

MEETING:	CABINET
MEETING DATE:	3 December 2015
TITLE OF REPORT:	Quarter 2 corporate performance and budget report 2015/16
REPORT BY:	Director of resources and assistant director, commissioning

Classification

Open

Key decision

This is not a key decision.

Wards affected

County-wide

Purpose

To consider performance for the first two quarters of 2015/16 and the projected budget outturn for the year.

Recommendation(s)

THAT:

- (a) Cabinet notes the council is currently projecting an overspend of £583k; and**
- (b) Performance for the first six months of 2015/16 is considered.**

Alternative options

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

Reasons for recommendations

2. To provide assurance that progress is being made towards achievement of the

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agreed outcomes and service delivery targets, and that the reasons for important areas of actual or potential under-performance are understood and are being addressed to the cabinet's satisfaction.

Key Considerations

3. Council approved the corporate plan 2013-15 in November 2012, framed around the key priorities of: enabling residents to be independent and lead fulfilling lives with resources focussed on supporting the most vulnerable; and creating and maintaining a successful economy. The supporting delivery plan for 2015/16 was approved by cabinet in March 2015.
4. Progress is measured through a number of performance measures. These have been selected because they demonstrate progress towards achievement of the council's priorities and also provide an overview of the council's performance from a resident's perspective. The databooks, which are available on the council's website, contain the latest performance outturns available. Where monitoring information is only available annually, these measures will be reported at the point it becomes available.
5. The projected outturn based on spend to the end of September 2015 is an overspend of £583k, 0.4% of net budget. It is anticipated that overall spending will come in within budget by year-end. The £700k corporate contingency budget has not been allocated, this may cover the overspend however it is being held until there is more certainty of potential winter pressures.

Projected revenue outturn 2015/16

Directorate Net Budget	Net Budget (£000)	September Outturn (£000)	September Variance Over / (Under)spend (£000)
Adults' wellbeing	53,596	53,689	93
Children's wellbeing	23,159	24,753	1,594
Economy, communities and corporate	53,380	52,876	(504)
Directorates Total	130,135	131,318	1,183
Other budgets and reserves	11,858	11,258	(600)
Total	141,993	142,576	583

6. Appendix A provides a further breakdown of the directorate budgets and forecast spend.
7. Appendix E provides an overview of performance during the first six months of 2015/16. Whilst 65% (74% at end of May) of performance measures are showing a positive shift in performance, there remain however 32% (24% at end of May) that are currently performing worse than the same period last year, and consideration needs to be given as to required actions to improve performance.
8. A summary of performance and the challenges faced within each directorate is included below in paragraphs 9-31.

Adults' wellbeing

9. The latest forecast predicts a £93k overspend of the budget at year end. The forecast overspend within adult social care client groups is £937k at year end. This is due to higher than budgeted demand particularly for personal budgets. It should be noted that client budgets for 2015/16 are over £2.2m lower than they were in 2014/15.
10. The year on year reduction of costs has been achieved by proactive management of placements and financial challenge of all new placements as well as high cost existing packages. The Client forecast assumes that any further demand pressures will be managed within operational teams, by AWB panel and by senior management.

Better Care Fund Update

11. The table below shows contributions made by both the CCG and the Council to the Better Care Fund (BCF), the latest forecast outturn has identified a pressure for the council of £600k, mitigated by one-off Care Act money. Local Authority (LA) expenditure is included within the AWB budget and outturn reported above. It is assumed that the pressure will be covered in 2016/17 by re-basing the pooled budget.

Key Deliverables	LA Cont. (£000)	CCG Cont. (£000)	Agreed Pooled Budget	Full year Forecast (£000)	Full year Variance (£000)
Expenditure					
Minimum protection of Social Care (Scheme 1a)		4,520	4,520	4,520	0
Implementation of Care Act		458	458	461	3
Disabled Facilities Grant (capital)	866		866	865	(1)
Community Capacity/Social Care Capital	490		490	490	0
Community Health Redesign (Scheme 1b)		6,716	6,716	6,716	0
Care Market Management (Scheme 2)	18,363	8,365	26,728	27,978	1,250
Fund Management	27		27	27	0
Total BCF Expenditure	19,746	20,059	39,805	41,057	1,252

What is going well?

12. During the first half of the year, the number of clients permanently placed in residential and nursing placements has significantly reduced on our position at this point last year, for both clients under 65 and those aged 65+.
13. The proportion of carers provided with a service remains high, with just over 44% receiving support. All carers previously in receipt of support are being re-assessed against the new criteria, to ensure that this service supports those most in need.
14. Evaluation of safeguarding concerns at our front door remains positive; with 86% of cases being evaluated within 2 days of receipt and more appropriate allocation of these cases (only 1 in 4 cases now progress to a safeguarding enquiry). Overall delivery of service user outcomes within safeguarding also remains positive, with

96% of outcomes being met where these have been identified. Further work in this area will be developed as a result of the peer review action plan.

