

Meeting:	Cabinet
Meeting date:	Thursday 28 June 2018
Title of report:	End of 2017/18 corporate budget and performance report
Report by:	Cabinet member finance and corporate services

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose and summary

To review revenue and capital outturn for 2017/18, including the treasury management outturn report, debts written off and invite cabinet members to consider performance for the year.

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.

Recommendation(s)

That:

- (a) performance and financial outturn, including debt write off for 2017/18 as set out in appendices A, B, D and H are reviewed and the cabinet identifies any additional actions to be considered to achieve improvement;**
- (b) the priorities identified in the local account (appendix E), the annual report of the director for public health (appendix F) and the joint strategic needs assessment (appendix G) and be used to inform decision-making and the development of the medium term financial strategy and 2019/20 budget; and**

(c) the treasury management outturn report at appendix C be recommended to Council for approval.

Alternative options

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

Key considerations

Revenue outturn

2. The 2017/18 outturn is £10k overspend as at the end of March 2018.
3. The net budget moved during the year due to utilisation of the severe weather reserve of £858k. The corporate budget reflects transfers to directorates of reserves relating to pension liabilities and local tax, along with revenue and benefits income of £1,333k. Reserves relating to waste (£916k), the bypass (£910k) and the Adults and Wellbeing pressure monies (£650k) have been accessed. Children's wellbeing have reduced their budget to make provision for shortbreak commitments, the continuing invest to save work and exceptional court costs anticipated during 2018/19.
4. The table below sets out the directorate positions as at the end of March. Further service detail is available in Appendix A.

Revenue outturn 2017/18 (as at the end of March)

Directorate net budget	Gross budget	Original Net budget	Movement in Net budget	Net budget	Full year outturn	Full year variance over / (under)spend
	£000	£000	£000	£000	£000	£000
Adults and wellbeing	83,810	51,158	739	51,897	51,977	80
Children's wellbeing	140,729	21,153	(744)	20,409	22,403	1,994
Economy, communities & corporate	70,272	44,740	4,313	49,053	48,878	(175)
Severe Weather Reserve	858	0	858	858	0	(858)
Directorate total	295,669	117,051	5,166	122,217	123,258	1,041
Other budgets and reserves	78,531	27,975	(5,166)	22,809	21,778	(1,031)
TOTAL	374,200	145,026	0	145,026	145,036	10

Capital outturn

5. Appendix B provides the 2017/18 capital budgets outturn. Due to the timing of delivery moving into future years, the capital budget underspent by £41.979m against the revised 2017/18 budget of £90,958k. The underspend has not resulted in the loss of any capital funding and will be carried forward into 2018/19.

Other budgets and reserves

6. Appendix C provides detail of the Treasury Management outturn which has underspent by £6.1m. The main reason for this underspend is due to the approved change to the Minimum Revenue Provision Policy, which was agreed by Council on 13 October 2017, resulting in an in year saving of £5.1m. This saving will be added to the council's general reserves.

Corporate performance

7. Council approved the corporate plan 2016/17-2019/20 in February 2016, to achieve 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. In February 2017 Council approved the 2017/18 budget and, having regard to that budget, the supporting delivery plan was agreed by cabinet in April 2017.
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 H provides an overview of performance during 2017/18. Whilst 56% (49% at the end of December) of performance measures show a positive shift in performance, some 40% (49% at the end of December) performed worse than the same period last year. A summary of performance and the challenges faced within each directorate is included in paragraphs 18-78.
11. In February, we hosted a Local Government Association corporate peer challenge to review the way we work and provide suggestions for ways in which we could do even more to achieve our ambition to keep improving and delivering for and with Herefordshire residents. The report from the LGA includes acknowledgement of the council's significant successes, alongside some recommendations for improvement to maximise impact and help residents understand the good work being done. The council is recognised as being in a relatively secure financial position over the medium term which provides a platform to realise the county's ambitions. We are described as having a good understanding of the county and strong ambitions for Herefordshire, alongside an appetite to learn, a desire to improve, and an awareness of key areas for change. The report also recognises that we have an engaged workforce that is proud to work for Herefordshire. It also includes recommendations to help identify areas of improvement and many of these include areas

where work was already in progress; a report on our approach to taking forward these recommendations appears elsewhere on the Cabinet agenda today.

