

Agenda

Cabinet

Date: Thursday 30 September 2021

Time: 2.30 pm

**Place: Herefordshire Council Offices, Plough Lane, Hereford,
HR4 0LE**

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

Sarah Buffrey

Tel: (01432) 260176

Email: sarah.buffrey@herefordshire.gov.uk

If you would like help to understand this document, or would like it in another format, please call Sarah Buffrey on (01432) 260176 or e-mail sarah.buffrey@herefordshire.gov.uk in advance of the meeting.

Agenda for the meeting of Cabinet

Membership

Chairperson	Councillor David Hitchiner, Leader of the Council
Vice-Chairperson	Councillor Liz Harvey, Deputy Leader of the Council
	Councillor Felicity Norman
	Councillor Ellie Chowns
	Councillor Gemma Davies
	Councillor John Harrington
	Councillor Diana Toynbee
	Councillor Ange Tyler

Agenda

	Pages
1. APOLOGIES FOR ABSENCE To receive any apologies for absence.	
2. DECLARATIONS OF INTEREST To receive declarations of interests in respect of Schedule 1, Schedule 2 or Other Interests from members of the committee in respect of items on the agenda.	
3. MINUTES To approve and sign the minutes of the meeting held on 16 September 2021.	11 - 18
HOW TO SUBMIT QUESTIONS <i>The deadline for submission of questions for this meeting is:</i> 9:30am on Monday 27 September 2021. Questions must be submitted to councillorservices@herefordshire.gov.uk . Questions sent to any other address may not be accepted. Accepted questions and the response to them will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at https://www.herefordshire.gov.uk/getinvolved	
4. QUESTIONS FROM MEMBERS OF THE PUBLIC To receive questions from members of the public.	
5. QUESTIONS FROM COUNCILLORS To receive questions from councillors.	
6. REVISION OF CAPITAL PROGRAMME BUDGET FOR PRIORITY FLOOD WORKS To consider recommendations from General Scrutiny Committee regarding the proposed capital programme realignment and recommend to council in year adjustments to the capital programme to allow the realignment of capital spend to priority flood projects that require the reallocation of budget.	19 - 26
7. UPDATE ON THE IMPROVEMENT PROGRAMME WITHIN THE CHILDREN AND FAMILIES DIRECTORATE FOLLOWING PUBLICATION OF OFSTED FOCUSED VISIT JULY 2021 To update Cabinet on the outcome of the Ofsted focus visit on 7 - 8 July 2021 and progress to date of the improvement programme.	27 - 38
8. Q1 BUDGET & PERFORMANCE REPORT To review performance for Quarter 1 2021/22 and the final budget outturn for the year.	39 - 90
9. ANNUAL REVIEW OF EARMARKED RESERVES To note and review the reserves held by the council.	91 - 96

The Public's Rights to Information and Attendance at Meetings

In view of the continued prevalence of covid-19, we have introduced changes to our usual procedures for accessing public meetings. These will help to keep our councillors, staff and members of the public safe.

Please take time to read the latest guidance on the council website by following the link at www.herefordshire.gov.uk/meetings and support us in promoting a safe environment for everyone. If you have any queries please contact the Governance Support Team on 01432 261699 or at governancesupportteam@herefordshire.gov.uk

We will review and update this guidance in line with Government advice and restrictions. Thank you for your help in keeping Herefordshire Council meetings safe.

You have a right to:

- Attend all Council, Cabinet, Committee and Sub-Committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting. Agenda and reports (relating to items to be considered in public) are available at www.herefordshire.gov.uk/meetings
- Inspect minutes of the Council and all committees and sub-committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees. Information about councillors is available at www.herefordshire.gov.uk/councillors
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title. Information about councillors is available at www.herefordshire.gov.uk/councillors
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, Committees and Sub-Committees and to inspect and copy documents.

Recording of meetings

Please note that filming, photography and recording of this meeting is permitted provided that it does not disrupt the business of the meeting.

Members of the public are advised that if you do not wish to be filmed or photographed you should let the governance services team know before the meeting starts so that anyone who intends filming or photographing the meeting can be made aware.

The reporting of meetings is subject to the law and it is the responsibility of those doing the reporting to ensure that they comply.

The council may make a recording of this public meeting or stream it live to the council's website. Such recordings form part of the record of the meeting and are made available for members of the public via the council's web-site.

Public transport links

The Herefordshire Council office at Plough Lane is located off Whitecross Road in Hereford, approximately 1 kilometre from the City Bus Station.

The location of the office and details of city bus services can be viewed at:

<http://www.herefordshire.gov.uk/downloads/file/1597/hereford-city-bus-map-local-services->

Guide to Cabinet

The Executive or Cabinet of the Herefordshire Council consists of a Leader and Deputy Leader and six other Cabinet Members each with their own individual programme area responsibilities. The current Cabinet membership is:

Cllr David Hitchiner (Leader) (Independents for Herefordshire)	Corporate Strategy and Budget
Cllr Liz Harvey (Deputy Leader) (Independents for Herefordshire)	Finance, Corporate Services and Planning
Cllr Diana Toynbee (The Green Party)	Children's and Family Services, and Young People's Attainment
Cllr Gemma Davies (Independents for Herefordshire)	Commissioning, Procurement and assets
Cllr Ellie Chowns (The Green Party)	Environment and Economy
Cllr Felicity Norman (The Green Party)	Health and Adult Wellbeing
Cllr Ange Tyler (Independents for Herefordshire)	Housing, regulatory services, and community safety
Cllr John Harrington (Independents for Herefordshire)	Infrastructure and Transport

The Cabinet's roles are:

- To consider the overall management and direction of the Council. Directed by the Leader of the Council, it will work with senior managers to ensure the policies of Herefordshire are clear and carried through effectively;
- To propose to Council a strategic policy framework and individual strategic policies;
- To identify priorities and recommend them to Council;
- To propose to Council the Council's budget and levels of Council Tax;
- To give guidance in relation to: policy co-ordination; implementation of policy; management of the Council; senior employees in relation to day to day implementation issues;
- To receive reports from Cabinet Members on significant matters requiring consideration and proposals for new or amended policies and initiatives;
- To consider and determine policy issues within the policy framework covering more than one programme area and issues relating to the implementation of the outcomes of monitoring reviews.

Who attends cabinet meetings?

	Members of the cabinet, including the leader of the council and deputy leader – these are the decision makers, only members of the cabinet can vote on recommendations put to the meeting.
	Officers of the council – attend to present reports and give technical advice to cabinet members
	Chairpersons of scrutiny committees – attend to present the views of their committee if it has considered the item under discussion
	Political group leaders attend to present the views of their political group on the item under discussion. Other councillors may also attend as observers but are not entitled to take part in the discussion.

The Seven Principles of Public Life (Nolan Principles)

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Herefordshire Council

Minutes of the meeting of Cabinet held at Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Thursday 16 September 2021 at 2.30 pm

Present: **Councillor David Hitchiner, Leader of the Council (Chairperson)**
 Councillor Liz Harvey, Deputy Leader of the Council (Vice-Chairperson)
 Councillors Felicity Norman, Ellie Chowns, John Harrington and Diana Toynbee

Cabinet support
members in attendance

Councillors John Hardwick

Group leaders and
representatives in
attendance

Councillors Bob Matthews, Jonathan Lester and William Wilding

Scrutiny chairpersons in
attendance

Councillors Elissa Swinglehurst and Jonathan Lester

Other councillors in
attendance:

Councillors David Summers

Officers in attendance:

Chief Executive, Acting deputy chief executive - solicitor to the council,
Acting deputy chief executive - chief finance officer, Acting Director for
Adults and Communities, Interim Assistant Director Corporate Parenting,
Children in Care and Fostering and Adoption and Acting Assistant Director
for Regulatory, Environment and Waste Services

35. APOLOGIES FOR ABSENCE

Apologies were noted from Cllr Davies and Cllr Tyler.

36. DECLARATIONS OF INTEREST

None.

37. MINUTES

Resolved: **That the minutes of the meetings held on 22 July and 29 July 2021 be approved as a correct record and signed by the Chairperson.**

38. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 3 - 6)

Questions received and responses given are attached as appendix 1 to the minutes.

39. QUESTIONS FROM COUNCILLORS (Pages 7 - 8)

Questions received and responses given are attached as appendix 2 to the minutes.

40. ENVIRONMENTAL BUILDING DESIGN STANDARDS

The cabinet member environment and economy introduced the report. She explained that she and the cabinet member for housing, regulatory services and community safety had been working with officers and experts for a number of months to put together these standards. She further explained that this document would relate to housing that the council planned to build itself. A separate process was under way to put together a supplementary planning document (SPD) on building standards which would apply to all housing across the county. There would be wide consultation on the SPD in the future.

It was proposed that paragraph 7 in the covering report be removed as this was duplicated by information further on in the resource implications section. Achieving Passivhaus standard in building design was slightly more expensive but costs were coming down and these design standards would be a consideration for any individual sites that subsequently came forward, alongside other considerations.

Cabinet members welcomed the report and noted the importance of housing being affordable to run as well as to purchase. It was hoped the council's approach would encourage other builders to achieve similar standards.

It was noted that the government was consulting on future homes standards but this was not expected to be in place for some time and other councils were also pushing ahead with adopting similar standards.

Group leaders were generally supportive of the proposals and it was noted in discussion that:

- The proposals link to the council's work to address fuel poverty;
- There would also need to be investment in retrofitting existing housing stock;
- The need to position houses in places that did not exacerbate flooding would be included in the SPD and the cabinet member environment and economy would ensure this was done;
- There was a modest additional cost to achieving these standards, but the cost of retrofitting properties was much greater and the finances did stack up when the whole life cost was taken into account;
- The quality of landscaping around the properties was important;
- The council was lobbying for national changes through a number of networks;
- The standards were designed to allow flexibility for individual sites and set outcomes to be achieved rather than specific methods to be used.

It was unanimously resolved that:

- (a) The Herefordshire Future Homes report be approved; and**
- (b) The recommendations in the report are adopted as the recognised standards for future housing developments and retrofit work undertaken by the council with the removal of paragraph 7 of the covering report.**

41. VARIATION TO WEST MERCIA ENERGY JOINT AGREEMENT

The cabinet member finance, corporate services and planning introduced the item. She explained the role of West Mercia Energy and the reasons for recommending the amendment to the formula. Despite the revised formula being slightly to the detriment of Herefordshire council, it would be a better way of distributing any surplus in the long term and protected each of the member councils from changes in the way other member councils engaged with WME in the future.

Group leaders were supportive of the proposed changes.