Challenges

15. Safeguarding closures within timescales remain a challenge. Results in this measure continue to remain at levels below expectations, despite regular active monitoring and support. However, additional analysis provides reassurance that almost all cases are now completed within shorter timescales than in previous years.
16. As part of the revised Care Act eligibility, we are required to re-assess/review all clients currently in receipt of a long term package of care against new criteria set out in the Act. To date the number of reviews undertaken since the start of the financial year is just below 30%, which is short of the target for this point in the year, but is not dissimilar to the position in other council areas across the country. A complex needs, assessment & review team is being established, however recruitment to this team has been challenging so the team is not yet at full capacity. The target to complete all reviews by April 2016 is also a challenge for local authorities nationally.
17. The Wellbeing Information and Signposting in Herefordshire (WISH) programme of work, which includes both the web development supporting the provision of quality information and advice and a face to face hub that will provide a signposting service, has been delayed. Various factors, including asbestos being identified in Hereford Library, have led to this pause. However, good progress is being made in preparation for the launch of the new service at the end of January 2016.

Children's wellbeing

18. The forecast outturn is an overspend of £1.6m, an increase of £319k since May. The overspends in children's safeguarding are now £1.9m, summarised below:

	September Outturn Overspends	
	(£000)	(£000)
Placements and Allowances		
Residential and Fostering	740	
Kinship Carers	262	
Special Guardianship Allowances	120	
Direct Payments	50	1,172
Agency Staff		526
Social work Academy		142
Children's Centres		37
Other		32
Net Overspend in Safeguarding		1,909

19. Since May there have been 10 external foster agency placements, two placements have been extended until the end of the year and a residential placement has been extended to the end of December, increasing the over-spend by £210k.

What is going well?

20. The children and young people's plan was approved by full council in September 2015; this sets out the blueprint for services for CYP over the next 3 years. It provides the multi-agency strategy for addressing children, young people and their families, identified through the Health and Well-being Strategy and needs assessments.
21. The children with disabilities team are working with adults' wellbeing to develop a service for 0-25. A service manager post has been agreed to oversee its implementation and it will be designed to aid transition to adults' wellbeing.
22. Early analysis of summer exam results suggests improvements in early years, foundation stage good level of development in year one phonics, key stage 2 (level 4 +) in reading, writing and maths. Performance at school sixth forms was at a high level and exceeded national performance for all grades with particular improvement in A*. There were also 60 more students progressing to level 3 qualifications.

Challenges

23. The council, CCG and Wye Valley NHS trust (WVT) continue to work closely together to support short breaks for families with children with disabilities. There have been some difficulties in providing continuity of short breaks at No.1 Ledbury road and WVT has developed revised arrangements that should be more resilient for the next period. Whilst some families have had a reduction in respite, WVT is hopeful that additional staff recruitment could increase the amount of respite available in December. The children with disabilities team have been undertaking updated core assessments with families who currently use No.1 Ledbury Road. There are some concerning trends in the Multi Agency and Safeguarding Hub (MASH) and Children in Need (CIN) teams relating to timeliness and quality. In part this has been caused by both rapid turnover and recruitment of agency staff, and high caseloads in the CIN teams. Consequently, there is more evidence of drift in addressing problems in families, poor quality planning and we have seen an increase in complaints relating to delays in communications with families and other professionals and concerns reported within the service. There was a period in the last quarter where there were circa 60 unallocated CIN cases, although they were subject to risk management by managers this is not acceptable and has been addressed. Time limited additional posts have been agreed for the CIN teams and recruitment is underway.
24. As at the end of September 2015, the number of looked after children stands at 300 and this has been steadily increasing since May 2015. There has been a significant variation in the number of children entering the system via section 20 (voluntarily coming in to care).
25. With regard to education, the performance at all key stages for vulnerable groups and those eligible for free school meals remains an area of focus for individual schools and the LA. The gap between these groups and their peers remains too great. Specific work to address this is being co-ordinated through the Herefordshire school improvement partnership. There is a mixed picture of Ofsted judgements and educational performance in several Herefordshire academies, this is being raised with the regional schools commissioner.

Economy, communities and corporate

26. The September forecast outturn is an underspend of £504k, a favourable change of

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£424k compared to the May forecast. This relates to increased planning income and further savings brought forward to mitigate the corporate position.

