

Meeting:	Cabinet
Meeting date:	24 September 2020
Title of report:	Quarter 1 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 1 2020/21 and the budget forecast.

To provide assurance that progress has 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 2020/21 forecast outturn is a £15,919k overspend as at the end of June 2020, however the council has been allocated COVID-19 grants of £11,878k from Ministry of Housing, Communities and Local Government. Leading to a forecast net overspend of £4,041k. It is important to note that this forecast is predicated on no further significant expenditure on COVID-19 matters.

The proportion of performance measures showing an improvement, or remaining the same compared to the same period last year is 74%; this is an improvement on the same period last year. At the end of the quarter, 49% of actions from the delivery plan are identified as complete or had progressed within planned timescales.

Recommendation(s)

That:

- (a) Cabinet review performance and financial outturn for quarter 1 2020/21, as set out in appendices 1 - 9, 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 2020/21 outturn is £15,919k overspend as at the end of June 2020. In addition to this the council has received £11,878k of government grant, this reduced the overspend to £4,041k.
3. The table below sets out the directorate position at the end of June 2020. Further service detail is available in appendix 1.

Projected revenue outturn 2020/21 (as at the end of June)

	Working Budget	Outturn	Variance Overspend /(underspend)
	£000	£000	£000
Adults & Communities	57,963	62,418	4,455
Social Care	1,254	-	(1,254)
Children & Families	30,936	36,866	5,930
Economy & Place	29,328	32,936	3,608
Corporate	16,564	16,835	271
Directorates	136,045	149,055	13,010
Central, treasury management, capital financing & reserves	21,072	20,589	(483)
Total Revenue	157,117	169,644	12,527
Covid 19 additional expenditure		3,392	3,392
Total Revenue	157,117	173,036	15,919

4. The outturn position forecasts a £15,919k overspend, £11m of this position relates directly to the COVID-19 impact on both expenditure and income.
5. All of the directorates have significant overspends due to COVID-19; including the 10% ex-gratia payment to care homes and home care providers within Adults and Communities, a reduction in income across services in Economy and Place. In addition the revenue budget includes the COVID-19 pressure of PPE and community support.

6. Central government has awarded grants to local authorities to manage the COVID-19 pressures, this is expected to cover around 70% of the pressure although this is ongoing discussion between government and the local authority. The council is completing monthly Delta returns to central government on expenditure pressures, and we are currently awaiting guidance on income losses, this will enable the council to determine the net impact of COVID-19 on the financial position. The remainder of the pressures will be funded through changes in the councils operations to reduce costs as a result of COVID-19 and by the resilience reserves if required.

Capital outturn

7. The capital Budget for 20/21 has been revised to £75.042m, the summary breakdown is shown in the table below, but this consists of £51.713m 2019/20 carry forwards of unspent budget, additional grants of £0.146m. Also an exercise to re-profile project budgets was carried out, based on current timing of delivery moving into future years due to recent delays, grants not available to apply for and the transport review, full details are in appendix 2.
8. Based on this re-profiling the amended budget is £75.042m and forecast spend is £66.678m, detailed in appendix 2. This forecast underspend consists of projects that are anticipated to deliver below the project budget, may no longer be required or where grants may no longer be available. There are a few outstanding items that may affect the overall budget, these are the recent additional Local Transport Plan/Pothole fund, and once the detailed letter is received an amendment to the programme can be actioned. Also the LEP have announced additional allocations but these will only be added to the capital programme if the decision is taken to accept the terms of the grant.

	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	Total
February 2020 Council Approved Budget	121,796	47,386	29,531	21,113	219,826
Re-profiled	(98,613)	46,510	52,103	-	-
2019/20 Carry Forwards	51,713	-	-	-	51,713
Additional Grants	146	-	-	-	146
Revised Capital Budget	75,042	93,896	81,634	21,113	271,685

Savings Delivery

9. The graph below shows the confidence in delivery for savings identified for 2020/21. Further detail on savings delivery can be found in appendix 4

