

SUPPLEMENT TO THE AGENDA FOR

Scrutiny Management Board

Tuesday 19 March 2024

2.00 pm

**Herefordshire Council Offices, Plough Lane, Hereford, HR4
OLE**

4. MINUTES

Pages

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Minutes of the meeting of Scrutiny Management Board held at Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Wednesday 10 January 2024 at 10.00 am

Present: Councillor Liz Harvey (chairperson)
Councillor Jenny Bartlett (vice-chairperson)

Councillors: Bruce Baker, Frank Cornthwaite, Pauline Crockett, Clare Davies (substitute), Toni Fagan, Philip Price, Stef Simmons (substitute), Louis Stark and Richard Thomas

In attendance: Councillor Barry Durkin (Cabinet Member Roads and Regulatory Services) Simon Cann (Democratic Services Officer), Ross Cook (Corporate Director Economy and Environment), Darryl Freeman (Corporate Director Children and Young People), Councillor Carole Gandy (Cabinet Member Adults, Health and Wellbeing) Hillary Hall (Corporate Director Community Wellbeing), Rachel Hart (Head of Strategic Finance - Deputy S151), Councillor Jonathon Lester (Leader of the Council), Andrew Lovegrove (Director of Resources and Assurance), Councillor Phillip Price (Cabinet Member Transport and Infrastructure), Councillor Elissa Swinglehurst (Cabinet Member Environment) and Danial Webb (Statutory Scrutiny Officer)

34. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Graham Biggs, Harry Bramer, Ellie Chowns, Peter Hamblin, Bob Matthews, Ivan Powell, Peter Soddart

35. NAMED SUBSTITUTES

Named substitutes were:

Councillor Clare Davies for Councillor Bob Matthews
Councillor Stef Simmons for Councillor Ellie Chowns

36. DECLARATIONS OF INTEREST

There were no declarations of interest.

37. MINUTES

The minutes of the meetings of 07 and 21 November 2023 were approved unanimously by the board and signed by the chair.

38. QUESTIONS FROM MEMBERS OF THE PUBLIC

Public questions and responses are attached in Appendix A

39. QUESTIONS FROM MEMBERS OF THE COUNCIL

No questions received.

40. 2024/25 DRAFT BUDGET - REVENUE

The board agreed unanimously to scrutinise the directorate delivery plans in the sequence in which they were ordered within the appendices of the report. It was requested that a record of any actions arising would be forwarded to relevant officers ahead of the scheduled meeting on 16 January and any draft recommendations would be recorded for finalisation in that same meeting.

Community Wellbeing Directorate Delivery Plan 2024/25

The Corporate Director for Community Wellbeing took the slides as read and gave an overview of the report. It was pointed out that the main point of focus in the budget for next year was the ongoing and increasing demand and complexity in adult social care. This was largely attributed to an ageing population and an increase in the number of individuals falling below the income threshold, who were unable to fund their own care.

The Corporate Director for Community Wellbeing specifically outlined a number of areas leading to increased demand pressure in adult social care, including: an ageing population in Herefordshire, inflation/spiralling cost of living, increased complexity of need, market availability and impact of the county hospital.

The Corporate Director for Community Wellbeing pointed out and gave an overview of the mitigations that had been put in place and how they were backed up by a series of robustly tested savings. This included the extension of the 'shared lives scheme' which would offer more opportunities for people to remain in a home environment for care where possible.

The Scrutiny Management Board debated the Community Wellbeing Directorate Delivery Plan 2024/25. The principal points of the discussion are summarised below.

1. The board agreed there was a need to reinstate the local account as a means of communicating to the public how money was being spent on adult social care services, this would also provide details of performance and future plans for the service.
2. The board highlighted the need for greater promotion and understanding of funding arrangements for adult social care. This would include improved dialogue and engagement with self-funders - especially those opting for high cost residential spaces - explaining how care was funded and what happens when individuals drop below the threshold and fall into the responsibility of the service.
3. The board raised concerns about a proposed 10% reduction in library opening hours and suggested exploring the voluntary sector as part of the council's library strategy. The importance of libraries as a safe space facility and point of internet access for young people and families was noted and the need to publicise and raise awareness of the temporary and proposed new location of the city library was highlighted.
4. The board heard that it was not solely the council that was responsible for supporting the community, and that the service worked with a range of partner organisations, in particular the Integrated Care Board, which itself was looking for more support from the voluntary sector. It was noted that by collectively pooling together funding within partnerships it would be possible to provide holistic support for the community. This was part of the work that was being done going forward and was integrated into the transformation work that was currently being carried out.

5. The board was given an assurance that public health savings in relation to contracts had been achieved through a procurement exercise. This did not involve cutting support for voluntary organisations, but instead related to savings made through a commissioning exercise regarding a statutory public health nursing contract. A further decommissioning of software that was being used for health checks had also contributed to savings.
6. The board discussed and requested clarification on how the all ages money was originally conceived to be used, along with further detail on the mitigated funding relating to all age money and whether it was visible as a separate line in the budget and whether it was recurrent or a one off. The Director of Assurance and Resources suggest recording this as an action to take away, that would inform further discussion in the board's next meeting on the 16 January 2024.

Draft Recommendation: The local account should be reinstated as a means of communicating to the public how money was being spent on adult social care services, this would also provide details of performance and future plans for the service.

Draft Recommendation: Greater promotion and understanding of funding arrangements for adult social care should be encouraged. This would include improved dialogue and engagement with self-funders especially those opting for high cost residential spaces.

Action: Clarification to be provided at the 16 January meeting on how the all ages money was originally conceived to be used, along with further detail on the mitigated funding relating to all age money and whether it was visible as a separate line in the budget and whether it was recurrent or a one off.

Children & Young People Directorate Delivery Plan 2024/25

The Corporate Director Children and Young People took the slides as read and summarised and introduced the content as detailed below.

- The service was on an improvement journey and there were clear and recognised signs of: improved performance, improving quality of practice and slowly reducing levels of demand.
- The improvement plan aimed to improve services from a very low base, and reduce and manage demand. A three-year-plan would then deliver a resilient and financially sustainable service.
- The post-covid era had seen more families in need of support and increasing levels of need for children with special educational needs and/or disability. More children were living in poverty as the spiralling cost of living began to impact families.
- The service, along with those in neighbouring authorities, was forecasting a very significant overspend for the current year, which was due to demand and other pressures.
- Although not presented as an excuse for the local overspend, it was stated that all 151 councils with children's services had overspent on their budgets in 2022.

- The proposed budget included a significant increase for 2024/25 along with a three-year-plan to return to a reduced budget rate at a sustainable level by 2026/27.
- Saving proposals for the year were proposed and had been rigorously tested by service leaders and finance colleagues. The service was going into the next financial year in a more certain and steady position than the current one, with a clear trajectory of reducing demand and improving practice.
- The Leader of the council thanked the board and the task and finish group for its forensic examination of the children's budget, and expressed the council's desire to fund a service that was proportionate to Herefordshire's needs.

The Scrutiny Management Board debated the Children and Young People Directorate Delivery plan. The principal points of the discussion are summarised below.