What is going well?

27. The Inspector's report for the Local Development Plan was received in September. The LDF Core Strategy was agreed for adoption by Cabinet and approved by Full Council. The preparation of a Minerals and Waste plan will follow. Programme planning is underway for the Hereford Area Plan and Community Infrastructure Levy.
28. The £3m refurbishment works at Hereford Leisure Centre are now complete, which include a new fitness suite, children's adventure play area, refurbished changing rooms, improved disabled changing facilities, three new group exercise studios, permanent purpose built gymnastic training area, refurbished squash courts, new reception and café area. The works were completed in September and officially opened on 18 September. Ross Swimming Pool has also seen a £2m refurbishment with new changing rooms, fitness suite, group exercise studio, reception, improved disabled access. Works were completed in September and were officially re-opened on 1 October. These works are part of the programme of refurbishment works at Herefordshire's leisure facilities to modernise and improve facilities across the county, which will enable local people to be more physically active.
29. The scope of works for High Town refurbishment has been established. Full design works will be commissioned alongside a 5-year Hereford Economic Master Plan. Consultation is being prepared for November 2015.

Challenges

30. Customer services has seen an increase in face-to-face contacts at Franklin House (10,243 in quarter 2 compared to 9,735 in quarter 1), and a significant increase on the same period in 2014. The highest demand is Council Tax and Housing Benefit payments/enquiries. Customer migration to digital continues to be a challenge.
31. Hereford Library was closed for an initial 12 week period in September, due to the discovery of trace levels of asbestos found in the building as a result of planned building work due to take place at the site. Consequently, there has been a considerable increase in the use of Belmont Library to compensate for its closure and a drop-off point has been made available at the Shirehall. A temporary library is due to be located at Hereford Town Hall. To address the removal of asbestos and the backlog of maintenance, £1 million needs to be spent. This investment is outlined in the council's capital programme. Cabinet will consider if there is an opportunity to use that funding to work with the community on an improved library. It is proposed to hold discussions with representatives of the Hereford Library Users Group to see if their ambitions for a modern library with a range of other facilities could be realised if there was a wider fundraising campaign.

Other budgets and reserves

32. The forecast outturn is to underspend by £600k compared to the budget. The underspend is in two areas, managing change is expected to underspend by £100k based on current redundancy estimates and a one off contribution to the general fund reserve of £500k is not required due to the £600k underspend in 2014/15 being transferred to reserves last year. The £700k corporate contingency budget has been set aside for the moment against the potential risk identified by the CCG in the Better

Care fund referred to in paragraph 11 above.

Council Tax and Business Rate Collection Performance

33. The business rate and council tax income is showing a forecast in line with budget of £22m and £84m. Business rate income is subject to the risk of appeals including appeals from GP surgeries which are assessed to have an ongoing funding reduction of up to £250k pa. Funds of £5.8m have been set aside for the settlement of successful back dated business rate appeal costs.
34. A more detailed analysis of the revenue outturn is provided in Appendix A.

Capital forecast

35. A summary of capital schemes is provided in Appendix B. The capital forecast is funded with no loss of conditional funding. Funding pressures for future years will be reported separately in December.

Treasury Management

36. Treasury Management is forecast to spend to budget. Due to short term borrowing being available at substantially lower interest rates than fixed term borrowing, no new fixed term borrowing has been secured. Appendix C provides further details.

Community Impact

37. Delivering the corporate plan is central to achieving the positive impact the Council wishes to make across Herefordshire and all its communities. The recommendations do not have any community impact.

Equality and human rights

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

Financial implications

39. Projects and activity within the delivery plan must be delivered within the budget agreed by council in February 2015; they include projects and activity to deliver the cost reductions required for a balanced budget. Slippage in projects and activity to deliver cost reductions will impact on the overall council budget and will require remedial or mitigating actions to maintain financial stability.

Legal implications

40. None.

Risk management

41. The corporate plan and its delivery plan are integral elements of the council's risk management framework. Risks associated with each objective and project are

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entered onto the relevant service or directorate risk register and escalated as appropriate. The corporate risk register is available on the council's website and an overview of the significant risks is included within Appendix E.

Consultees

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

Appendices

Appendix A Revenue forecast

Appendix B Capital forecast

Appendix C Treasury management forecast

Appendix D Debt write offs

Appendix E Strategic overview:

Organisation wide
Adults' wellbeing
Children's wellbeing
Economy, communities and corporate

Background Papers

- [adults' wellbeing databook](#)
- [children's wellbeing databook](#)
- [economy, communities and corporate databook](#)
- [corporate risk register](#)