Savings confidence



Green = achieved, Amber = in progress, Red = delay or at risk

Performance

10. Council approved the new County Plan in February 2020, identifying three key areas for prioritisation across the four year period 2020-24;
 - **ECONOMY:** support an economy which builds on the county's strengths and resource; and
 - **COMMUNITY:** strengthen communities to ensure everyone lives well and safely together; and
 - **ENVIRONMENT:** protect and enhance our environment and keep Herefordshire a great place to live

11. In February 2020 Council also approved the 2020/21 budget. To follow as a cabinet decision later in the calendar year will be the Delivery Plan linking both finance to ambitions of the County Plan. Due to the impact of COVID-19, production of this document has been delayed, in this delay however, the plan will now be able to provide a refreshed set of deliverables for the year, considering the impact that COVID-19 has had across the council. As agreed at Cabinet in June 2020, progress in appendices 5-8 is based on deliverables and performance measures from the 2019/20 delivery plan.

12. At the end of the June 2020, 49% of actions are reported as complete or had progressed within planned timescales. This is slightly lower than previous quarters, but is predominantly due to the impacts of COVID-19.

13. The impact of the delivery plan is supported by a number of agreed performance measures. The measures are incorporated in to the appendices 5-8, 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. The proportion of performance measures showing an improvement, or remaining the same compared to the same period last year is 74%.

14. The council holds a corporate risk register holding the most significant risks to the council. These risks have been aligned to strategic themes and are found in the relevant appendices 5-8. Between April 2020 and the end of June 2020, the following risks were added to the risk register:
 - Repair of damage following Storm Dennis; due to the likely shortfall in funding from Government

- COVID-19 funding issues; recognising the immediate financial impact of COVID-19.
15. The council has maintained a separate risk register in relation to COVID-19 risks. This has allowed a more flexible, project style recording and response to the risks. A copy of the June register can be found at appendix 9.

Economy

16. In 2019 Hereford was selected by Government to be included in the Stronger Towns programme, providing the potential to access up to £25m to support the regeneration and growth of the city. To meet requirements, a Towns Board has now been established ensuring a diverse and balanced representation from across the public, private, higher education, and third sectors. The Board will oversee the development of a Town Investment Plan (TIP), including public engagement, for submission to government in January 2021. The TIP will set out the long term vision for the development of the city, and identify the priority projects required to meet the vision. The council has also secured control of the Maylord Shopping centre in June 2020, a key strategic site in the centre of Hereford. There was a significant risk that the shopping centre would continue to fall into disrepair, having a negative impact on the city centre as a whole. Through securing the strategically important site, the council can ensure it plays a key role in the long term diversification and growth of the city centre.
17. The council has commenced the development of market town Economic Development Investment Plans. Working in partnership with the town councils and local stakeholders, the plans will identify the long term vision for the growth of the market towns, and priority projects required to deliver the vision. Last year, the council secured a £1.8m of Heritage England funding to support the development of the Leominster Heritage Acton Zone, in particular the significant range of heritage buildings located in the town. Following a cabinet decision on the 23rd July 2020, the project will soon commence delivery.
18. Following a review of the existing Core Strategy, a formal decision indicating that a comprehensive update of the Plan is required is expected to be agreed in September 2020. Work is continuing to update the evidence base upon which the policies and proposals of an updated plan will be based. This includes the commissioning of a new housing needs and requirements study and the transport review. Work is continuing upon an audit of rural facilities and services as part of reviewing the settlement hierarchy and a “call for sites” is about to be launched to help identify potential housing and employment land suitable for inclusion with the updated plan. The intention remains to undertake a consultation upon issues and potential options in the first part of 2021.
19. As a result of COVID-19, there have been significant impacts felt by the local economy; this can be evidenced by the increased number of people making claims for employment related benefits which has increased by 140% since March (greater than the national impact of 114%), and approximately 28% of employees resident in the county have been furloughed. Throughout the COVID-19 outbreak the council has sought to provide assistance to businesses wherever possible. Over £58 million of grant funding has been distributed to more than 5,000 businesses, over 700 of businesses have been given advice and support.
20. The council working with the Herefordshire Business Board have secured £444K from the Marches Local Enterprise Partnership to support the soonest possible recovery of the visitor economy. The project will establish an extensive tourism marketing and PR campaign promoting day and ‘staycation’ opportunities in the county during the summer and autumn 2020, and into the spring 2021. The council has taken a non-key decision to accept the grant funds, and procurement of marketing and PR support has commenced.