1. A discussion took place around the figure of £11.5 million relating to the '2023/24 Forecast Outturn at Q2' as given on p55 of the document and the 'Pressures Reported at Q2 2023/24' figure of £13.5 million as given on p58 of the report. The board sought clarity on the difference between these figures and enquired whether the mitigating actions being in-year would have a sustained effect on those pressures, because otherwise the service was carrying £13.5 million additional service operating costs into the budgeting process.
2. The board enquired whether the pressures that were being carried into the budget were artificially created, whether they were real and whether there was a £2 million gap somewhere.
 - The Corporate Director Children and Young People stated his belief that the pressures being carried into the budget were not artificially inflated and that there was not a £2 million gap. The budget had been rigorously tested and was subject to robust monthly monitoring.
 - The Director of Assurance and Resources offered to circulate the Q2 report that had gone to Cabinet to provide the board with greater clarity around the mitigations.
 - The Corporate Director Children and Young People stated that there were a raft of current in-year actions and that the staffing profile was very different to how it had been at the end of last year. There were a lot of things being done at the moment that would have an impact, especially in terms of the profile of the workforce that was locum/interim and the shrinking size of the workforce, this would all have a positive impact on reducing pressures next year.
3. The board questioned whether the 2024-2025 cost savings from social workers migrating from agency to permanent were achievable.
 - The Corporate Director Children and Young People explained that, if, by Q1 the service could convert 30 agency posts into permanent roles, then that would have a cost avoidance, or a saving, during the remaining three quarters of next year of just over £1 million. The service had already converted 10 of those posts before Christmas and had another six starters in the pipeline.
 - The service had worked closely with colleagues in finance and HR to make sure the proposed saving was realistic and it was also based on the trajectory of improving recruitment. The director was confident that by the end of Q1 the service would have converted the equivalent of 30 agency posts to permanent positions and that if some of those posts were higher value positions then this would have a greater impact on savings.
4. The board queried the recording, on p18, of not delivering required improvements as low risk and medium impact and asked specifically how monitoring was being improved.

- It was explained by the director that it was recorded as such because the service now had: a tried and tested improvement plan, an established improvement board and an improvement partner, and that all of this was surrounded by confidence from the Department for Education and Ofsted that the service was making improvements. If those elements had not been in place then the risk would have been recorded as being higher.
 - In response to the question on monitoring improvement, the director explained that he and the service heads met and worked closely with their counterparts in the finance team and HR to discuss and monitor high-level budget issues and policy changes, with a view to driving down costs and delivering improvements.
5. The board noted a greater emphasis on reunifying children with their families and moving them from high cost placements. The board asked, where the allocation of funding for those children and families was located in the budget, and for more information on how they were being supported.
- The Corporate Director Children and Young People explained that the legal status of the vast majority of children in care was full care order. The service was working with families to try to rescind these care orders where appropriate. A number of these cases had been progressed successfully and there were an additional 15 in the pipeline. Resources had been expanded to increase the number of special guardianship orders, where children return to their families through rescinded care orders or achieve permanence through a special guardianship order so they're no longer looked after by the council, which was a better outcome for the children.
 - The board heard there were rigorous processes in place to make sure costs placements were managed and that, where appropriate, children were stepped down into better value, lower cost, lower supervision placements. Ideally, going forward, more and more children in council care could have their needs met and their homes provided by family-type placements such as in-house foster care.
 - The service was working with fostering services to increase support available and to increase the number of foster carers over the next two to three years. Some of the investment and shift in finance being recorded was for supporting foster care/foster services and developing services such as the ECHO team and family group conferences. The aim was to try and reduce the number of children coming into care and successfully reunify other families.
 - As part of the budget build for next year the service was looking at where money needs to be allocated and where it would have the most impact and provide best value.
 - In response to a question from the board regarding anticipated reductions in the number of the social workers in the coming year, the director explained that based on an anticipated fall in caseloads and demand in the coming year, the directorate and finance team were confident that they would be able to reduce the social work establishment.
6. The board voiced concerns that Special Education Needs (SEN) transport costs had spiralled wildly in the previous financial year. The board enquired if the directorate knew what the costs would be in the coming year, given that school placement preferences had already been received from families, and the board asked whether there was adequate mitigation in place to cope with costs.
- The Corporate Director Children and Young People explained that at both local and national levels there had been a post-covid rise in demand for education health and care plans (EHCPs). As with many other authorities, this had resulted in spiralling costs, especially so with regards to transport arrangements here in Herefordshire. Following covid a number of transport providers and businesses had exited the market, creating a

- significant reduction in available capacity to transport children to schools. This was exacerbated by a rise in children with EHCPs going outside of the county.
- The council had engaged in two unsuccessful tenders to try to place new contracts for school runs. The consequent dependence on spot purchasing and taxi contracts had led to the spiralling transport costs being experienced.
 - As mitigation, the council was starting to build robust processes to bring transport services back in-house, such as escorts for taxis, a council minibus and council drivers. The service was increasingly looking to providers from a wider geographical area outside of the county. The service had built in mitigations for next year, it did not expect the market to worsen and believed that through its interventions the situation would be to improve in the coming years.
 - The board heard that through work with its partners in the police and health, the service was looking to develop a number of early help arrangements that would get people the right help at the right time. There was a body of evidence nationally that suggested early help could reduce the referrals into statutory services. This was difficult to evidence this locally, but it was hoped this would prove to be the case here, and would have a positive impact in terms of reducing costs within the service.
7. The board stated that it was looking for evidence that would give it assurance that, despite the massive overspends in delivery of the last two years, it could have confidence that the budget being put together was realistic, deliverable and robust.
 8. The board remained to be convinced that the plan presented was going to work, by virtue of the fact that it very similar assurances had been provided in previous years. There was particular concern when considering the savings delivery plan which is profiled across four quarters, where the whole year's service savings are planned for delivery only in the fourth quarter. Concern was expressed that this would make it difficult to monitor and manage any progress toward achieving these savings and improvement earlier in the year.
 9. The board stated it would like to see more credible profiling of what was going to happen to particularly high cost placements, the reduction of the social worker establishment and the SEN transport efficiencies over the four quarters.
 10. The board explained it would like to come back to the directorate in the following week's meeting, where the medium-term financial strategy would allow the board to look at activity over a longer time period.

Action: The Director of Assurance and Resources to circulate the Q2 report that had gone to Cabinet, to provide the board with greater clarity around the mitigations relating to pressures reported at Q2 2023/24.

Action: Greater clarity to be provided at 16 January meeting in relation to SEN transport costs and mitigations.

Action: The board questioned the way saving delivery was being profiled across the quarters and asked that those profiles be revisited at the 16 January meeting to make sure that they reflected what would be a realistic profile for the delivery of those savings, and that the council wasn't artificially advancing or delaying when those savings were expected, because there was a risk associated with doing this.

Economy & Environment Directorate Delivery Plan 2024/25

The Corporate Director, Economy and Environment took the report as read and gave a summary and overview of the slide content.

