

MEETING:	Cabinet
MEETING DATE:	22 June 2017
TITLE OF REPORT:	End of year corporate budget and performance report 2016/17
REPORT BY:	Chief finance officer and assistant director environment and place

Classification

Open

Key decision

This is not a key decision.

Wards affected

County-wide

Purpose

To review revenue and capital outturn for 2016/17, including the treasury management outturn report, debts written off and invite cabinet members to consider performance for the year.

Recommendation(s)

THAT:

- (a) performance and financial outturn, including debt write off for 2016/17 as set out in appendices A, B, D and E are reviewed and the cabinet identifies any additional actions to be considered to achieve improvement;**
- (b) the treasury management outturn report at appendix C be recommended to Council for approval; and**
- (c) the annual performance report at appendix F be approved for publication.**

Alternative options

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

Reasons for recommendations

2. To provide assurance that progress is being made towards achievement of the agreed revenue budget and service delivery targets, and that the reasons for major variances or potential under-performance are understood and are being addressed to the cabinet's satisfaction.
3. An annual performance report has been produced to provide an accessible summary of key performance during the previous year and areas of focus for the coming year to aid communication of the council's priorities and performance.

Key considerations

4. Ahead of the commencement of the external audit, the unaudited accounts are available for review on the council's website at https://www.herefordshire.gov.uk/downloads/download/660/council_accounts_201617.
5. The 2016/17 outturn is an underspend of £600k which has been added to the general reserve balance.

Directorate	Gross Budget	Net budget	Outturn before year-end account movements	Outturn Over/(under)
	£000	£000	£000	£000
Adults and wellbeing	80,143	51,826	52,268	442
Children's wellbeing	26,210	21,905	22,107	202
Economy, communities & corporate	68,384	45,674	44,795	(879)
Directorate total	174,737	119,405	119,170	(235)
Other budgets and reserves	152,621	28,574	28,209	(365)
Outturn	327,358	147,979	147,379	(600)

6. Council approved the revenue budget of £147.979m in February 2016 and a further breakdown of directorate budgets against forecast spend is provided in appendix A.
7. Council approved the corporate plan 2016/17-2019/20 in February 2016, framed around the key priorities to:

- enable residents to live safe, healthy and independent lives;
 - keep children and young people safe and give them a great start in life;
 - support the growth of our economy; and
 - secure better services, quality of life and value for money.
8. The supporting delivery plan for 2016/17 was approved by cabinet in April 2016 and the budget is managed in recognition of managing need and the council's relationship with communities.
 9. Progress is measured through a number of agreed performance measures. These have been selected because they demonstrate progress towards achievement of the council's priorities and also provide an overview of the council's performance from a resident's perspective. The databooks, 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.
 10. Appendix D provides an overview of performance during 2016/17. Whilst 55% (68% at the end of January) of performance measures showed a positive shift in performance, some 39% (32% at the end of January) performed worse than the same period last year. A summary of performance and the challenges faced within each directorate is included below in paragraphs 12-70.
 11. Appendix F provides an overview of progress made against the Corporate Delivery Plan 2016/17 and the council's priorities.

Adults and wellbeing (AWB)

12. Adults and wellbeing ended the financial year with an overspend position of £442k. This is an adverse movement of £166k relative to the end of January report.
13. The £442k is broken down between an over spend of £1.2m relating to client budgets and an under spend of £732k within the non-client budgets.
 - a. The client budget overspend of £1.2m is mostly due to demand and cost pressures within physical support domiciliary care, but also cost pressures within learning disability domiciliary care.
 - b. The under spend in the non-client budgets mostly relates to vacancies within the operational teams due to difficulties with recruitment.
14. The movement in variance relative to January is largely accounted for in the physical support area of the client budgets. This is due to both increases in demand for packages of care and under recovery of client income.

What is going well?