21. As part of the response to lockdown on the council introduced a “Keep Connected Grant” as part of the work of Fastershire. This was instigated to help community groups, social enterprises and parish councils to keep digitally connected to their members and the wider public – even those not familiar with using the web. The Fastershire website includes a number of case studies of where and how the grant was used, including one quote "Without this grant we wouldn't have been able to carry on, but thanks to it we've actually massively expanded our service offering." There were 70 grant awards totalling offers of £15,604.
22. The council has commissioned work on social value to assess how its purchasing power through contracts and procurements can bring additional benefit to Herefordshire's residents and businesses. Though the council also has social value intentions in its procurement and commissioning strategy, Social Value Business will see how this can be strengthened across the organisation.
23. The table below summarises delivery, measures and risk within the economy theme. Further detail on the specific deliverables, measures and risks can be found in Appendix 5.

	Deliverables	Measures	Risks
Green	4	7	-
Yellow	NA	NA	2
Amber	10	1	3
Red	2	2	1
Blue	-	NA	NA
Not applicable	NA	5	NA

Community

24. In response to the COVID-19 pandemic, Emergency Discharge Guidance was issued by central government in March, mandating the approach to discharges from hospital and hospital avoidance. This approach set out the ceasing of NHS to undertake decision support tool assessments to identify individual's eligibility for health funding. The guidance placed a duty on all adult social care departments to support with all discharges from hospital regardless of previous criteria regarding self-funders and Health Funded. This has created an additional financial pressure on the council, which is anticipated to be supported by money from government. Refreshed guidance is due from the government at the start of September which will set out an updated process for new hospital discharges, as well as a phase of restoration; where all cases discharged during COVID-19 will have to be re-assessed to establish whether they require ongoing support from social care services, or need moving to a more appropriate pathway such as continuing health care or will return to self-funding status subsequent to a financial assessment.
25. The Council completed the reopening and refurbishment of the Hillside Care Centre in just 7 weeks. The Centre reopened in June and already has 14 residents. Hillside Care Centre, was initially refurbished in response to the need for more capacity resulting from the severe flooding Herefordshire experienced earlier in the year, but has now reopened to initially support the COVID-19 response and to operate as a residential/rehabilitation facility thereafter. The 22-bed building required a substantial re-design and fit-out to bring it up to appropriate standards to meet the requirements of the Care Quality Commission. The complete refurbishment programme, involving new electrics, a water heating system, ICT cabling, lighting, decor, door systems, work areas and new kitchen appliances, patient hoists and a repainted and refreshed car park and gardens, was undertaken safely, on budget and on time by Balfour Beatty and the council.