12. Every year, Directors of Public Health (DPH) have to compile an independent annual report to describe the health and wellbeing of local residents and to provide advice and recommendations as to how improvements can be made. The report needs to be written in a way so it's easy to understand for everyone to access. The report sits alongside the detailed Joint Strategic Needs Assessment.
13. This year's draft report is at Appendix F and provides a summary of key issues. It focusses on the need to strengthen the strategic approach to developing resilient communities and embedding prevention across all policies, strategies and commissioned services.
14. Understanding Herefordshire 2018, the annual summary of Herefordshire's Joint Strategic Needs Assessment (JSNA), approved by the Health and Wellbeing Board on 15 May 2018, is at appendix G. The JSNA is a broad statement of health and wellbeing needs of the population of the county, with a focus on the wider determinants of health. It aims to inform the strategic planning and commissioning of services concerning the health and wellbeing of the local population by stakeholders.
15. The JSNA 2017 highlighted a number of key priorities for consideration. Subsequently, it was agreed to focus on four key priorities. These were childhood obesity and poor dental health, fuel poverty, dementia and end of life care.
16. There has not been time for the impact of any interventions in the last year to be reflected in the data, but the JSNA 2018 provides the latest information on these priority areas. It also identifies a number of other areas to be considered in strategic planning and commissioning in 2018/19.
17. The main priority for analysis in 2018/19 has been identified as the production of a children's integrated needs assessment, which will focus on specific topic areas to provide an evidence base on which effective commissioning decisions can be made. These topics will include early help; drivers of trends in child protection plans and looked after children; obesity and dental health; and hospital admission rates.

Adults and wellbeing (AWB)

18. The outturn position for 2017/18 is a net overspend of £80k. This is a decrease of £800k since December. This movement is mainly due to the amount of direct payment surplus recovered during Q4 2017/18, but there have also been smaller reductions across most of the client budget areas since December. Within learning disability services there have been reductions in the cost of direct payment packages, as well as reductions in the number of clients in receipt of residential and domiciliary care packages. Mental health has also seen a reduction in client numbers throughout the first quarter, along with physical support nursing. This has been partially offset by increases in the number of physical support residential packages of care.
19. The draft local account (appendix E) was considered by Adults and wellbeing scrutiny committee on 16 May 2018 and details how Adults and wellbeing supports Herefordshire residents live healthy, independent lives at home for as long as possible.
20. It also provides information about our services which help people to stay healthy and well, along with services that support some of the most vulnerable clients in the community,

some of the things that we achieved over the past year, what we spend our money on and some of the things we plan to do during the next year.

21. The purpose of a local account is to communicate with and promote accountability to the local community and to support benchmarking, peer review and sector led improvement.
 - a. The structure of the report is based on the national performance framework (Adults Social Care Outcome Framework) established by the Department of Health.
 - b. The 2017 Local Account focuses on a continued approach being embraced across adult social care. This focuses on strengthening supportive communities and building on individual's strengths and assets.
 - c. The report highlights outcomes from the annual survey where improvements can be seen in many areas such as increased quality of life for clients cared for by social care services. In addition to the quality of life indicator there are improvements in the following areas with people reporting that:
 - i. They had as much social care contact as wanted
 - ii. They felt safe
 - iii. The services they receive make them feel safe
 - iv. They were satisfied with care and support received

What is going well?

22. Having realigned internal resources last year, this year Adult Social Care services set to deliver ambitious plans to redesign the customer journey and develop new support and care pathways. This involved a significant investment in changing culture within the department and an end to end redesign of the adult social care pathways and wider systems. The following are some of the major changes achieved throughout the year:
 - Redesigned ASC 'front door' – community / hospital responses
 - Redesigned information, advice and signposting 'touch points'
 - Redesigned ASC 'urgent care' pathway including the development of the Community Broker function
 - Created the Home First service
 - Redesigned Hospital Liaison Services
 - Redefined the short-term and long-term care pathways
 - Retrained entire social care workforce in Strengths Based practice
 - Developed the model of community brokers
 - Increased focus on support for services personnel and their families
23. As a result of the changes, performance and practice across the system has seen continuous improvements overall. This includes for example improved response times and quality of information, advice and guidance at the adult social care 'front door', no waiting lists for case allocation in localities and improved outcomes and customer satisfaction. The culture change and pathway redesign work undertaken by ASC has been recognised and Herefordshire is currently working with several authorities/bodies (including the LGA) so that others can learn from our experience
24. The Home and Community Support Framework (HACS) expired on 31 March 2018 and has been replaced with two new open frameworks:
 - Care@Home Approved Provider list for directly commissioning home care services. The council has received 32 applications from providers formerly delivering services