15. The spring budget 2017 recognised that adult social care services are under significant pressure nationally; and as a consequence, the chancellor announced an additional £2bn for councils to spend on adult social care over the next three years (2017/18 to 2019/20). Of this, the allocation for Herefordshire is £7.3m. There is a national criteria that the money must be invested in reducing the impact on NHS, specifically aiding discharge from hospital.
16. A recommendation has been made to cabinet to delegate authority to the Director of Adults and Wellbeing in authorising the detailed allocation of the funding having

regard of the key principles and any national requirements associated with the funding.

17. The issuing of the Better Care Fund (BCF) guidance has been significantly delayed however Herefordshire has been developing the plan in line with the policy framework for the implementation of the statutory BCF plan. The plan will be for a two year period, 2017-19, to align with NHS planning timetables and to give areas the opportunity to plan more strategically which was first announced in the Government's Spending Review of 2013 and established in the Care Act 2014 and it sets out the proposals for going beyond the BCF towards further integration by 2020.
18. Following an increase to the Disabled Facilities Grant budget as part of the Better Care Fund allocation, the service has this year funded 177 DFGs. Whilst this is a small increase on last year, there are a significant number of projects currently in development. The DFG budget has almost doubled to £1.558m this year and the most recent projections suggest we are only £26k short of reaching that target spend. To achieve the increased spend, the service has increased the amount of staff assessing for DFGs and increased the amount spent on the physical improvements to houses. It is nationally recognised that DFGs represent good outcomes for service users; allowing them to remain in their own home for longer and delay the requirement for costly residential home placements.
19. In order to ensure a better DFG process, we are also re-designing the structure and operational procedures of our Home Improvement Agency. We are currently working with Foundations, the Government body which supports Home Improvement Agencies, to streamline the service. This review is being scoped at the moment, and will include widening the case worker role; making that post responsible for the whole DFG process from referral to completion, only handing technical tasks to surveyors to minimise dependence on the limited surveyor resources available, and also decreasing the amount of paperwork required.
20. In the year we have converted the assistive technology and telecare services into a cost recovery model; this has opened up access to the service to anyone, regardless of whether they meet Care Act eligibility criteria, for a small weekly charge. This has enabled us to support people with a wider range of needs, in a wider range of settings, using a wider range of technologies. This has resulted in the service now receiving an average of 100 applications and referrals per month.
21. As a result of the moving and handling project, a total reduction of £85k has been identified from existing support packages in the last 7 months of 2016/17. Additionally, a total of £36k has been saved by preventing increases in support plan costs. These reductions have been achieved by provision of advice or alternative equipment provision with an outcome of decreasing or maintaining the numbers of carers required for activities or decreasing or maintaining the amount of time required for carers. In addition to savings, this is a much better outcome for the people in receipt of care; 2 carers manually moving a client is far more intrusive and through the use of equipment, caring for clients with a single person retains much more dignity for the cared for.
22. The council has recently been successful in obtaining a Housing & Technology grant of £285k, to help develop a greater range of housing options across property type and location, providing assistive technology to maximise choice, enhance safety, security and independence, and encourage better use of care and support resources. Specifically, this project is looking to fit technology in 14 of the current supporting living schemes, supporting 81 individuals, which will meet individual's needs in a less

intrusive way than current traditional care methods. In addition, it should allow us to meet care needs in a more cost effective method.