It was unanimously resolved that:

- a) The West Mercia Energy Joint Agreement be varied to update the formulae for the distribution of the accumulated surplus each year; and**
- b) The interim Director for Economy and Place be authorised, following consultation with the Solicitor to the Council and S151 Officer to finalise and execute the variation.**

The meeting ended at 3.28 pm

Chairperson

PUBLIC QUESTIONS TO CABINET – 16 SEPTEMBER 2021

Question 1**From: Mr M Willmont, Hereford****To: Cabinet member, infrastructure and transport**

The Council's LTP is fairly ambivalent with regard to the potential for rail freight. Notwithstanding this has the Council entered into any discussions with Network Rail, any of the freight operating companies and any local businesses, for example Heineken or Avara Foods, with respect to the use of the rail network for the transport of their goods so as to reduce HGV traffic in Hereford? If not is there any intention to do so?

Response

Thank you for this question, Mr Willmont. As a new administration we sought the views of the business community and other key stakeholders about transport priorities as part of the review of the Hereford Transport Strategy which we undertook during 2020 but rail freight was not identified as a priority focus during that consultation.

Prior to the Hereford Transport Strategy Review the council, jointly with the Marches LEP, Growing Mid Wales Partnership, Welsh Government and neighbouring local authorities, commissioned the Marches and Mid Wales Freight Strategy which was published in 2018. The strategy was developed by MDS Transmodal and included consultation with parish councils, businesses and other key stakeholders during the development of the strategy. It recognised that main existing rail freight flows to and from the Marches area are mostly construction materials, locally via Moreton-on-Lugg in Herefordshire to various locations around the country. The strategy did not see significant potential to expand rail freight locally concluding:

- "...road freight would remain the dominate mode for freight transport in the Marches and Mid Wales because of the dispersed pattern of settlement and economic activity...and issues related to the infrastructure which reduces the capacity and capability of the network to accommodation rail freight services."

Additionally the strategy also reviewed the potential for new rail freight facilities reflecting on the relative performance of the bespoke Telford International Railfreight Park:

- "...While the rail terminal at Donnington near Telford could have an enhanced role in the future, the Marches and Mid-Wales area is likely to lack the critical mass of traffic to justify the development of further rail-connected distribution parks, and the area is likely to remain reliant to a great extent on long distance road-based distribution to and from the Midlands, including to and from existing potential future rail-connected distribution parks.."

Whilst it is unclear that there is a demand for further rail freight provision amongst the business community we need as a Council to be leading on any opportunity to decarbonise transport and will be raising this issue further through our ongoing discussions with local businesses and in support of the development of the 2050 Big Plan and Hereford City Masterplan.

In addition, we have, as a new administration, been financially supporting the business case put forward by local scheme promoters for a new parkway model station at Pontrilas (provisionally suggested as a site adjacent to Pontrilas Timber Mill on the A49). The scheme promoters have had discussions with two local businesses, Pontrilas Timber and Black Mountain Quarries, both of whom have indicated an interest in transporting some materials by rail.

Question 2

From: Ms M Albright, for Herefordshire Construction Industry Lobby Group

To: Cabinet member, housing, regulatory services, and community safety and cabinet member, environment and economy

The Herefordshire Construction Industry Lobby Group (HCILG) are committed to and support the wider objective of Carbon Zero development across all sectors within Herefordshire. However, having only just seen the Net Zero Carbon Affordable Housing Standard Draft, we were hoping that councillors would be able to offer more clarity on the purpose and intended use of this document?

Response

Dear Mrs Albright, these are the standards we intend to adopt for all housing that we will build as a council ourselves. The purpose of the document is to ensure that all Herefordshire Council built housing from hereafter will now be net zero carbon. The intended use of the document is therefore to guide all stakeholders involved in our council's housing programme as to the required standards.

Recognising the urgent need to respond to the climate and ecological emergency and our council's commitment to net zero by 2030, we aim to lead by example in driving up new building standards. These standards will therefore apply to all housing built by Herefordshire Council, but we are also keen to encourage all housing developers to adopt net zero standards themselves and hope the Herefordshire Future Homes Standard will inspire private developers to improve building standards too. We will also shortly be consulting on an Environmental Building Standards SPD that will provide guidance and encouragement to improve the standards of all new buildings in Herefordshire. We are keen to work with all industry stakeholders to address the challenge of the climate crisis and the opportunity of the transition to net zero.

Question 3

From: Mr B Albright, Herefordshire

To: Cabinet member, infrastructure and transport

Natural England have recently confirmed:

It is our view that it will be extremely difficult if not impossible to meet water quality targets on the river without some action on agriculture. Furthermore, it would not be in accordance with the concept of Fair Share, that sets out parameters for the contribution that each sector might reasonably be expected to make towards resolving the nutrient problem. An action plan for housing alone would not help in allowing development to go

ahead, as it could not demonstrate with certainty that water quality targets will be achieved on the river.

Which clearly shows that housing actions (ie wetlands and criteria) are not sufficient to restore the river as housing phosphate pollution is too small to be meaningfully reduced. NE are clearly expecting certain and effective phosphate reduction contributions from agriculture in order to release housing, tourism and commercial development projects. The moratorium has strangled our business for more than 2 years- what plans does the council have to bring forward phosphate pollution reduction from the agricultural sector and is this a priority?

Response

Thank you for your question. I am aware of some of the correspondence between the officers and the Herefordshire Construction Lobby Group and am also aware that the officers have been liaising with Natural England on this very same matter. Additionally, we have sought further legal advice to clarify our position on this.

It is our view that the greatest impacts upon the Wye catchment which will enable the River Lugg to attain 'favourable condition status' by 2027 will be through tackling agriculture. This is why Herefordshire Council continues to lobby central government and will continue to seek funding assistance for the Environment Agency. Unfortunately the council does not regulate the agricultural sector and your questioning would best be redirected to either the Environment Agency or Defra itself. That said, we have and will do all we can to lobby government for change. We have also instigated cross border discussions with our colleagues at Powys Council, have worked very hard to get our MPs involved in understanding and focussing on the pertinent issues of reduced resources for the regulatory and statutory bodies and we have led engagement with the NFU to encourage all sectors to understand the scale of the problem and identify a pathway to betterment.

The current redrawing of the Council's local plan, the Core Strategy, allows us a further opportunity to consider what we can do to make changes to the way the County is built on and farmed.

Supplementary question

It is encouraging to hear that the Council agrees with Natural England in that the greatest positive impact upon river ecology restoration in the Wye will come from changing agricultural practice. However, as we enter the third year of a crippling housing moratorium we remain deeply concerned that the punishment for the cumulative issues within the agricultural sector are being borne by local construction companies and rural communities.

Can the council explain why their planning moratorium is only applied to housing and commercial development in the Lugg catchment and clarify if there are any plans for the moratorium to be extended to the wider catchment and to agricultural developments?

Response

The cabinet member explained that there were no plans to extend the moratorium and that the requirements in terms of neutrality or investment in terms of phosphate load were put in place by Natural England. He also highlighted that the first wetland should shortly be online as part of the council's efforts on mitigation. The council had had discussions with Natural England, the Environment Agency and local MPs in relation to source apportionment between agriculture and housing and the council continued to press national agencies on this issue.

COUNCILLOR QUESTIONS TO CABINET – 16 SEPTEMBER 2021

Question 1

From: Councillor Yolande Watson, Kerne Bridge Ward

To: Cabinet member, finance, corporate services and planning

Are Biodiversity & Ecology (Core Strategy Policy SS6 and LD2) and Climate Change (Policy SS7 and SD1) compliance checklists completed on ALL planning applications including porches and extensions?

Response

Dear Cllr Watson, thank you for your question – which I take to mean: are all Herefordshire planning applicants submitting biodiversity and ecology checklists with their planning applications. To which the short answer is “no”, not presently.

We are recommending that all applicants complete the checklists as part of their initial application submission however, not everyone is doing so. Where these checklists are missing at the validation stage, we are again advising that applicants and agents complete them and return them to the case officer to assist during the determination process.

The provision of these checklists is not a requirement in order for a planning application to be accepted as valid. However, the advice that goes out to applicants/agents is that the lack of a checklist may affect the outcome of the application when the climate change and ecological policy considerations are applied later on in the process.

In reality, and based on the current policy and practice, biodiversity and ecology compliance is likely to have more bearing upon schemes for new houses and for commercial buildings than it would on most small scale householder applications such as those to which your question refers.

Supplementary question

How many compliance checklists have been completed since their inception (as percentage compared to those who don't)?

Response

It was confirmed that a written response would be provided.



Title of report: Revision of Capital Programme Budget for Priority Flood Works

Meeting: Cabinet

Meeting date: Thursday, 30 September 2021

Report by: Cabinet Member Infrastructure and Transport

Classification

Open

Decision type

Key

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

Cabinet consider recommendations from General Scrutiny Committee regarding the proposed capital programme realignment and recommend to council in year adjustments to the capital programme to allow the realignment of capital spend to priority flood projects that require the reallocation of budget.

Recommendation(s)

That:

- a) having regard to recommendations of General Scrutiny Committee cabinet recommend to council in year adjustments to the capital programme set out in paragraph 11 below to allow realignment of capital spend to flood repair projects that require the allocation of budget within the programme budget of £4.027m as follows:**

Fownhope Landslip Budget reduced from £1.565m to £0.510m

Fownhope Retaining Wall Collapse budget increased from £1m to £1.15m

Unallocated budget of £905k from combined Fownhope budgets remains as contingency for remaining flood works

- b) The Cabinet member for infrastructure and transport is delegated authority (in consultation with the Section 151 officer) to realign the Whitney on Wye and/or the Various Damage site budgets as costs for these works are confirmed.**

Alternative options

1. Not to approve the proposed amendments. This is not recommended as:
 - a. This would mean that sums certified as due for works that were required to complete the Fownhope repairs could not be paid. The council would be in breach of contract and have acted contrary to the requirements of the Housing Grants, Construction and Regeneration Act 1996.
 - b. It may not be possible to complete all remaining Priority Flood Repair Works.
2. Not to seek a delegation to make the in-year amendments to the capital budget. This is not recommended as the re-alignment of the capital budget is within the overall programme budget envelope of the £4.027m allocated by Council for the repair of the Priority Flood Repair Works and therefore does not adversely impact on the council's financial position.