- under the previous framework and 16 applications received from organisations new to Herefordshire.
- Supported Living Approved Provider List for directly commissioning supported living services. The council has received 25 applications and to date 15 providers have been accepted on to the approved list following evaluation.
25. Following several months of preparation, Herefordshire Shared Lives scheme was successfully brought back into the council on 2 April 2018, the team are now based at Elgar House working alongside operational staff, allowing us to make better use of the service and identify more opportunities to place people with share life carers.
26. Partners across the health and social care system in Herefordshire have worked together in a number of key areas during 2017/18, including:
- Development of a Learning Disability Strategy – this strategy will ensure a consistent approach to commissioning services for people with a learning disability is applied by both organisations, maximising outcomes for recipients.
 - A Joint Carers Strategy for Herefordshire 2017-2021.
 - The HomeFirst Service, introduced during Q3 2017/18, provides a short term service to support people to retain or regain their independence and works to get someone back as close to their previous level of independence as possible.
 - Transformation pool 2 (jointly support hospital) – during 2017/18 partners have agreed and implemented a set of principles in relation to funding a transformation pool. The funding, focused on supporting the shift from bedded care to 'own bed' based care, builds on increasing capacity and capability in community and primary care and further support social care discharges.
 - The council and Herefordshire CCG continue to work together to commission Integrated Community Equipment Service. During 2017/18 a number of workshops have been held with Prescribers to address a number of key challenges.
27. A number of schemes have been approved as part of an Integrated Better Care Fund (iBCF) 'transformational pool'; those implemented in 2017/18 include
- Night Care Team pilot – to provide home care to customers within their own homes throughout the night, plus facilitate hospital discharge.
 - Community Catalysts – a 2 year programme to stimulate the development and growth of community enterprises able to provide alternative support mechanisms in the community.
 - Care Navigator Frequent fallers – a pro-active co-ordinator role to work with repeat fallers and help them to maintain their independence.
 - Balanced Lives Hereford – delivery of a preventative and rehabilitative programme.
 - Care workforce development programme – a campaign to raise the profile of the care workforce and to boost recruitment/ retention of care workforce throughout the county.
28. Schemes which have been agreed and are due to be implemented during 2018/19 include:
- Community Anticipatory care planning – to develop a collaborative person-centred response to support adults 18+ who have complex needs or frailty, including dementia, to avoid hospital admission.
 - Admiral dementia nurses – creation of a county-wide team to reduce inpatient admissions from patients with dementia.

- Hospital discharge facilitation – a new service to provide non-clinical care co-ordinators to help patients ready for discharge who need to choose a care or residential home before being discharged.
29. The Housing and technology project was successfully delivered in 2017/18. Using a £285k technology grant from the Department of Health augmented by contributions from DFG and Housing Capital, adaptations were made, and technologies installed, to 14 properties across the county supporting 81 people with learning disabilities by promoting their independence, enhancing safety and security, and encouraging better use of care and support resources. An evaluation of the project is being prepared and will be presented in the autumn of 2018 in line with our agreement with the Department of Health.
 30. In order to support reduced numbers of admissions to care homes and reductions in the requirement for formal care, we continue to progress housing adaptations and DFGs.
 31. The Home Improvement Agency exceeded its targets set for the delivery of Disabled Facilities Grants (DFGs) in 2017/18 both with respect to approvals and completions as follows:
 - In Q4 DFG approvals rose to 63 (from 41 approved in Q1, 51 in Q2, and 58 in Q3) taking total approvals for all types of DFG grant under policy for 2017/18 to 218.
 - Over the same period DFG completions rose from 45 in Q3 to 64 in Q4 taking the total number of completions for all types of DFG grant under the policy to 203 (target of 200).
 32. 572 health assessments have been carried out by a trained Health Trainer in the last 12 months, from which a Personal Health Plan is then developed. In Q4 the Healthy Living Trainer Service (HLTS) reached 302 Personal Health Plans (PHP) completed. Of these, 50% of people on the programme have fully achieved their PHP and 30% partially achieved their plan. Improvements in Wellbeing were also recorded using validated measures showing a 10% rise in self-efficacy and a 14% rise in self-reported wellbeing (this represents a significant improvement in the individuals' emotional wellbeing). These improvements are key to people making long-term lifestyle changes which ultimately result in longer, healthier lives.
 33. During Q4 there were 5,409 hits to the WISH website and 47,582 page views. An increasing number of hits on the WISH website is recognised as a successful outcome – increasing hits indicates that people use the website and find what they need. In addition, we have seen that the number of phone calls made to the ART team, who deal with requests in to social care, has reduced. Whilst WISH will not be the only driver on this team, this is a trend we would like to continue. The rebuilding/redesign of the website was completed during Q4 and now includes a simplified and improved provider registration process and the addition of a 'What's on events calendar'.