23. In addition to this grant, the Strategic Housing team were successful in obtaining a grant of £502k from DCLG. This grant is to be used to help build capacity locally to develop and deliver housing in the longer term; investing in Community Land Trusts, supporting the Mandorla and Larkrise co-housing groups to review their development schemes, investing in self-build projects which will support affordable housing, supporting parish councils with plans/ambitions to develop local housing schemes and temporary investment in AWB's housing development capacity in order to support the previous points.
24. A further £93k has been received from DCLG to improve the prevention of rough sleeping. This will be used to support two temporary posts; a rough sleeping prevention officer and a part time research post to ensure that prevention work is targeted at the highest risk groups of the Herefordshire population.
25. In the year, we have finalised a Direct Payment strategy, setting out how we will deliver personalised care planning and support whilst increasing the take-up of direct payments. The following priorities were identified: Raise awareness and improve staff knowledge of policy and process; ensure processes in administration and monitoring are efficient and effective; Raise awareness of direct payments with people in need of care and support and; enable closer working with commissioners, children's services and care providers. As a result of the strategy and the resultant actions, the directorate has driven its direct payment take up significantly and is now just short of our long term stretch target of 40% (currently 38.3%). In addition to driving up the numbers of people using this method of sourcing their care, we have also rolled out pre-paid cards to a greater proportion of users. At the end of March just over a quarter of DP recipients were receiving payments in this way. This is an easier way of receiving payments for service users, and also a more efficient way of administering payments from a council perspective. In addition, the DP team have monitored accounts closely, resulting in a little over £1m of over-payments being recalled; some of this is as a result of identifying closing balances and some where service users have not utilised the full amount of their prescribed care.
26. The new unified care home contract with the CCG went live on 3 April. As a result of this all care homes will default to the new terms and conditions of the contract. The changes from net to gross payments has been a complex change with new interfaces being developed between our internal systems to enable the council to invoice service users for client and third party contributions. The team have been repurchasing placements ready for the changes to be implemented. The majority of spot purchase placements will be moving to the new payment process, with 157 clients remaining on the old payment terms until we receive further information from the provider. A number of communications have been sent to providers and internal staff, to update them on the changes to the contract and ensure a smooth transition.
27. Our final year end position for completion of reviews was 74% of clients in receipt of long term care receiving a review in the reporting year. Whilst this is short of our very aspirational target of 100%, this does represent significant improvements in performance from 2015/16 (of 62.6%). Informal feedback around the region would also indicate that this is above average performance. Regular reviews are important to ensure that a client continues to get the right level of care; minimising risks where clients have deteriorated and where appropriate reducing formal care to maximise independence. In the coming 12 months, it is envisaged that performance will be further improved as a result of the current pathway development work and also

mobile working initiatives.

28. Recognising the importance of protecting and promoting people's independence, resilience, ability to make choices and maximising wellbeing, our social care services operate and continue to develop a strengths based model of practice. This looks first at what people can do with their skills and resources, what the people around them can do and what support is available within their local communities. In order to maximise the impact of our model of delivery and improve the customer journey through social care, a large programme of pathway development work is currently underway. This work includes a focus on service improvements in the following key areas:
- response times and support when customers are in contact with ASC;
 - access to information, advice, signposting and guidance;
 - clearer and more direct links to contracted and 'recognised' services;
 - a more 'agile' urgent care response;
 - improved assessment and review times;
 - support and care planning that builds on strengths and links customers more effectively to their communities;
 - a programme of community development including the introduction of 'Talk Community' sessions; and
 - improved engagement with Primary and Secondary Care providers.
29. The mapping of community assets and community opportunities in the West area of the county by our Community Connectors and is almost complete. This includes information about the type of opportunities available, their capacity and the people who they are appropriate for. These have been recorded in a dynamic community menu and are cross referenced against the content in WISH. The Community Connectors are now mapping resources in the East of the county.
30. The number of website hits has increased again for Quarter 4 with 5,722 hits and we saw the highest number of monthly hits since its launch during March with 2,124 hits. The WISH hub moved into the City Library at the end of January and they have also seen an increase in numbers visiting the WISH hub. Quarter 1 is focused on scoping the system development requirements to improve the website which will include bringing the Adults and Children's sections into a single context website and changes to the website design and information architecture.
31. Throughout 2016/17 Healthy Lifestyle Trainers (HLT) supported 492 people with one to one behavioural support. In addition to individual support, Healthy Lifestyle Trainers are trained to build effective relationships within communities. In 2016/17 HLT engaged with 450 community activity groups, from this they signposted 1,522 people to other activities, events and services.
32. Of the people who engaged with one to one support, 55% went on to achieve their Personalised Health Plan through support offered by a HLT at a time and place to suit the individual. Those engaging with the service are empowered to take more responsibility for improving their own physical and emotional wellbeing by working with a dedicated health trainer to set goals to improve general wellbeing, increasing confidence and motivation to enable them to change. On completion of the support people's wellbeing improved by 17% and their confidence in their ability to achieve intended results by 10%. Furthermore, 12.5% of people also reported feeling healthier. In addition, participant's: reduced their BMI; reduced alcohol consumption; took part in increased levels of physical activity; increased consumption of fruit and

veg; and reduced/stopped smoking.

