

Meeting:	Cabinet
Meeting date:	27 February 2020
Title of report:	Quarter 3 2019/20 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 performance for quarter 3 2019/20 and the budget outturn.

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.

The 2019/20 outturn is £51k overspend as at the end of December 2019. It is anticipated that this will be addressed within the directorates.

The proportion of performance measures showing an improvement, or remaining the same compared to the same period last year is 70%. This is an improvement on the same period last year.

Recommendation(s)

That:

- (a) Cabinet review performance and financial outturn for quarter 3 2019/20, as set out in appendices A - G, and identifies any additional actions to be considered to achieve future improvement.

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.

Key considerations

Revenue outturn

2. The projected 2019/20 outturn is £51k overspend as at the end of December 2019. It is anticipated that this will be addressed within the directorates by the end of the financial year through management of resources.
3. The table below sets out the directorate position at the end of December. Further service detail is available in appendix 1.

Projected revenue outturn 2019/20 (as at the end of December)

Directorate net budget	Gross budget	Net budget	Outturn	Variance over / (under)spend
	£000	£000	£000	£000
Adults & Communities	93,981	57,365	55,414	(1,951)
Children & Families	160,224	30,773	32,954	2,181
Economy & Place	49,503	31,118	31,411	293
Corporate	19,171	16,330	16,785	456
Directorate total	322,879	135,586	136,564	862
Central, treasury management, capital financing & reserves	62,877	15,506	14,578	(928)
TOTAL	385,756	151,092	151,142	51

4. The outturn position reflects an initial review of the current spend vs the budget set in February 2019. The overspend in Children & families reflects an increase in the average annual cost of placements since budget setting and an increase in external supported

accommodation. The underspend in Adults and communities reflects a reduction in both the number and cost of community care packages, along with staff vacancies within the operational teams. The overspend in Children & families reflects an increase in the costs of placements since budget setting and an increase in the use of external supported accommodation for young people with care experience. The overspend in Economy and Place is due to the recent severe flooding and school transport costs including the impact of Public Service Vehicle Accessibility Regulations. Staffing difficulties and a reliance on interims within Legal Services is responsible for an overspend in Corporate Services.

Capital outturn

5. The capital Budget for 19/20 has been revised to £89.433m, which is £0.487m more than last report due to movements in capital grants, the summary breakdown for each project is shown in appendix 2, table b. The estimated forecast is £43.664m, equivalent to 49%.
6. This forecast underspend of £45.769m consists of a number of projects that are anticipated to deliver later than planned, below the project budget or have yet to secure the grant to fund the project. Full details of the forecast spend and variance by project is included in appendix 2 table a, this demonstrates the underspend is consistent over a number of projects, the largest of which are Fastershire and Development Partnership budgets. These projects are expected to require a similar level of capital funding but this will be spent later than originally planned, this contributes toward the capital financing underspend in the table above. There are four projects that have completed so far, in this financial year and all are within the budget provision approved.

Corporate performance

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. In February 2019 Council approved the 2019/20 budget. The annual delivery plan was agreed by Cabinet in February 2019. This plan sets out the activities for the 2019/20 year which will meet the overarching outcomes defined in our Corporate Plan.
9. Progress towards delivering the activities within the delivery plan can be found in appendix e. At the end of the third quarter, two thirds of actions identified as already complete or on track for completion within planned timescales.
10. The impact of the delivery plan is supported by 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 are available in appendix 6 and contain the latest performance outturns available. Where monitoring information is only available annually, these measures will be reported at the point it becomes available.
11. The proportion of performance measures showing an improvement, or remaining the same compared to the same period last year is 70%. This is an improvement on the same period last year.