Key considerations

3. Storm Dennis hit Herefordshire during the weekend of 15 and 16 February 2020, resulting in significant damage and flooding, from both runoff and river overspill, with many of the rivers reaching their highest levels in 200 years. As part of a multi-agency response and recovery group the council successfully mobilised all resources to respond to the event.
4. The Bellwin scheme did not fund all repair needs following flooding in February 2020. With no further funding having been specifically made available by Government for recovery from Storm Dennis, the significant gap between what the Bellwin schemes provided and the cost of all necessary repairs, had to be met from within the capital programme.
5. A decision to progress priority flood repair works was taken under emergency powers at section 3.7.9 of the council's constitution on 30 April 2020.
6. Subsequently on 23 July 2020 cabinet considered funding options and made recommendations to Council for funding of the high priority repair works. On 4 August 2020 at an extraordinary council meeting council confirmed that the priority flood repair works project be added to the capital programme.
7. The decision taken by the Council on 4 August 2020 was that £4.027m (Priority Flood Repair Works) be added to the capital programme as a new programme; and that they were to be funded by extended prudential borrowing.
8. The £4.027m was made up from the following estimates:

Scheme	Estimated Cost
Fownhope Landslip (Lechmere Ley)	£1,565,000
Fownhope Retaining Wall Collapse	£1,000,000
Whitney on Wye Instability	£500,000
Various Damage Sites (67 No)	£962,000
Total	£4,027,000

9. As work has progressed on these priority flood works the true cost of the repairs has materialised and these differ from the original estimates made in the period following Storm Dennis. Consequently, project budgets are requested to be realigned to account for project outturn to date and enable all payments due for these necessary repair works to be made. This all with a view to completing the programme within the overall budget set for the entire programme of Priority Flood Repair Works.
10. Realignment of funding is required as follows:
- Given that:
 - the estimated cost for the repair of the Fownhope Landslip was £1.565m; and
 - the sum certified as due in accordance with the Public Realm Services Contract (PRSC) for this completed scheme is £0.508m,
 approval is sought to reduce the budget for this scheme to £0.51m.
 - Given that:
 - the estimated cost for the repair of the Fownhope Retaining Wall Collapse was £1m; and
 - the sum certified as due in accordance with the PRSC for this completed scheme is £1.066m; and
 - c£36k of other expenditure has been necessarily incurred to gain access to land and provide revised public transport arrangements during the closure of the B4224 at Fownhope.
 - Further land and compensation costs may be incurred
 approval is sought to increase the budget for this scheme to £1.15m.
 - It should be noted that:
 - the sum certified as due for the Fownhope Retaining Wall Collapse includes c£70k costs that have yet to be paid to BBLP and interest will be due on this late payment, funded from revenue budgets.
 - construction contracts are subject to the requirements set by the Housing Grants, Construction and Regeneration Act 1996. In the event that the contractor had to perform additional work to complete the construction, and the reason for that additional works is a matter which is identified as being at the client's risk, then the contractor is due to be paid that additional sum as part of the sums due to them. The sum due must be certified under the contract for payment.

- council officers can only make payments in accordance with the authority delegated to them. Meaning that whilst the aforementioned sums are certified as due, officers do not have the authority to make the payment that is due, unless the budget is realigned as described. Payment of Stone Cottage costs above approved budget have been withheld by Section 151 officer to date,
- as a consequence of this realignment the sums due for works done can now be paid in accordance with the PRSC and the requirements for payment in construction contracts as established by Section 111 of the Housing Grants, Construction and Regeneration Act 1996.
- Given that the:
 - report to Council on 4 August 2020 set the budget for this programme of Priority Flood Repair Works at £4.027m;
 - the total of realigned capital estimates for the two completed schemes is £0.905m below the total of the original estimates. Original costs were based on estimates produced shortly after the Storm Dennis flood events based on the level of anticipated works required at that time. This has been updated as the design were developed and works completed.
 - the service does not anticipate any substantial further expense in respect to works for both the Fownhope Landslip and the Fownhope Retaining Wall Collapse further to those set out above; and
 - a review of estimates for the necessary work that remain, which will be best completed following receipt of tenders and the detailed contemporary quantification of works on a site by site basis, may identify the need for an adjustment in the budgets required for the remaining elements of this programme.

the Cabinet member for infrastructure and transport is delegated authority (in consultation with the Section 151 officer) to realign the Whitney on Wye and/or the Various Damage site budgets as costs for these works are confirmed.

In summary the budgets for the Priority Flood Repair Works Capital Programme be realigned as follows:

Project	Original Capital Estimates	Realigned Capital Estimates	Rationale
Fownhope Landslip	£ 1,565,000	£510,000	To align to project outturn cost
Fownhope Retaining Wall Collapse	£ 1,000,000	£1,150,000	To align to project outturn cost
Whitney on Wye Instability	£500,000	£500,000	
Various damage Sites	£962,000	£962,000	
Unallocated Budget / Contingency within		£905,000	To account for uncertainty in the

overall programme budget			delivery of remaining schemes. This given that detailed scheme design has yet to conclude and approximately 18 months has passed since the original capital estimates were derived
Total	£4,027,000	£4,027,000	No change to programme budget

11. Council can provide a specific delegation for in year changes to the capital programme. This it is suggested is required to ensure that these vital works take place, as a decision for the cabinet member.
12. The remaining works comprise:
 - Completion of the Whitney on Wye design by BBLP through the Public Realm Contract followed by a tender process to secure a contractor to undertake the works outside of the PRC. Scheme costs will be reviewed as the detailed design is progressed prior to tenders being invited to undertake the repairs.
 - Award of contract to the successful contractor / tender to complete the 67 flood repair sites outside of the PRC. Costs will be updated following receipt of tenders and the detailed quantification of works on a site by site basis of the 67 sites.

Community impact

13. These highway maintenance and flood repair works will contribute to the County Plan 2020 – 2024 ambitions by protecting the environment, safe communities and providing infrastructure that supports our economy. The investment will ensure the network is resilient to the extremes of weather and ensure the safety and availability of the infrastructure for our public and users of Herefordshire's highway network.

Environmental Impact

14. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
15. The allocation of funding for priority flood damage repairs and for works to enhance the resilience of the county's infrastructure to future storm events will contribute to the success of the County Plan by helping to increase flood resilience and improve residents' access to green space in Herefordshire via the highway network.

16. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
17. The development of these works has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance. This through minimisation of waste and enabling sustainable and active travel options across the county as a result of improvement in the condition of our highways and restoration of access throughout the highway network by the repair of flood damage.

Equality duty

18. 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.

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. Our providers will be made aware of their contractual requirements in regards to equality legislation.

Resource implications

19. The proposed resource implication is the realignment of capital funding within the sum decided for the works programme, this to enable the completion of all Priority Flood Repair Works and the payment of all sums certified as due for the completed works.
20. Project budgets are realigned to account for project outturn to date and enable all payments due to be made.
21. In summary the budgets for the Priority Flood Repair Works Capital Programme be realigned as follows:

Project	Original Capital Estimates	Realigned Capital Estimates	Rationale
Fownhope Landslip	£ 1,565,000	£510,000	To align to project outturn cost
Fownhope Retaining Wall Collapse	£ 1,000,000	£1,150,000	To align to project outturn cost
Whitney on Wye Instability	£500,000	£500,000	
Various damage Sites	£962,000	£962,000	
Unallocated Budget / Contingency within overall programme budget		£905,000	To account for uncertainty in the delivery of remaining schemes. This given that detailed scheme design has yet to conclude and approximately 18 months has passed since the original capital estimates were derived
Total	£4,027,000	£4,027,000	No change to programme budget

Legal implications

22. There are no legal implications arising from this in year change to the budget.

Risk management

23. Funding all priority highway repairs, including those needed as a consequence of Storm Dennis, will ensure that the council is meeting its duty to maintain the highway network as Section 41 of the Highway Act.
24. Realignment of the capital programme as set out above will take account of past and current uncertainty in the delivery of remaining flood repair schemes given that detailed design of all elements has yet to conclude and approximately 18 months have passed since the original capital estimates were calculated.
25. The wellbeing, connectivity and prosperity of residents and business across the County, and potentially in neighbouring Counties, be unduly compromised by the ongoing deterioration in the condition of the highway. This particularly if that deterioration necessitates further road closures on the grounds of safety.
26. Sites damaged by Storm Dennis in February 2020 have suffered further damage and deterioration and will continue to do so by the time repairs are actioned, resulting in the

need for further repair work and an increase in the time and cost of the repair of all sites. Some contingency for this has been included for in the realignment as proposed.

27. Ongoing deterioration of the highway at these storm damaged site, coupled with the time that will elapse before repairs can be delivered by the chosen procurement route, will increase the likelihood and potentially severity of damage or injury to highway users and their vehicles, also the risk of damage to adjacent property will increase.
28. In addition to the need to meet the duty to maintain as established by Section 41 of the Highways Act 1980 through the response to all highway defects in accordance with the Highway Maintenance Plan, the unduly prolonged closure of any route will expose the council to risk that it is not meeting its network management duty as established by Section 16 of the Traffic Management Act 2004. Confirmation of the budget available for the remaining works will best enable the repair of all works.

Consultees

29. General Scrutiny Committee considered a report at their meeting on 22 September 2021. The agenda and the report can be viewed on the councils website by following the link below:
<http://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=809&MId=8214&Ver=4>
30. Recommendations from this meeting will be published on the council's website and will be considered by cabinet at their meeting on 30 September 2021.

Appendices

None.

Background papers

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.



Title of report: Update Cabinet on the improvement programme within Children and Families directorate following publication of Ofsted focused visit July 2021

Meeting: Cabinet

Meeting date: Thursday 30 September 2021

Report by: Cabinet member children and families;

Classification

Open

Decision type

Non-key

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards)

Purpose

To update Cabinet on the outcome of the Ofsted focus visit on 7 - 8 July 2021 and progress to date of the improvement programme.

Recommendation(s)

That:

- a) Cabinet note the outcome of the Ofsted focussed visit on the 7 – 8 July;**
- b) Cabinet note the progress to date against the service priorities identified by Ofsted and other independent reviews undertaken**

Alternative options

1. There are no alternative options.
2. The council is under duty to accept the outcome of the review and address the areas highlighted as part of the overall Children's improvement programme.

Key considerations

Background and introduction

3. A planned focused visit took place on 7 July 2021, in line with the inspection of local authority children's services (ILACS) framework.

Ofsted's focus was on Children in Need or subject to a Child Protection Plan and looked at:
 - thresholds
 - step-up/step-down between children in need and child protection
 - children on the edge of care
4. The focussed visit outcome letter was published on 17 August and identified three areas for priority action these being:
 - Address inconsistent and variable social work practice to ensure that children are the focus of assessments, planning and interventions.
 - The frequency and effectiveness of case supervision and the monitoring of children who are subject to child in need and child protection planning.
 - Shortfalls in case-holding capacity for social workers, including newly qualified social workers, to allow them to respond effectively to children in need of help and protection.
5. There is a requirement that Herefordshire Council submits an action plan to Ofsted that responds to the areas for priority action within 70 days of receipt of the letter. A draft operational action plan is in development with the final submission to Ofsted scheduled for early November 2021.
6. At the time of the focussed inspection, diagnostic reviews commissioned by the interim Director of Children and Families and the senior leadership team had already been undertaken or were underway. These diagnostic reviews have made several recommendations for improving services to children and families and are being drawn together with the Ofsted recommendations and included in one overall operational improvement plan.

Other reviews (to date) have included:

- Forensic review - Independent, self-directed, evidence-based review of Herefordshire Children Social Care (CSC) business operation
- Review of Early Help
- Review of Children with Disabilities services
- Ongoing assurance audit of all open cases (up to 11 June 2021)
- Review of Special Guardianship (SGO)
- Improvement actions have also been collected from a range of performance and quality mechanisms, observation of practice and staff feedback

7. The Ofsted visit, review findings and audit outcomes are creating a comprehensive understanding of the strengths within social work practice and the areas for improvement.
8. This report aims to indicate the extent of the required improvement, the time needed to achieve sustainable change and the additional resources it is likely to take to embed good quality practice.