33. We continue to work with AddAction, our substance misuse service following variable completion rates for their alcohol, opiate and non-opiate treatment programmes. These results are below the set targets (8% for opiates, 52.5% for non-opiates and 38.5 for alcohol) and as a result a service improvement plan has been agreed with the provider; actions include regular auditing of caseloads and individual cases, linking with wider stakeholders and the full roll out of a new naloxone programme.

Challenges

34. Following a lack of interest from providers in our Helped to Live at Home, the decision not to proceed to contract award was made during the last quarter. As a result, those involved have reflected on the residual risks from not awarding new contracts, the option available to mitigate these risks and any lessons learnt. The tender exercise revealed the fragile nature of the local market and the primary focus going forward will be to work closely with local providers to improve sustainability and enhance the customer experience.
35. To this end, emerging proposals currently under consideration include; creating a new open framework arrangement of approved providers which will run concurrently and subsequently supersede the existing HACS framework which expires 31 March 2018; devising and implementing a market shaping plan; devising pilots to test new approaches and models of service delivery and appointing a market engagement officer to deliver strategic and commercial support to providers.

Children's wellbeing (CWB)

36. Children's wellbeing overspent by £202k for the full year. This a £280k improvement from the quarter 3 forecast outturn. The improvement is due to no court ordered placements being made, this had been provided for at £100k as a placement can be made by a court at any point in the year. In addition the redundancy provision has not been required at the level previous forecast.
37. The outturn position reflects the success of the reduction in the agency social care staffing, which created the large overspend in 2015/16, and will now deliver a full year impact in 2017/18. The directorate has been successful in moving to more permanent social care staffing. Child placement costs have remained reasonably consistent throughout the year and the anticipated savings due to appropriate changes in the policy on special guardianship are now starting to take effect. This will contribute to savings for the medium term financial strategy in 2017/18 and 2018/19.

What is going well?

38. At the end of Quarter 4 the number of children subject to a child protection plan is 117. This sustained reduction in children at risk of significant harm has attracted regional interest and reflects concerted effort by directorate and local safeguarding board colleagues. We can be confident that this profile accurately reflects the experience of children within the county because it has been in place since the summer of 2016. A review of those children whose plans were discontinued has found no evidence of inappropriate decision making or children being left at risk of harm without a service.
39. A new approach to referral management has been in place for six months and has enabled the directorate to have a more accurate picture of demand. It is a concern

that the majority of referral do not meet the local safeguarding board threshold for a social care service however a recent review of children who are re-referred did not find cases of the same child being referred repeatedly for the same reason. Children were re-referred either for a new reason or because concerns had emerged about a sibling. The decision-making at the point of referral was validated by the review.