Challenges

34. Whilst there has been some significant inroads during the past year in developing and delivering the new pathway, considerably more work is required to embed this with staff – both internally and across external system partners.

ASC therefore continues to focus on embedding Strengths Based practice to ensure that care provision is appropriate and proportionate to meeting customer's outcomes and needs.

35. Work continues to develop community capacity and resilience so that a whole system of support is available to assist people living as independently as possible within their communities. There is already evidence that community capacity is being overwhelmed, making further investment and work in this area a critical focus for the immediate future.
36. Aligned to this, is the importance of getting our Public Health and wider wellbeing message heard by system partners. The focus more on prevention, rather than support, if we are to manage future demand, given our future demographic trends, the increasing complexity of individuals within that system and increasing care costs.
37. We have completed a planned review of our HomeFirst service which was transferred back in house last summer. This review has highlighted a number of areas which require further development, including staffing to work at the intended capacity, training requirements for some staff, as well as the implantation of a new system for rostering of staff.
38. Finally, a continuing challenge for the service is the availability of suitable and cost-effective placements, both in care homes, but also within the domiciliary care market. We continue to work with the provider market to help them understand our requirements, so that they can plan their businesses developments in required areas, but also through projects such as the workforce development work, to help agencies recruit to long term and difficult to fill vacancies.

Children's wellbeing (CWB)

39. The outturn position for 2017/18 is a net overspend of £1,994k. This is an improvement of £25k since December. The small improvement is the net of a combination of movements. The short breaks reserve was increased by £115k to reflect commitments made in 2017/18 that will impact 2018/19. £114k of staff costs were corporately funded. The costs associated with Looked After Children increased due to costs relating to unaccompanied asylum seeking children being higher than expected, but these were offset by vacant posts remaining unfilled. Towards the end of March we saw an increase in agency fostering placements but this is being actively managed to mitigate pressure on the budget in the new financial year.

What is going well?

40. As this is the first year of single assessments this is the first annual reporting figure that will provide a benchmark for future reporting. 72.3% of single social work assessments were completed within the statutory timescale in the year 2017/18, with an improving trend over the latter half of the year. The appointment of permanent managers in our assessments teams consolidated this development. This improvement has been sustained over 2017 with some monthly variances.
41. The Threshold of Care Panel has been in operation for a year and continues to oversee new admissions to the looked after system. Our rate of new admissions for the whole year 2017/2018 remained below the regional average. However, there has been a rise in admissions in Q4 and at the end of the year there were 313 children in the looked after system.
42. We continue to provide stable placements for our looked after children and perform well against regional and national comparators. 85% of looked after children under the age of 18 have been in the same placement for more than 2.5 years.