Enable residents to live safe, healthy and independent lives

12. The Herefordshire Better Care Fund and Integration plan 2019/20 has been approved by the national and regional assurance process, confirmation was received in January. The council officers are working with health partners to continue to embed the jointly agreed plans and the planning guidance for 2020/21 has yet to be published.
13. The Health and Wellbeing Board (HWBB) has recently been reviewed with support from the Local Government Association (LGA) to consider the future working, membership, priorities and deliverables in light of the landscape changes for health and social care. The review recommendations are due to be presented at the HWBB in February with recommendations to audit and governance and any changes will need to be approved by full Council in May.
14. The Peer Review final report has been received and overall this was a positive experience. The Peer Review team identified five opportunities that it felt the council might want to consider going forward:
 - Capitalise on the council's clear commitment to improving health and well-being outcomes for the residents of Herefordshire by ensuring the 'Talk Community' programme is defined in a manner that makes the delivery expectations understood by those responsible for delivering the programme. In terms of delivery it is important to then match the transformation resources to programme workstreams and expectations in order to deliver all of the component parts and measure impact on communities including those who have complex needs.
 - The nature of the existing care market is heavily dominated by small providers with seemingly limited capacity to diversify to meet the future aspirations of the council and its partners. The business and economy directorate of the local authority could make a real contribution in developing the skills of local business leaders to support them with this challenge.
 - There are strategic commissioning intentions to develop alternatives to residential care, translating these intentions into clear delivery plans is required to achieve the intended benefits.
 - Consideration of the role of carers in the delivery of 'Talk Community' and how carers are supported in Herefordshire to continue in their caring role. In doing this the team suggests that the views of carers and other stakeholders are actively sought, including those who support self funders to see if a refresh of the process and commissioning plans to support carers is required.
 - There is an opportunity to review the relationships and processes between practitioners and community brokers and the approval processes within Herefordshire in order to further develop strengths-based practice. It is timely to do this now as the current mechanisms have been in place for a while and it is likely to really help you to make/progress on the cultural and practice changes required to deliver your aspirations.
15. Adult Social Care has realigned locality boundaries to match those of the Primary Care Network (PCN's) and community health footprint. As part of the boundary changes Herefordshire Council will look to identify opportunities to work closer with health to improve the outcomes for individuals. The networks will also include developing the community resilience by working with the communities and voluntary sector to build on the strengths based model already in place for adult social care. This is the first stage of working closer with health and social care professionals, further work is being undertaken to include

additional services within, which could include brokerage, community broker and commissioned services.

16. Adults and Communities maintains a strong budget position in operations. Reviews of social care clients is the highest in reportable memory at the end of Q3 (67.3%). DTOC continues to be managed and very low numbers of social care delays are currently being reported. The HomeFirst service is reporting the highest numbers of people accessing the service since it began and there are no waiting lists for Care Act assessments for new people coming into the service.
17. All Ages Commissioning continue to successfully deliver against the 2019/20 plan. In the past quarter the Department has tendered and awarded the Integrated Equipment Store Service and Young People's Accommodation contracts. The Herefordshire and Worcestershire Dementia Strategy was approved by Cabinet in November and support has been provided to the Dementia Action Alliance a new dedicated resource which will work with the Council, Clinical Commissioning Group and local organisations to deliver against the outcomes within the strategy. All Ages Commissioning have also worked closely with finance colleagues and external providers to begin to assess the impact of the new increased National Living Wage to support fee setting for care services in 2020/21.
18. 412 individuals have been received the flu vaccination through the Council's workplace programme, which is 95 more than last year. External funding has been secured to develop a Physical Activity Strategy. Alcohol Needs Assessment and Oral Health Needs Assessment are complete and plans being drawn up to support implementation of the recommendations. Winter Health Campaign has been delivered. Wellbeing in All Decisions priorities have been agreed through management board and are in the process of being delivered. Application has been submitted to secure funding to tackle food poverty as party of the Sustainable Food County Programme of work and for Suicide Prevention work as part of an STP application.

Keep children and young people safe and give them a great start in life

19. The Children's Integrated Needs Assessment (ChINA) and the Oral Health Needs Assessment have both highlighted the importance of action to address the relatively high levels of tooth decay and obesity of Herefordshire children. An action plan has been drafted, including measures to increase the number of children accessing fluoride varnish and enabling targeted, supervised tooth brushing as well as encouraging parents to take their child to the dentist. Results from the dental survey of 5 year olds has been delayed to February 2020. A dental survey of 3 year olds will be undertaken in the first quarter of 2020 and this will underpin a drive to work further upstream in terms of prevention.
20. A significant improvement in educational outcomes has taken place in Herefordshire over the past 5 years. Validated data received in quarter three confirmed results for primary schools in Herefordshire and indicates that the county is performing in either the top or second quartile of all local authorities in the vast majority of performance indicators. Data to show performance of secondary schools against other councils is un-validated. Key Stage 4 un-validated 4 data for Herefordshire schools shows that attainment has fallen slightly in 2019. Areas that are now being targeted by local authority officers are improving outcomes in the Attainment 8, Progress 8 and English and Maths measures at the end of Year 11 and securing higher attainment for disadvantaged groups, particularly pupils eligible for free school meals. Herefordshire is currently ranked 9th.
21. On 18 and 19 December 2019 Ofsted carried out a focused visit. The focus of the visit was arrangements for children in need and those children subject to a child protection plan, and