40. The majority of new social work assessments are now completed within the statutory timescale which is a notable improvement on Quarters 1 and 2 when the majority were not.
41. The directorate has seen a net increase in the number of foster carers recruited by the local authority and this is contrary to local and regional colleagues who have struggled to maintain their numbers. This will enable us to place more looked after children locally and also avoid the additional costs associated with the use of the private sector.
42. 72% of pupils across Herefordshire achieved a Good Level of Development in 2015/16 at the end of the Foundation Stage. This exceeded the England average of 69.3% and resulted in top quartile performance. We are aiming for top quartile performance in all measures by end of 2017/18.
43. 90.1% of pupils in Herefordshire were in Good or Outstanding primary schools, as recorded in Ofsted's Annual Report 2015/16. This is a 2% improvement on the previous year and a 22% improvement from 2011/12. Herefordshire Children's Wellbeing has been operating a different model of school improvement for 3 years now, in advance of the national changes and budget reductions which focuses on improving attainment and progress for all pupils, to give them a great start in life. Achieving this will also improve Ofsted ratings for settings. This approach was recently commended in the national MJ Achievement Awards which is of credit to schools and staff in Herefordshire.
44. During 2016/17, the council supported 151 disabled children with short breaks through commissioned services and direct payments. Some children will have received a single short breaks resource, while others will be in receipt of a package of support. Targeted daytime activities, which do not require a social care assessment, were accessed by 69 children. Of those children that have had a social care assessment, 68 children were supported with direct payments, 40 accessed specialist daytime activities and 20 accessed specialist overnight short break in family based or residential setting. Planned work to recommission the short breaks offer was completed during 2017, and will continue to be monitored to address any market gaps. As part of the new offer from April 2017, the council has launched a new targeted short breaks allowance scheme, which is not subject to a social care assessment and can provide families of c.175 target children with up to £350 per year to purchase short breaks activities of their choice. By mid-April, 55 applications for allowance had been received, with 46 being approved. Further applications are expected during the year ahead, and numbers are expected to grow in year two as the scheme becomes better known.
45. As part of the Children and Families Act 2014, Education, Health and Care (EHC) Plans were introduced from September 2014, replacing Statements of Special Educational Need. From receiving the initial request for statutory assessment of a child's special educational needs, Local Authorities have a maximum of 20 weeks to complete the process and issue a final EHC Plan (a reduction from 26 weeks for Statements of SEN). The success against this statutory deadline is a key performance measure and we are currently completing 91.5% within the timescale;

nationally this is just over 50% and Herefordshire is the highest performing Authority in the West Midlands.

46. The directorate has taken proactive steps to manage the budget and has successfully implemented savings plans that are delivering the medium term financial strategy. Whilst placement budgets always contain an element of volatility the overall position indicates robust budget management taking place in 2016/17.

Challenges

47. During this quarter the number of our Looked after Children has increased to 303 rather than reducing. As noted in the commentary for Quarter 3, we have introduced a new Threshold of Care Panel to ensure that all new placements meet the appropriate criteria and completed an analysis of our LAC population to identify young people who will leave our care as they reach 18 or are due to be placed in permanent care, such as adoption or special guardianship. We believe our LAC population will reduce during 2017 as a result of this study and work is currently underway to quantify the number and timescales. If we can meet needs of young people who are on the verge of admission to care through an intensive Edge of Care intervention this figure should be increased. Further discussion within the service has identified two key areas for future improvement: the return of children home and the approval of permanency alternatives for those children not able to return home, such as Special Guardianship Orders. Analysis of our current LAC population to identify those children who could be subject to permanency arrangements is underway. The recent move of operational social work staff to Nelson House will support a more coherent response to young people who are in our care with a particular focus on ensuring that those children who can safely return home do so promptly.
48. For the last two quarters the majority of referrals to the Multi Agency Safeguarding Hub have not resulted in a social work assessment. This means that they have not evidenced the appropriate level of need as outlined in the local safeguarding children's board's guidance. Analysis has highlighted a wide variation in professionals' understanding of this multi-agency guidance. This is a concern because it means that children are less likely to receive appropriate support at the right time if their needs are not consistently assessed and it also means that professionals are spending time of referring to the MASH that could be used more productively.
49. 68.4% of pupils in Herefordshire were in Good or Outstanding secondary schools, as recorded in Ofsted's Annual Report 2015/16. This has fallen in the last quarter as a result of recent inspections. Recent Ofsted monitoring reports for academies currently graded as inadequate have been positive. Attainment and Progress 8 scores, the most recent measures by national government, indicate that secondary schools overall performance was in line with the national average. Herefordshire local authority is working with schools through the Herefordshire School Improvement Partnership approach to highlight schools at high risk of poor outcomes and is also developing its relationship with the regional schools commissioner and academy and multi academy trust boards to challenge poor performance and clarify what actions are being undertaken to enable pupils to have a great start in life.
50. The focus for learning and achievement this academic year include:
- Attainment at KS2 with a particular focus on maths;
 - Attainment of pupils eligible for free school meals across most key stages; and
 - Attainment of LAC pupils.

