have been sent a daily briefing and communication, along with 'keeping in touch' videos by the chief executive and directors have been utilising online forums to stay in touch with staff. The most recent video gained 240 staff views in its first 2 days.
15. A frequent and high level of contact between Herefordshire Council and councils across the wider region and indeed the whole of England, has taken place – with at least 3 such meetings each week. This is important as it enables all councils to share experience, good practice, and challenges. It has also enabled councils to work jointly to influence government decision-making – and this has been evident with recent major ministerial announcements supporting additional funding for local government and for social care.

PPE (Personal Protective Equipment)

16. This has been a critical area – perhaps the most critical area – in terms of supporting staff safety and well-being. It is expected that this will continue. Overall, Herefordshire Council has maintained provision of PPE to key front-line staff whilst also supporting care home staff. However this has been challenging.
17. In the initial phase of Covid-19, until week ending 10 April, the advice from Public Health England (PHE) was the basis of PPE planning.. This identified a level of appropriate PPE use primarily within clinical settings. From week ending 10 April this level was reviewed by the NHS and Public Health at a local level across the country, and in our county: the consequence was that a new set of guidelines were recommended, broadening the recommended use of PPE into non-clinical settings, and extending the PPE items recommended.
18. It is fully recognised that this disease is new and the knowledge that guides decisions is constantly developing, and quite correctly formal national advice changes with this new knowledge. It is important that Public Health England is therefore not unduly definitive in its advice and also listens to the experience of people and councils on the ground. Major changes to PPE guidelines overnight, without consideration of supplies and availability could present further very serious problems for councils with inadequate PPE stocks.
19. This reviewed set of guidelines caused a major increase in PPE demand across the country, creating the very real prospect that PPE supplies that had been acquired to meet previous demand projections, could now be rapidly exhausted.
20. This council's early experience regarding the reliability of government announcements on supply of PPE (shared by the great majority of councils with whom we have discussed the matter) – is that those government announcements have been extremely unreliable.

Repeated statements from ministers over a period of weeks that PPE supplies are meeting the needs of local government have been, unfortunately, wide of the mark. They have caused 3 avoidable problems: the actual lack of physical stock of PPE; the perception that government was doing what was required so the problem of supply must be at the local level; and critically – local government potentially being delayed in its own efforts to secure its own supplies as it anticipated announced supply from central government. At best this aspect of central government work has been poorly co-ordinated; at worst, it has been a hopeless muddle. Given that PPE is projected to be a central part of our work for a very significant period ahead, it is extremely important that national government significantly improves its coordination of national distribution of PPE, and with some urgency.

21. Herefordshire Council took an early decision not to rely entirely on central supply lines of PPE - which is why we have not run out of PPE. We took further action to source PPE from 3 supply routes, including the central route, with the aim of not wholly depending on any single route. This is particularly important as the volume of PPE required by Herefordshire Council is very substantial: for example, over 18,000 facemasks per day. With gloves, aprons and goggles required in balance, these volumes have become a major new requirement for Herefordshire Council not only to physically secure and plan for, but also to budget for. The additional cost of facemasks alone, hitherto an unplanned for cost, is projected to exceed £300,000 per month.
22. The council is now developing forward plans for PPE to be part of our core work for as long as PPE is required – and this may be as long as 18 months.
23. It is important to note that whilst the council has gone to extraordinary lengths to secure PPE, supplies are finite, whilst demand is enormous. In that state, councils – and this could include Herefordshire Council – do face the real risk of running out of PPE stock.
24. There have been many tremendous examples of communities and people supporting each other in this public health crisis. In the case of PPE, the council asked the private sector locally to support us: within a week 2 companies had stepped forward and began to produce hand sanitiser within 2 weeks – an essential part of PPE where people cannot wash their hands. We received those supplies very gratefully. Both companies had no previous experience of producing hand sanitiser and we are very grateful to them: Chase Distillers and Celtic Marches. Having secured these local supplies, the council was able to provide supplies to Yeoman's bus company, for its drivers – having received an urgent request for support.

Care Homes and Domiciliary Care

25. Many of our most vulnerable residents reside in care homes. It has been a concern – and remains so – that the focus of national data gathering has been on numbers of infected people and sadly, deaths, in hospital settings. This has excluded care homes and communities.
26. As colleagues in the same system, we value and hugely appreciate the extraordinary efforts made by our colleagues in the health service. Quite rightly, those efforts are celebrated nationally with enormous respect and appreciation. However it has been a concern that our county's care workers have not been shown the same recognition and value for the work that they do, by central government – certainly in the period until 14 April when the Secretary of State made a very clear statement of thanks on behalf of the government. Quite rightly, every Thursday at 8.00 pm, the national applause is for both our health workers and care workers.
27. It is extremely important that we are able to work very effectively with care homes in the county, which are privately run. It is important that we understand where Covid-19

infections occur as early as possible in order to assist wherever we can in controlling any spread of the virus. As a council, we are increasing our efforts in this regard.

28. It is most unfortunate that on 17 April, care homes across the country received a letter from the CQC (Care Quality Commission) and the NHS specifically encouraging care homes not to respond to enquiries for information by the local authority – across England. This is extraordinarily counter-productive and centrally-controlling, and can only be to the detriment of care home residents: if a local authority is seeking to assess or to gather information on infections or hygiene protocol and practice within a care home, it is because that information is not known. With that knowledge the local authority and local NHS will be in a position to take appropriate action. Without it, we are unable to do so. Seeking to build a barrier to that knowledge in order that the council may be in a position to assist, is very concerning – and would seem to be a further example of central control to the detriment of good local practice.
29. Nonetheless the council's adults and communities directorate is working closely with the local NHS in order to better understand the position in care homes within the county, in order to take appropriate action where required.

Opportunities

30. Above all, Covid-19 is a tragedy for people who succumb to the virus and for their families. First and foremost, the human toll is deeply tragic, and our thoughts are with all the bereaved and their families.
31. There are also opportunities that will arise from the Covid-19 crisis, including:
- The 'new normal' approach to managing and agile working in a Better Ways of Working approach has proven that this is highly effective. By continuing with this approach we can achieve several important outcomes, including making more productive use of management and staff time, instead of taking it up with physical travel, and thereby reducing traffic on the roads of the county – reducing congestion and pollution.
 - If through the council's experience we could encourage other organisations to do the same, where that is a practical choice, traffic reduction could become a significant factor in improving the way the county works.
 - The council's links with communities, volunteers and the voluntary sector has always been strong, but through this Covid-19 experience, these have only become stronger. There is an excellent opportunity to build on this in future.
 - Our links with the NHS have always been strong, and are strengthened by the joint working in communities in this crisis. We must build on this in developing our Talk Community model.
 - The experience of local government leading at a local level has been a positive one across most of the country: this presents a real opportunity for local government to set out to central government the benefits of further devolution of decision-making at a local level.

Looking Ahead

32. It is important to recognise the role that volunteers are playing within the communities of our county. In providing the support for people who are being shielded, and more generally for vulnerable people, the extraordinary daily endeavours of thousands of people in our communities has been and remains very important to all our work in the period ahead.
33. It is encouraging to note that the known infection rates in Herefordshire are lower than previously expected and for example significantly lower than Worcestershire, with greater proximity to the Birmingham conurbation and higher population density. There is also continued capacity with our county hospital, both for general care and intensive care. This is clearly a good position as the infection now appears to be at its peak within the county, and is certainly a major improvement on PHE modelled projections from just a few weeks ago.
34. Looking ahead, the council will need to see central government decisions on how the 'lockdown' will be 'unlocked'. There is a concern however over the lack of clarity from within government as to what 'unlocking' may consist of – let alone its timing.
35. It would seem logical to anticipate that as there is no vaccine on the horizon for Covid-19, any unlocking will need to consider the risk of an upturn in infections. Therefore managing social distancing, following clear hygiene protocols and using PPE where appropriate are likely to become aspects of our lives in the unlocking period ahead.
36. Whilst we cannot be definitive about these matters as we await government decision-making and guidance, we do need to anticipate the likely scenario as we will need to plan for it. There is a clear logic for example, that whilst there is no vaccine, but unlocking takes place when infection levels are greatly reduced, that in order to avoid the infection levels upturning, testing for the virus and tracing of any contacts of Covid-19 symptomatic people, will become important.
37. If so, this will be required in locations across the county, and may in due course lead to testing kits being sent to residents by central government. Through swab-testing, it will be possible to have a broad understanding of the disease and measures would then become possible to contain it. Testing at present would be limited to testing of Covid-19 symptomatic people, and this test would only work in the first 4 days of symptoms presenting. Testing for antibodies, which would identify individuals who have had the disease and overcome it, would be the next logical step: however PHE has made it clear that it has not yet identified a reliable antibody test. It may become a political decision whether or not to progress an unreliable antibody test, rather than no antibody test at all – as indeed appears to be happening in other countries.
38. Further issues for unlocking, include the wearing of facemasks. It is critically important that PPE is not wasted as every bit of it is required by health and social care. However as supplies become more prevalent in due course, many public discussions are taking place now as to whether wearing of facemasks would be an effective barrier to the disease being spread. The formal advice from PHE is that it would not be effective for a number of reasons:
 - By using a facemask, an individual may transmit the disease from hand to face by putting on and removing the facemask.
 - In using a facemask, the wearer may believe that they have an effective barrier to the disease and take less care over their good hygiene control and social distancing.