- The Corporate Director pointed out that within the council the Economy and Environment Directorate held the majority of one-off large contracts, including: waste collection, waste disposal, energy costs, transport cost and the public realm contract. Inflationary rises on those contracts had a significant impact on the directorate.
- The Corporate Director, Economy and Environment highlighted mitigation that was in place to temper the impact of inflation. This included a 3% efficiency programme with Balfour Beatty Living Places (BBLP).
- The directorate was working on how to shape larger one-off costs of delivery, as an example it was working with BBLP in relation to shaping the Future Operating Model.
- The director gave an update in relation to the deferred savings on parking charges. This was an increase that had been agreed by council two years ago, but the council had collectively agreed to its implementation for a two year period. It was now due for implementation, and if not, it would create a pressure which would need to be mitigated by savings elsewhere.
- The Cabinet Member for Transport and Infrastructure highlighted concerns about spiralling costs and increasing pressure on procurement of projects. It was stated that every time a project came up there was something that had not been catered for. Work was being done to address this with the aim to speed up projects to avoid additional inflationary pressures, amid concerns that it might not be possible to get desired savings on big projects.
- The Cabinet Member for Roads and Regulatory Services explained the directorate was looking at savings going forward, particularly in relation to the most effective way of dealing with highway repairs and working with Balfour Beatty around the Future Operating Model and Annual Plan. It was explained that briefings on the annual plan were being held on 16, 17 and 27 January 2024 and all member were urged to attend these if possible.
- The Cabinet Member for the Environment discussed the key variances at Q2 around planning and building control and attributed the £1.3 million reduced income to a downturn in the market, a delay in the fee uplift and a delay in the delivery of strategic sites. This was driven by national circumstances and it was hoped it would not be the long term picture.

The Scrutiny Management Board debated the Economy and Environment Directorate Delivery Plan 2024/25. The principal points of the discussion are summarised below.

1. The board asked about the £450k savings being proposed from the Annual Plan works and if there was information on what services were being proposed to be cut in order to deliver those savings. It was also asked as to what the mechanism of assurance was which ensured that the 3% efficiency was delivered as real efficiencies, rather than cuts in the service delivery within the Balfour Beatty programme.
 - The Corporate Director, Economy and Environment explained that additional detail around the Annual Plan regarding the £450k savings would be provided in the briefings on January 16, 17 and 27.
 - The director gave an assurance that the same 3% efficiencies delivery process had been carried out for a number of years and that the council always explained to Balfour Beatty what the target in the Annual Plan would be and what needed to be delivered. A detailed dialogue had taken place around income generation and the majority of things being looked

at focused on income, rather than reducing things. It was recognised that this was not reflected in how the figures were being presented in the budget.

- The board heard a number of areas would be looked at in terms of how things were managed, the directorate always planned what the cost of services would be based on previous years and would try to reshape things accordingly. BBLP would always be set a stretch target to achieve and then come to an agreed figure.
2. The board remained unclear about the specifics of the BBLP – Revision of Annual Plan works as set out in Ref S2. The director explained that the council was in the middle of conversations with Balfour Beatty and would be happy to present back next meeting.
 3. The board requested that to prevent confusion, when what was being presented was new or additional income, that this be represented in a different way, to show it as income, and not shown as if it were a saving.
 4. The board asked if there was a structural deficit in the way that planning income was overpromised in the budget compared to delivery. The board suggested that the service may have been over-targeted in terms of delivering income from this area and that this concern was supported by the way they had under delivered against income targets in previous years. It was asked what assurance there was that income would be delivered in the coming year, when targets have repeatedly been missed. Where was the pipeline of commitments and dialogues with developers to justify the figures for 2024?
 - The Corporate Director Economy and Environment explained that there had been a delay at government level in implementing some of the increases that had been expected in planning fees. An income target of around £300,000 had been set for the year and that couldn't be achieved because the government didn't increase the fees until December of 2023. The new fees were now in place and would increase the income generated next year.
 - Understanding the income for planning had been a challenge for a number of years due to the market, but colleagues from planning had helped in identifying the challenges facing the county in terms of phosphates and what that meant in terms of the large planning applications coming forward.
 - The Corporate Director Economy and Environment stated that with regards to the applications pipeline, the team had recently restarted regular meetings with agents, which had ceased a couple of years ago. This had started a positive conversation with planning agents to think about which applications were coming forward, what was holding back any of those applications and to start to plan when they would be coming in and what support could be provided.
 - The pre-application advice service had been reinvigorated to ensure that the team could deal with details in advance of an application coming,
 - It was also stated that the directorate was in the middle of a detailed transformation program which included a proposal to invest over £1million in the planning software systems. It was hoped that this would enable faster handling of applications and would consequently increase fee income.
 - The whole package around planning in terms of the transformation programme, the investment in the IT system and review of how pre-applications were handled, would hopefully provide assurance in terms of the income from the service.
 5. Regarding the potential for a structural deficit in terms of planning income, the board asked if evidence could be provided for the next meeting to demonstrate and justify the income target that was set for planning.

6. The board asked how the net income from car parking was linked to the service delivery it paid for in-year across the directorate, and across the Balfour Beatty Living Places contract. It was also asked how that income and service spend was tracked and controlled in-year to make sure that service costs did not exceed the delivery of net income.
 - The board heard from the director that parking was one of the biggest income generators for the directorate and that regular conversations were held within the service to ensure targets were being monitored. The service had seen different use in timings of car parks across the city and was keeping that under review as to how that impacted income and if changes needed to be made.
7. The board reminded the Corporate Director Economy and Environment of recommendations made at the board's November meeting regarding looking at income and charging around parking. A request had been made around information provided for the budget - using car parking as an example - to demonstrate how the council was making sure that net income was funding various in-year services, and that it wasn't either overspending on services compared to the income being delivered by parking or retaining income that was being generated, and therefore make a profit.
8. The board sought information that provided assurance that the council not only understood where that connectivity was but could also demonstrate there was a mechanism by which it managed in-year services dynamically, so that it didn't overspend on car park revenue supported services or use car park income to offset overspending on non-qualifying services.
9. The board suggested that the services delivered by Economy and Environment were those which the majority of the county's households received and recognised. Concerns were raised that the proposed allocated budgetary increase for the directorate was only 2.5%, compared to budget increases planned for the other directorates within the council. It was asked if services would suffer as a consequence.
10. The board asked if there had been any analysis of what impact the relatively small 2.5% budgetary increase would have across the directorate, especially in relation to the £340k for deleting vacant posts not currently occupied.
 - Regarding the vacancies, the Corporate Director Economy and Waste explained that the posts being deleted had been vacant for some time and that it was fair to assume that removing them would be not present a risk or add pressure to the service. Analysis was being carried out on scenarios where there was full-time equivalent funding for roles that were only part-time filled, such as school travel assistants.
 - The director stated that the budget covered everything the directorate needed to do next year and assurance was given that services to residents would remain unchanged.
 - The Corporate Director Economy and Environment stated that they always worked within the budget that had been allocated and understood pressures across the organisation. The energy savings proposed were based around knowledge of projected fees and charges of what the costs for energy would be, and the directorate was comfortable with this. It was pointed out there was a need to be realistic in terms of what happened if costs went up next year and this would be built into the budget process for next time around.
 - The board was given assurance by the director that deleted vacancies referred to in the budget were not being taken from planning services and enforcement.
11. The board asked the Corporate Director Economy and Environment if they were confident that the £800k proposed saving from waste management transformation and £580k from a reduction in energy costs was achievable.