Economy, communities and corporate (ECC)

51. ECC underspent its budget by £879k. This is a favourable movement of £236k relative to the end of January cabinet report.
52. The underspend includes £750k in respect of the waste disposal contract reflecting reduced disposal costs during the commissioning of the Energy from Waste facility. The facility successfully passed commissioning and is now fully operational. As per the agreed contract, the gate fees have increased since the conclusion of commissioning and therefore the financial benefit is a one-off for 2016/17. This was previously reported to cabinet in the quarter 2 report, 3 November 2016.
53. The movement in variance relative to quarter 3 is largely accounted for in the communities service area, by the modern records invest to save project. The two year investment required to achieve the approved MTFS savings will now be largely incurred in 2017/18, managed within existing ECC budgets. The savings are still anticipated to be delivered by 2018/19, as per the MTFS.

What is going well?

54. The budget process went well, there was extensive engagement with all stakeholders enabling a wide range of views and opinions to be expressed. The MTFS process to ensure that all savings were fully costed and the implications were understood went well, with all budget holders confirming their agreement to the impact of the savings on their budgets.
55. The South Wye Transport Package has been progressed during the year. The package includes the Southern Link Road which will form the first phase of a Hereford Bypass and a complementary package of measures in the South Wye area. Planning permission for the Southern Link Road was secured in the summer of 2016 and detailed design and land negotiations are continuing in accordance with the programme which aims to commence works on site by the end of 2018. A comprehensive public consultation on the Active Travel Measures that would form the complementary elements of the package was carried out during the autumn and the results are being analysed to feedback to cabinet later in the summer.
56. In summer 2016, Cabinet gave approval for work to commence on the development of a Hereford Transport Package which will include a bypass of Hereford to the west of the city. Since then a programme of technical work has been carried out to provide the information required to develop the scheme, including a wide range of surveys and travel/traffic data collection. The Hereford Bypass has been included within the recently published Midlands Connects regional transport strategy and the first round of public consultation on the Hereford Transport Package has commenced. As a complex major project there is significant technical work to be carried out and public consultation will form a major part of the development of the proposals over the coming year.
57. The construction of the City Centre Link Road has progressed well. Subject to continued good progress, it is anticipated that works will be complete by the end of 2017. The completion of the road will enable the delivery of complementary active travel measures on the existing network which will include the provision of a Transport Hub at the railway station. The development of these measures will be subject to further public consultation during the coming year.

58. The Fastershire broadband programme includes encouraging businesses and individuals to make the most of the fibre connection and general use of the internet. This includes 262 attendance at business session taking place monthly; and 128 individuals attending introduction to the internet courses in 15 courses that can last between one and five sessions per course. The majority of premises in the county can now access a fibre broadband services, with new phase of deployment agreed to reach premises not included the first phase.
59. Hereford Library reopened on 30 January 2017. As well as a surge in use of 16,957 visitors in February 2017 (compared to 3,933 in January when based at the temporary library at the Town Hall), there were 565 new members signing up for library cards.
60. A great deal of work has taken place to produce and agree the new constitution, this outlines the role, functions and methods of work of the local authority.
61. The elements of the Accommodation Strategy due to be delivered in 2016/17 were on time and within budget.
62. Working in partnership with Herefordshire Tertiary Education Trust, the council enabled the development and submission to Government of a Green Book Business Case seeking funding support towards the development of NMiTE, the proposed University for Herefordshire. Growth Deal funding of £8m in support of the delivery of the new University was announced on 8 March, representing a significant milestone towards securing the delivery of this transformational ambition for the county. Formal confirmation of additional funding from the Department for Education is still awaited.
63. The council continues to perform very strongly in the delivery of neighbourhood development plans by comparison to national benchmarks. There are currently 18 adopted neighbourhood plans in Herefordshire, this is the most in any one county in England; 6% of all adopted NDPs in England are within Herefordshire. Herefordshire also have 108 designated neighbourhood areas which again means the council has the most designated neighbourhood areas in any single county.
64. The Invest Herefordshire Economic Vision was adopted by Full Council on 16 December 2016, setting a clear and ambitious programme of key projects and investment opportunities across the county. The strategy identifies the ambitions and intentions of a range of stakeholders and partners who will work jointly with the council to make Herefordshire a great place to live, work and learn. The next stages involve a launch event for the Vision in June 2017, followed by a programme of themed events around the county.
65. Construction of EnviRecover, our joint Energy-from-Waste facility we share with Worcestershire County Council, was completed in March 2017. This follows a 33-month construction programme, which has seen the facility built on time and to specification. EnviRecover is located on the Hartlebury Trading Estate near Kidderminster, Worcestershire. The facility will turn 200,000 tonnes per year of residual waste from local authority collections in Herefordshire and Worcestershire into power, exporting in excess of 15.5 megawatts of electricity to the national grid.
66. Completion of EnviRecover reduces Herefordshire Council's reliance on landfill. Recyclable materials collected from households in green bins have been sent for recycling at a sister facility, EnviroSort, since 2009, now general household rubbish from black bins is sent to EnviRecover to make power. Only small amounts of waste not suitable for recycling or to be used as fuel to make power are now sent for landfill.