- Facemasks do not appear to be generally effective in preventing an individual from catching the virus.
39. The difficulty with this logic is that people are very aware that facemasks are being worn in clinical settings, and are indeed now recommended in those and other settings within 2 metres of people. Hence the general public is well ahead of the PHE advice, and many already choose to wear facemasks, including many home-made facemasks.
 40. It also appears to be the case that there is evidence that a facemask may reduce the risk that the wearer spreads the infection. Therefore it seems clear to many that if everybody wears a facemask during the future unlocking phase, then there will indeed be reduced transmission of the disease.
 41. It appears clear too that social distancing and people not gathering in groups will become a very important aspect of ensuring any unlocking does not immediately lead to an infection upturn and further lockdown.
 42. The overall outlook for the county as with the country, in respect of Covid-19, does appear to rest heavily on the availability of a vaccine to combat the disease. The current estimates for this – whilst there is no developed vaccine – is that this period may extend to 18 months, or even longer. It is therefore entirely logical that the period ahead will depend very greatly on how effective are the control measures taken by the general public in reducing the spread of infection. If this is not effective, it is entirely possible that the country faces a subsequent lockdown period – and this could become a pattern of behaviour until a vaccine is made available.

Our workforce

43. The majority of council staff have been working productively from home since 18 March when the government asked those who could work from home to do so. The transition to home working has been successful owing to work undertaken by the BWOW (better ways of working) project which ensured that the vast majority of staff already had lap tops, access to internet telephony and web based meeting facilities such as WebEx.
44. The frontline operational teams have been working closely with public health to promote the national and council guidelines on safe working practice. This includes social distancing, working from home wherever possible and following the latest guidance where visit to people's homes are necessary.
45. At all times the health and safety of staff has been the top priority for the council. The supply of PPE (personal protective equipment), evolving guidance from the government and increasing infection rates in the county have posed significant challenges to the council in its aim to keep staff safe. On 8 April the chief executive personally briefed health and safety trade union representatives via WebEx and provided assurance that the council was effectively managing these challenges.
46. Local testing is now introduced for social care staff, including family support and also for foster carers and workers in residential care where either they or someone in their household is exhibiting symptoms.
47. To manage the new demands of the Covid-19 emergency, the council has redeployed over 200 staff from their usual jobs. This is into a variety of roles from staffing the help line for vulnerable residents to supporting the police to enforce social distancing and providing additional staffing at the crematorium to manage any anticipated increase in deaths. The council was well placed for this redeployment exercise as in 2018 a redeployment policy was endorsed by employment panel and this has enabled the council to make redeployment a normal expectation for staff in such situations.

48. From an absence perspective, Covid-19 has had a relatively small impact on the council workforce and as at 17 April 2020, Herefordshire Council reported the lowest Covid-19 related absence rates in the west midlands region with 1.09% of staff either off sick or self-isolating.
49. The staff response to these fundamental shifts in working arrangements has been fantastic and our workforce has shown itself to be resilient and flexible. Nonetheless, the council has not underestimated the impact that such significant changes can have on staff. New resources on how to keep in touch, maintain wellbeing, manage teams remotely and work safely have all been made available to staff and managers. Staff have also been reminded that 24/7 access to free and confidential counselling continues should they need additional support.
50. On 20 April the government's job retention scheme (furlough) opened, allowing employers to reclaim 80% of a furloughed employee's salary from HMRC. The council is not anticipating making applications to furlough workers as staff who would have been displaced have been redeployed onto the Covid-19 response work.
51. Recruitment activity is still being undertaken in the council via WebEx and this is proving to be a successful experience for the council and candidates. Changes in government guidance means that pre-employment checks and DBS checks in particular are being undertaken remotely and this enables us to maintain our safeguarding standards whilst complying with social distancing which keeps our staff safe.
52. Looking ahead, the key people challenge will be how we support staff to return to normal in the coming weeks and months and what that new 'normal' will look like. Whilst the risk from Covid-19 widely exists it is anticipated that any return to office based and community working will need some significant social distancing measures in place for several months at least and this may include physical distancing as well as more routine use of PPE.

Key service areas

Children and families

53. Work has been undertaken with public health to determine how visits to children's family homes, children's homes and other settings can be safely carried out including the use of PPE. The guidance on the use has changed over the past three weeks and guidance has needed to be kept up to date. The council continues to expect visits for all children who are supported by child in need plans and child protection plans to take place and visits to take place for other children open to us (including early help and children with disabilities) where a visit will support the child's wellbeing and safeguarding. Where physical visits do not take place visits are completed virtually via the use of WhatsApp or by telephone and we are keeping detailed records about this.
54. The data for visits in timescales as reported for the last 3 weeks are as follows:

Visit type	w/e 6.4.2020	w/e 13.4.2020	w/e 20.4.2020
Child in Need	89%	96%	91%
Child Protection	97%	95%	93%
Looked After Children	97%	94%	95%

55. A range of services for example early help and our virtual school for looked after children have been making regular contact with children, families and carers. Support has been given to foster carers to support virtual access to education, alongside all the work being done by schools and settings which have been regularly contacting children who are not attending.
56. A range of meetings are now carried out virtually, including multi agency safeguarding meetings, meetings with the courts and have enabled parents and carers to participate virtually too. This is being kept under review, alongside determining whether this method is proving a barrier to participation. Managers are keeping in regular contact with staff and a range of methods are used to support work and morale, linking with council support and advice.
57. Procedures have been updated with full involvement of legal services and where necessary service changes are recorded as being approved by the director and legal services so that there is a clear audit trail. This includes for example a risk assessment tool to be used for all children supported through education, health and care plans to assess if it is more appropriate for them to be in schools or settings, or staying at home.
58. Staff have worked hard to provide guidance, support and contact to children, families, carers including foster carers. There has also been in contact with residential settings to understand their business contingency plans current staffing situations, working with public health to offer advice and support. This continues.
59. Awareness raising has been taking place of the need to refer safeguarding concerns to Herefordshire's Multi Agency Safeguarding Hub as the number of contacts and referrals has dropped over the past three weeks. This is a reflection of the lockdown and that few children are in schools and settings (a significant source of referrals), and also fewer professionals and groups are seeing children. This is also true for domestic abuse referrals, which are starting to increase in the week commencing 13 April, but are not at comparable levels to last year. A series of communications has been issued from the Herefordshire Children and Young People Safeguarding Partnership, Community Safety Partnership and Herefordshire Safeguarding Adults Board raising awareness of safeguarding issues, how to contact services and also raising awareness of Domestic Abuse. This continues alongside the national campaigns and information. The Herefordshire Children and Young People Safeguarding Partnership Board has weekly virtual meetings to reflect on the current safeguarding situation and take action where necessary.

Education

60. At the start of the lockdown period there was a significant amount of uncertainty and schools, colleges, 6th forms, alternative provision such as the pupil referral unit, home and hospital teaching service did a lot of work reassuring children and staff, providing virtual access to education materials, contacting children, providing access to food in advance of national free school meal initiatives, supported by the council.
61. Schools and settings also established systems to continue to offer education when national guidance stated that schools (and settings) should remain open for children of key workers where arrangements could not be made for them to remain at home, and for vulnerable children including those that had a social worker where there was not a serious health condition that would put the child at risk. There has been a lot of innovative work by the sector, operating virtually, in constant contact with pupils, providing a wealth of advice and support via their websites for example and providing wider support for families (including contact, support and food) and the making of masks for distribution to health professionals

and key workers. This is truly to be commended given the anxiety facing all who are still working during a lockdown situation.

62. The council has worked very constructively with the whole education sector, offering support, advice, solving particular issues including relating to free school meals, accessing alternative schooling and developing local solutions to the challenges the pandemic presents. At least twice weekly update bulletins have been provided by the directorate to schools and settings with the help of the communications team.
63. Since lockdown, education settings have been open in each of the towns and Hereford. Of 161 pre-school settings, 77 closed (mainly private nurseries) but capacity was established in the remaining 84, including opening 2 new nurseries where needed. Over 20 schools have stayed open throughout for critical workers and vulnerable pupils with around 80% of all settings staying open in some form. All 3 multi-disciplinary special schools are open for these groups of pupils and those with education, health and care plans where it would be more beneficial for them to attend. The council has also issued a fresh contract (time limited) to offer wrap around care in two towns for 8.00am to 6.00pm shift workers and offered Free School Meal (FSM) vouchers to over 40 families at risk of food poverty. We have engaged with the voluntary sector to support families of the shielded or for whom the national FSM scheme was not available.

The future

64. Services continue to reflect on the daily changing situation, incorporating national guidance and trying to anticipate issues before they arise, working with children and young people, their families and carers, council services, schools and settings, members, partner agencies and communities, and national organisations such as the Department for Education. It is anticipated that there will be an increase in demand for early help and safeguarding services (for the council and for other agencies, including schools and settings) over time in response to the effects of the pandemic, the economic downturn on children and families, isolation and the potential impact that has on for example, emotional wellbeing, mental health and the effects on children and young people of domestic abuse. At some stage there will be a return to education for greater numbers of pupils though this is hard to predict in terms of what form this might take, but significant work will need to be undertaken by services and with schools and settings to enable this and to support those arrangements once in place.