Establishing the improvement framework

9. There will be different levels of plans required within the overall improvement framework. A strategic plan that will be used by the Improvement Board to bring together improvement activity required across the council and the wider strategic partnerships and an operational action plan that will focus at the practitioner level work between the council and other statutory bodies. These will encompass the Ofsted priority actions.
10. The operational plan will be overseen by an operational board of officers chaired by the interim Director of Children and Families.
11. The operational plan will support and feed into the wider strategic improvement plan and will be overseen by the Improvement Board, chaired by the independent Department of Education (DfE) advisor.
12. The strategic improvement plan will be submitted to the DfE led Improvement Board for approval on 11 October 2021. The strategic and operational plan and an update on progress on the improvement activity will be presented to Cabinet on 28 October 2021.
13. Regular progress reports to Cabinet and full Council on the improvement programme will then follow the reporting cycle set out in the last cabinet report (3 June 2021).
14. The following activity has been undertaken as part of implementing the management framework to oversee the improvement programme:
 - Appointment of an independent DfE advisor

- Establishment and commencement of the Improvement Board (multi agency and chaired by the independent advisor).
- Collaborative development of the strategic improvement plan (planned for approval in October 2021)
- Financial packages of support obtained from the DfE and Local Government Association (LGA)
- Telford and Wrekin Council (rated Outstanding by Ofsted) have been appointed as the sector led improvement partner (SLIP) to support the improvement programme
- Dedicated Improvement Director (Darryl Freeman) has now joined the organisation
- Project management approach and resources are aligned
- Establishment of a Resources board, chaired by the Section 151 officer to oversee spend allocation of additional funding made available to the service
- Permanent recruitment of the Director for Children and Families is now in progress with the selection process planned for October 2021

Key findings and operational challenges

15. The outcome of the Ofsted visit supported the findings and views of independent assessors recently commissioned as part of the improvement programme. Evidence gathered to-date through audits supports the Ofsted view that practice is heavily process driven, parental led and lacks a focus on children and their needs.
16. Diagnostic reviews and case audits have revealed that managers are not consistently demonstrating good management skills and expertise or exercising sound decision making. Weaknesses in management grip have resulted in inadequate support to create an environment for quality social work practice to flourish and practitioners not receiving the support and leadership they need to develop.
17. Managers and heads of service were overstretched. One cause of this is the removal of a layer of service management from within the structure some years ago. This weakness in the management structure has resulted in managers being overstretched and taking on roles in some cases without the necessary skills, knowledge and experience, or the support through a training and mentoring programme, to do so.
18. The service has functioned on predominately newly qualified social workers who have not received the support and direction required and yet were holding highly complex cases without the required experience.
19. Staff morale and confidence following the recent Ofsted visit, High Court judgements and ongoing diagnostic process is being impacted. This is also affecting staff retention during a time when recruitment (permanent and agency staff) of experienced social work practitioners is an ongoing challenge and made more acute due to:

- Herefordshire's commitment to the regional Memorandum of Understanding (MOU) regarding recruitment of agency workers. The rationale behind the MOU, was to ensure consistency across local authorities in the pay of agency workers, which prevented/avoided social workers moving around Local Authorities in the region.
 - Location and accessibility of Herefordshire for travel
 - Affordable rental and overnight accommodation
 - Reputation
20. The tools and support available for social care practitioners are not effective and hamper the time available to devote to the children and families they are supporting.
 21. Newly qualified social workers do not feel properly prepared and supported for the job and there is a lack of ongoing development and specialisation.
 22. Social workers feel that their profession is undervalued, poorly understood and under constant media scrutiny, which makes it hard to do their jobs and can make it hard to attract new recruits into the profession.
 23. The cost of children's social care is escalating and funding is increasingly absorbed by acute services and away from effective early help and support, reiterating calls for an increased investment and focus on prevention and early intervention. Change and improvements that are embedded and sustained through an early help model will take time and require cultural change across the system and with partners.
 24. It should be noted that many of the challenges highlighted are symptomatic of wider issues within the sector, such as recruitment and retention of experienced social workers. This will compound the local issues faced by Herefordshire Council.

Operational Improvement - Priority areas progress update:

25. The priority operational action plan has ensured a focus on several critical activities to ensure progress across the improvement agenda, these include:
 - Development of a Quality Assurance Framework to ensure ongoing assurance processes are in place through the external project auditing team
 - 1-2-1 coaching and mentoring sessions for all managers to support improved auditing, shared understanding of audit outcomes, reflective practice, and management of risk
 - Away-day for service managers/heads of service as part of developing service area plans and agreeing performance dashboard data
 - Review and redevelopment of case panels to ensure senior management oversight and scrutiny of critical areas of practice
 - Practice workshops developed for all managers and social workers, delivered by managers, across children's services to support practice challenges

- Development of tracking processes for children within the legal system and requiring adoption to ensure that timeliness is improved, the quality of practice reduces drift and delay for the child
- Re-alignment of some teams and services to ensure smooth transition of the journey of a child through the system
- Key leadership positions appointed to on an interim basis to stabilise structure and provide clear robust decision making on case work
- Surgeries with the social workers/team managers in the Assessment Service reviewing and reflecting on 304 cases. Closing the Loop support programme with all Team Managers with the Assessment service
- External review of the Early Help and Children with Disabilities services, undertaken by external former HMI consultants
- Management review and oversight of the Care Concerns Helpline set up in response to the recent High Court Judgement
- Review of Special Guardianship Orders undertaken by the external assurance team, brought in following the recent High Court Judgement
- Review of all open cases across the directorate up to and including 11 June 2021 undertaken by the external project auditing team. Current progress is around 50% of cases completed
- Three weekly all staff briefings led by the Director of Children's Services (which is well attended)
- Development needs assessment of front-line managers, Independent Review Officers /Child Protection chairs and Advanced Social Work Practitioner's through external consultants to inform training needs analysis
- Staff engagement mechanisms set up and baseline taken on current engagement levels

Workforce Recruitment and Retention

26. Recruitment and retention of staff has generally been good in respect of newly qualified social workers. There has been a rolling recruitment programme for qualified social workers, with permanent contracts being offered to social workers, many of whom have either already joined or are due to join the council shortly.
27. Recruiting workers to permanent posts has benefits of longer-term stability and financial savings. However, it is critical that within such recruitment, the same rigour and quality assurance process that is expected of the analysis and monitoring of practice is applied.
28. Whilst there has rightly been a drive to replace agency staff with a permanent workforce, which has subsequently seen a significant reduction in the use of agency staff from 56% in 2018 to 16% currently, as previously indicated this has not been without a cost to the

service, namely, the experience and resilience of those staff that have been recruited to key positions.

29. For example: The current recruitment strategy does not appear to recognise the need to balance permanency with experience, which has left the service vulnerable. The combination of an inexperienced team manager group and removal in 2016 of critical service manager posts from the structure, resulted in too large spans of control for heads of service.
30. It is evident from the inspection focus visit, diagnostic and audit work that has been undertaken that the skill base of managers and some social workers is not at a level required to drive forward such a challenging improvement agenda, at the pace needed, to satisfy external scrutiny from the DfE and Ofsted. Although part of the strategy is rightly to develop and support all managers, the concern around current practice issues, cannot wait for this to be fully implemented.

Interim Changes to Service Structure

31. In order to provide additional capacity and stability, there have been some required changes to organisational structures with additional interim capacity at the assistant director level and a realignment of services to support this. The current interim structure and services are as follows:

Children Safeguarding and Families Support Service (Assessment & Safeguarding)

Includes Early Help, Early Help Hub, Domestic Abuse Hub, MASH, Assessment, Contextual Safeguarding Hub and the Child Protection and Court Service and Edge of Care teams

Corporate Parenting (Children in Care, Care Leavers, Fostering & Adoption)

Includes Children in Care social work teams, Care Leavers teams, fostering team; Connected Carers & SGO Teams, Placement Team, Children Contact Service (Family Links) and Adoption links with the Regional Adoption Agency (RAA). Matrix management of team manager Children with Disabilities.

Quality Performance Improvement & Partnerships

Safeguarding & Review, Quality Assurance, Principal Social Worker, Academy, Safeguarding Partnership Business Unit, Local Authority Designated Officer.

Education Development and Skills Children's and Families

Schools, Adult Learning, Early Years, SEND and Children with Disabilities, Education Business Intelligence unit.

Social Work Processes and Practice:

32. A review of our Care Experienced Children and Young People service identified significant weaknesses in placement planning, permanency, assessment, and care planning. Views, wishes and feelings of children are not routinely checked when placement decisions are being made and placement instability is significantly high for a small number of children.

33. There are significant and exceedingly worrying delays in completing pathway plans for young people preparing for adult life. For those young people with pathway plans, most of these plans are of poor quality and not informed by their aspirations. This weakness regarding pathway plans, however, is largely because they were completed by social workers who hardly knew the young person due to a transfer point at 16+. Immediate steps have therefore been taken to change this transfer point to address this shortfall. Issues relating to the quality of pathway planning are also being addressed.
34. Oversight management tracking has been introduced to tackle challenges relating to care planning and decision making. Although the impact of this oversight is too early to assess, it is evident that, from the cases reviewed so far, are starting to see a shift in the right direction. Furthermore, social workers in the 16+ team have been realigned as a Children in Care Team. This allows children to have one social worker and to belong to one team throughout their care experience.
35. The fostering service is currently underdeveloped and therefore immediate steps have been taken to develop the fostering service in compliance with the Fostering Services Regulations and National Minimum Standards. All foster carers are now allocated with a supervising social worker. A fit for purpose foster carers register as well as the 'Independent Fostering Panel Members Central List' are being developed. A comprehensive fostering service development and improvement plan is now in place to address the weaknesses identified.
36. The review of Special Guardianship (SGO) by the Independent Assurance Team identified significant weaknesses in assessment and support of SGO carers. In response to the findings and recommendations, a dedicated Permanence Team is being established and it is anticipated that this will be operational from September 2021.
37. The overall corporate parenting services in Herefordshire is currently underdeveloped. In response to this, a programme of action is being implemented from September 2021 to reorganise the service with the following as immediate strategic priorities:
- Reconstitution and training of Corporate Parenting Committee/Board
 - Establishment of Children in Care and Care Leavers Council
 - Realignment of Participation Officer(s) to develop and drive Participation Strategy
 - Establishment of a Programme Board of officers to address Placement Sufficiency
38. Although overall the quality of social work practice is unsatisfactory, there are examples of some good practice and wherever good practice has been identified, staff are always commended and their work has been identified to share across the service as an exemplar as part of the ongoing improvement and development.
39. It is recognised that the service has been under significant pressure and capacity has been an issue but also that the pandemic has led to a different way of working for the past 18 months across the country and some of the issues are not specifically

Herefordshire's. Consideration is currently being given to the current working arrangements for key roles/teams and whether a return to the office be accelerated to support practice development.