a particular focus on contextual safeguarding, particularly those issues relating to peer on peer abuse. Ofsted have published their report and further information has been provided to the executive. No children seen were identified at risk of significant harm and all were receiving interventions. There was positive recognition of the work of the children with disabilities team, the work on contextual safeguarding, peer on peer abuse, the stabilisation of the workforce through the recruitment and retention strategy and the planned investment. However, as the council recognises little progress has been made in improving the quality of practice for child in need and child protection and the challenge in this area is heightened by difficulties in recruitment and staff turnover. Further work to address these issues is contained in the safeguarding improvement plan that is reviewed on a quarterly basis by children and young people's scrutiny committee.

22. The first Signs of Safety workshop took place in December 2019 and work is progressing towards implementation of Signs of Safety, an approach to underpin practice with a strengths based model working with families.
23. At the end of quarter 3 a number of performance indicators for safeguarding and family support had shown some improvement. However, a number of key indicators including visits and supervision remain overall below targets; there has however been an overall improvement since the start of the financial year with some teams making more improvement than others. Performance information is subject to weekly and monthly review by managers.
24. There were 1,790 contacts received in quarter 3; which is a reduction against the number of contacts received in quarter 2 which was 1,853. The conversion rate of contacts to referrals has also seen a slight decrease from 24% in quarter 2 to 21% in quarter 3. Contacts completed within a 1 day timescale (year to date) at the end of quarter 2 was 89% and at the end of quarter 3 was 88%. However, we are moving to contacts being dealt with in a 24 hours period as we move forward on improving the service provision. We have seen a drop in the quarter in the assessments being completed in timescales from 79% in quarter 2 to 73% in quarter 3; with the year to date outturn decreasing from 84% to 80%.
25. At the end of quarter 3 there were 358 looked after children, 87 have been looked after for less than 12 months. 78 children are long term matched with their foster carer. 22 children are placed with parents. 12 children are placed with prospective adopters. 48 children have potential care plans of special guardianship orders; decision regarding these are taken on a case by case basis. Work is continuing to reflect on the most appropriate long term plan for other children within the overall number of 358, including reunification with families. This work is reviewed on a monthly basis and also reported to children and families scrutiny committee.
26. Recruitment continues to be supported by taking on an agency specifically tasked with recruiting social workers for Herefordshire and a bespoke microsite has been developed. Retention has been supported through a variety of enhancements, but filling vacant posts, keeping caseloads down and managing the work across the service remains a challenge.

Support the growth of our economy

27. In support of the economic growth of the county, located on the Enterprise Zone construction of the Cyber Quarter - Midlands Centre for Cyber Security, a £9m Joint Venture between the council and the University of Wolverhampton is underway and due to be completed in summer 2020. Construction is progressing very well, with the wooden structure of the building now in place with the building due to open in the summer 2020. The Cyber Security Centre will provide a range of specialist facilities to enable the start-up

and growth of businesses in this rapidly growing global market. Also located on the Enterprise Zone, construction work is progressing on the £7m redevelopment of the World War One Shell Store will establish the first business incubation space available in the county. Due to open in summer this year, the Shell Store will provide an opportunity for higher education institutions, such as NMiTE, and businesses to work in partnership. Visits have been undertaken to a number of incubation centres to inform the occupier procurement.