43. Decision making within the child protection conference arena continues to be effective with only 2 children remaining on a child protection plan for more than two years at the end December.
44. Applications to the local family justice court continue to conclude within the statutory timescale of 26 weeks. This is a notable achievement and our court is still the highest performing in the region and one of the best nationally. As a consequence children are not awaiting a decision on their future, whether that be a return to family, adoption or a long term care placement.
45. The LGA conducted a safeguarding peer review to assist with our improvement for children's safeguarding. The review provided strong positive reflections on the practice of social workers, on the outcomes being achieved for children and on the changes that have taken place since the casework peer review in June 2017. The LGA said that Herefordshire is a better place to be. More detailed feedback will be provided once the formal letter has been received.
46. In May 2018 93% of Herefordshire children are taught in primary schools judged by Ofsted as good or outstanding; 75% of pupils in the secondary phase are in good or outstanding schools; 97% of early years' group settings inspected have been judged as good or outstanding; 95% of childminders inspected are good or outstanding.
47. In 2017 Herefordshire secondary schools and academies outperformed schools nationally against key performance indicators (Progress 8, attainment at grades 9-5 and grades 9-4 in GCSE English and mathematics, and attainment in the E-Baccalaureate).
48. From their starting points at the end of primary school, pupils in Herefordshire made good progress; this is reflected in the county's Progress 8 figure which ranks in the second quartile in comparison with other local authorities.
49. Colwall primary school opened in its new school buildings on time and to budget and is being well received by pupils and staff. A formal opening of the school took place in February 2018.
50. The development of a 16-19 SEN Free School in Herefordshire is progressing well and the council evaluated the interest in running the new provision, and this has been approved by the secretary of state.

Challenges

51. At the end of Quarter 4 2017/18 the number of children subject to a child protection plan was 201. During Q4 there has been a decrease in children subject to child protection plans of 15. The numbers are now moving back down towards more expected numbers compared to our statistical neighbours. This area continues to be a priority focus for sustained improvement and consistent application of thresholds to ensure the right children receive the right service at the right time. It is about ensuring we do not intervene unnecessarily in children and families lives but do offer support through Early Help if appropriate. Children's Wellbeing Scrutiny Committee will receive a report on progress in its July 2018 meeting.
52. During this period the number of our Looked after Children has increased by 4 to 313. The challenge has been, and remains, reducing our overall number of looked after children to a sustainable, demographically appropriate number of approximately 220. During Q4 work within the directorate identified 80 young people who could have their care needs met

through other arrangements including special guardianship or a return to family and progress is being made on the work needed to secure appropriate alternative permanence. Children's Wellbeing Scrutiny Committee has established a task and finish group to review progress and has had two review meetings since the work started.

53. The LGA Safeguarding Peer Review recognised that Herefordshire should continue to put effort and into equalising workload pressures as they found a lack of equity of workload and pressure across teams. In addition team managers had very challenging workloads. As a consequence recording and reflective supervision were not consistently taking place. Whilst anticipating the formal letter from the LGA, cabinet has recently approved additional support for the service to bring in capacity to assist with caseloads and management.
54. A workforce action plan has been devised to address the challenge we face in recruiting experienced social workers; alongside recruiting to our social work establishment. This is in recognition that as well as newly qualified staff we require experienced staff with more than 2 years post qualifying experience. The main areas that have been articulated as barriers to recruitment are location and travel time to Hereford and workers not wishing to change their role from where they are currently working. This is a challenging area and cabinet has considered further support for this area. This will be reported on in the performance report for quarter one of 2018/19 and is being updated to support the need for further recruitment.
55. Progress with our application to join the Adoption Central England regional adoption agency is progressing. A detailed application was submitted in the spring and there has been extensive discussion with the Department for Education and ACE. Once ACE have confirmed their decision we will be in a position to consider our internal governance processes.
56. Building on the success of previous school improvement initiatives in Herefordshire, such as our approach to boosting outcomes in phonics, local National leaders in education (NLEs) are currently involved in two collaborative projects to raise standards at the end of the primary phase.
57. Although there have been some improvements, notably in early years, the achievement of pupils eligible for free school meals continues to lag behind their peers at some assessment points. At key stage 2, pupils achieved less well in mathematics which suppressed overall achievement to broadly in line with national average.

Economy, communities and corporate (ECC)

58. The 2017/18 outturn position is a net underspend of £175k. This is an improvement since December of £24k. The main area of change was the impact of severe weather which required a drawdown from the severe weather reserve of £858k. Excluding this Environment and Place would have delivered an underspend as per the December forecast. Resources underspend increased by £443k to £555k which was partly due to reduction in insurance risk relating to service delivery which have generated savings to the council's insurance of £185k. Communities improved by £292k to a £172k underspend. This was due to ICT delivering savings early.

What is going well?