40. It needs to be recognised and acknowledged that a refocus on practice will potentially result in a greater number of children progressing to assessment and potentially an increase in Initial Child Protection Conferences. This will have an impact on service capacity and will need to be monitored in order that appropriate timely action can be taken to address pressures. This will also need to be factored into medium term service structure planning.
41. The challenges identified above highlight the extent of the required improvement journey and this shift in culture and practice will take many years to achieve. The impact of changes at this stage are difficult to evidence but clear baselines are being obtained and mechanisms being put in place to enable ongoing measurement of impact.

Community impact

42. The notice requiring improvement will have a direct and indirect effect on the lives of both current and future children and families in Herefordshire.
43. The county plan 2020-2024 includes the ambition to 'strengthen communities to ensure everyone lives well and safely together', specifically the council aims to:
 - Ensure all children are healthy, safe and inspired to achieve;
 - Ensure that children in care, and moving on from care, are well supported and make good life choices; and
 - Protect and improve the lives of vulnerable people.

Environmental Impact

44. There are no specific environmental impacts arising from this report. The work of the committee will be undertaken with consideration to minimise waste and resource use in line with the council's Environmental Policy.

Equality duty

45. 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.
46. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.

Resource implications

47. There are significant revenue resource implications for the improvement work required. There are no expected capital resource implications.
48. The resource implications are not included in the base budget. The current additional resource allocation of £5.2m across all services; including direct children services and corporate support services is expected to increase. A report on the expected financial implications will be included as part of the improvement plan papers to Cabinet in October 2021. Spend/commitments to the end of August were £1,875k of which £1,463k was Children and Families, £179k Legal, £203k HR and £30k Communications.

Current allocation

Revenue or Capital cost of project (indicate R or C)	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000
<i>Improvement Board</i>	130	130	-	260
<i>Support for families</i>	100	100	-	200
<i>Legal</i>	551	551	-	1102
<i>External legal fees</i>	525	325	-	850
<i>Human resources support</i>	364	289	-	653
<i>Assurance and transformation</i>	292	85	-	377
<i>Interim staffing</i>	890	890	-	1780
TOTAL	2,852	2,370		5,222

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000
<i>Ear marked reserves</i>	2,852	2,370		
<i>DfE grant</i>	214			
TOTAL	3,066	2,370		

Revenue budget implications	2019/20	2020/21	Future Years	Total
	£000	£000	£000	£000
TOTAL				

Further bids of approximately £1.5m have been made to the DfE for further grant funding.

Legal implications

49. The Council has been issued with a non-statutory improvement notice by the Department for Education on 18 May 2021. To comply with this notice the Council must comply with a number of measures and to summarise these include:
- Secretary of State Appointment of an Improvement Advisor - **Completed**
 - Implementation of an Improvement plan - **in progress**
 - Establishment of an Improvement Board with an independent chair (to be set up and chaired by the DfE Improvement Adviser) - **Completed**
 - Officials or advisers from the Department of Education will undertake reviews of progress against the improvement plan at least every six months and more regularly where appropriate - **The first review is scheduled for October 2021**
 - The Department will offer dedicated improvement support through its Partners in Practice arrangements and may consider additional requests for support as part of the review process - **Complete and in progress**
 - The Improvement Adviser will provide to the Department, 6 weekly reports of progress or concern against the areas set out in this notice; and progress against the improvement plan; and any other such information relevant to the improvement journey - **Complete and in progress**

50. The notice sets out that the council should aim for actions included in the improvement plan to be delivered by the end of April 2022 or sooner, where appropriate. If there is a failure to comply with this notice, ministers may choose to invoke their statutory powers of intervention (s497A Education Act 1996) to direct the council to enter into an appropriate arrangement to secure the improvements required in children's services (potentially resulting in the establishment of a trust).

Risk management

51. The improvement notice is clear that should the council be unwilling or unable to comply with this improvement notice, or should ministers not be satisfied with the council's progress at any stage, ministers may choose to invoke their statutory powers of intervention (s497A Education Act 1996) to direct the council to enter into an appropriate arrangement to secure the improvements required in children's services.
52. Statutory improvement notices could be issued and more critical or enduring underperformance may necessitate the use of Statutory Directions compelling the council to take certain actions. In extreme cases the DFE can direct partial or complete outsourcing of children services to a third party or the establishment of a children's trust.

Consultees

53. The arrangements for governance of the improvement process, including the various individuals and bodies that will be briefed, are set out in the previous report to Cabinet on 3 June 2021.
54. Children and Young People's Scrutiny Committee received an update on improvement progress on 7 September 2021.
55. As part of the ongoing development of the improvement programme, a number of workshops and engagement sessions have been held with statutory partners, elected members and staff. This will continue in the coming months to ensure ownership of the improvement plan at all levels of the organisation and across the partnership.

Appendices

None

Background papers

None



Title of report: Q1 Budget & Performance Report

Meeting: Cabinet

Meeting date: Thursday 30 September 2021

Report by: Cabinet member finance and corporate services

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To review performance for Quarter 1 2021/22 and the final budget outturn for the year.

To provide assurance that progress has been made towards delivery 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 forecast 2021/22 outturn shows a £65k overspend.

The proportion of performance measures showing an improvement, or remaining the same compared to the same period last year is 54%. At the end of the quarter, 60% of actions from the delivery plan are identified as complete or are progressing within planned timescales.

Recommendation(s)

That:

- a) Cabinet review the performance and financial forecast for year 2021/22, as set out in appendices A – F, and identifies any additional actions to be considered to achieve future improvements.**

Alternative options

1. Cabinet may choose to review financial, delivery 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 Budget

- The 2021/22 outturn is £4,854k overspend before the allocation of the COVID-19 grant. The net overspend is £65k.
- The table below sets out the cabinet portfolio position at the end of July. Further service detail is available in appendix A.

Portfolio	Councillor	Gross Budget £000	Working Budget £000	Outturn £000	Forecast Variance £000	COVID Grant Allocation £000	Variance including the Grant £000
Health & Adult Wellbeing	Cllr Norman	99,802	59,669	60,154	485	1,100	(615)
Children's and Family Services, and Young People's Attainment	Cllr Toynbee	47,954	37,477	39,241	1,764	1,000	764
Commissioning, Procurement and assets	Cllr Davies	21,414	15,460	16,888	1,428	1,200	228
Environment and Economy	Cllr Chowns	3,408	2,392	2,352	(40)	0	(40)
Housing, Regulatory Services and Community Safety	Cllr Tyler	4,323	779	865	86	500	(414)
Infrastructure and Transport	Cllr Harrington	20,504	10,091	10,533	442	90	352
Finance, Corporate Services and Planning	Cllr Harvey	22,183	15,352	16,393	1,041	26	1,015
Corporate strategy and budget	Cllr Hitchiner	1,698	810	858	48	873	(825)
Portfolios		221,286	142,030	147,284	5,254	4,789	465
Central, treasury management, capital financing & reserves		19,883	18,966	18,566	(400)	0	(400)
Total Revenue		241,169	160,996	165,850	4,854	4,789	65

- Health & Adult Wellbeing is reporting a forecast net overspend of £485k. The main reasons for the current overspend position is savings yet to be delivered (some savings proposals will only generate a part-year effect so will materialise later in the year) and pressures within homecare. Children's and Family Services and Young People's Attainment is overspent by £1,764k due to the cost of placements increasing since budget setting. The Commissioning, Procurement and assets overspend of £1,428k relates to savings not being delivered in this financial year. Infrastructure and Transport is seeing pressures in car parking income. The overspend in Finance, Corporate Services and Planning is due to planning income not meeting forecasts and additional costs in finance and legal relating to additional expenditure for supporting COVID-19 work and project delivery.
- The central, treasury management, capital financing and reserves underspend is detailed in Appendix C and reflects the delayed need to borrow from a combination of high cash balances and slippage in capital investment spend, detailed in appendix B.

Capital Budget

- The original £97.870m capital budget for 2021/22 has been revised to £136.705m, the summary breakdown is shown in the table below, but this consists of £33.296m 20/21 carry forwards of unspent budget, £0.056m use of reserves and additional grants of £5.483m.
- The forecast spend position is £67.225m which is an underspend of £69.480m of the budget of £136.705m. Full details for each project are in appendix B. This underspend consists of £5.817m projects that are likely to deliver below the project budget and projects that may no longer be required such as the car park fire suppression system of £750k. The remaining £63.663m are budgets that may not be committed in this financial year but will be rolled forward to 2022/23 as they are funded by grants or land may not be acquired in this financial year for housing but the

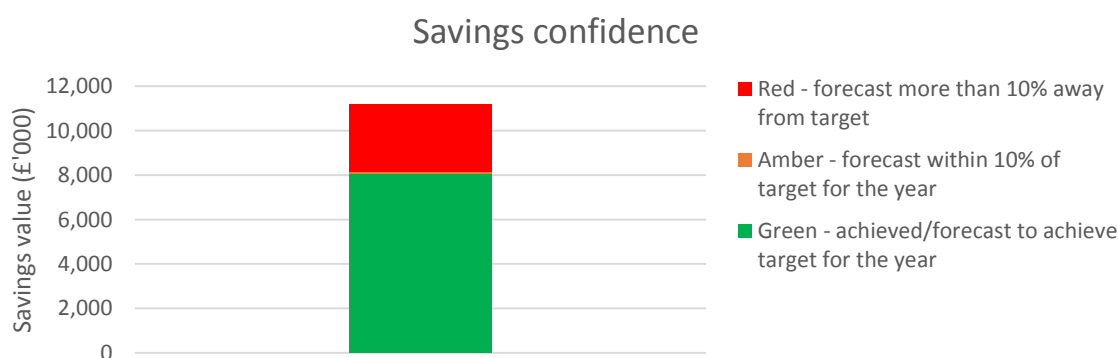
budgets are needed to be retained for those projects to ensure delivery. The full capital programme by project for this and all future years can be seen in detail by project in appendix b.

8. The spend next to the capital spend in some instance (not all) is reflective of progress of programmes. An injection of activity has taken place with additional delivery directors and project management support but that has yet to materialise in significant spend. As part of the Quarter 2 budget and performance report a full review of Delivery Plan activity will take place in consultation with cabinet portfolio holders, to ensure a clear understanding of which schemes will complete in the financial year, and those which will carry forward in to future years.

	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000	2024/25 Budget £'000	Total
February 2021 Council Approved Budget	97,870	66,634	21,179	10	185,693
20/21 Carry Forwards	33,296	-	-	-	33,296
Use of Reserves	56				56
Additional Grants	5,482	-	-	-	5,482
Revised Capital Budget	136,705	66,634	21,179	10	224,527

Savings

9. The graph below shows the confidence in the delivery of savings identified for 2021/22. As can be seen below, at the end of July, 72% of the savings agreed at Council in February is forecast to be achieved. This is based on, £5.569 million (49.70%) of the £11.205 million savings for the having already been achieved by the end of July, and a further £2.494 million on target to be achieved by the end of the year, leaving a total of £3.142 million unlikely to be achieved.