- The Corporate Director Economy and Waste explained that there had been a detailed analysis of the waste budget. The directorate had engaged in a detailed discussion with bidders about what could be delivered within the available budget envelope. The directorate was confident that it could deliver services within the set budget.
12. The board noted there was a perception among some, that environment was the ‘small e’ within the directorate. It was asked what commitments to reducing CO₂ emissions were in place, had there been any analysis of how much money was being committed to the environment side of things rather than the economy and was the directorate satisfied from the budget that the environmental commitments the council had made at a strategic level could be met.
- The Cabinet Member for the Environment explained that the council had to resource and deliver on statutory obligations and that the carbon reduction activity was an intrinsic piece of long-term work. There was an ‘invisibility’ about environmental work, as it appeared and ran through most areas of the council’s work - this made quantifying how much money was being spent on it difficult. It was stated that more resource to achieve environmental strategies would always be welcome, but as with other areas within the council, there was a requirement to work within the budgetary envelope.
13. The board heard that the ‘Scoot Highways System’ at Ref S9 was no longer being used and had not been used for some years. The system had been replaced by traffic sensors and its removal had not and would not impact highways or congestion.
14. In a response to a question regarding Ref S8 in the slides, the board heard that £250k coming from transfer of functions from Local Enterprise Partnership (LEP) was a transfer of budgets from LEP to the council. The associated funding would come with it and a joint committee would oversee the transfer of those functions.

Action: The board requested an update for the 16 January meeting on a recommendation made at the board’s November 2023 meeting regarding income and charging around parking.

Action: Regarding the potential for a structural deficit in terms of planning income, the board asked if evidence could be provided for the 16 January meeting to demonstrate and justify the income target that was set for planning.

Action: The board remained unclear about the specifics of the BBLP – Revision of Annual Plan works as set out in Ref S2 and requested additional detail on this be made available for the 16 January meeting

Action: The board requested that, to avoid confusion, when what was being presented was new or additional income, this should be represented in a way that shows it as income, and not as if it were a saving.

Corporate Services Directorate Delivery Plan 2024/25

Due to time constraints, the board agreed unanimously to defer this section of the item until the meeting of 16 January 2024.

41. 2024/25 CAPITAL INVESTMENT BUDGET

Due to time constraints the committee members voted unanimously to defer this item until the scheduled meeting of Tuesday 16 January 2024.

42. DATE OF THE NEXT MEETING

Tuesday 16 January 2024 2.00pm

43. APPENDIX A - PUBLIC QUESTIONS AND RESPONSES - SCRUTINY MANAGEMENT BOARD 10 JANUARY 2024

APPENDIX A

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| Questioner: | Mr Declan Hill |
| Scrutiny Meeting: | 10 January 2024 |
| Question: | |
| <p>I refer to Agenda Item 7, Appendix E (Economy & Environment Directorate Delivery Plan 2024/25), particularly page 3 which anticipates a concerning reduced income of £1.3 for Development Planning, which I assume to be the Development Management Team, one of the few departments in the Local Authority which usually brings in a small surplus to Council coffers and does not appear to account for the rise in Planning Fees which came into effect in December.</p> <p>Noting the widely-known predicament that the Development Management Service has been under for much of the last five/six years, could the SMB ascertain via the Cabinet Members for Planning and Finance whether the 'Proposed Saving' of 'Delete vacant permanent posts not currently occupied' includes that of Planning Officers? This is of considerable concern to an already overstretched department which lacks resources and staff at the best of times compared to adjoining Local Planning Authorities, seeing the ever considerable turnover of staff/advertisement of posts. Could a figure be provided as to current staffing levels by Area Team/Majors?</p> | |
| Response: | |
| <p>The planning income for 2023/24 is lower than forecast. However, due to wider economic circumstances there has been a national downturn in planning applications, particularly for larger housing schemes. The forecast includes an allowance for the increased planning fees which are set by government. It was anticipated that these increased fees would be introduced earlier in 2023/24. The national delays in introducing them has meant they could only be brought in from December 2023 for the final 4 months of the financial year. We can confirm that the savings related to 'Delete vacant permanent posts not currently occupied' does not include planning officers. Like all Local Authorities we have encountered difficulties in recruiting, however we are actively recruiting to three senior planning officer posts at the moment. The current levels of staffing in the Area and Major Teams is 17 FTEs.</p> <p>The council has recently focussed on clearing the 5 week backlog of applications awaiting validation. We are urgently exploring opportunities to seek additional capacity whilst we seek to recruit to current vacancies. However, we do now have a permanent Service Director responsible for planning in place, and we have recently appointed a permanent Head of Planning and Building Control due to join in the next 3 months bringing stability to the team. We have re-established a planning agent forum to help improve communications/ engagement and already have a planning improvement plan in place to help enhance the service over the coming months, which is overseen by an Improvement Board including the Leader, cabinet portfolio holder and chair of the planning committee.</p> | |

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| Questioner: | Ms Reid, Hereford |
| Scrutiny Meeting: | 10 January 2024 |
| Question: | |
| 'Appendix A: Savings Proposals recommended for 2024/25' includes the Children and | |

Young People directorate saving £2.5 million. One way of reducing costs would be to reduce the number of Section 47 enquiries. The Children’s Services Commissioner’s report (12/23) states:

“Section 47 enquiries continue to be significantly higher than the England average (180 per 10,000 children) and that of our Statistical Neighbours (158 per 10,000 children). Additional management oversight is being undertaken to ensure S.47 enquiries are proportionate and this has resulted in a steady decrease in the number of Section 47 enquiries from a rate of 520 (per 10,000 children) in March 2023, to a rate of 260 in July 2023.”

In what ways will the number of S47 enquiries be reduced during 2024-25 to a rate similar or lower than the council’s Statistical Neighbours so that they are proportionate?

Response:

Under section 47 of the Children Act 1989, the council has a duty to make enquiries if there is a reasonable cause to suspect that a child is suffering or is likely to suffer significant harm. Significant care needs to be taken to consider the number of section 47 enquiries as a potential cost saving matter or to set targets in respect of this.

It is recognised however that the higher rate of section 47 enquiries indicates a cautious approach and we are continuing to safely and robustly manage this process alongside our partners. This has resulted in a safe and steady reduction of the number of section 47 enquiries undertaken. The council and its partners are increasingly able to provide appropriate challenge where there appears to be a risk averse approach.

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| Questioner: | Mr Declan Hill, via email |
| Scrutiny Meeting: | 10 January 2024 |
| Supplementary Question: | |
| <p>There are valid planning applications already over government statutory timescales (eight weeks on day of validation) which haven’t even been allocated to a case officer, undermining confidence further in the development management team. What provision is going to be made for the requirement again for Herefordshire Council to likely to have to overspend on ‘Planning Consultants’ to clear the ever-growing backlog of Planning Applications in Herefordshire, given development managers reluctance to allocate to case officers likely due to their mental well-being. Has this been considered in the budget and does this need to be a catalyst for a re-ignited review of the service, particularly in light of the revolving door of ‘Interim’ Service Directors?</p> | |
| Response: | |
| <p>Herefordshire Council currently has a large number of live applications (over 650) awaiting determination, we have a number of vacant planning posts with a relatively high turnover, which like the majority of Local Authorities we have struggle to recruit to due to national shortages in people with the required skills. To address this the council has and continues to bring in additional short term external capacity such as consultants. We are currently recruiting 8 additional permanent planning posts, having successfully recruited a permanent Head of Planning and Building Control, who will take up their post in April, and a permanent Service Director. The council has a planning improvement plan in place, overseen by a Planning Improvement Board, which includes the Leader of the council, Deputy Leader/ Lead Cabinet Member for Planning, and Chair of the Planning Committee. On the 9th February as part of our annual budget setting, councillors also made a very significant investment in the planning and regulatory software system, which will also improve the service offer and efficiency.</p> | |