59. Significant progress has been made with taking forward the Hereford Transport Package which includes the Hereford Bypass. Technical work over the year progressed well and

Cabinet approved a short list of routes for consultation in January this year. A comprehensive public consultation was undertaken and work is progressing towards the selection of a preferred route to progress to the next stage of public consultation later this year.

60. Key stages in the development of the South Wye Transport Package, which includes the Southern Link Road, have been achieved. Compulsory Purchase Orders (CPOs) and Side Road Orders (SROs) were made in March 2018 and objection period concluded in April. In tandem with the CPO process direct negotiations with landowners are taking place. Securing the land and procurement processes to appoint a contractor are being progressed as quickly as possible to begin delivery of this important scheme.
61. The exciting plans for regeneration of land within Hereford City Centre were taken forward with the new City link road, which opened successfully in December on time and within budget. The road marked a significant milestone. The road unlocks previously unseen and under-utilised inner city land for development, and plans can now be taken forward for the site to build new homes, a transport hub at the Hereford Railway Station, new public services buildings and university accommodation.
62. Fixing the roads is important to the economy of the county. The council has continued to seek additional funding. We secured £5m from the Department for Transport's local highways maintenance challenge fund in August 2017 and this was supplemented by £3m from the capital programme, thus enabling the council to support economic growth in the region by investing in transport routes leading to Herefordshire's Skylon Park Enterprise Zone (a national business hub hosting in excess of 200 businesses). The road maintenance works included a specific focus on the Midlands Connect strategic economic corridors which comprise of the A4103 Hereford to Worcester road, the A465 Hereford to Abergavenny road, and the A438 Hereford to Brecon road. Phase 1 delivered £5m of improvements during the financial year and Phase 2 of the challenge fund will utilise the remaining funds over the coming period. It's been estimated that these works will benefit the local economy in the region of £143m.
63. The council's public realm contractor, Balfour Beatty Living Places, successfully responded to the 'Beast from the East'. Some 600 miles of priority routes and 400 miles of secondary routes were gritted in extreme weather conditions.
64. Phase one of the Fastershire broadband rollout with BT was completed and a new phase procured and started with Gigaclear. To date just over 85% of homes and businesses are able to access superfast broadband speeds, compared to only 0.6% of properties in 2012. Additionally 13% of premises have full fibre (fibre direct to the premise), compared to a national average of 3%, which is set to continue in the county with the roll-out by Gigaclear. The project has also secured two EU funding streams— one for bespoke broadband delivery for businesses and the second for further premises in isolated rural communities.
65. The council has completed the procurement of strategic development partners to help deliver housing, jobs and economic growth through the development of council-owned land and to support the council's long term financial sustainability. Keepmoat Homes Ltd and Engie Regeneration Ltd will work in partnership with the council over the next 10 years to secure new homes for the county and to secure commercial development opportunities. Initial phases of the development partnership are the delivery of new homes planned for Bromyard and the development of student accommodation for higher education use.

66. The EnviRecover Plant at Hartlebury was officially opened in June 2017 and is fully operational. It can accept 200,000 tonnes of waste per year. It converts this into in excess of 15.5 megawatts per hour, enough energy to power all the homes in Hereford. Completion of the plant means we no longer need to rely on unsustainable landfill to dispose of non-recyclable waste and have a reliable, safe and cost effective means of dealing with our waste for a long time to come.
67. The council's award winning website has overachieved its target of a million visitors and return visitors. This, along with more use of facebook, twitter and Linked-In has resulted in customers increasingly accessing our services digitally. Whilst this is balanced with a continued decrease in face to face and phone contact, there remains a need for contact with customers where there is need, including when there is no access or use of the internet.
68. The council continues to seek to provide an improved experience for its customers by sharing sites and services with key partners. This includes the first year operation of Blueschool House as a co-located facility with the Department for Work and Pensions (DWP) as the county's key Job Centre Plus. DWP has also commissioned the council to support their universal customer services on digital and budgeting support. The remodelling of children centre services also sees shared sites with schools, nurseries and other council premises. Ross Library has seen investment to make improvements for customers and cater for children centre services.
69. The council assisted in securing £23m funding towards the establishment of the new University and is supporting the delivery phase by acting as accountable body for government funding and is engaging with the University team on the delivery of the built environment including student accommodation.
70. In preparation for the General Data Protection Regulations (GDPR), the council has been working to ensure that it is ready. There have been over 120 information governance audits carried out across the organisation to identify all the data we process and to ensure that we are processing it in accordance with the new legislation. Policies, process and practice have been tightened up to reflect the new legislation and new and revised privacy notices are being published on our website. A new service has been set up to support Herefordshire schools with Information Governance advice and a dedicated data protection officer appointed.
71. There were 15 Neighbourhood Development Plans (NDPs) adopted during 2017/18, maintaining Herefordshire's performance as being the county with the most NDPs in England (37). These now form part of the statutory development plan for the county. 49% of all NDPs in production have progressed to a stage where they have material weight in determining planning applications. This trend is looking likely to continue into 2018/19.
72. The council successfully disposed of the majority of its smallholding estate with sales values achieved exceeding the guide price.