28. At the extraordinary LEP meeting on the 6 November the Board approved a further £5.66 million of funding to NMiTE to build a Centre for Timber Technology, Centre for Automated Manufacturing and a Centre for Future Skills on the Hereford Enterprise Zone. These developments will establish the future teaching space NMiTE will require to become fully operational and self-sustaining in future years. They will also add significant value to the strategic development of the Enterprise Zone, located on a site next to the Shell Store business incubation space mentioned above. The council is currently involved in high level discussions with Government, NMiTe and the Marches LEP and, with the support of our local MP, regarding the release of the funding to NMiTe.
29. On 2 December the tourism portfolio holders for Shropshire, Telford and Herefordshire met to explore opportunities for joint working in the future. The visitor economy is a very important part of Herefordshire's economy, in terms of employment and generating spend across the county. It is also a critical enabling sector, which helps promote our county and its outstanding natural assets and quality of life offer as a great place to live, learn, work, invest as well as visit.
30. On the 21 January a Marches Tourism Forum was held at the Green Dragon in Hereford, organised by the Green Dragon, Eat Sleep Live Herefordshire and Rural Media. Over 100 people from across the Marches area attended the conference, which heard from an impressive range of speakers. Following the conference we are working with a range of tourism partners to consider how we can work better together in the future to support the growth of an important local sector.
31. On 6 December we submitted our draft Leominster Heritage Action Zone delivery plan to Historic England, which has been jointly developed with Leominster town council. Earlier in the year the council successfully applied for £2m of Heritage Action Zone funding for Leominster. The draft plan identifies a range of activities to support the conservation of the town's heritage, as well as improve opportunities for tourism and public realm.
32. Appreciating that flooding has affected many people and businesses in the county, the council took an urgent decision to provide hardship schemes to residents and businesses whose homes or businesses have been flooded. This includes a Community Flood Recovery Grant worth £500 for each affected household to apply for. In order to qualify for the assistance, flood water must have entered the habitable areas of their property, or the residence has been considered unliveable for any period of time due to flooding. Alongside this is a Business Flood Recovery Grant, which will provide up to £2,500 per eligible small and medium-sized business. To qualify, businesses must be able to demonstrate that they have directly impacted or have directly suffered a loss of trade as a result of the flooding that cannot be recovered from insurance. For more information and to apply online, visit www.herefordshire.gov.uk/floods
33. The Lugg catchment phosphate moratorium on development was considered at a meeting between council officers with Welsh Water and a Technical Advisory Group (TAG) on 6 December. The Nutrient Management Board met on the 29 January, when the Board considered and agreed to explore proposals scoped by the TAG to strengthen the Nutrient

Management Plan. It also agreed to commission a Memorandum of Understanding so that all regulatory bodies responsible for the quality of water within the Lugg catchment are consistent in their approach. A task and finish group was established to deliver this with a further board meeting scheduled for 24 April.

34. In October 2019 the cabinet member for infrastructure and transportation made a decision that confirmed that a review of the southern link road and bypass schemes would go ahead and officers were delegated to develop a scope for the review for consideration in a further governance report by end of that year. Where a number of assessments and reports had already been started for the bypass project the decision confirmed that these would be completed. Both the Hereford and South Wye Transport Packages also include improvements to walking, cycling and public transport infrastructure in the City and the decision confirmed work would continue on these improvements.
35. The decision also set out that alternative options would be looked at as part of the review to ensure a high quality, integrated and low carbon transport system for the whole of Herefordshire is developed.

Work on the review commenced at the end of January. The review will include work to better understand existing and future road conditions, alternative transport options and the changing national policy context, particularly the declared climate emergency, alongside an independent peer assessment of the southern link road and bypass road schemes. It will also consider options that could deliver improvements more quickly, including the possibility of an eastern link road and river crossing, removal of traffic lights on key routes, emergency response arrangements to remove breakdowns on A49, an electric bus fleet for the urban bus network and improvements that provide safer routes to school. During this review the views of residents, commuters and local businesses will be invited. While the review is being carried out work will continue towards the implementation of agreed improvements to encourage walking and cycling in Hereford, subject to funding being available.

36. Listed building planning consent has been applied for to undertake capital works at the Museum, Library and Art Gallery at Broad Street in Hereford. This will enable additional space on the library mezzanine to be brought into public use for the first time and will provide a space that can be used flexibly for a number of purposes. It is expected that work will commence early in 2020/21 once the planning and tendering processes are complete.
37. The Travellers' Sites Development Plan Document, which sets out the council's planning policies and proposals to ensure the accommodation needs of the traveller community are met, was adopted at Council on 11th October.
38. The Homelessness Prevention and Rough Sleeping Strategy was approved by Cabinet on 19 December 2019. The Strategy aims to continue the successful work in preventing people from becoming homeless, but also give more focus to the reduction of rough sleeping, initially through the strengthening of the Rough Sleeper Outreach and Resettlement Team to offer support to rough sleepers, and those at risk, with mental health issues, substance misuse or offending histories.