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| Questioner: | Ms Fiona Reid, delivered in person at meeting. |
| Scrutiny Meeting: | 10 January 2024 |
| <p>Supplementary Question: I do <i>not</i> consider that my public question has been satisfactorily answered. Many responses to public questions have <i>not</i> been satisfactorily answered or answered <i>late</i>. I shall give a few examples of numerous possible examples.</p> <p>My supplementary question to the 8 December 2023 Council meeting has still <i>not</i> been answered.</p> <p>I submitted a public question to the 14 December 2023 Cabinet meeting asking how many children are in care. But the Monitoring Officer rejected it claiming it was a Freedom of Information request.</p> <p>Members of the public voiced their dissatisfaction with responses to public questions to the Chief Executive on 8 December 2023.</p> <p>How will the Scrutiny Management Board ensure that from now on, public and councillor questions and supplementary questions are satisfactorily answered, by deadlines and in accordance with the Constitution?</p> | |
| <p>Response: The chair of the board thanked Ms Reid for her question and instructed the clerk of the committee to note the question and ensure it was considered by the committee when it next looked at its work programme.</p> | |

The meeting ended at 17:28 pm

Chairperson

Minutes of the meeting of the Scrutiny Management Board held in Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Tuesday 16 January 2024 at 2.00 pm

Committee members present in person and voting: Councillors: Jenny Bartlett (Vice-Chairperson), Ellie Chowns, Simeon Cole, Frank Cornthwaite, Pauline Crockett, Toni Fagan, Liz Harvey (Chairperson) and Louis Stark

Committee members participating via remote attendance: Councillor Richard Thomas

[Note: Committee members participating via remote attendance, i.e. through video conferencing facilities, may not vote on any decisions taken.]

Others in attendance: B Baugh (Democratic Services Officer), J Coleman (Democratic Services Manager), Councillor Barry Durkin (Cabinet Member Roads and Regulatory Services), Councillor Carol Gandy (Cabinet Member Adults, Health and Wellbeing), R Hart (Head of Strategic Finance), J Higgins (Governance Support Assistant), Councillor Jonathan Lester (Leader of the Council), A Lovegrove (Director of Resources and Assurance), A Pitt (Director of Strategy and Performance), Councillor Ivan Powell (Cabinet Member Children and Young People), A Rees-Glinos (Governance Support Assistant), Councillor Pete Stoddart (Cabinet Member Finance and Corporate Services), Councillor Elissa Swinglehurst (Cabinet Member Environment), P Walker (Chief Executive) and D Webb (Statutory Scrutiny Officer)

[Note: [Click here for the link to the agenda and to the video recording of this meeting](#); the links provided were correct at the time of publication of this minutes document]

43. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillor Bruce Baker.

44. NAMED SUBSTITUTES

There were no named substitutes.

45. DECLARATIONS OF INTEREST

No declarations of interest were made.

46. MINUTES

It was noted that the minutes of the meeting held on 10 January 2024 would be submitted to the next scheduled meeting for approval.

47. QUESTIONS FROM MEMBERS OF THE PUBLIC

A document containing a question received from a member of the public and the response given, plus a supplementary question and the response given, is attached at Appendix 1 to the minutes.

The board briefly discussed the need for reports to be made available within the required timescale before each scrutiny meeting in public, in accordance with the council's Constitution [paragraph 4.2.8, Access to agenda and reports before the meeting], to ensure that councillors had all the information needed to inform their discussions. The Chief Executive said that the circumstances surrounding the late publication of papers would be followed up with officers.

48. QUESTIONS FROM COUNCILLORS

No questions had been received from councillors.

49. 2024/25 CAPITAL INVESTMENT BUDGET AND 2024/25 DRAFT BUDGET - REVENUE

It was noted that consideration of the '2024/25 Capital Investment Budget' item and the 'Corporate Services Directorate Delivery Plan 2024/25' element of the '2024/25 Draft Budget – Revenue' had been deferred at the board meeting held on 10 January 2024.

Further documents published for the current meeting included: the 'Medium Term Financial Strategy 2024/25 to 2027/28'; 'Treasury Management Strategy 2024/25'; and 'Earmarked Reserves and General Fund Balance forecasts to 31 March 2024'.

The principal points of the discussion are summarised below.

2024/25 Capital Investment Budget

The documents for this item were published within the agenda for 10 January 2024 and are also available through this link: [2024/25 Capital Investment Budget](#)

The Cabinet Member Finance and Corporate Services responded to questions from board members, the key points included:

- i. Schools Accessibility Works [10 January 2024 agenda, page 97]: It was confirmed that access needs were identified each year which could result in capital costs for accessibility works.
- ii. Children's Residential Homes for 11 to 18 year olds [10 January 2024 agenda, page 99]: The board was advised that the identified revenue budget implications had been included in the revenue budget proposals 2024/25.
- iii. Property Improvements in Care Homes [10 January 2024 agenda, page 107]: The need to raise awareness about council assets was acknowledged.

The Chairperson:- drew attention to the information available on the council's website [[link to the council land and property assets webpage](#)]; suggested that future business cases should make it clear where investments were being made in council-owned property, to meet repairing lease responsibilities, or to meet other legal obligations; and, referring to best practice identified to board members during Treasury Management Training provided by Link Group, requested assurance that appropriate levels of detail (such as legal power, evidence of robust option appraisal work, sensitivity analysis outcomes, impact on resources, skill-sets of external consultants, and any material risks) were made available for each line of the capital programme, and for the proposed additions, before spending was sanctioned on any individual project.

The Cabinet Member Finance and Corporate Services accepted that additional

information could have been included in this Outline Business Case and said that full details would be included in the Full Business Case.

In response to a comment from a board member that the absence of a County Plan beyond 2024 made it difficult to understand the need for certain expenditure, the Cabinet Member Finance and Corporate Services advised that the County Plan 2024-2028 was in development and the Delivery Plan would include financial lines.

- iv. Prudential borrowing [10 January 2024 agenda, page 90, paragraph 17]: Clarifications were provided about how capital schemes would be financed from prudential borrowing through to 2027/28. It was reported that this approach was factored into the Medium Term Financial Strategy.

A board member expressed concern that this could limit the capacity to borrow in future years.

The Chairperson re-iterated that the lack of a County Plan for the next period fettered the ability of the board to see the full context of the proposals. The Cabinet Member Finance and Corporate Services, referencing the discussion at the board meeting on 21 November 2023 [[minute 30 of 2023/24 refers](#)], said that the County Plan would be delivered as quickly as possible. The Chairperson noted that the board had recognised the need for meaningful consultation and had expected the plan to be considered by Council in March 2024, but the administration had indicated subsequently that the plan would not be presented until the Annual Meeting of Council in May 2024.

Medium Term Financial Strategy 2024/25 to 2027/28 (MTFS)

This document was published in Supplement 1 to the agenda for 16 January 2024 and it is also available through this link: [Medium Term Financial Strategy 2024/25 to 2027/28](#)

The key points of the discussion included:

1. In response to a question, the Chief Executive provided an overview of the involvement of the Corporate Leadership Team in constructing the MTFS, guided by the Director of Finance and Resources and informed by key assumptions, with a focus on balancing the budget for 2024/25.
2. A board member expressed concern about the level of revenue budget savings that had to be made by the Economy and Environment Directorate, particularly as this could have an impact on services accessed by most residents. The Cabinet Member Finance and Corporate Services said that the executive recognised this concern but emphasised the range of services which were required to be undertaken under statutory duties by the Children and Young People Directorate and by the Community Wellbeing Directorate.