26. During the last quarter the council has allocated the governments Infection Control Grant to care homes which totalled over £2 million covering over 2000 care beds in Herefordshire. In June the council published and is progressing its care home tactical action plan underpinning the sustainability and quality of the care home sector as required by the Department of Health and Social Care. During COVID-19 the council increased payments to homecare and care home providers by 10% which was in line with the recommendation of the Local Government Association and Association of Directors of Adult Social Services, this has now ceased. In addition, the council and NHS partners have created a Care Provider Support Hub which has supported the care sector with practical, hands on support and guidance throughout the emergency. This multi-agency approach has been very successful and this resource has now become a permanent collaboration. Adults and Communities continues to engage jointly with partners with all care providers on a weekly basis.
27. The Council has utilised around £600K of the government's Infection Control Grant to procure Personal Protective Equipment (PPE) and has also procured an additional £1million of PPE. Since early April the Council has provided care providers with over 7 million pieces of PPE including over 1.4 million surgical face masks. Throughout, the council has sourced the majority of its masks, plastic aprons and sanitiser from Herefordshire based suppliers; the only exception being gloves which are not generally produced in the UK. A key element of the council's enhanced PPE response was the procurement of 12,000 reusable face shields manufactured and delivered locally by NMITE. The council was one of only a handful of local authorities that operated at a PPE level known as Table4+, this higher level of PPE compliance helped to keep infection rates low and save lives. In recognition of the easing of some restrictions, the wider availability of PPE to care providers via their normal supply chains and a lowering of infection rates a review of the council's PPE approach was concluded resulting in continuing to supply PPE for council commissioned placements and a move to PPE use level known as Table2+ from August 2020.
28. During the initial three months of the COVID-19 pandemic Talk Community developed and implemented a community and voluntary response to support the most vulnerable people across Herefordshire co-ordinating work across council services and departments. This included support with a telephony based service, link worker roles, proactively contacting people, supporting those shielding and the Talk Community infrastructure.
29. A call to action for volunteers was undertaken with nearly 1500 people volunteering to provide support with food supplies, medication delivery and a befriending service. A 7 day central telephone coordination centre was implemented for those needing support with supplies or a befriending service, these requests were then transferred to one of the council's redeployed link workers to work with community groups, leaders or volunteers to support their needs. The response also provided targeted support to those shielding across the county, approximately 5000 people on the shielded list were contacted by telephone to understand whether they needed a trained volunteer shield buddy to provide dedicated support for supplies or befriending.
30. The Talk Community response also worked closely and in partnership with a full range of local community and voluntary groups supporting joint working on a number of areas.
31. On the 28 March the council established the Food Delivery hub which was able to start distribution to shielded individuals that day. The service continued until the 21 May 2020 whilst the arrangements for the Government's food parcels were being embedded and the council established "Shield Buddies" as a network of volunteers to support individual who were required to isolate based on an existing medical condition that made them vulnerable

to COVID-19. Over 120 buddies were trained to support over 250 people on the shield list, along with specific support from the Veteran Support Centre.

32. Project Brave is a partnership initiative between the council and the voluntary sector with the aim of making independence and sustainable homes inevitable for homeless people in Herefordshire. The council received 156 presentations as roofless since lockdown began and in response to the government's 'Everyone In' policy, the Housing Solutions Team have sourced accommodation for up to 80 homeless people accommodated at any one time during the emergency –primarily from the private rented sector and local independent hoteliers and B&B providers. This is in addition to 38 people who were in existing temporary accommodation when lockdown began.
33. The service has found sustainable long term housing for 46 of those who presented as roofless during lockdown and have assisted 8 people into employment. Nevertheless 62 people remain accommodated following the introduction of the 'Everyone In' policy. The new accommodation providers have been briefed on Project Brave and have committed to the ongoing provision of accommodation to enable staff to source long term sustainable accommodation for those in need. A new Rough Sleeper Out Of Hours service has been implemented to support new landlords and those newly off the streets.
34. This work has informed a bid to a central government funding programme, awaiting a decision, which will enable the purchase and development of properties for long term sustainable accommodation specifically for those who are street homeless, and provide revenue to put support in place to help the newly housed maintain their tenancies and licences. Project Brave signals a long term re-shaping of the way services are being delivered for those who are roofless.
35. Key performance measures in Childrens and Families indicate that overall, the directorate has maintained delivery throughout the lockdown changing practices where necessary in the quarter with a number of performance areas improving including visit timeliness and supervision. Measures of assessment, strategy discussion and visit timescales have remained consistent and increased in some instances. To support ongoing delivery, the service has reviewed operating procedures throughout the last quarter, to focus on staff safety and compliance. Arrangements were made for meetings to take place with children, parents and carers virtually as well as face to face for children supported by child in need and child protection plans, with the use of PPE where necessary. Cases were risk assessed to determine what should take place. These protocols continue to be reviewed as lockdown measures ease and as guidance continues to be updated. Children with Disabilities Social Care Team worked with families to identify when they were feeling under significant stress. Officers worked closely with special schools and community paediatricians to get a multi-agency picture. A small number of families have had additional short breaks or other support as a result to help their situation.
36. Family support services have been reconfigured to enable families to be supported on a child in need plan with family support to promote a culture of intervention at the lowest level possible. This is supported through the ongoing implementation of Signs of Safety, the practice framework that the council has adopted to underpin practice in children's social work, family support work and also with partners. A leadership pledge was developed in the quarter to underpin and drive the approach with staff, different staff groups have started to use the methodology and this has started to show some practical examples of a different way of working with families. A detailed implementation plan is in place including a full training programme that will now be delivered virtually in many instances. The Edge of Care service has now been put in place and has started to work with families over the quarter to

lessen the need for children to come into the care of the local authority. Performance information will be available for quarter 2.