Adults and Communities

65. From the early days of the Covid-19 emergency, the council has assumed a leading role in Herefordshire's whole system response. It is uniquely positioned for this lead role, encompassing key strategic and people centred functions in adult social care, public health, commissioning, housing and communities. The council has therefore been integral to the Local Resilience Forum, Gold and Silver Groups, working in partnership with local NHS, police and other partners, connected to Government and national networks. Robust internal arrangements have been established to ensure communication and information flow within all services.

Adults and Communities has focused on rapid development and implementation of;

- Planning and monitoring whole population health and resilience
- Mobilisation of community action, co-ordination and communication, enabling local self-help, volunteers and identifying people who need support.
- Support and protection of the most vulnerable people

- Building capacity in the care sector and protecting local health services to ensure sustainable response to Covid-19
 - Compliance with rapidly evolving law and government policy
66. The council has established a 4 tiered approach in support of residents, addressing;
1. Talk Community Whole population prevention and action
 2. Project Shield for people with health needs specifically vulnerable to Covid-19
 3. Project Brave, for vulnerable, chaotic and excluded groups whose needs escalate during time of crisis
 4. People with immediate and complex needs requiring formal care services
67. The council's approach to tiers and local pathways has already been recognised and followed regionally and nationally.

Whole population health and resilience

68. **Public Health** has undertaken advance planning to track national development of Covid-19 and ensure local preparedness and system wide understanding. This has enabled workable Herefordshire approaches, including to excess deaths and hospital capacity. It has used national channels to ensure up to date local intelligence and inform communication to the public and best practice around controlling the spread of the virus. **Public Health** professionals have provided expert advice on infection control to support implementation of social distancing and development and targeting of local testing and the use PPE. They have also advised and supported the working practice of a range of council teams including adult social care and waste disposal. They have advised upon communication and support for young people and families through schools and other services and on issues including nutrition for the Shield group and behaviour and communication among vulnerable people.
69. The council has also ensured that commissioned public health commissioned services including substance misuse, public health nursing, sexual health and stop smoking are targeted to support the most vulnerable people during the emergency and help prevent spread of the virus. The council has been supporting the emergency response of local food services including food banks and is working Herefordshire Rotary around families who are vulnerable and reluctant to engage. A public health communications plan has been developed in response to Covid-19, including a range of new information on the council website and on WISH. These will act as reference points and trusted sources with the intention also of supporting debate on social media.

Community action and co-ordination

69. The **Talk Community** programme acted rapidly as the emergency began to ensure communication with the general public, mobilisation of Herefordshire's volunteers and local networks and identification and support of vulnerable people. Talk Community has led the **Tier One** response from the commencement of the national lockdown, establishing a 7 day **Co-ordination Centre**, promoted to all Herefordshire households.
70. This supported a huge call to arms of local people to help people in their local community, with more than 1,300 experienced and first time volunteers. 45 council staff have been deployed to support the Co-ordination Centre, along with many others assisting with infrastructure and administrative roles. In addition, 70 employees have been deployed as community link workers at ward level and in working with parish councils, local community organisation and volunteer networks. Talk Community is working strategically with

Herefordshire's established voluntary, community and faith organisations to inform, support and co-ordinate the community response.

71. The **Tier One** focus has been on a strength based approach, enabling people to make their own resilience plans, depending on trusted friends, family, neighbours and their local community. Talk Community has then used the volunteer network to supplement where needed, particularly focused on collection and delivery of food, supplies and medication, along with pet walking, befriending and vital social contact. The community response has benefitted from the excellent established culture of volunteering in Herefordshire, but has also identified and addressed gaps in local support across the county.
72. By 20 April, the **Co-ordination Centre** has taken 2,133 calls from the public and arranged a total of 1,262 different services to be provided to 1,268 vulnerable people. This has included 614 deliveries of medication or health/care supplies and 921 food deliveries. All this support will continue through the volunteer network and council staff during the period of the emergency.
73. **Veteran Support Centre:** whilst the centre is temporary closed volunteers have been organised to directly support veterans including those coming through the council's helpline. This will cover shopping, medicines, care and mental health
74. Talk Community has also established **Tier 2** to implement **Project Shield** to protect people at serious risk of critical illness for 12 weeks. Since the Government announced Shield at the end of March, there has been a challenging process of identifying all those affected who may need support, interpreting changing government information and multiple lists of people. Working with the local NHS and through community link workers, the council has now identified up to 9,000 people within Project Shield. 50 council staff have now been deployed to contact everyone individually to see who will need specific support. Hundreds of Talk Community volunteers with DBS checks are receiving some initial training to become **Shield Buddies** to support vulnerable Shield patients with social contact and access to appropriate help. Shield patients are also amongst those receiving food and medication supplies through the Co-ordination Centre and volunteer networks.
75. **The Emergency Delivery Hub** was established on Saturday 28 March to provide food parcels on behalf of the Government to residents on the NHS England shield list who are vulnerable to Covid-19 because of an existing medical condition. First deliveries were made on the day of opening using food supplied. This was due to be a stop-gap until the direct delivery of government food parcels were established. However, the council decided to continue with the food packages (with own purchases and donations) as there was a delay in people signing-up for food parcels and a delay in delivery. Also the week of 6 April saw some deliveries of the government parcels missed as the task was moved from one supplier to another. Referrals are made through the Talk Community help-line, checking first if residents are "shielded" and cannot be support by friends, families or the wider community. The council's food delivery service will reduce over the next few weeks as "shield buddies" will provide shopping to supplement the government food parcels. Shield Buddies will be volunteers that have come forward to the council matched with residents from the shielded list.
76. As a sub-set to the hub the Emergency Pharmacy Delivery Service is in place to support the health sector facing challenges in the distribute of medicines – again this is where there is not an existing network to support an individual or an existing delivery service, and can be shielded and non-shielding residents. This is run by the Library Delivery Services using their logistic and stock management skills.

77. The Emergency Delivery Hub is also the distribution centre for PPE. This involves supplies coming in from the government or the council's own purchased supplies to support care services and care homes.
78. Safe Home is a scheme to support people coming out of hospital with food and toiletry provisions to last them a couple of days until their support networks are in place. The boxes are prepared at the hub and distributed by Diocese of Hereford.
79. Rapid response team is being established to deliver food boxes at short notice. This is in response to a request via the helpline or web form coming through that is urgent after deliveries have been made. This tends to be on a Friday afternoon.

Support and protection of the most vulnerable people

80. Adult social care has adapted its working practices to ensure that the most vulnerable adults continue to receive timely and essential support. This relies on the flexibility and commitment of the council's own social care workforce and that of contracted care providers and the council is focused on ensuring that all workers are protected and able to work safely. Staff were moved into working "control groups" to minimise the risk to service disruption in advance of government guidance. A local approach to easements of the Care Act and other key legislation has been developed to implement rapid legislative changes. This will ensure people at risk and in crisis receive support whilst providing safeguards in relation to vulnerable people generally. All safeguarding and urgent casework is being maintained.
81. The Housing Solutions Team, working in partnership with Vennture and other agencies has arranged for the safe accommodation of more than 70 vulnerable **homeless people** including rough sleepers in hotels and other temporary accommodation. These are in addition to the 40 or people routinely supported in temporary accommodation. Outreach workers continue to engage with the very small numbers who continue to appear or have refused accommodation. The work around homelessness is part of **Tier Three**, known as Project Brave and is undertaken in compliance with directions from and reporting to MHCLG. Accommodation for 70 people is costing around £3,000 nightly, partially offset by some funding from MHCLG. Supporting this homeless group in accommodation is very challenging, relating to the comprehension of social distancing and other rules and management of substance misuse and the wider health needs and vulnerabilities of this group. Also within **Project Brave**, commissioners are supporting providers to ensure safe support of vulnerable people in contracted accommodation services and scoping of support to much wider groups of vulnerable people with mental health needs or chaotic lifestyles.
82. The council is leading with police, the contracted provider and others a multi-agency partnership to identify and protect victims of domestic abuse who are at increased risk during the emergency and facing greater barriers to seeking help. New public messaging has been communicated, aimed at victims and others, alongside practice guidance to professionals and volunteers. A variety of new and covert means for victims to communicate have been established and promoted. Additional dispersed accommodation has been sourced from a housing provider for victims, along with support, which will also free-up space in the Women's refuge. A new network of trained volunteer community ambassadors is being implemented rapidly, along with additional support for children and hard to reach groups.

Sustaining capacity in the care sector

83. Commissioners acted quickly to establish comprehensive offers of support to providers in the care sector, particularly focused on care homes and domiciliary care but now expanded further. Regular teleconferences two or three weekly for each sector are providing updates, information, resources and support, typically to 40 or more providers. A comprehensive financial package has been offered to protect providers, sustain and extend capacity, including 13% increase in fees for up to 13 weeks with a weekly cost of £118k, weekly payment to support cash flow and paying for all planned care.
84. There is dedicated emailing with frequent updates on legislation and guidance, daily performance monitoring and now a comprehensive provider support hub. This will focus on systematic support for care homes including a proactive approach to need and risk and co-ordinated data collection and monitoring. There is also enhanced support of workforce recruitment and retention. The cost of wider increase in services and capacity including within block contracts is in the region of £420k weekly.
85. Capacity in the **Home First** service is growing through continued recruitment. Community Equipment stock has been expanded by up to 50%, alongside establishing 7 day operation of delivery and collection. Occupational Therapy assessment is continuing and prioritising risk of injury, hospital discharge and safe independent living with access to support in emergency.
86. Commissioning has worked tirelessly to try to ensure effective distribution of PPE supplies throughout the care sector, collating demand, sourcing supplies, interpreting rapidly changing government policy and co-ordinating distribution with military/other partners.