The Chief Executive commented on external funding that had been secured, investments through the capital programme, and additional resource and capacity to support growth in the economy.

The Cabinet Member Finance and Corporate Services said that Cabinet and the Corporate Leadership Team had worked together to set a balanced budget and the council was in a better position than in many other local authorities.

The Leader of the Council drew attention to: capital investment in road resurfacing; and additional investment in the Children and Young People Directorate, aligned to support the delivery of the Improvement Plan for Children and Families.

3. The Chairperson made reference to: the Medium Term Financial Strategy (MTFS) 2023/24 – 2026/27, approved by Council on 10 February 2023 [[link to the MTFS 2023/24 - 2026/27](#)], which identified ‘Whilst a balanced budget is proposed for 2023/24, there is a total funding gap of almost £16m over the period from 2024/25 to 2026/27 and this must be addressed through future reductions in spending, savings or transformation of services.’; Council Tax premiums on second homes and empty properties which had been approved by Council in principle [[minute 53 of 2022/23 refers](#)]; and Annex B of the MTFS 2024/25 to 2027/28 which showed funding from ‘Council tax (second homes premium)’ of £6.431m in 2025/26 and £6.560m in 2026/27, and a surplus of £1.879m in 2025/26 and a gap to be funded of £1.916m in 2026/27.

In response to questions, the Director of Resources and Assurance advised that: the draft settlement received in December 2023 was for one year only and the funding projections for future years were estimates based on information received from civil servants; and it was reported that the Levelling Up and Regeneration Act 2023, including discretionary options for the application of Council Tax premiums, received Royal Assent in October 2023 and a further report would be considered by Council to confirm the council’s policy [[link to the meeting page for 9 February 2024](#)].

In response to further questions, the Director of Resources and Assurance commented on dialogue with other councils, that guidance was awaited on the definition of second homes, and on the work being undertaken to identify such properties.

4. In response to questions from the Vice-Chairperson about differences between the key financial risks and mitigating actions table in paragraph 61 [agenda for 10 January 2024, page 18] and Table 4 (Key financial risks) of the MTFS 2024/25 to 2027/28 [supplement 1 for 16 January 2024, page 8], the Head of Strategic Finance said that: the mitigating action for the key financial risk ‘Not delivering required improvements’ had been updated following the discussion at previous board meeting; and ‘Dedicated Schools Grant’ was referenced in the MTFS only, as it expanded on risks which were relevant over the medium term.

The Chairperson acknowledged that officers were working hard to provide the most up-to-date picture but noted that it would be helpful if changes or differences could be highlighted in key documents.

5. Referring to Table 2 (Key assumptions by budget area) of the MTFS 2024/25 to 2027/28 [supplement 1 for 16 January 2024, page 6], the Chairperson questioned why ‘Contract inflation’ assumptions appeared to mirror the consumer prices index (CPI), rather than the averaging of inflationary assumptions for the different directorates as reflected in the previous MTFS. In response, the Director of Resources and Assurance said that the planning assumptions were considered robust, informed by expert advice and sensitivity analysis.
6. The Chairperson highlighted that responses were awaited to a number of recommendations made to the executive in relation to income and charging, as identified at the board meetings on 7 November 2023 [[minute 18 of 2023/24 refers](#)] and on 21 November 2024 [[minute 31 of 2023/24 refers](#)], and requested that these be provided for Cabinet and Council. The Cabinet Member Finance and Corporate Services acknowledged this request.
7. In response to a question from a board member about the monitoring and reporting of savings delivery, the Chief Executive advised that: the Corporate Leadership

Team received monthly reports; review meetings were held weekly with the Chief Executive, the Director of Resources and Assurance, and the relevant corporate director; and there had been regular 'star chambers', involving the relevant cabinet member, during recent months to consider in-year positions and the proposals for 2024/25.

Referring to Annex B of the MTFS 2024/25 to 2027/28, a board member questioned whether the 'Savings, efficiencies & mitigations' of £20.035m in 2023/24 and £24.941m in 2024/25 would be achieved. The Chief Executive commented that: the external auditor had issued an unqualified audit opinion for 2022/23; and, except for Children's Services during 2023/24, there was commitment by the corporate directors to deliver the level of savings required.

8. The Chairperson expressed concern that savings had not been delivered in respect of children's services, despite the assurances provided by officers during 2023/24 budget setting, and questioned whether the 'Children's Three Year Plan' proposed savings of £2.503m in 2024/25 would be deliverable. In response, the Cabinet Member Finance and Corporate Services commented that the increased demand on services was not unique to this council and children's services was being given the highest priority by the administration.

The Leader of the Council reminded the board of the contributions made by the Corporate Director Children and Young People at the previous board meeting, including steps being taken in terms of improvement that were leading to savings.

The Cabinet Member Children and Young People commented on: the Report of the Children's Services Commissioner in Herefordshire on progress and next steps, due to be considered by the Children and Young People Scrutiny Committee [[link to the meeting page for 23 January 2024](#)]; ongoing work on the delivery of improved outcomes for children, including demand reduction in a number of areas; the challenges associated with the higher rate of looked after children in Herefordshire compared to the national rate or those of 'statistical neighbour' local authorities; and other challenges in relation to recruitment and retention, and SEND (Special Educational Needs and Disability) transport services.

The Chairperson emphasised the need to demonstrate a track record of starting to deliver savings in this portfolio area before the end of the financial year 2023/24 to provide assurance to Cabinet and Council around the robustness of budget estimates for 2024/25. The Cabinet Member Children and Young People considered that the right metrics were in place and would discuss this with Corporate Director.

The Chief Executive said that: conversions from agency to permanent posts were starting to be made; it was hoped that trajectories would be shown in Q3 of 2023/24 but this was predicated on appointments having been made before the end of the reporting period; and evidence had been provided to the Children and Young People Directorate Budget Task and Finish Group which supported the integrity of the Three Year Plan and the commitment to deliver savings.

In response to a question about confidence in the collection and accuracy of the data in terms of staffing levels, the Chief Executive noted the potential for this matter to form the basis of a recommendation in the Task and Finish Group report.

9. A committee member commented on the need for clear language within council documents and, as an example, requested that the wording be clarified for the key assumptions against 'Council tax' in Table 2 of the MTFS 2024/25 to 2027/28.

Corporate Services Directorate Delivery Plan 2024/25

This document was published within the agenda for 10 January 2024 and is also available through this link: [Corporate Services slide pack](#)

The key points of the discussion included:

- i). The treatment of legal services activity within the budget for Corporate Services was explored, including in relation to children's services and the Programme Management Office. The Chairperson said that, depending on where and when the costs fell, this could obscure the full costs associated with service delivery in the directorate areas.

The Cabinet Member Finance and Resources outlined the intention to embed project managers within individual service areas.

- ii). With reference made to 'Corporate Services 2024-2025 Pressures', 'P3 – Cross Directorate Virements' [10 January 2024 agenda, page 79], the Head of Strategic Finance advised that this showed movement associated with the transfer of services. The Director of Resources and Assurance said that a breakdown could be provided.
- iii). In response to a comment about the identified £1.2m overspend in relation to the Programme Management Office [10 January 2024 agenda, page 77], the Director of Resources and Assurance said that this reflected the situation as at Q2, there had been some improvement, elements had been recharged to relevant projects, and further explanation would be provided in the Q3 report to Cabinet.
- iv). With reference made to the identified £1.0m overspend in relation to the Transformation Programme, assurance was sought that the proposed saving of £2.6m associated with 'S2 - Transformation: Thrive Programme Savings' [10 January 2024 agenda, page 84] could be achieved.