10. The status of the savings at 31 July 2021 are outlined in appendix D which includes savings unlikely to be achieved (including forecasts more than 10% away from their target). A summary of savings plans and status per directorate is below:
- Children and Families Directorate: £1.309m shortfall on a savings target of £2.390m
 - Economy and Place Directorate: £1.722m shortfall on a savings target of £4.348m
 - Adults and Families saving of £3.270m on target to be delivered
 - Corporate Centre: though a current shortfall of £111k savings based on a target of £1.197m this is likely to be met.

11. Where it has been identified there are risks to the delivery of savings alternative proposals are being developed in consultation with the cabinet portfolio holders in preparation for Quarter 2 Budget and Performance Report.

Section 106 portfolio of works

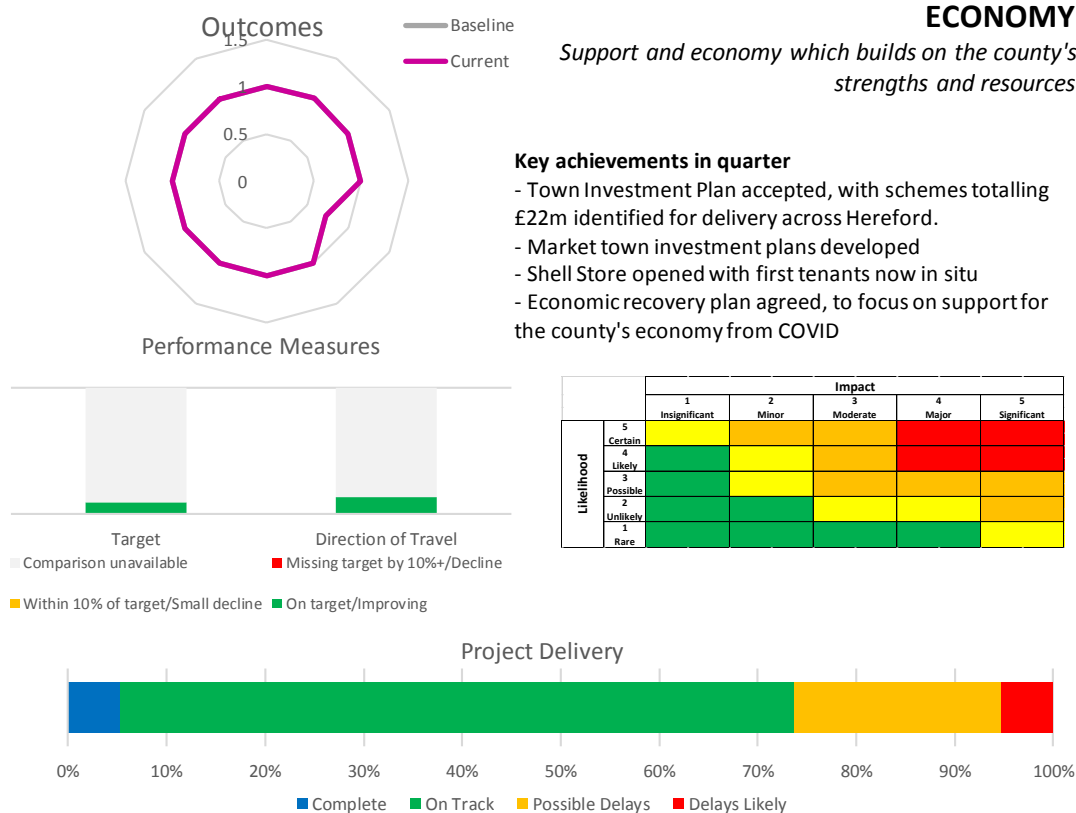
12. Section 106 agreements are legally binding obligations between Herefordshire Council and developers (under the Town and Country Planning Act 1990) to ensure developers make a reasonable contribution to local physical and social infrastructure. These agreements are linked to specific developments and specifies what gain type category the money has been secured for, for example, highways schemes, recreational facilities, education and health. The current total of Section 106 monies available to spend is £9.3m across 14 gain type categories.
13. The council is currently reviewing the procedures and works, undertaking analysis and identifying delivery proposals and processes. This is scheduled to be presented to Cabinet in November 2021 to obtain approval of the new delivery proposals and processes and to put in place appropriate delegation to approve spend, including resources, to deliver the Section 106 schemes identified.
14. The Section 106 portfolio of works updates and monitoring will now be included in future quarterly budget & performance reports.

Performance: Economy

15. Of the 19 deliverable projects identified in the delivery plan, 1 project is complete, 13 are on track, 4 have possible delays, and 1 is delayed. All reported performance measures within the theme have met, or exceeded targets – there remains some work to ensure all measures have targets established. All measures have shown an improvement on the same point last year where comparison can be made. These actions, and measures contribute towards a desired improvement in the outcomes identified. The visual below provides an overview of this information, and greater detail on the deliverables, outputs and outcomes of the delivery plan can be found at appendix E. Within appendix E is a column which details whether each of the deliverables for the year are planned to be completed this year or next year and those deliverables which will extend in to next year, in instances where the work has slipped in to next year, this could be for a range of circumstances including resource and funding availability, unexpected events, or re-prioritisation of work; within the economy theme 42% of the actions are due to be complete this year, 53% are due to be continue in to next year as planned, 5% have slipped from completion this year in to next.

ECONOMY

Support and economy which builds on the county's strengths and resources

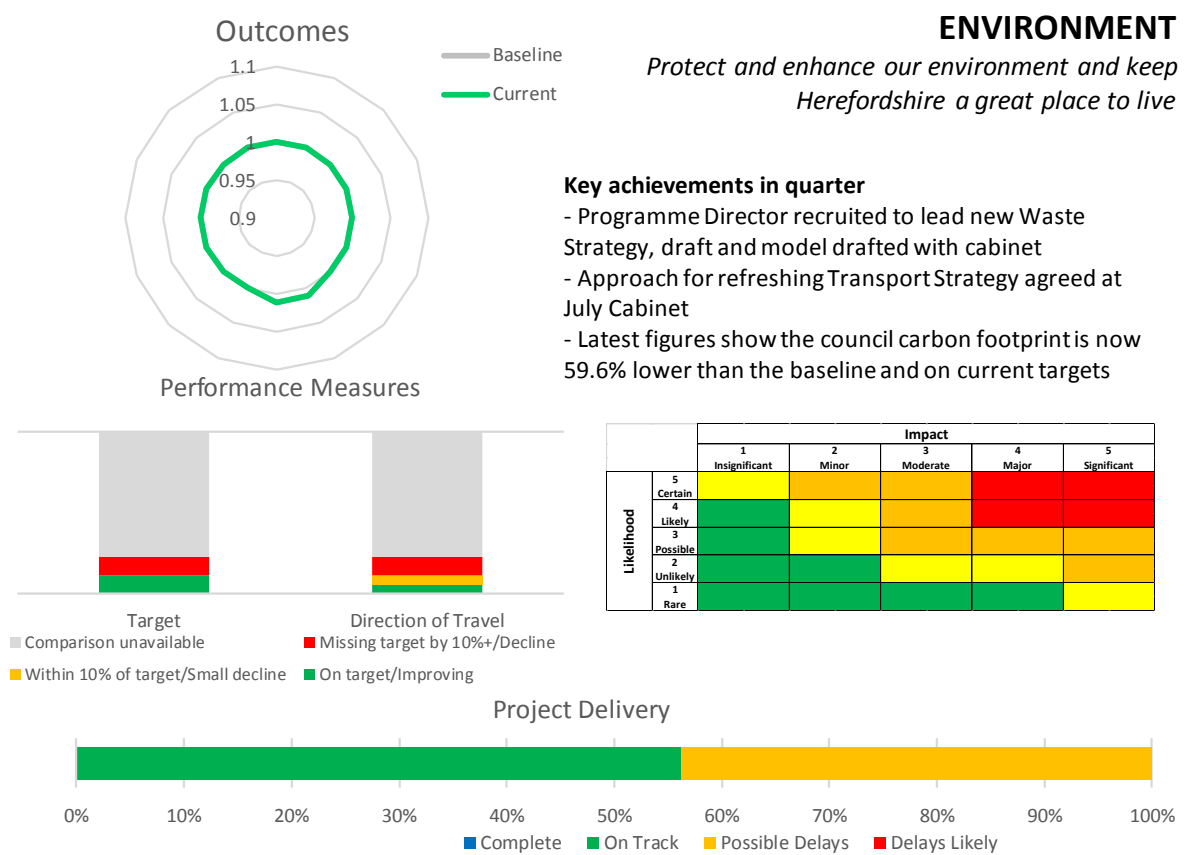


16. Funding has been confirmed for the Town Investment Plan, this has secured £22.4m of funding for investment across the city. Further information on the full list of scheme can be found [here](#).
17. The final draft strategies have been developed for the Market Town Economic Development Investment Plans, through engagement with local stakeholders. The plans are due to be considered by Cabinet in October 2021.
18. June saw the [opening of the Shell Store](#) housing 25 business incubation units. These units are anticipated to generate approximately 128 new jobs by 2023, rising to 450 by 2031.
19. In support of the COVID-19 economic recovery plans agreed by Cabinet outlining how the council will invest the £6.1 million – a copy of the plan can be found [here](#). Further detail on the progress made against the elements of this plan can also be found in appendix E.
20. A revised completion date of September 2021 for the student accommodation site at Station Approach is anticipated following construction delays.
21. Delivery of a Youth Employment Hub is now planned for September 2021 due to a delay in securing match funding. A hub building in Hereford city will link to market towns and communities working via Talk Communities centres. Despite a slow start in the DWP's Kickstart scheme nationally, Job Centre Plus is now prioritising young people aged between 16 and 24 in receipt of Universal Credit for consideration; there are over 60 live vacancies, which included 20 Herefordshire Council, 10 Hoople and 22 placements with Wye Valley Trust however there have been challenges in engaging with some younger people to date.
22. The Marches Local Enterprise Partnership funded marketing and PR [campaign](#) to promote Herefordshire as a tourism destination in support of COVID-19 recovery, has exceeded initial targets, generating over 1.3 million social media impressions, the advertising campaign reaching 8.3m people, coverage in a wide range of national newspapers and magazines, over 100,000

unique visitors to the redeveloped website (www.visitherefordshire.co.uk) since March 2021; and the first ever Herefordshire TV advert launched on 17 July: <https://www.youtube.com/watch?v=W4OhqUxiRLM>. 483 businesses directly assisted, featured on the website (www.visitherefordshire.gov.uk) or in PR campaigns. The results of a survey of businesses indicate that that 148 jobs were at risk without the additional trade generated by the project (25.3% of responding businesses).

