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| <b>Meeting:</b>         | <b>Cabinet</b>                                       |
| <b>Meeting date:</b>    | <b>24 October 2019</b>                               |
| <b>Title of report:</b> | <b>Annual Review of Earmarked Reserves</b>           |
| <b>Report by:</b>       | <b>Cabinet member finance and corporate services</b> |

### Supplementary information

Both of these proposed reserves below will be created from a transfer from the financial resilience reserve.

#### 1. Housing

It is proposed to establish a new earmarked reserve of £150k, utilising funds held in the financial resilience reserve, to fund the investigation of different models of delivering council housing.

Herefordshire residents continue to face difficult housing challenges with a large proportion of the population unable to afford to own or rent a suitable property to call home. The lack of housing choice, especially in respect of affordable housing, is not currently being addressed through the developer-led market where the focus continues to be on developing the most profitable housing products on the most profitable sites, not necessarily in the places of highest housing need. Many local authorities are now actively intervening in the housing market by becoming developers of new homes themselves, creating Local Housing Companies with the aim of acquiring sites and developing and managing both affordable housing and open market homes.

There is an urgent need to address this issue and the creation of this reserve would quickly provide resources to undertake a detailed analysis of the options available, including the establishment of a wholly owned housing company, to enable the delivery and management of new homes to better meet the needs of residents. A business case would be developed for consideration and further investment.

#### 2. Children's Safeguarding

Herefordshire has a significant number of children and young people who are looked after. The number continues to grow and is much higher than our statistical neighbours. In the inspection of local authority children's services in June 2018 Ofsted noted that "Appropriate decisions are made when children need to come into care". However, Herefordshire does not have a bespoke edge of care service to work intensively with children and families where children and young people are on the edge of coming into care, or have come into local authority care and could be

appropriately returned to a safe, home if there was some intensive work. This is something that councils that are rated good or outstanding by Ofsted have as a matter of course. Officers have worked up a proposal, using best practice and the involvement of Staffordshire local authority and more recently work with adult services and local providers to develop a holistic model. The development of the budget for 2020/21 includes proposals for the ongoing funding of such a service; using reserves to begin recruiting to the core offer of dedicated workers to work within family homes will enable the council to start the service up and begin to provide a dedicated preventative service in an area of continued growth that also increases the spend on keeping children safe but outside of their family home.

In addition using some of the reserves to provide the opportunity to recruit early to improve the quality of children's social work will enable the service to potentially recruit social workers to non-child protection work in the assessment service. This would enable some cases to be held in the assessment teams rather than in the child protection court teams and therefore lessen the pressure on social workers, particularly in the child protection court teams where we are finding it particularly difficult to recruit agency and permanent staff, despite all the work the council has done to improve the offer. It is critical that the council provides the conditions for good social work to flourish and caseloads are still too high for some staff in some teams. Using this reserve would enable the service to try to address this (and there is more opportunity to recruit to social work that is not child protection) now rather than from April 2021.

**Proposed amended recommendation:**

**That**

**The following changes be made to the reserve balances held, as shown in appendix 1:**

- i. Establish a new earmarked reserve of £150k, utilising funds held in the financial resilience reserve, to fund the investigation of different models of delivering council housing; and**
- ii. Establish a new ear marked reserve of £550k, utilising funds held in the financial resilience reserve, to fund the initial implementation in 2019/20 of an enhanced edge of care service for young people and support a high quality children's social care service.**