Challenges

67. The National Planning Policy Framework indicates that where a local planning authority cannot demonstrate a five year supply of deliverable housing sites relevant policies for the supply of housing should not be considered up-to-date and housing applications should be considered in the context of the presumption in favour of sustainable development.
68. In July 2016 the housing supply for Herefordshire was identified as being 4.49 years. Overall, housing supply has significantly increased in recent years and proactive work to bring forward the strategic housing sites in the Local Plan is continuing with two major applications (at Holmer West and Hildersley in Ross-on-Wye) being approved by Planning Committee in the last year. However, the demonstration of a five year supply is likely to remain challenging at least until the strategic sites identified in the Core Strategy begin to deliver significant numbers of housing completions.
69. Face to face contact for customer services was 39,274 visits in 2016/17 – this was slightly over target of 38,004. The nature of the contact will vary, but primarily concerned with support people's claims for housing and housing benefits and therefore the level of contact will depend on people's circumstances. Development of the new website's functionality will support the reduction in contact levels though there will continue to be some need for face to face support for people who need it.

Capital outturn

70. The capital outturn for 2016/17 is attached at appendix B and shows that capital investment totalled £55.8m in 2016/17. This compared to an approved budget of £77.0m with the differences detailed in the appendix being mainly slippage on various investment schemes including Colwall School. The underspent budgets will be carried forward to fund spend in future years.

Other budgets and reserves

71. The underspend of £365k represents lower cost of debt due to prolonged lower interest rates, as detailed in appendix C.

Community impact

72. Regularly reviewing performance with a view to identifying actions which will deliver further improvement in outcomes or efficiencies helps ensure the council achieves its corporate plan priorities. Transparently reporting performance supports the council in being accountable to the community.

Equality duty

73. 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

74. Included within the report.

Legal implications

75. There are no legal implications arising directly from the recommendations of this report. Financial reporting requirements state that the treasury management outturn be reported to full Council. Reporting of debt write off is in accordance with the financial procedure rules which were in force during the reporting period.

Risk management

76. The council is required to close the 2016/17 accounts by 30 June 2017 which includes the approval of statutory statements by the chief finance officer. Failure to meet statutory deadlines carries a reputational risk for the council in relation to its corporate governance role.
77. The risks associated with any delivery plan objectives and projects are 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

78. 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 outturn 2016/17
- Appendix B Capital outturn 2016/17
- Appendix C Treasury management outturn 2016/17
- Appendix D Debts over £2k written off between 1 October 2016 and 31 March 2017
- Appendix E Scorecards: Adults and wellbeing
Children's wellbeing
Economy, communities and corporate
Organisation wide
- Appendix F – Annual performance report

Background Papers

- [Adults and wellbeing databook](#)
- [Children's wellbeing databook](#)
- [Economy, communities and corporate databook](#)
- [Corporate risk register](#)