In response to questions: the Cabinet Member Finance and Corporate Services advised that the programme sought to structure the organisation to deliver more innovative, effective and efficient services over the next three to four years, and this involved upfront costs; the Director of Strategy and Performance outlined the invest to save approach; and the Chief Executive acknowledged that savings had not come through as quickly or in the format as originally planned, and that consideration may need to be given to a more appropriate way to present the investment made and when savings would be delivered.

- v). Questions were asked about the proposed saving of £2.142m associated with 'S6 – Reduction in Hoople SLA contract value and workforce service reviews' [10 January 2024 agenda, page 31]. The Cabinet Member Finance and Corporate Services, noting that the council was the major shareholder, said that Hoople would provide the same services for less money, albeit some services may be delivered slightly differently. The Director of Resources and Assurance highlighted that the proposed saving was based on reduce (£610k) and transform (£1.532m), and commented on the potential of online self-service by customers and automated systems to transform a range of activities.
- vi). Questions were asked about the proposed saving of £4.5m associated with 'S1 – Mutual Early Resignation Scheme 2024 (MERS24)' [10 January 2024 agenda, page 32]. The responses included:
 - The Cabinet Member Finance and Corporate Services commented on the

linkage to transformation and confirmed that applications for MERS would not be accepted for critical posts.

- The Chief Executive outlined the consultation undertaken with the trade unions, said that expressions of interest and applications had been received, outlined the next steps, and confirmed that successful applications would result in staff finishing employment before 31 March 2024.
 - The Chief Executive said that the window for applications under MERS24 would need to close before the full position became clear.
 - The Cabinet Member Finance and Corporate Services emphasised that this was a voluntary resignation scheme, not redundancies.
 - The Director of Resources and Assurance advised that Hoople were not planning any redundancies; the council's Workforce and Organisation Development Strategy would help to manage change and wellbeing support was available to staff; and it was acknowledged that the council would be smaller as a result, reflecting the reality of the financial situation for all councils.
- vii). There was further discussion about Annex B of the MTFS 2024/25 to 2027/28 and the implications of reducing the size of the council given the identified 'Growth – Demand & Pressures'. The Director of Resources and Assurance commented on the set of assumptions for future years and drew attention to sensitivity analysis outlined in paragraph 5.2 [supplement 1 for 16 January 2024, page 7]. The Cabinet Member Finance and Corporate Services re-iterated that critical posts were not eligible to apply for MERS, including certain posts in social care and planning, and that the transformation programmes would help the council to manage potential growth in demand.

The Chairperson drew attention to the 'Growth – Demand & Pressures' of £32.018m in 2023/24, £35.278m in 2024/25, and £15.475m in 2025/26. The Cabinet Member Finance and Corporate Services said that best practice from across government was being used to inform the projections.

- viii). In response to a question about the provision made by the previous administration to support the hardest hit households, the Cabinet Member Finance and Corporate Services confirmed that there was no planned change. The Chairperson suggested that the level of funding should be made overt to provide confidence to Council.
- ix). In response to a question, the Cabinet Member Finance and Corporate Services confirmed that the proposed saving of £4.5m associated MERS was a gross figure and there were no proposals to increase staff.

Treasury Management Strategy 2024/25

This document was published within the agenda for 16 January 2024 and is also available through this link: [Treasury Management Strategy 2024/25](#)

The key points of the discussion included:

- 1). The Chairperson drew attention to: the Treasury Management Strategy (TMS) 2023/24 – 2026/27, approved by Council on 10 February 2023 [[link to the TMS 2023/24 - 2026/27](#)], which identified indicative 2023/24 Minimum Revenue Provision (MRP) charge of £11.151m for 2023/24 and estimated council borrowing as at 31 March 2024 of £165.2m; and the TMS 2024/25 [agenda for 16 January 2024, page 23, paragraph 3.9] which stated 'The council borrowing is forecast to

be £119.4 million at 31 March 2024. This is expected to increase to £162.4 million by 31 March 2025. The estimated movement of £43.0 million in 2024/25 is represented by additional prudential borrowing to fund capital spend of £52.3 million less £9.3 million Minimum Revenue Provision (MRP) charge.'

The Director of Resources and Finance provided clarifications about the methodology for MRP, noted that capital expenditure had been lower partly due to slippage, and said that a breakdown could be provided.

- 2). Referring to Table 5 (Estimates of capital expenditure and funding) in Annex C of the TMS 2024/25 [agenda for 16 January 2024, page 27], a committee member expressed concerns about: the increase in capital expenditure from the forecast of £68.873m in 2023/24 to the estimate of £156.373m in 2024/25; and the increase in prudential borrowing from the forecast of £17.860 in 2023/24 to the estimate of £52.320m in 2024/25. With attention also drawn to Table 10 (Ratio of financing costs to net revenue stream) [page 30], concerns were also expressed about risks associated with the increase in total financing costs from the forecast of £13.191m in 2023/24 to the estimates of £15.151m in 2024/25, £17.903m in 2025/26, and £19.408m in 2026/27.

The Cabinet Member Finance and Corporate Services commented that the level of borrowing was significantly lower than in many other unitary authorities and there were indications of a downward trend in interest rates. The Director of Resources and Finance confirmed that existing loans were at fixed interest rates, and this was recommended for future borrowings.

Earmarked Reserves and General Fund Balance 01 April 2022 to 31 March 2024

This document was published within supplement 1 for 16 January 2024 and is also available through this link: [Earmarked Reserves and General Fund Balance](#)

The key points of the discussion included:

- The Chairperson commented on the need for an indication about how the '2023/24 Q2 forecast outturn before management actions' of £13.8m, principally in relation to the Children and Young People Directorate (£11.8m), was proposed to be funded using the council's reserves. The Cabinet Member Finance and Corporate Services said that the position would be looked at in Q4, as part of routine financial management. The Chairperson considered that a forecast should be provided as part of the evidence supporting the budget.
- Clarity was sought about 'Unused grants carried forward' and whether any were time sensitive. The Director of Resources and Assurance said that a breakdown could be provided; it was reported that further capital grant of £1.8m had been announced during the previous week.
- In response to a question, the Director of Resources and Assurance provided an overview of representations made in respect of the Provisional Local Government Finance Settlement and said that adjustments would be reported to Cabinet [[link to the meeting page for 25 January 2024](#)].
- In response to a question, the Director of Resources and Assurance reported that the council was following the statutory guidance on the treatment of high needs deficits in relation to Dedicated Schools Grant and, as this was an issue for most councils in England and Wales, a solution was awaited from the government.

Potential actions and recommendations

At the conclusion of the debate, the Statutory Scrutiny Officer displayed potential actions and recommendations, as identified by board members during the 10 January 2024 meeting, and the board discussed amendments and additions to the list.