37. All schools remained open for some pupils throughout the pandemic (a small number migrated to other sites for a period) which compares favourably to national performance. As schools reopened fully, attendance increased to around 24% of all pupils; this is the best in the West Midlands region and well above national averages. At the end of school term there were 100% of schools open with 5,100 pupils attending, 1553 of which were children of key workers. Schools and colleges have engaged successfully with the blended on line learning offer. This will continue into autumn including as an option if local lockdowns are required.
38. The cancellation of the national testing regime in schools and colleges for 2020 has been a challenge, with no reliable data for 2020. However the directorate remains focused on working with secondary schools during this academic year to improve the attainment and progress measures at key stage 4 which have been below national levels and the gap between disadvantaged pupils and their peers is larger than the national gap. The aspiration remains for all measures to be in the top 25% in the country.
39. In order to aid keyworkers during the emergency, vacant student accommodation was procured and made available until the end of July 2020 at the College Road Campus, Hereford.
40. The table below summarises delivery, measures and risk within the community theme. Further detail on the specific deliverables, measures and risks can be found in Appendix 6.

	Deliverables	Measures	Risks
Green	13	9	-
Yellow	NA	NA	1
Amber	7	-	5
Red	-	3	1
Blue	3	NA	NA
Not applicable	NA	8	NA

Environment

41. A new Carbon Management Plan was agreed by Cabinet in June 2020; setting out a new 75% carbon reduction target by 2025/26. This is the first of two 5 year plans which sets out the council's pathway to becoming carbon neutral by 2030. This new plan builds on excellent progress to date and has a strong focus on minimising energy consumption, investing in renewable energy, supporting schools and academies, and working with partners and contracts to reduce carbon. In addition, we are currently working in partnership with a number of stakeholders to develop a new countywide carbon reduction strategy, due to be published later this year.
42. Following Storm Dennis the council has paid out hardship grants to 525 residential properties and 176 businesses across the county to support people dealing with the aftermath of flooding of their homes and businesses. At the start of July the Property Flood Resilience scheme was launched which will enable payments of up to £5,000 to be made available to households and businesses for flood resilience measures. The council will invite applications for grant to be submitted online until 31 December 2020 and for successful

applications, up to £5,000 to install measures to make their properties more resilient to future flooding.

43. Storm Damage repair works to the B4224 at Fownhope have been progressed with works to one of the two sites about to be completed. The design for the solution to the more complex retaining wall failure are progressing well. Cabinet considered the funding options for this and the remainder of the c£4m of priority flood damage works across the county on 23 July and recommend to council that this be progressed and funded from prudential borrowing. Council considered this matter on 4 August and confirmed that works would be progressed and funded as cabinet recommended and this work will now be progressed over the coming months.
44. Following consideration of a number of options to further reduce phosphate levels the council is allocating £2m in the council's 2020/21 capital programme. Here the council is seeking to;
 - Design, construct and manage up to 8 integrated wetland sites in order to provide tertiary treatment to waste water treatment works within the Lugg catchment;
 - Commission an interim plan setting out a phosphate calculator and a suite of recommended mitigation measures appropriate to the River Lugg, enabling developers to calculate the phosphate load of their proposals.
 - Appoint an environment officer to lead on reductions in levels of diffuse pollution.
 - Acquire existing agricultural land that can be repurposed as a complementary solution for reducing phosphate pollution in the river catchment
45. Additional funding of £1m has also been awarded to the Marches LEP to support this project and it is hoped that this funding will be allocated shortly. The council is continuing to liaise with all interested parties through the Nutrient Management Board. All parties are working to find an effective solution which will both seek to reduce phosphate levels within the River Lugg and River Wye Special Area of Conservation (SAC) and allow development to proceed in the north of the county. It is envisaged that a the long term the solution will be provided through the revision of the Nutrient Management Plan (NMP) which will reflect the measures implemented by Welsh Water through their Asset Management Programme and the Environment Agency from more stringent requirements placed upon land owners to minimise diffuse pollution through appropriate infrastructure and updated environmentally friendly farming techniques.
46. The Department for Transport (DfT) announced in May funding for local authorities to implement a programme of emergency active travel measures to respond to COVID-19. These measures were to provide increased space for social distancing, allow for reduced use of public transport and encourage the public to maintain the increased rates of walking and cycling that occurred during the lockdown period. Tranche 1 measures have been developed and consulted on with local members, town and city councils and local businesses and organisations. These measures cover Hereford and the Market Towns and include footway widening, 20mph zones, cycle lanes, road closures and supplementary signage. These measures are being implemented over an eight week period from the 27 July. Development of possible measures for tranche 2 of the funding is now underway. The DfT require local authorities for tranche 2 to show real ambition in their plans and require them to make a meaningful reallocation of roadspace for walking and cycling with segregation from traffic. Initial submissions for the funding are to be made at the beginning of August with the measures to be completed by the end of March 2021.
47. The waste management service has successfully maintained the household and commercial waste services without interruption throughout the COVID-19 pandemic. There