Challenges

73. The LEADER Programme was identified during late 2017 as underperforming across the regional performance tables held by the Rural Payments Agency (RPA). The need for extra resources to process projects that were in the system had already been identified and this was addressed in early 2018 through the employment of a temporary member of staff and extra resources provided through the Economic Development Team. This has seen the programme move up the performance table and on the basis of the projects that

are currently in the pipeline, the programme would be significantly overspent should they all be approved. There is an unofficial target to get 50% of the funding allocation committed by the end of May which the programme is on target to meet.

74. Whilst there was an overall improvement in road conditions during the year, the severe winter weather has meant that the council is now faced with a 5 fold increase in potholes. Government has recognised this nationally and the council has been allocated £1.25m from the Department for Transport's Pothole Fund for the current financial year.
75. Unauthorised capital spend on the joint customer services hub and failure to deliver within the original cost estimate led to the Audit and Governance Committee overseeing actions that have been developed and are being implemented to ensure effective internal controls in respect of capital spend, project management and contract management are being complied with across the council.
76. The backlog in carrying out background checks to ensure that the correct housing benefit claim was being paid was not recovered during the year, and the improvement and training plan that was put in place for staff during Q2 needs to be reviewed. Customers continue to be directed to self-serve online wherever possible.
77. The number of people killed or seriously injured (KSI) on Herefordshire roads continue to be a challenge. However, there were fewer KSIs during 2017 than in 2016. An action plan has been prepared and is being implemented to address the issues highlighted from the analysis of the data.
78. The waste performance measures slightly underperformed compared to target and previous years. This is linked to the lack of a recycling market for waste wood which has meant it has been used for energy production instead. Poor weather conditions in February and March also resulted in lower than anticipated recycling performance.

Community impact

79. In accordance with the council's code of corporate governance, the long-term nature of many of the council's responsibilities mean that we should define and plan outcomes and that these should be sustainable. Decisions should further the council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. The council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. Effective financial management, risk management and internal control are important components of this performance management system.
80. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. Regularly reviewing performance with a view to identifying actions which will deliver further improvement in outcomes or efficiencies helps ensure the council achieves its corporate plan priorities.

Equality duty

81. 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.
82. 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 factual report on performance achieved we do not believe that it will have an impact on our equality duty. 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.

Resource implications

83. The recommendations have no direct financial implications, but the JSNA findings are intended to play a significant role in guiding the allocation of resources in commissioning plans.

Legal implications

84. 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.
85. The Health and Social Care Act 2012 introduced new functions concerning the director of public health into the National Health Service Act 2006. Section 31 of the 2012 Act inserted the following paragraphs into the 2006 Act:
- The director of public health for a local authority must prepare an annual report on the health of the people in the area of the local authority
 - The local authority must publish the report.

Risk management

86. 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 are included within appendix H.
87. The council is required to close the accounts by 30 June 2018 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.

Consultees

88. 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
Appendix B	Capital outturn
Appendix C	Treasury management outturn
Appendix D	Debt write-offs
Appendix E	Local Account 2017
Appendix F	Director of Public Health Annual Report
Appendix G	Understanding Herefordshire 2018: JSNA summary
Appendix H	Scorecards
	Adults and Wellbeing
	Children's Wellbeing
	Economy, Communities and Corporate
	Organisation wide

Background papers

[AWB databook](#)

[CWB databook](#)

[ECC databook](#)

[Corporate risk register](#)