- a) Reinstatement of the publication of the 'Public Local Account' for adult social care to inform the public as to the way that adult social care funding was spent annually by the council.
- b) There should be greater promotion to aid public understanding of funding arrangements for adult social care.
- c) Assurance be provided as to the approach to develop the relationship with self-funders in the county, with more systematic review of self-funders coming to a point where they could no longer support their own care packages and were likely to fall into the council's responsibility. [Information to be provided to the Health, Care and Wellbeing Scrutiny Committee]
- d) Consideration be given to the Children and Wellbeing Scrutiny Committee and the Health, Care and Wellbeing Scrutiny Committee working together to look at early help provision, Talk Community and prevention.
- e) The funding for all-age commissioning, rather than being wound into the budget for adult social care, be retained as a discrete line in the budget.
- f) There is clarity in terms of the ring-fenced element of council tax for adult social care, as reflected in Annex B to the MTFs 2024/25 to 2027/28.
- g) Greater clarity be provided on SEND transport, including how the pipeline was understood and managed. [Information to be provided to the Children and Young People Scrutiny Committee]
 - Evidence be provided justifying income targets within the planning service, and mapping of income to support services and how they manage that in-year. [The final wording is shown in the resolution below]
 - More detail be provided on the proposed savings with the Balfour Beatty Living Places contract, including clarity about how the £450k savings would be set out against the services in the Annual Plan. [The final wording is shown in the resolution below]
- h) The Environment and Economy Directorate S8 saving (Transfer of functions from the Local Enterprise Partnership (LEP)) should be presented as income rather than as a saving.
- i) The presentation of all the directorate savings be sense checked to ensure that they reflect how the savings were going to be delivered against the financial quarters.

Arising from a point made during the current meeting, the Chairperson noted the request that:

- j) Confirmation be provided that the best practice points, identified in the training provided by Link Group, were being followed for all business cases.

There was a short adjournment to enable the board to consider other potential actions and recommendations arising from the discussion at this meeting.

In addition to discussing draft recommendations, the following points were re-iterated:

- k) The need for officers to be reminded that reports had to be made available within the required timescale before each scrutiny meeting in public.
- l) The need for the wording be clarified for the key assumptions against 'Council tax' in Table 2 of the MTFS 2024/25 to 2027/28.

The meeting recommenced, the draft recommendations were read out by the Statutory Scrutiny Committee, and the following resolution was agreed by the board.

Resolved: That it be recommended to the executive that:

1. **Income and charging detail is provided for services in each directorate;**
2. **Investment in and level of targeted support is made clear in the budget;**
3. **Evidence is provided justifying income targets within the planning service;**
4. **There is ongoing monitoring of performance in areas where MERS savings were taken for the 2024-25 financial year;**
5. **Council to be provided with more detail on the proposed savings with regard to the Balfour Beatty Living Places contract;**
6. **For the administration to provide a forecast of where they are minded to adjust earmarked and general reserve lines to deliver the required £13.8 million to cover the overspend forecast at quarter 2 in children's services; and**
7. **To provide further evidence to give confidence that the savings of £2.5 million in Children and Young People directorate are deliverable, from Q3 and Q4 2023-24.**

50. CHILDREN AND YOUNG PEOPLE DIRECTORATE BUDGET TASK AND FINISH GROUP

This agenda item was referred to the Children and Young People Scrutiny Committee [[link to the meeting page for 23 January 2024](#)].

51. DATE OF THE NEXT MEETING

The date of the next scheduled meeting was confirmed as Tuesday 19 March 2024, 2.00 pm.

The meeting ended at 5.55 pm

Chairperson

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| Questioner: | Ms Reid, Hereford |
| Question: | |
| <p>I note that at 9.20am on 11 January 2024 the following documents are not available on the webpage of the 16 January 2024 Scrutiny Management Board meeting:</p> <ul style="list-style-type: none"> • Children and Young People Directorate Budget Task and Finish Group report • Medium Term Financial Strategy 2024/25 to 2027/28 report • Earmarked Reserves and General Fund Balance forecasts to 31 March 2024 report <p>I understand that reports should be available one week before the relevant meeting.</p> <p>I intended to ask a public question in respect of the Children and Young People Directorate Budget Task and Finish Group report. However, the deadline for public questions is 9.30am on 11 January 2024.</p> <p>How will the Scrutiny Management Board ensure that in the future reports etc are available on time before meetings?</p> | |
| Response: | |
| <p>The Local Government Act requires Herefordshire Council to give five clear working days' notice of a meeting of a constituted committee such as Scrutiny Management Board. It also requires Herefordshire to ensure than any reports to be considered at a committee meeting to be made available to the public at the same time as committee members.</p> <p>Scrutiny Management Board ensures that it receives reports in time for meetings through regular planning sessions between the chair and supporting officers. This process is mostly successful in ensuring timely publication of reports.</p> <p>The timetable for scrutiny of the budget setting process is impacted by release of financial settlement information to councils by central government. This compresses the time frame for the production of documentation to a greater extent than is usual for committees. In such situations, Herefordshire Council instead publishes reports at the earliest possible opportunity before the meeting.</p> <p>The consequence of this is that it has not been possible to publish all supporting reports five clear days before the budget scrutiny meeting. This impacts on committee time to prepare and also upon the ability of the public to submit questions to scrutiny. This is unfortunate.</p> <p>The final version of the budget documentation pack will go to cabinet and to full council and will be available at both meetings for the public and councillors to submit written questions.</p> <p>In March Scrutiny Management Board will be reviewing learning from this year's process as part of developing a full year cycle of budget scrutiny work and will seek to reduce the impact that external factors have upon the role of scrutiny and upon the public's ability to engage with the democratic and governance process.</p> | |

Supplementary question:

Firstly, occasionally in the past information requests from the Children and Young People Scrutiny Committee have not been timely dealt with.

In my public question, I pointed out the report entitled Children and Young People Directorate Budget Task and Finish Group was not on this meeting's webpage on 11 January 2024. At 1pm today, it is still not on the meeting's webpage.

I notice the matter is also on the agenda of the Children and Young People Scrutiny Committee on Tuesday 23 January 2024 but the report is not on that meeting's website as at 1pm today. Therefore, I understand that the report is late for that meeting.

In what ways, will the Scrutiny Management Board ensure that in the future reports etc are available on time before its own meetings and other council meetings?

Response to supplementary question:

Thank you for your question. Yes, it is unfortunate that some of the meeting papers for today's meeting were delivered late. Unfortunately, it is a function of putting the budget together this time of year, and over the Christmas and New Year period, there is a lot of work to get through and it does make it a struggle to provide the information in a timely fashion to be published as part of the agenda.

You're right, we were planning on having the Children and Young People Directorate Budget Task and Finish Group report coming to this meeting but, similarly, we've faced difficulties getting the report completed and approved, which is why it's been placed on the agenda for the Children and Young People Scrutiny Committee next week to take it directly rather than it coming back through Scrutiny Management Board.

The hope and expectation is that we will have the report published before the weekend, so that committee members and the public have the weekend and Monday to look at it but, unfortunately, it is likely therefore also to be outside of the timeframe for receipt of public questions. I don't know whether there's any scope to do anything about that. It would be unfortunate if it was going to miss the public opportunity to submit questions on the back of it twice but I will look into that and, if there is any way of being able to accommodate public questions on this, we'll make it clear one way or the other when the report is published but thank you for your question.

It is the intention of this committee to look at the whole cycle of budget scrutiny at our March meeting for the coming year and to make recommendations, in terms of how we can try and reduce the time pressures that are created during the budgeting process, in order to both improve public engagement but also reduce the pressures on officers and members in terms of being able to undertake thoughtful development of the budget and an appropriate level of scrutiny. Any public comment and suggestions associated with that would be welcome ahead of our meeting.

I just apologise that we haven't got the report to this meeting and that it's going to be late to Children's also.