Increasing capacity and supporting hospital discharge

87. Commissioners and adult social care operations have worked closely with NHS partners to design and implement multiple discharge pathways to protect hospital services and interpret changes in legislation. A new integrated hospital discharge service has been established, integrated discharge hub and integrated complex care team, which brings together the **Home First** and **NHS Hospital @ Home service**.
88. A new **Talk Community Home Safe** service has also been established to support discharge of people who don't need a package of formal care, utilising a volunteer network from the Diocese of Hereford and packs of essential food supplied by the council. The broker service has been extended to 7 day operation to support hospital discharge and increased capacity in the sector.
89. New discharge to assess provision has been established, alongside expansion of some block contracts and extended capacity for people to step down from hospital care has been rapidly mobilised in local accommodation. **Hillside Centre** is being rapidly re-developed in 6 weeks to provide additional residential home capacity and is on schedule to open in early May.

The future

90. The council and its partners have innovated in a variety of ways in supporting adults during the emergency and circumstances have required changes of practice and approach. There will be great interest in sustaining some of these new ideas and ways of working, notably in relation to hospital discharge, homelessness and provider relationships, as well as general preparation for emergencies. As the crisis recedes, the different options and models will be weighed and reviewed with partners. Some changes have involved

significant additional cost which may not be sustainable whilst a few may have generated cheaper ways of doing things. Financial factors will be evaluated with care in recommending future strategies.

Economy and Place

91. The Economy and Place Directorate responded immediately to the crisis through a fundamental reorientation of activities and changes to working arrangements. The focus has been on supporting the council's response and delivering essential services. This required decisions to be taken to rapidly suspend certain services, redesign essential services that need to be maintained and increase capacity of some key services to meet predicted increased demand arising from the pandemic.
92. Significant changes were required to public transport resulting from schools only remaining open for the children of key workers. The service continues to provide transport to school when required and throughout the holiday period. The county bus network has been redesigned in partnership with operators to meet education requirements and provide a core network of bus services to meet the needs of key workers. This work included ensuring that, as key service providers, bus operators were provided with certainty of income and support in accordance with government guidance to enable them to continue to operate. Community Transport providers across the county are supporting vulnerable and isolated people and it has also been possible to redeploy school transport services delivered by taxi operators to support patient discharge from health facilities and delivery of food from food banks.
93. Whilst most public realm and highway services have continue to be delivered, a revised Highway Maintenance Plan has been developed and adopted to ensure work carried out on our behalf by Balfour Beatty Living Places (BBLP) is in line with current restrictions and that the workforce is protected. In addition, BBLP are supporting a range of activities including the use of staff and fleet to distribute PPE from the distribution hub to over 100 sites across the county.
94. Working with our contractor FCC, the council's household waste collection services have continued with social distancing measures in place to protect frontline workers. This essential service has received considerable praise and thanks from residents for maintaining service throughout the period. In order to comply with government guidance it was necessary to close Household Recycling Centres and whilst this will continue to be kept under review in line with any changes to guidance, residents are encouraged to seek to minimise waste where possible. Advice and support has been provided on the council's website to encourage the use of home composting and other measures to reduce waste.
95. Museums, Libraries and Archive services buildings were closed until further notice. However, an enhanced offer of e-books, audiobooks and online book groups is being provided to library users, along with access to archive materials. Libraries staff who normally operate the delivery services to vulnerable clients have been re-deployed to operate the Prescription Delivery service as part of the Covid-19 response which is providing essential medicines to isolated and vulnerable residents.
96. In order to reinforce advice to minimise non-essential travel all car-parking charges countywide were suspended and the bus station car park in Hereford was allocated exclusively for key workers needing to access to hospital. This was quickly put in place and welcomed by the NHS in supporting their staff. This also allowed for the redeployment of Civil Enforcement Officers from the parking team to support the enforcement of social distancing. Alongside staff redeployed from other regulatory services, daily patrols are in place working alongside the police and supported by CCTV to encourage compliance with the restrictions on social gatherings and business closures. This has been well received

by communities and the level of compliance across Herefordshire continues to be generally good.

97. These patrols have been backed up by work on behalf of the HSE, undertaken by environmental health officers to ensure that factories and warehousing observe social distancing. The trading standards teams have also been tasked to tackle rogue traders trying to exploit the current situation.
98. The Planning Service has fully adapted to the new restrictions by relocating the entire workforce to work from home and continue to process applications. This is key to continuing to ensure the development industry can restart when restrictions are lifted. Following the changes to legislation, the first virtual planning committee has been scheduled for 12 May.
99. Given the potential impacts of the pandemic, the Bereavement, Registrars and Coroners Services have quickly, sensitively and professionally made arrangements to ensure the service is ready to meet potential predicted demands working closely with public health to ensure all appropriate preparations are in place. This has included the provision of temporary facilities, changes to registration arrangements to comply with government guidance and the training and redeployment of staff. This is now fully operational and able to meet the predicted demands.
100. Property services has effectively managed the corporate building closures, closure procedure and vacant building management. Working with economic development and colleagues in Adult Wellbeing we have secured the availability of key worker accommodation and the potential provision of additional extra care accommodation to meet potential increased demand.
101. The restrictions in place have had a significant impact upon the construction industry and this has led to the majority of capital projects being placed on hold. Where this has been necessary, we have worked with the relevant contractors to ensure the sites have been left in a safe condition. A review of all capital programme projects has been carried out to ensure the implications are understood and preparations are made to complete projects once circumstances allow.
102. Other activities have included supporting the sourcing of PPE, liaising with supermarkets to help co-ordinate services to those requiring food deliveries through food banks/ volunteer network and promotion of businesses providing delivery or collection services to those self-isolating, and on the WISH website.

Understanding the impact on the local economy and supporting business

103. The impact of Covid-19 on local businesses and the economy is considerable and widespread, as elsewhere. To date this has primarily been due to national lock down restrictions on trade rather than levels of sickness in the workforce.
104. Some of the sectors that have been ordered to close such as non-essential retail, tourism/ hospitality, and restaurants are seasonal, and are currently missing the start of their peak season with the end of the lock down period not yet known. Manufacturers have reported significant issues, either needing to suspend operations due to not being able to meet the social distancing requirements, and/ or their supply chain has been affected. This has led to thousands of people being put on furlough, potentially on reduced wages for an uncertain period. Agriculture is now starting to enter a period where seasonal workers will be required, and are concerned about access to labour and their ability to meet social distancing requirements.

105. In response to the emerging Covid-19 emergency, the government announced that grants of £3,000 would be made available for business claiming Small Business Rates Relief (SBRR) or Rural Rate Relief – the Small Business Grant Fund. As the full scale of the impact of Covid-19 on businesses became apparent, on 17 March, the government expanded the value of the grant to £10,000.
106. At the same time, on 17 March, the government also introduced a further Retail, Hospitality and Leisure Grant Fund, under which grants of either £10,000 for properties with a rateable value of up to £15,000; or £25,000 for properties with a rateable value of over £15,000 and less than £51,000 could be awarded.
107. Herefordshire Council as the billing authority is responsible for delivering the grants to eligible businesses in Herefordshire. This created a number of challenges as the council does not hold valid bank account details for the majority of the eligible businesses. A new process was devised and officers commenced contacting businesses to confirm their bank account details and their eligibility. The number of businesses in scope is estimated to be in excess of 5,700. A number of businesses have been identified as not eligible, for example they ceased trading before the 11th of March. A number of businesses have approached the council to confirm that they were trading before the 11th of March but had failed to register for business rates, if they meet the criteria the grants are being paid and the businesses referred to the VOA for a business rate assessment to be carried out.
108. The council made the first payment of grants on 30 March, with £8.4m paid by the end of March, by 9am on 20 April £34.82m in grants has been paid to eligible businesses, this equates to 56% of eligible businesses with further grants being paid every day. On 01 April the council received £62m from Government as a payment on account to help with the council's cash flow.
109. On 17 March Government announced that businesses in the retail, hospitality and leisure sectors in England will not have to pay business rates for the 2020 to 2021 tax year. This has required a significant re-billing exercise to issue revised bills to the affected businesses. The impact of this adjustment has seen the amount to be collected by Herefordshire Council reduced by over 80%. Government has made a payment on account to help support the cash flow implications of this.
110. Whilst the government support for businesses has been largely welcomed by those it benefits, there are many that are not eligible for the grant support and have struggled to access the loan schemes. Even where the furlough scheme helps meet 80% of staffing costs, businesses continue to face significant on going overhead cost (such as rent, bank financing, utilities etc). Smaller and medium sized businesses are concerned that they will soon use their available cash if the lock down goes on for much longer.
111. The Marches LEP has launched a survey to track impacts. The initial results circulated on the 16th April indicate that 42% of businesses have experienced a complete loss of sales/revenue, 16% experienced a drop in sales/revenue, and 26% significant issue with cashflow. 52% of those who have responded to date are not eligible for the business grants as not in receipt of business rates relief, 49% have furloughed staff, and only 13% have applied for/received Coronavirus Business Interruption Loan Scheme.
112. A business advice hotline and e-mail dropbox was quickly established by the economic development team, which to date (20 April) has answered over 500 enquiries. Information on the support available is regularly updated on the Marches Growth Hub website and weekly support meetings with business leaders and support organisations engaging on key issues. This support for business has been alongside the council's finance team which very quickly responded to prepare for and deliver the national grant payments to local businesses.