has been a significant increase in the levels of household waste collected as residents have been at home, equating to an increase of between 10-20% compared to previous years. Following the essential closure of the Household Recycle Centres in March, all sites have now been safely re-opened with the introduction of strict social distancing, improved hygiene control measures and the successful development of an online booking system at Bromyard, Kington, Ledbury and Ross sites. A Waste Task & Finish group of the General Scrutiny Committee is currently looking at future options for both waste collection and waste disposal as the existing contracts are due to expire in 2023. A report highlighting potential options will be presented to General Scrutiny Committee in the autumn.

48. The table below summarises delivery, measures and risk within the environment theme. Further detail on the specific deliverables, measures and risks can be found in Appendix 7.

	Deliverables	Measures	Risks
Green	1	1	-
Yellow	NA	NA	-
Amber	-	-	2
Red	-	-	-
Blue	-	NA	NA
Not applicable	NA	2	NA

Corporate Performance

49. To manage the demands of the COVID-19 emergency, the council redeployed over 200 members of staff, and many more took on additional roles as part of their existing function. This is into a variety of roles, from staffing a help line for vulnerable residents to supporting the police to enforce social distancing and providing additional staffing at the crematorium to manage any anticipated increase in deaths. The council was well placed for this redeployment exercise as in 2018 a redeployment policy was endorsed by employment panel and this has enabled the council to make redeployment a normal expectation for staff in such situations.
50. The council has distributed £58.4 million pounds in small business grants and retail, hospitality and leisure grants to 5,000 businesses as part of the Governments grant scheme. In addition 1,944 retail, hospitality and leisure businesses and nurseries were awarded business rate relief for 2020/21. By the end of June 2020 6,591 households have been awarded support under the COVID-19, hardship fund for 2020/21.
51. Throughout the last quarter staff have worked remotely. This has been a rapid change in practice and has required flexibility and has resulted in an increase in the activity on the IT helpdesk as staff were required to use new systems and practices. Plough Lane offices have now been made COVID secure following government guidelines. The council were well prepared for the flexible working approach with measures that were already in place and established technologies.
52. As a result of COVID-19 new regulations for the council's committee meetings were quickly implemented allowing meetings to be held virtually. There have been minimal delays and impact to council business and all scheduled committees have progressed in accordance with their original timetables with the exception of annual council, which has been rescheduled for September. Other legislative changes made in response to the pandemic have been supported by legal services covering each of the directorates.

53. There has been a significant number of Emergency Decisions made in response to the pandemic. A report to Council in July identified more than 50 decisions covering the breadth of council services. A detailed list can be found on Council papers online.
54. The table below summarises delivery, measures and risk within the corporate work. Further detail on the specific deliverables, measures and risks can be found in Appendix 7.

	Deliverables	Measures	Risks
Green	5	3	1
Yellow	NA	NA	10
Amber	2	-	8
Red	1	1	1
Blue	1	NA	NA
Not applicable	NA	-	NA

Community impact

55. 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.
56. 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

57. 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.
58. 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.
59. This report has no direct equality implications. It is a report to cabinet on work undertaken by the local authority in the last quarter, each of these workstreams will consider their

individual equality duties. This report will have no detrimental impact on people with a protected characteristic.