Performance: Environment

23. Of the 16 deliverable projects in the delivery plan, 9 are on track and 7 have possible delays. Half of performance measures within the theme that have data have met, or exceeded, identified targets – there remains significant work required in establishing appropriate targets with these measures. Only 25% of measures have shown an improvement on the same point last year where meaningful comparisons have been possible. These actions, and measures contribute towards a desired improvement in the outcomes identified. The visual below provides an overview of this information, and greater detail on the deliverables, outputs and outcomes of the delivery plan can be found at appendix E. Within appendix E is a column which details whether each of the deliverables for the year are planned to be completed this year or next year and those deliverables which will extend in to next year; within the environment theme 31% of the actions are due to be complete this year, 50% are due to be continue in to next year as planned, 19% have slipped from completion this year in to next.



24. During the last quarter, considerable work has been done to develop the waste management strategy with operating models which will form the basis of waste and recycling collections in future years.

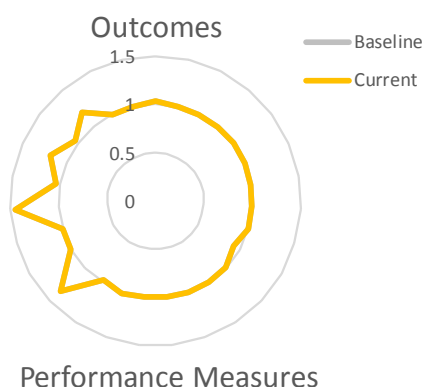
25. Cabinet approved the approach for refreshing Hereford Transport Strategy in [June's cabinet](#). This sets out the focus areas for the development of the strategy, including several active travel measures, which will form the basis of the revised strategy due to be published in 2021/22.
26. The council continues to reduce its carbon footprint; the 2020/21 outturn shows as a 59.6% reduction of carbon dioxide on the baseline, which is on track to meet the 75% by 2025/26. Whilst this is positive news, the decision on PV (solar panels) in schools has been delayed.
27. A new Herefordshire Climate and Nature Partnership has started with the vision of “a thriving net zero carbon nature-rich Herefordshire by 2030”; membership of this group has been aimed at major emitters of carbon, experts, community organisations and organisations which enable change and influence behaviours. In addition, [July's cabinet](#) also agreed investment in a range of measures.
28. To support households in Herefordshire reduce their carbon footprint and to tackle the challenge of fuel poverty, the council's Park Homes project completed in May 2021, which delivered 115 central heating installations completed. A Rural homes project has also been extended to November 2021, which will deliver 70 first time central heating installations – 21 of these have already been completed. The Green Home Grant delivery programme has now completed retrofits on the lowest energy efficiency homes in the county.
29. Formal acquisition of two wetland sites has started. Site surveys and investigations are also underway for a further 4 and potentially 6 sites along the Lugg; these sites will support the reduction of phosphate levels in the river.

Performance: Community

30. Of the 27 deliverable projects identified in the delivery plan, 2 have been completed, 12 are on track, 10 have possible delays and 3 projects are likely to be delayed. Half of measures available for comparisons have either shown an improvement on last year, or have remained static. Fifty-five percent of measures with targets have met, or exceeded them; further work needs to be done on establishing targets for the remaining measures where appropriate. There are currently three corporate risks identified which have a bearing on our delivery around our community aspirations. The visual below provides an overview of this information, and greater detail on the deliverables, outputs and outcomes of the delivery plan can be found at appendix E. Within appendix E is a column which details whether each of the deliverables for the year are planned to be completed this year or next year and those deliverables which will extend in to next year; within the community theme 26% of the actions are due to be complete this year, 52% are due to be continue in to next year as planned, 22% have slipped from completion this year in to next.

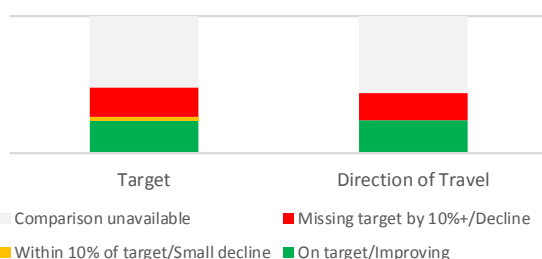
Community

Support and economy which builds on the county's strengths and resources

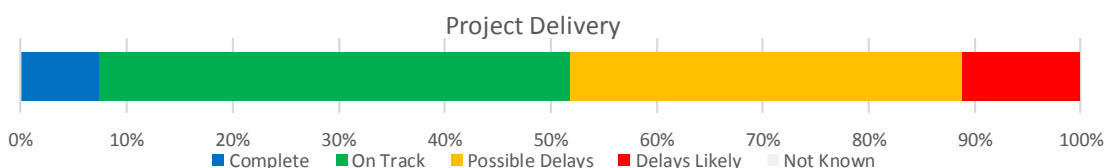


Key achievements in quarter

- Talk Community hubs increased to 24 spread across the county, our plans for integrated hubs are being reviewed
- OFSTED conducted a focussed visit which will require a formal action plan
- Cabinet approved the list of sites for assessment of suitability for our ambitious housing plans



		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain				CRR 59	
	4 Likely					CRR 52, CRR 60
	3 Possible					
	2 Unlikely					
	1 Rare					



31. Procurement of the design and build work for the repair of flood damage at Whitney-on-Wye has been delayed, this is a result of an unsuccessful attempt to procure a provider. Alternative delivery has been identified, however this will result in a delay of the completion of the works.
32. In order to improve the availability of affordable houses in the county, [July's Cabinet](#) agreed a list of sites to be assessed for suitability for development. Sites, including Holme Lacy Primary School and The Paddock, Aylestone Hill, will be considered for the possibility and the financial estimates for development and progressed to planning application if suitable.
33. There are now 24 Talk Community hubs live across the county, providing advice and support across their communities, this figure is above the anticipated target.
34. Seven organisations across the county have been awarded grants to deliver the Talk Community debt and money management service and these are now operational, providing advice and support to residents with financial concerns. There are 53 volunteers supporting delivery of this service, including 21 new volunteers; to date 87 beneficiaries have been supported with money and debt advice issues. The Money on Your Mind web pages were launched in June alongside a marketing campaign as part of the Families in Hardship project.
35. The Holiday Activity Fund for the summer school holidays has provided approximately 7,000 spaces across the county, providing children with a range of indoor and outdoor activities. This builds upon a successful Easter campaign which, provided activity boxes to more than 40% of eligible primary and secondary children who opted for these activities.
36. Dwellings to meet a combination of learning disabilities, mental health, older people and younger people have been completed at Holme Lea in Ross and currently on track for completion in early 2022 in Tillington Road, Hereford.

37. The Whitecross Homeless Hub has now been completed which provides 12 units of transitional accommodation for those who might otherwise be homeless, as well as a focal point for information and advice for those sleeping rough, or at risk of sleeping rough. Further work on Blackfriars Street to provide additional self-contained flats is slightly delayed due to planning queries but Number 4 is due for completion in October 2021, and Number 5 in early December 2021.
38. Following the Improvement Notice issued to the council in May this year, the council has now established the Improvement Board chaired by Gladys Rhodes White OBE, the DfE appointed independent Improvement Advisor. An Improvement Plan will be considered for approval by the Improvement Board and Cabinet in October.
39. In early July, OFSTED conducted a focused visit of Herefordshire Children's social care services. A letter summarising OFSTED's findings has been [published](#), and included within this were 3 areas for priority action. The required actions will be part of the Improvement Plan (referenced above).
40. There are continuing challenges for the recruitment and retention of children's social care staff, the recent judgement has a continuing impact on staff morale, confidence and stability. A new Workforce Recruitment & Retention Strategy is being drafted.
41. Marlbrook school extension has been completed with landscaping work currently being delivered in time for September. The Peterchurch School design contract has been procured prior to build and completion next year. The Brookfield School development has been put on hold though whilst the council liaises with the DfE in relation to funding.
42. This period has seen rapid change in national policy as well as in the epidemiology of COVID-19 in Herefordshire. Herefordshire has consistently had some of the highest levels of asymptomatic (LFD) testing in the West Midlands. Asymptomatic testing is available through a community collect option, as well as 10 commissioned pharmacies located across the county.
43. The Outbreak Control Hub has continued to support settings with implementing preventative measures and managing outbreaks, including setting up workplace onsite testing where requested. During quarter 1, there was a decrease in the number of outbreaks in care homes and, as to be expected as society opened up, increase in outbreaks associated with workplaces and other settings. The vaccination programme continues the council has particularly focused on inequalities and worked with partners to address these, such as co-ordinating vaccination for seasonal workers and identifying and responding to key groups where vaccine uptake is lower.

Performance: Corporate

44. Whilst measures have been included to reflect the delivery plan, a number of additional corporate measures have been included as part of appendix E in order to reflect the operation of the council. Full detail is in appendix E; and includes measures of staffing, health and safety, finance, and other areas of compliance.
45. For measures with baselines last year, 62.5% of measures have shown an improvement on the same point last year. Where measures have targets, 50% of performance measures within have met, or exceeded, targets.

Community impact

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

to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner.

47. Regularly reviewing performance with a view to identifying actions which will deliver further improvement in outcomes or efficiencies helps ensure the council achieves its corporate plan priorities.

Environmental Impact

48. This report details how progress is being made in achieving the Delivery Plan which details how the council is working to deliver the environmental ambitions set out within the County Plan. Individual projects and deliverables included within the Delivery Plan will all be subject to their own governance arrangements and assessment of environmental and ecological impact.

Equality duty

49. 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.
50. 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. Whilst this paper is not seeking any project specific decisions, in determining the council's budget allocation, the council is working towards its equality objectives (found [here](#)). In addition, projects identified within the delivery plan where relevant will be subject to an Equality Impact Assessment to ensure appropriate attention is given to our Equality Duty.

Resource implications

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

Legal implications

52. The recommendations have no direct legal implications.

Risk management

53. The risks associated with the council's business are recorded on the relevant service risk register and escalated as per the council's Performance Management Framework and Risk Management

Plan. The highest risks, i.e. those scoring greater than 16 following controls, are escalated to the council's Corporate Risk Register. These are found in appendix E.

54. The Covid-19 risk register has also been included at appendix F, this holds the current risks in relation to the Covid-19 pandemic and its response in Herefordshire.