113. **Fastershire:** Gigaclear and Airband continue to operate under contract with Herefordshire Council to deliver superfast and ultra-fast broadband network across the county. Fastershire has also introduced a “Keep Connected” grant of up to £500 for any non-profit making group to purchase software and equality to electronically communicate to their member and the wider community – with over 40 applications: www.fastershire.com/keepconnected for details. To support businesses webinar sessions have been arranged providing training and information.

The future

114. The services provided by the directorate continue to be kept under review in the light of government guidance and where necessary further changes will be implemented to ensure continued compliance.
115. The council will be crucial to rebooting the local economy as the lockdown restrictions are lifted by government. Although the details of how government intends to lift the current restrictions are not yet available, it is likely that this will be done in a phased way over time. Work has commenced with the Marches LEP and other partners to develop a comprehensive recovery plan which reflects the diversity of the Herefordshire economy.

Corporate services

116. A number of staff have been diverted to dealing with the processes of paying the grants and the business rates re billing exercise this has created some challenges in closing down the 2019/20 accounts, but this is not expected to delay the production of the out turn report. Government has extended the timescale for the completion of the audit of the accounts we are speaking to Grant Thornton about how they can carry out their audit work in the current climate.
117. All council and committee meetings are in the process of converting to remote access meetings. This has involved a review of the new legislation and adapting the new powers to the council’s constitution. The AGM has been postponed with all appointments carrying over until the next meeting. This will be the councils first remote public meeting. We have procured Zoom pro as a platform and created new operating procedures and guidance for councillors, the public and officers to ensure with training, that these meetings can take place.
118. Advice has been provided on the impact of the New Coronavirus Act 2020 and the 37 new regulations that have been brought into effect. A daily legal update has been provided to the management team for them to be kept abreast of the law and guidance and the impact for Herefordshire council. The council’s scheme of delegation has been updated as new powers have been conferred on the authority and proper officers appointed.
119. Forthcoming decisions and key decisions taken in the last year have been reviewed to understand any time sensitive issues and the impact on the capital programme reviewed.
120. Emergency powers in our constitution have been used by the chief executive and directors. This has involved 29 decisions to date covering such matters as closures of playgrounds to additional payments to adult social care providers. These decisions are published as record of officer decisions and will be reported to full council in the normal course of business.
121. All court cases have been assessed for suitability for moving to remote hearings and are progressing well.

122. Commercial services have been supporting the sourcing of PPE. This involves finding suppliers so services can order the stocks they need for themselves and care facilities. This included a call out to suppliers via the procurement portal – this provided a good response but disappointedly a limited numbers of local suppliers.
123. Pre Covid-19 lock-down the commercial services team commissioned a company called Social Value Business to assess and progress the council's approach to supporting local social value through generating and retaining local wealth. This work will continue as even more important in supporting the recovery phase but will change in approach as the Covid-19 emergency is being addressed.
124. There have been challenges for IT services to support the rapid switch to mobile working with pressure being put on the VPN (virtual private network) service. With a rise in conference calling and email, though not designed for this level of use, the system is holding up well. There has also been the urgent deployment of lap-tops, headsets and a steep learning curve on IT skills which has been supported through online training.
125. IT have also designed the SharePoint site as a register of all help-line queries – effectively building a CRM (customer relationship management) system.
126. The council has had a significant task to ensure the public are well informed of both national and local issues. This includes maximising social media and establishing dedicated webpage for Covid-19 for easy find information. Recognising that not everyone can access information digitally there has been media adverts and features, along with letters to residents from the chief executive. The team has organised internal communications every weekday, along with picking up communications of the Tactical and Strategic Command Groups.
127. Performance reporting and oversight has been scaled back across the council to focus on critical business functions. This has been replaced in some services, by additional reporting to support the Covid-19 response; such as the talk Community reporting and some operational reporting in adult and children social care. As a result of the focus on critical functions, it is anticipated that that some areas of performance will be impacted as Covid-19 response activities are prioritised.

Equality duty

128. 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.
129. 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 this report provides a summary of activity undertaken, we do not believe that it will have an impact on our equality duty. These considerations are set out in each of the relevant reports informing the decisions and will inform any future decision making.

Resource implications

130. On 19 March Government announced a grant of £1.6bn would be paid to Councils to cover the additional financial pressures of responding to the Covid 19 crisis, Herefordshire's share of this amounts to £5.6m this was received on 27 March 2020. On 8 April, Government announced an additional grant of £1.6bn would be paid to councils, at the time of writing the allocations have not been announced. At this point it is not possible to accurately predict the total financial pressure on Herefordshire of responding to the Covid-19 crisis, but it is expected that all of the government grant will be required, and the financial cost is likely to exceed the two grants.

Legal implications

131. There are no legal implications arising from this report.

Risk management

132. The content of the report identifies the key areas of risks and the mitigation the council has taken. Risks have been collated and reviewed by the senior management team during their meetings. The risks are logged and categorised under an overarching theme and scored by the corporate centre.
133. The advent of Covid-19 has introduced a number of previously unidentified risks, or heightened some already identified.

These include:

- Risk to the vulnerable people in Herefordshire. There is a risk that Covid-19 impedes the council's ability to carry out its normal services/business as usual within communities.
- Care Homes. Covid-19 presents a new level of risk for the management of care homes within the county, controlling infection, avoiding cross-contamination, management of hygiene control.
- Risk to our staff. Until a balance between national supply of PPE and local demand is established, there remains a risk that PPE stocks will be unavailable for periods of time in the months ahead – despite the very best efforts of the council. Note: this is not currently the situation.
- Risk to the council's finances. The council has successfully navigated through the challenges of years of austerity and entered the Covid-19 crisis in a sound financial position, however dealing with the many challenges of the crisis has introduced huge new strains on the council's finances in this financial year, and we depend upon government continuing to make good on its commitment to provide the financial support that is required.
- Risk to the local economy. Whilst an enormous effort and investment has gone into supporting businesses, there is no doubt that the local economies of the county will be hit hard by Covid-19. This in turn could impact council income from e.g. business rates, car parking and planning – which are used to support delivery of local services.
- Risk to the Shield Covid-19 response. The list of identified vulnerable people in our county has increased substantially, from 3,300 to over 9,000 – in the last 3 weeks: driven by NHS updates emerging from across primary care. Dedicated as we are to reviewing every person on this list (we have over 90 council staff redeployed on that

work), there is a risk that with this enormous increase in number, some individuals are missed who require specific kinds of support.

- Risk of national v local messaging. The core messages and guidelines have emanated from Whitehall and appear very Whitehall/ government centred. In Herefordshire there may be important issues that the council and our communities believe need to be locally agreed that do not always tally with a 'one-approach' from national government.
- Risk to strategic objectives. There are very important projects that have been effected and delayed in completion, by Covid-19; e.g. the development of Station Approach for student accommodation, the Shellstore development, The Cyber Security Centre. It will be important that strategic projects are completed and that planned major new projects do move forward.

Consultees

None

Appendices

None

Background papers

None identified.



Meeting:	Cabinet
Meeting date:	Thursday 30 April 2020
Title of report:	Treatment of West Mercia Energy pension liability
Report by:	Cabinet member finance and corporate services

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose and summary

Herefordshire Council, together with Worcestershire County Council, Telford & Wrekin Council and Shropshire Council, is one of the member authorities (the 'Owning Authorities') of West Mercia Energy (WME) Joint Committee, formerly known as West Mercia Supplies. At the point of sale of the West Mercia Supplies stationery division (WMS) in 2012, the existing pension deficit relating to the former WMS staff was retained within the continuing WME business and is overseen by the WME Joint Committee.

The West Mercia Energy Joint Committee formally approved a request to the Owning Authorities to take direct responsibility for this pension deficit liability on the 24 September 2019. Having undertaken discussions via their respective senior Finance Officers, the Owning Authorities are each seeking approval to take on this liability, which is proposed to be achieved by the transfer of this pension deficit to a newly created 'employer body' within the Shropshire County Pension Fund ('WMS Pension') managed and overseen by a new 'WMS Pension Joint Committee' comprising the same Owning Authorities

Recommendation(s)

That:

- (a) Cabinet, on condition that the Executives of Worcestershire County Council, Telford & Wrekin Council and Shropshire Council agreeing to the same recommendations, agrees:**
- a. To remove the responsibility for the discharge of its function in relation to the pension deficit liability in relation to former WMS employees (including Compensatory Added Years Benefits) as identified in this report from the business of the WME Joint Committee with effect from 1 April 2020;**
 - b. To allocate the pension deficit liability identified in recommendation a above to a new employer within the Shropshire County Pension Fund, called ‘WMS Pension’;**
 - c. To establish a joint committee pursuant to section 101(5) of the Local Government Act 1972, with Worcestershire County Council, Telford & Wrekin Council and Shropshire Council known as the WMS Pension Joint Committee and delegate responsibility with effect from 1 April 2020 to the WMS Pension Joint Committee to discharge the functions of Herefordshire Council relating to the pension deficit liability from former WMS employees (including Compensatory Added Years Benefits) as set out in Appendix A allocated to the WMS Pension employer within the Shropshire County Pension Fund;**
 - d. To approve the proposed governance arrangements set out in Appendix A, and that the Council’s appointed Executive Members to the WMS Pension Joint Committee shall be the Leader of the Council and the current Council representative(s) on the West Mercia Energy Joint Committee;**
 - e. To delegate authority to the Chief Finance Officer (Section 151) to progress and agree the arrangements as set out in this report, including a relevant payment mechanism and finalise a Joint Agreement for the WMS Pension Joint Committee incorporating the terms set out in Appendix A, in consultation with Section 151 Officers from the remaining Owning Authorities.**
 - f. To approve the treatment of the WME asset share to be fully funded with effect from 1 April 2020 using IAS19/FRS102 actuarial assumptions with the resulting additional cost of this funding option allocated to the WMS Pension employer within the Shropshire County Pension Fund.**
 - g. To delegate authority to the Chief Finance Officer (Section 151) to agree the final figures, of which estimates are set out in the resources implications section of this report, and in consultation with the Section 151 Officers from the remaining Owning Authorities.**

Alternative options

1. In developing the recommended proposal, the Owing Authorities have considered alternative options with their respective merits and disadvantages as follows:
 - a. Each authority could make a direct payment to Shropshire County Pension Fund to remove the pension deficit. This option was considered and discounted at the time of the sale of the WMS business due to the significant financial cost to the Owing Authorities. This opinion and position has not changed in the intervening years since the sale and is not considered value for money.
 - b. The WMS pension liabilities and assets could be separated from the WME business and allocated in equal shares to the four Owing Authorities via the transfer of the liabilities and assets to the respective Local Government Pension Schemes that each Owing Authority participates in. In principle, 50% of these WMS liabilities and assets would be transferred to the Worcestershire Pension Fund, to become the financial responsibility of Worcestershire Council and Herefordshire Council. The remaining 50% being retained within the Shropshire County Pension Fund (but allocated to the employer's liabilities of Shropshire and Telford & Wrekin, rather than Shropshire on behalf of WME) and being the financial responsibility of Shropshire Council and Telford & Wrekin Council. An application (signed by the four Owing Authorities) to the Secretary of State for Communities and Local Government for a "Direction" could allow the transfer of the relevant proportion of WMS assets and liabilities (being the responsibility of Worcestershire County and Herefordshire Councils) from the Shropshire Fund to the Worcestershire Fund with the balance remaining in the Shropshire Fund (being the responsibility of Shropshire and Telford and Wrekin Councils). It should be noted that the original intention of these Directions was to allow the transfer between Funds of an employer's entire pension assets and liabilities, so there was no guarantee that the Direction would be granted for a partial transfer such as this. Calculations by the Shropshire County Pension Fund actuaries would determine a subset of members which make up (as near as practically possible) four blocks of 25% of the WMS liabilities. Formal agreement by the Worcestershire Pension Fund actuaries to the figures and proposed allocation of membership between the two funds would be required before transfer of appropriate pensioner payroll, membership records and asset share from the Shropshire County Pension Fund to the Worcestershire Pension Fund, and splits to the relevant employers. This option would have resulted in one off costs of up to £80,000 and included the risk that the Secretary of State would not approve the necessary direction. On the basis of the discussions between officers of the four Owing Authorities it is not recommended that this option is pursued as it does not represent value for money.

Key considerations

2. The WME Joint Committee formally approved a request to the Owing Authorities to take direct responsibility for this pension deficit liability on the 24th September 2019. Having undertaken discussions via their respective senior Finance Officers, the Owing Authorities are each seeking approval to take on this liability, which is proposed to be achieved by the transfer of this pension deficit to a newly created 'employer body' within the Shropshire County Pension Fund ('WMS Pension') managed and overseen by a new 'WMS Pension Joint Committee' comprising the same Owing Authorities.

3. WME's risk register identified a potential risk in bidding for future contracts while carrying the pension deficit liability for former WMS employees on its balance sheet. It was considered that potential customers will review the financial position unfavourably (through the accounts) of WME in assessing their bid. In order to facilitate WME in bidding for future contracts, the aim is to put it in a position where, at least initially, it is not carrying a pension deficit (and certainly not relating to former WMS employees) within the Shropshire County Pension Fund. To achieve this the liabilities relating to former WMS employees would need to be removed from the WME business and instead more clearly allocated to the Owing Authorities. In practice this proposed change would make very little difference to the liabilities of the Owing Authorities which are currently responsible for their share of the net liabilities of WME because it is a council company which includes the WMS pension liability.
4. Worcestershire County Council, Herefordshire, Shropshire and Telford & Wrekin Councils have for many years been constituent members of a Joint Committee undertaking procurement activity. This business was originally called West Mercia Supplies, but following the sale of the stationery supplies business it was renamed West Mercia Energy (WME). Each of the four Owing Authorities have delegated their functions in relation to the procurement of energy and utilities to the Joint Committee and each Owing Authority has two votes each on the WME Joint Committee.
5. The WME Joint Committee operates under the Joint Agreement, the latest version of which was approved by the Owing Authorities and for Herefordshire Council this was made by the Cabinet member corporate strategy and budget on 26 March 2015. The Joint Agreement sets out how the Joint Committee operates and that the four Owing Authorities are jointly liable in equal shares for the liabilities of the Joint Committee and the WME business.
6. On 24th September 2019 the Joint Committee approved recommendations to:
 - a. propose that the four WME Owing Authorities take direct responsibility for the pension deficit liability relating to former WMS employees (including Compensatory Added Years Benefits) and WME with effect from 1st April 2020; and
 - b. subject to the formal decisions of the four WME Owing Authorities to agree the above, to remove the pension deficit liability relating to former WMS employees (including Compensatory Added Years Benefits) and WME from the WME Balance Sheet from 1 April 2020.
7. It is a decision for each Owing Authority, rather than the WME Joint Committee, to agree that the Owing Authorities create a new Joint Committee and employer to take responsibility for the current WMS pension deficit so that it can be removed as a liability from the WME business.
8. It is a decision for each Owing Authority, rather than the WME Joint Committee, to remove the responsibility for the pension deficit from WME and the Joint Committee's management and to put in place a new mechanism under which the Owing Authorities take direct responsibility for the current WMS pension deficit.
9. The aim of the proposal identified in this report is to create a new Joint Committee and employer to take responsibility for this so that it can be removed as a liability from the WME business to put WME in a position where, at least initially, it is not carrying a

pension deficit (and certainly not relating to former WMS employees) under the Shropshire County Pension Fund. To achieve this, the overall aim is that the liabilities relating to former WMS employees will be separated from the WME business and instead more clearly allocate the liability to the Owing Authorities.

10. The West Mercia Energy Joint Committee formally approved a request to the Owing Authorities to take direct responsibility for this pension deficit liability on the 24th September 2019. Having undertaken discussions via their respective senior Finance Officers, the Owing Authorities are each seeking approval to take on this liability, which is proposed to be achieved by the transfer of this pension deficit to a newly created 'employer body' within the Shropshire County Pension Fund ('WMS Pension') managed and overseen by a new 'WMS Pension Joint Committee' comprising the same Owing Authorities.
11. Discussions between the Owing Authorities have identified a viable and value for money proposition to remove the pension deficit liability from WME and allocate it jointly to the Owing Authorities by creating a second Joint Committee to manage the WMS pension liabilities.
12. It is proposed to introduce the above proposal from 1 April 2020. In doing so, the arrangements would be based upon the latest triennial actuarial valuation (as at 31 March 2019, and implemented across all employers from 1 April 2020) improving the quality of the information used at the agreed date of separation of the WME/WMS liabilities, and also removing the need for further actuary costs, as these are absorbed within the existing workload.
13. The overall proposal is that the WMS pension liabilities and assets will be separated from the allocation of the WME employer and allocated to a new employer (called WMS Pension) within the Shropshire County Pension Fund.
14. Given that the main issue in WME bidding for contracts is the appearance of its (and the WMS) pension deficit in its accounts, the recommendation is that the asset shares should be determined so that WME is initially fully funded (at the point that the position is crystallised), with the remaining assets (and the historic WMS liabilities) being allocated to the four Owing Authorities. This approach will transfer a slightly larger deficit to the Owing Authorities which will marginally increase their respective employer's liability calculation of the new WMS Pension employer. Furthermore, it is recommended that WME's pension liabilities should be fully funded on actuarial assumptions used for accounting purposes using IAS19/FRS102 actuarial assumptions. This would leave a larger deficit to the Owing Authorities which will further increase their respective employers liability calculation of the new WMS Pension employer. These implications are identified in the resource implications section of this report.
15. The proposal would result in the removal of the WMS Pension liability from WME's Balance Sheet by transferring the responsibility for the liability to the four Owing Authorities, to be managed through the establishment of a new employer, whilst retaining the assets and liabilities within the Shropshire County Pension Fund. This resulting new employer would manage the WMS pension assets and liabilities within Shropshire County Pension Fund via a Joint Committee.
16. The setting up of a new WMS Pension employer which is the responsibility of a new Joint Committee established by the Owing Authorities would enable any pension deficit to be separately identified, separately valued and monitored, and allocated to the new WMS Pension employer with the Shropshire Fund so that it remains the joint liability of the four

Owning Authorities in a reasonably cost-effective way without the transfer of risk between any of the parties.