Resource implications

60. 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.
61. The council has a good track record on delivering planned savings and has managed to deliver financial outturns within the agreed overall budget envelope over recent years, delivery has proven challenging in the last few years, however, partly due to slippage in capital spend resulting in lower revenue capital financing costs, the council has managed to balance its budget.
62. The COVID-19 pandemic has added significant pressure to the council's finances, both in terms of expenditure, and reduced levels of income. The pandemic is ongoing, and the council is responding accordingly. The forecasts in this report need to be treated as such, and there is reasonable expectation that future events in the coming months could drive a variance in the final outcome. Central government is collecting details this month in respect of income losses and has only recently declared its support in relation to businesses facing local lockdowns so this is expected to be a continuing evolving position through this year and possibly into 2021/22.
63. At the beginning of the financial year the council held a reasonable level of reserves relative to its revenue expenditure. The CIPFA Financial Resilience index provided a useful comparison to other councils. This index confirmed that Herefordshire Council is at a lower level of risk of financial distress when compared to other unitary councils. This meant that the council entered the COVID-19 pandemic with a reasonable level of reserves and no particular individual high areas of risk are shown. The social care ratio is identified as being at higher risk and this is reflected in the budget pressures reported in the costs associated with looked after children.
64. Government are supporting local government in a variety of ways during the COVID-19 pandemic this includes issuing a range of grants. For a number of these grants there has been delays in providing the exact details of the schemes. As noted in the report the council has been awarded £11.8m of grant to help support the additional expenditure of the council. Government have announced a national scheme to provide a level of financial support for some of the lost income streams for councils, government are working on the precise details of the scheme. The council will benefit from this grant scheme, but it is not possible to predict the scale of this benefit at this point.
65. The S151 officer continues to monitor the financial position of the council on a daily basis, and is satisfied that the council continues to be financially solvent, and has sufficient liquidity. This is based on the assumption that reserves and balances will be called upon to support any residual overspend. Reserves and balances are not meant to be a long term solution to structural budget disconnects. However they enable the council to deal with the emerging pressures such as the COVID-19 pandemic and will enable the council to recalibrate its expenditure and income plans for the future.
66. The S151 officer is satisfied that the reserves and balances held by the council are still adequate allowing for the forecast overspend in 2020/21. Council will need to ensure that as it refreshes its medium term financial strategy and sets future budgets it takes appropriate consideration of the longer term effects of the COVID-19 pandemic, as well as responding to the comprehensive spending review scheduled for Autumn 2020. Forecasts

are that the pandemic is likely to result in a recession, signs of which are closely monitored to consider the impact on the council's costs, income and funding including council tax billing and collection. In addition is response to the government's commitment to conduct a fundamental review of business rates. HM Treasury is leading a fundamental review of business rates with the call for evidence consultation closes ahead of the review's conclusion in spring 2021.

Legal implications

67. None.

Risk management

68. 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. Risks on the Corporate Risk Register are found in appendices 5-8.
69. The COVID-19 Risk Register has also been included at appendix 9. This register records the risks regarding COVID-19 as at the end of June. These risks have been recorded on a separate risk register to allow a more flexible, project style approach to managing COVID-19 specific risks.

Consultees

70. None in relation to this report.

Appendices

Appendix 1	Revenue forecast
Appendix 2	Capital outturn
Appendix 3	Treasury Management Report
Appendix 4	Savings performance reports
Appendix 5	Economy Scorecard
Appendix 6	Community Scorecard
Appendix 7	Environment Scorecard
Appendix 8	Council Scorecard
Appendix 9	COVID-19 Risk Register

Background papers

None

Abbreviations

DfT - Department for Transport

HVOSS – Herefordshire Voluntary Organisations Support Services

LEP – Local Enterprise Partnership

LTP – Local Transport Plan

PPE - Personal Protective Equipment

TIP - Town Investment Plan

SAC - Special Area of Conservation

NMP - Nutrient Management Plan