Secure better services, quality of life and value for money

39. Fastershire as a Herefordshire Council programme has been named **Best Public Sector Impact project** that demonstrates an exemplary approach to supporting the deployment of new digital infrastructure. The Independent Networks Co-operative Association (INCA) has recognised the project's approach in breaking down barriers to make progress in the deployment of broadband, using innovative ways of creating a step change in digital

connectivity in a very rural area. At the end of quarter 3, 90% of the county has access to superfast broadband, compared to only 0.6% in 2012.

40. Businesses in Herefordshire have been able to benefit from a bespoke programme to be connected with fibre broadband. Called the Marches and Gloucestershire Business Broadband Grant (MGBG) Herefordshire Council is the lead through the Fastershire programme and has supported 48 businesses in Herefordshire and an additional 14 business in the pipeline – these are businesses in addition to the existing fibre broadband programme that covers businesses and households. The programme is fully funded by an EU grant. Also this year, as part of the Fastershire programme, 31 businesses in Herefordshire have received one to one advice on how to make best use of faster broadband connection and 83 business representatives have attending training in a range of digital skills.
41. The online phase of the budget consultation closed on the 4 December with 269 responses, which were combined with the face-to-face consultation that look place for the budget and the corporate plan. Views were sought on the proposed corporate priorities which sets out the ambitions for the next four years, following engagement with more than 1,500 people. The budget and corporate plan will be presented to Council on 14 February.

Corporate Risk

42. The Corporate Risk Register holds the most significant risks for the council and is attached at appendix 7. Since the last quarter, there have been a number of changes to the risks held within the register. The following risks have been removed from the corporate risk register
 - Delayed Transfer of Care (DTCO): This risk has been removed following a sustained period of improved performance. At the time the risk was added Herefordshire was highlighted as one of the poorer performing authorities nationally, however improvements within the directorate, including investment in the HomeFirst service and a trusted assessor to support with discharge to care homes, evidence clear improvement.
 - Integration (One Herefordshire): This risk has been removed. This is an agreed programme of work, which has an approved governance structure in place. The management of the integration agenda is now moved in to business as usual within the adults and communities directorate.
 - Information Governance (IG) Toolkit: this risk has been stepped down from the corporate risk register. The IG toolkit has now been successfully completed since 2012/13. The current toolkit is being updated and confidence of delivery is monitored monthly at the IG Steering Group.
43. The following risk has increased during the last quarter
 - Information Governance: Risk score has increased in the last quarter following review. Despite robust processes for sharing of information and a good record in this area, there are an average of 8-10 data breaches across the council in a month. There is additional training which increases awareness to report incidents. Whilst the majority of these are low level, there have been recent examples of breaches being referred to the Information Commissioner which have resulted in fines.
44. Five new risks have escalated on to the corporate risk register during the last quarter;

- Three risks regarding the South Wye Transport Package (SWTP): these are surrounding finances already committed to the project by the Marches LEP.
 - Phosphate Pollution in Lugg Catchment: This risk has been added to the Corporate Risk Register (CRR.35) due to the strategic implications for development in the county.
 - Hillside (former NHS Community Hospital): due to the possibility of a legal charge being invoked should there be a change of use of the building. This continues to be progressed through involvement of politicians and NHSE.
45. The safeguarding work to support the police investigation risk (from Children & Families) has been closed following the completion of the police investigation. This has been replaced by a new risk regarding the response to the police investigation (CRR.34).

Community impact

46. In accordance with the adopted code of corporate governance, Herefordshire Council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. 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.
47. 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

48. 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.
49. 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 part of the decision making processes, individual directorates and service areas assess the potential impact of any proposed project, leading to fairer, transparent and informed decisions being made.

Resource implications

50. The recommendations have no direct financial implications, however cabinet may wish to revise how money is utilised in order to meet the council's objectives.

Legal implications

51. None.

Risk management

52. The risks associated with the councils business, and any delivery plan objectives or projects are entered onto the relevant service or directorate risk register and escalated as appropriate. The corporate risk register is found in appendix 7.

Consultees

53. None in relation to this report.

Appendices

Appendix 1	Revenue forecast
Appendix 2	Capital outturn
Appendix 3	Treasury management forecast
Appendix 4	Savings performance reports
Appendix 5	Delivery Plan Progress
Appendix 6	Corporate Plan Performance Metrics
Appendix 7	Corporate Risk Register

Background papers

None