17. The proposal would require formal arrangements to be drawn up between the four Owning Authorities, for each authority to agree to establish a new Joint Committee and make appropriate delegations to the Committee for the management of its share of the WMS pension liability. To reduce administration, it would be proposed to replicate the membership and governance arrangements of the WME Joint Committee as far as possible for the WMS Pension Joint Committee so that the same Members sitting on WME Joint Committee could potentially also sit on a new WMS Pension Joint Committee and meetings of the two Joint Committees could be diarised to take place at the same venue and running one after the other. Herefordshire's member representatives are currently the Cabinet member infrastructure and Cabinet member economy and corporate services. The WME Treasurer would take the role of Treasurer for WMS Pension Joint Committee.
18. The governance arrangements for a new WMS Pension Joint Committee would be based, as far as possible, on the existing WME Joint Agreement. The WMS Pension Joint Committee would have delegated authority from each Owning Authority to be responsible for any WMS Pension Liability, and historic WMS Compensatory Added Years Benefits. Appendix 1 contains the draft governance arrangements proposed for the WMS Pension Joint Committee.
19. The risks associated with retaining a pension liability for WMS remain with the Owning Authorities and are not influenced in any way by the removal of responsibility for the deficit from the WME Joint Committee and resulting change in accounting treatment.
20. Deficit contributions of the Owning Authorities would be subject to the same triennial valuations and treatment whether they are the responsibility of and accounted for within the WME Joint Committee or separately by the Owning Authorities under a new WMS Pension Joint Committee.
21. The pension liability arising from employees within WME (the WME Pension Liability) would continue to be shown within WME Accounts, with the expected IAS19/FRS102 calculations and (should this be necessary in the future) a deficit recovery plan drawn up and subject to the existing scrutiny and consideration by the business and the WME Joint Committee. The expectation is that these calculations would be significantly less impactful on the Balance Sheet, although the risk remains that an impact could be seen nonetheless.

Community impact

22. This is a recommended back office procedural change that is expected to have a minimal community impact.

Equality duty

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;

Further information on the subject of this report is available from
Josie Rushgrove, Tel: 01432 261867, email: jrushgrove@herefordshire.gov.uk

- (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.
23. 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 this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

24. Worcestershire County Council, Herefordshire, Shropshire and Telford & Wrekin Councils have for many years been constituent members of a Joint Committee undertaking procurement activity. This business was originally called West Mercia Supplies, but following the sale of the stationery supplies business it has been renamed West Mercia Energy (WME).
25. At the point of sale of the WMS division (April 2012) the business had a pension fund deficit as identified in the actuarial valuation of the Shropshire County Pension Fund. The deficit related, in the main, to WMS employees whose employment was transferring as part of the sale. To deal with this position, the Owing Authorities had the following options:
- a. Transfer the WMS pension deficit to the buyers of the WMS business.
 - b. Use the capital receipt from the sale, plus other Owing Authority funds (if necessary) to clear the WMS pension deficit retained by the Owing Authorities.
 - c. Allocate liability for the WMS pension deficit to the continuing WME business and continue to make deficit recovery payments from any WME profits delivered.
26. During the sale process it was identified that option (a) was unviable. Furthermore, the Owing Authorities concluded that they did not wish to forego a capital receipt from the sale of WMS as represented by option (b) which would also have necessitated a revenue payment from owning authorities to make up the shortfall between the value of the capital receipt and the larger pension deficit. As a result, the WMS pension fund deficit was retained by the Owing Authorities and the liability to meet that deficit was allocated to the continuing WME business. A deficit recovery plan was agreed with Shropshire County Pension Fund (SCPF) and revised every three years in line with the actuarial valuation. The latest valuation is being conducted at the time of writing, as at 31 March 2019, with contribution changes for all employers within the fund from 1 April 2020. In the 2019/20 Financial Year, the budget for WME deficit recovery payment is £193k.
27. While the direct financial implications of this arrangement within the WME Profit and Loss Account currently are affordable, the impact on the business balance sheet is significant. The pension liability is in excess of £6m which is not offset to any great extent by the business' fixed assets (minimal) or working balance (generally in the order of £1m). This results in WME producing a negative balance sheet each year, with net liabilities of around £5m each year.
28. In adopting Option C above, the resulting capital receipt from the sale of WMS was split evenly between the owning authorities and it is appropriate, therefore, to continue to apply this methodology to the Pension Liability calculation. In the intervening years no formal methodology was followed for the deduction of the pension liability in relation to

the owners shares of WME profit. As a result, the actual deduction for each authority would have been incorporated within the distribution of surplus calculation and would have varied slightly from an equal share. There will be no backdating of the methodology, however, to adjust for this. Upon implementation, this arrangement will have a positive financial implication for WME (removing the WMS pension deficit from the balance sheet and removing the WMS pension deficit payments from the Profit and Loss Account) and there will be a reciprocal negative financial implication for the Owing Authorities. The Owing Authorities will be required to cover the cost of 25% of the WMS pension deficit payment annually. The Owing Authorities will, however, benefit from marginally increased distributions from WME as a result of the pension deficit payments for WMS no longer being charged to the WME Profit and Loss Account.

29. Given that the main issue in WME bidding for contracts is the presence of the pension deficit in its business accounts, there is a presumption that the asset shares should be determined so that WME is initially fully funded (at the date the WMS pension liabilities are separated), with the remaining assets (and the historic WMS liabilities) being allocated to the four owning authorities in equal shares. This will potentially transfer a slightly larger deficit to the Owing Authorities. Furthermore, there is a choice as to whether WME's pension liabilities should be fully funded on ongoing actuarial assumptions or on actuarial assumptions used for accounting purposes, as the two will generate different answers. The Shropshire County Pension Fund actuaries have been asked to calculate the approximate figures using both approaches, and the details below provide an estimate of how the final figures may look. The figures have been calculated as at 31 March 2019 as part of the 2019 actuarial valuation of the Shropshire County Fund, but will in due course need to be updated to the date of separation. Given that IAS19/FRS102 liabilities have increased over recent months, as a result of falls in bond yields, it is likely to need a slightly higher asset allocation to WME (resulting in a slightly lower asset allocation and therefore slightly increased deficit on an ongoing valuation basis for WMS):

Table 1: WME fully funded on illustrative ongoing valuation assumptions:

	WME	WMS
Illustrative ongoing valuation position		
Assets	0.93	9.36
Liabilities	0.93	10.79
Surplus/(deficit)	-	(1.43)
Estimated IAS19/FRS102 position		
Assets	0.93	9.36
Liabilities	1.64	14.96
Surplus/(deficit)	(0.71)	(5.60)

Table 2: WME fully funded on estimated IAS19/FRS102 assumptions:

	WME	WMS
Illustrative ongoing valuation position		
Assets	1.64	8.65
Liabilities	0.93	10.79
Surplus/(deficit)	0.71	(2.14)
Estimated IAS19/FRS102 position		
Assets	1.64	8.65
Liabilities	1.64	14.96
Surplus/(deficit)	-	(6.31)

30. The recommendation would be for the WME asset share to be fully funded using IAS19/FRS102 actuarial assumptions, and therefore the £1.64m asset allocation would form the basis of the figures. This would leave £8.65m worth of assets and £10.79m worth of liabilities (on the Shropshire County Pension Fund's ongoing valuation assumptions) to be allocated to the four Owing Authorities (which would impact on deficit contributions payable, with the accounting deficit feeding through to the owing authorities' balance sheets). The figures should be updated (as far as is reasonably possible) to the agreed date of separation of the WME/WMS liabilities, so that at this "strike date" WME has no surplus or deficit for employer accounting purposes. It is recommended that the final arrangements are implemented in line with these estimates by Shropshire Council Section 151 Officer, in consultation with the Section 151 Officers from the remaining Owing Authorities.
31. By ensuring WME is fully funded under IAS19/FRS102 assumptions, it will actually be in surplus under on-going actuarial assumptions. As a result, WME may not be required to physically pay annual pension contributions to Shropshire County Pension Fund under this arrangement, as the actuarial surplus relating to former service would offset the on-going employers' contributions for WME staff. While this may look unusual in isolation, the overall position is unchanged and there are no overall financial implications arising from this.
32. The Owing Authorities would be required to make separate contributions for the WMS pension liabilities allocated to the new employer to cover deficit contributions and Compensatory Added Years Benefits. A separate contribution from each Owing Authority is required as the removal of the deficit from WME means that a share of the liability effectively sits with each Owing Authority to be funded by them, rather than being funded directly by WME from its income, prior to any calculation and distribution of profits. Consequently, the WME profits distribution would be proportionately higher as a result of the pension deficit contribution no longer being accounted for through this mechanism. The payment mechanism for the proposal would need to be agreed between the Owing Authorities' Section 151 Officers.

33. To implement the proposal there have been limited one-off costs of £7k in 2019/20, as the majority of preparatory costs have been absorbed within the existing agreements between WME, Shropshire Council, Shropshire County Pension Fund and Mercer (pension actuary). There will be on-going costs associated with the managing and administration of a second Joint Committee and the cost of preparing a set of accounts for that new Joint Committee. These are estimated to be £5k pa and would be split between the four Owning Authorities and recovered via the agreed payment mechanism.

Table 2: On-going Financial Implications estimate:

Details	Total Cost (£)	Cost to Herefordshire Council (£)
Joint Committee	5,000	1,250
Deficit repayment	175,000	43,750
Compensatory Added Years Benefits	31,500	7,875
Total Costs	211,500	52,875
Change in WME distribution of surplus	(206,500)	(51,625) ¹
Net impact	5,000	1,250

34. It would be possible for the four Owning Authorities to make payments in advance (annually or three years in advance at each triennial valuation). This would generate a saving over the three year period, but would have a cashflow implication for the Owning Authorities. Given the complexity of the arrangements, it may be necessary for all four Owning Authorities to agree to adopt the same mechanism, and this would be reviewed following each triennial valuation. This decision would form part of the delegation in recommendation g.

Legal implications

35. Part VI of the Local Government Act 1972 and Part 1A, Chapter 2 of the Local Government Act 2000 (as amended) makes provision for local authorities to establish joint committees. Provided that the functions to be exercised are executive functions, further to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, it is a matter for the respective Cabinets to determine the establishment of an executive joint committee and to agree the executive functions to be delegated to that joint committee. Every member of the joint committee must be a member of their nominating council's Cabinet.
36. The functions to be delegated to the WMS Pension Joint Committee are not functions relating to pension or related payments due to local authority employees pursuant to the Superannuation Act 1972 which are identified in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as Council (not executive) functions. Each Owning Authority's obligation to make payments to the relevant Pension Fund in respect

¹ Shown here for illustrative purposes using 25% distribution to each owning authority but will vary between authority and each year based on the distribution of surplus calculation.

of current or past employees for which they are responsible may therefore be exercised by the Owing Authority's executive and delegated accordingly to a joint committee.

Risk management

37. To achieve implementation by April 2020, it is necessary for all four Owing Authorities to approve the proposal set out in this report. Failure of any Owing Authority to meet the necessary timescales or gain the approvals will result in the proposal not progressing and WME continuing to operate with and bid for contract opportunities showing a negative balance sheet each year, with net liabilities of around £5m each year due to the pension deficit liability.
38. There is still a technical (albeit unlikely) risk that the retained WME pension liability could, under unfavourable market and/or actuarial assumptions and circumstances still deliver a negative balance sheet position for WME in the future.
39. The risks in relation to the actual pension liability of Herefordshire council remain as they currently are and will not vary as a result of implementing the recommended back office procedural change.

Consultees

40. None

Appendices

- Appendix 1 WMS Pension Joint Committee – Principles of the Joint Agreement

Background papers

- None identified

WMS Pension Joint Committee – Principles of the Joint Agreement

Purpose

1. Shropshire Council, the County Of Herefordshire District Council, Worcestershire County Council and the Borough Of Telford & Wrekin (the Member Authorities) have established an executive joint committee known as the WMS Pension Joint Committee for the purpose of discharging the functions relating to the Member Authorities' liabilities to the Shropshire County Pension Fund (SCPF) in respect of the pension deficit and liabilities allocated to the employer body within the SCPF known as WMS Pension.
2. WMS Pension Joint Committee is a joint committee of the executives of the Member Authorities established further to section 101(5) of the Local Government Act 1972, section 9EB of Part 1A, Chapter 2 of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.

Governance Arrangements

3. The Member Authorities have agreed that the Member Authority appointed as the 'Lead Authority' for the purposes of the West Mercia Energy Joint Committee shall be the Lead Authority for the WMS Pension Joint Committee with responsibility for the administration of this Joint Committee (and whose relevant standing orders shall apply), including appointing from its officers a Secretary and a Treasurer to undertake the roles set out below. The Secretary and Treasurer shall liaise with the monitoring officers and section 151 Officers of the Member Authorities to enable those officers to comply with their responsibilities under Section 5 of the Local Government and Housing Act 1989 and Section 151 of the Local Government Act 1972.
4. The responsibilities of the Secretary shall be as follows:
 - 4.1. to make all necessary arrangements for the publication of forthcoming decisions, convening of meetings of the Joint Committee and any Sub-Committees, to ensure that the meetings and decision making of the Joint Committee are undertaken in accordance with legal requirements;
 - 4.2. to provide, or, where necessary, procure the provision of, all necessary legal advice on matters under consideration by the Joint Committee or relevant to the Committee's functions;
 - 4.3. to arrange for the taking and maintenance of minutes of meetings of the Joint Committee and any Sub-Committees, the publication of any resulting decisions and ensure that the business of the Joint Committee at its meetings is conducted in accordance with legal requirements;

- 4.4. to manage and co-ordinate the day-to-day affairs of the Joint Committee and its administrative support.
5. The responsibilities of the Treasurer shall be as follows:
 - 5.1. to provide financial advice and information to the Joint Committee;
 - 5.2. to keep proper accounts of the monies received and expended by the Joint Committee;
 - 5.3. the calculation and apportionment of liabilities of the Member Authorities which shall be apportioned in equal shares;
 - 5.4. to arrange any appropriate audit requirements in respect of the Joint Committee;
 - 5.5. to prepare and present such financial reports or other financial information as may be required by the Joint Committee to properly discharge their functions.
6. The Member Authorities shall be jointly liable in equal shares and shall indemnify the Lead Authority for the liabilities of the WMS Pension Joint Committee in respect of all claims, liabilities and costs incurred by the Lead Authority in fulfilling the obligations of the WMS Pension Joint Committee.

Membership

7. Each Member Authority shall be entitled to appoint two of their Executive Elected Members to serve on the Joint Committee until they cease to be an Executive Elected member or unless earlier replaced by the appointing Member Authority. The appointed members shall wherever possible be aligned with the Member Authority's appointments to the West Mercia Energy Joint Committee.
8. A substitute member shall only be entitled to attend, speak and vote as if an ordinary member of the Joint Committee where, at least one clear working day prior to the date of the meeting, notice has been given to the Secretary that:
 - 8.1. it is impracticable for the named ordinary member of the Joint Committee to attend a specified meeting;
 - 8.2. the named substitute member will attend in place of their named ordinary members; and
 - 8.3. the named substitute member is also an Executive Elected Member.
9. Each Joint Committee Member shall observe and comply with the provisions of the Code of Conduct for elected members adopted by their appointing Member Authority ("Code of Conduct"). Where a Joint Committee Member attends a meeting of the Joint Committee they must declare any disclosable pecuniary and other interests as required by their Code of Conduct either at the start of the meeting, or otherwise as soon as the interest becomes apparent in the course of the meeting.

Meetings and Voting

10. The Joint Committee shall meet at least annually in February of each year on the same date as the WME Joint Committee meeting, unless the Joint Committee

shall agree that further meetings are required at such time or times as shall be deemed necessary by the Joint Committee. A Special Meeting may be requisitioned by the Chief Executive of a Member Authority, such requisition to set out the business to be transacted at the meeting and to be delivered to the Secretary of the Joint Committee in normal circumstances at least ten clear working days prior to the date of the meeting and the Secretary shall undertake the relevant publication of notices and documents relating to the Special Meeting. Where it is certified that the business to be transacted is urgent business the time limit for delivery of such requisition may be waived by the Secretary of the Joint Committee following consultation with the Chair of the Joint Committee. Wherever possible any additional meetings shall be held on the same date as a meeting of the WME Joint Committee.

11. At the meeting in February and thereafter every year at the meeting in February the Joint Committee shall elect by majority vote one of their members to be Chair for the ensuing 12 month period and another member to be Vice-Chair for the same term. The Chair and Vice-Chair shall not be from the same Member Authority.
12. The quorum of the Joint Committee shall be two members from at least two separate member authorities.
13. Any Joint Committee Members who are absent from meetings of the Joint Committee for three consecutive meetings (unless excused by the Joint Committee) or who communicate in writing to the Secretary to the Joint Committee a wish to resign shall thereupon cease to be Joint Committee Members. The Secretary shall notify the relevant Member Authority and invite them to appoint replacement Joint Committee Members.
14. Wherever the Member Authorities have the power to decide any matter by majority vote then each Member Authority shall have such number of votes as that Member Authority has representatives (or an entitlement to representatives) on the Joint Committee. Any question coming before the Joint Committee shall be decided by a simple majority of those present and voting the Chair having the casting vote in the event of an equality of votes in addition to his/her vote as a member of the Committee.
15. Each Member Authority shall defray the expenses of their own respective Joint Committee Members.
16. The Secretary shall undertake the publication of notices of meetings and accompanying documents and conduct the Joint Committee's meetings in accordance with the 'Access to Information Procedure Rules' as contained within the Lead Authority's constitution ensuring compliance with the Local Government Act 2000 and Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.
17. Should an individual Member Authority wish to terminate their membership of the Joint Committee they may serve at least [3] months written notice of termination

to take effect at the end of the financial year in which it is served (“the Notice”) to the Chief Executives of the other Member Authorities.

18. Where an individual Member Authority has served the Notice of termination (“the Exiting Authority”), the Treasurer shall assess the liabilities of the Joint Committee as they exist at the date of termination of the Exiting Authority’s membership of the Joint Committee. Upon exit, the Exiting Authority shall be liable for an equal share of any liabilities of the Joint Committee incurred up to the date of their exit, irrespective of whether the liability is claimed prior to or after the date of exit and the Treasurer shall calculate any amount due from the Exiting Authority as at the date of exit of the Exiting Authority.
19. Where the Joint Committee requests a payment from the Exiting Authority for a contribution to its liabilities, the Exiting Authority shall make the relevant payment within 20 days of receipt of the request.