Consultees

55. None in relation to this report.

Appendices

Appendix A	Revenue budget forecast
Appendix B	Capital budget outturn
Appendix C	Treasury Management
Appendix D	Savings Delivery
Appendix E	Delivery Plan dashboards
Appendix F	Covid-19 risk register

Background papers

None

Appendix A: Revenue Budget Position 2021/22

Portfolio	Councillor	Gross Budget £000	Working Budget £000	Outturn £000	Forecast Variance £000	COVID Grant Allocation £000	Variance including the Grant £000
Health & Adult Wellbeing	Cllr Norman	99,802	59,669	60,154	485	1,100	(615)
Children's and Family Services, and Young People's Attainment	Cllr Toynbee	47,954	37,477	39,241	1,764	1,000	764
Commissioning, Procurement and assets	Cllr Davies	21,414	15,460	16,888	1,428	1,200	228
Environment and Economy	Cllr Chowns	3,408	2,392	2,352	(40)	0	(40)
Housing, Regulatory Services and Community Safety	Cllr Tyler	4,323	779	865	86	500	(414)
Infrastructure and Transport	Cllr Harrington	20,504	10,091	10,533	442	90	352
Finance, Corporate Services and Planning	Cllr Harvey	22,183	15,352	16,393	1,041	26	1,015
Corporate strategy and budget	Cllr Hitchiner	1,698	810	858	48	873	(825)
Portfolios		221,286	142,030	147,284	5,254	4,789	465
Central, treasury management, capital financing & reserves		19,883	18,966	18,566	(400)	0	(400)
Total Revenue		241,169	160,996	165,850	4,854	4,789	65

Health & Adult Wellbeing: Cllr Norman

	Gross Budget £000	Working Net Budget £000	Full Year Outturn £000	Full Year Variance £000
Services for Vulnerable Adults (care provision)	69,305	54,248	55,245	997
Commissioning and Operational Service Delivery	21,046	5,421	4,909	(512)
Public Health	9,451	0	0	0
	99,802	59,669	60,154	485

The key outturn variances are:

The forecast overspend in Services for Vulnerable Adults is a combination of savings yet to be delivered across the client care provision budgets and budget pressures within homecare. Some savings proposals were only expected to generate a part-year effect so will materialise later in the year.

The forecast underspend in Commissioning and Operational Service Delivery is due to vacancies within Home first as well as some of the operational teams.

Children's and Family Services, and Young People's Attainment: Cllr Toynbee

	Gross Budget £000	Working Net Budget £000	Outturn £000	Forecast Variance £000
Children and young people's education and attainment	5,963	2,922	2,966	44
Post 16 education, training and skills development	647	0	0	0
Services for vulnerable young people, children and families	41,344	34,555	36,275	1,720
	47,954	37,477	39,241	1,764

The key variances are:

Children and young people's education and attainment - business rates charge for prior years relating to the old Colwall primary school site.

Services for vulnerable young people, children and families - cost of placements continues to cause pressure.

Commissioning, Procurement and Assets: Cllr Davies

	Gross Budget £000	Working Net Budget £000	Outturn £000	Forecast Variance £000
Waste Collection & Disposal	14,397	12,438	12,441	3
Corporate Support Services	1,294	1,171	1,188	17
Community services: Leisure Services	30	30	30	0
Council Property Services	3,902	232	1,626	1,394
Cultural services	1,791	1,589	1,603	14
	21,414	15,460	16,888	1,428

The key variances are:

Council Property Services - £129k BBLP refund for overpaid rent, £148k backdated business rates for Hereford library and increase in car park rates, loss of rent at Shire Hall and Chyrchill House £96k.

The remainder of the overspend relates to savings targets not being delivered in the current year

Environment and Economy: Cllr Chowns

	Gross Budget £000	Working Net Budget £000	Outturn £000	Forecast Variance £000
Economic Development and Regeneration	1,520	1,221	1,225	4
Tourism	123	123	123	0
Broadband	339	131	87	(44)
Environmental promotion, protection and sustainability including response to climate emergency	1,426	917	917	0
	3,408	2,392	2,352	(40)

The key variances are:

Broadband – Vacant Fastershire Campaigns Officer post

Housing, regulatory services and community safety: Cllr Tyler

	Gross Budget £000	Working Net Budget £000	Outturn £000	Forecast Variance £000
Community Safety including the Community Safety Partnership	0	0	0	0
Animal health and welfare	140	10	11	1
Bereavement services including coroner services	352	(1,167)	(1,152)	15
CCTV	147	(2)	(4)	(2)
Environmental health and trading standards	1,781	1,640	1,626	(14)
Gypsy and Traveller Services	410	222	238	16
Licensing	25	(480)	(475)	5
Markets and Fairs	121	(136)	(64)	72
Registration Services	220	(230)	(230)	0
Strategic housing, homelessness, housing allocation and condition	541	411	407	(4)
Communications and Web Presence	586	511	508	(3)
	4,323	779	865	86

On
The key variances are:

Markets and Fairs - impact of COVID restrictions on income from market stall rental and cancellation of the May fair.

Infrastructure and Transport: Cllr Harrington

	Gross Budget £000	Working Net Budget £000	Outturn £000	Forecast Variance £000
Building Control	364	(256)	(299)	(43)
Car parking policy and services	332	(5,125)	(4,732)	393
Highways & community services	571	347	397	50
Land drainage, flood alleviation, rivers and waterways	200	0	0	0
Land use strategies including Core Strategy	1,003	567	562	(5)
Traffic Management	256	256	255	(1)
Transport and highways policy strategy and operations	17,778	14,302	14,350	48
	20,504	10,091	10,533	442

The key variances are:

Car parking and policy services - impact of lockdown and COVID on parking income.

Highways & community services/Transport and highways policy strategy and operations - costs for transport strategy and contract management consultants partially offset by reduced transport costs.

Finance, Corporate Services and Planning: Cllr Harvey

	Gross Budget	Working Net Budget	Outturn	Forecast Variance
	£000	£000	£000	£000
Planning and conservation	2,805	(335)	(28)	307
Council ICT services	3,591	3,037	3,152	115
Human Resources	1,396	1,032	1,052	20
Equality and Human Rights	237	87	93	6
Land Charges	198	(17)	(94)	(77)
Information Governance and Modern Records	379	341	340	(1)
Health and safety, Emergency Planning and Business Continuity	196	170	173	3
Performance and Intelligence	2,043	2,043	2,205	162
Legal and Democratic Services including Member Development and Training	6,017	3,728	4,025	297
Financial Policy, Fees and Charging Policy, Financial Control and Reporting	5,321	5,266	5,475	209
	22,183	15,352	16,393	1,041

The key variances are:

- Planning income is below budget
- Performance, Legal and Finance are all overspent due to the costs of consultant roles being used in shaping the councils direction.

Corporate Strategy: Cllr Hitchiner

	Gross Budget	Working Net Budget	Outturn	Forecast Variance
	£000	£000	£000	£000
Corporate budget	1,698	810	858	48
	1,698	810	858	48

Appendix B

Table A - 2021/22 Capital Budget Forecast

Adjustments include reprofiling to future years and additional grants allocations	2021/22 Budgets £000s	Adjustments in Year £000s	2021/22		
			Budget £000s	Forecast £000s	Variance £000s
Disabled facilities grant	1,853	685	2,538	2,538	0
Hillside	0	1,991	1,991	400	-1,591
Carehome & Extra Care Development	669	250	919	0	-919
Super Hubs	1800	200	2,000	0	-2,000
Homelessness Hub & Property Investment	0	44	44	44	0
Empty Property Investment & Development	752	846	1,598	1,200	-398
Gypsy & Traveller Pitch development	739	444	1,183	1,183	0
Strategic Housing Development	10,000	-7	9,993	751	-9,242
Private sector housing improvements	0	197	197	197	0
Total Housing Delivery Board	15,813	4,648	20,461	6,312	-14,149
Fastershire Broadband	6,707	865	7,571	7,571	0
PC Replacement	397	300	697	349	-349
Electronic Document Management Storage	0	356	356	267	-89
Capital Development Fund	1,000	0	1,000	250	-750
Technology Enabled Communities	500	962	1,462	462	-1,000
Better Ways of Working	0	828	828	733	-95
Total Corporate & Digital Delivery Board	8,604	3,311	11,914	9,632	-2,282
Colwall Primary School	0	66	66	25	-41
Schools Capital Maintenance Grant	1,195	1,215	2,410	1,300	-1,110
Peterchurch Area School Investment	7,353	297	7,650	300	-7,350
Expansion for Marlbrook school	1,600	-1,101	499	350	-149
Brookfield School Improvements	3195	608	3,803	2,283	-1,520
C & F's S106	300	254	554	554	0
Healthy Pupils	0	8	8	8	0
Short Breaks Capital	0	99	99	19	-79
Basic Needs Funding	5700	1,191	6,891	2,121	-4,770
Preliminary works to inform key investment need	0	481	481	275	-206
School Accessibility Works	240	0	240	0	-240
Property Estate Enhancement Works	0	110	110	22	-88
Leisure Centres	0	147	147	120	-27
Leisure Pool	0	244	244	224	-20
Estates Capital Programme 2019/22	2,722	2,006	4,728	2,512	-2,216
Car Parking Strategy	0	95	95	82	-13
Upgrade of Herefordshire CCTV	0	28	28	15	-13
Grange Court Loan	359	0	359	359	0
Hereford Library	0	203	203	0	-203
Temporary school accommodation replacement	150	300	450	0	-450
Total Schools & Corporate Property Delivery Board	22,814	6,253	29,067	10,570	-18,497
Local Transport Plan (LTP)	12,272	3,194	15,466	15,466	0
Pothole & Challenge Fund 20/21	0	2,363	2,363	2,363	0

Priority Flood Repair Works	0	2,480	2,480	1,425	-1,055
E & P's S106	750	34	784	784	0
Investment in Infrastructure Assets	0	1,057	1,057	1,057	0
Highway asset management	1,000	868	1,868	1,868	0
Total Transport & Place Making Delivery Board	14,022	9,995	24,017	22,962	-1,055
Integrated Wetlands	800	1,134	1,934	967	-967
Marches Renewable Energy Grant	120	141	261	261	0
Solar Photovoltaic Panels	1,286	206	1,492	350	-1,142
SEPUBU Grant	0	356	356	168	-188
Warm Homes Fund	0	469	469	469	0
Schools Transport Route Planning	15	1	16	15	-1
Air Quality Monitoring Station Resource Improvements	140	0	140	140	0
Green Homes Grant - Local Authority Delivery	0	1,820	1,820	1,440	-380
Sustainable Landscape Sustainable Places	0	31	31	31	0
Total Environment & Sustainability Delivery Board	2,361	4,158	6,520	3,841	-2,679
Hereford Enterprise Zone	1,965	871	2,836	2,336	-500
Hereford Enterprise Zone - Further funded dev	0	135	135	135	0
Herefordshire Enterprise Zone Shell Store	0	393	393	393	0
Marches Business Investment Programme	893	486	1,379	1,250	-128
Employment Land & Incubation Space in Market Towns	10,838	943	11,781	0	-11,781
Leominster Heritage Action Zone	841	295	1,136	1,062	-74
Development Partnership activities	3,268	3,650	6,918	346	-6,572
Total Economic Development Delivery Board	17,804	6,772	24,576	5,522	-19,055
Hereford City Centre Transport Package	3,353	1,256	4,609	1,834	-2,775
Hereford City Centre Improvements (HCCI)	3,000	1,322	4,322	3,133	-1,189
Hereford ATMs and Super Cycle Highway	0	1,000	1,000	1,000	0
Emergency Active travel Fund	0	119	119	119	0
Extra Ordinary Highways Maintenance & Biodiversity Net Gain	2,299	0	2,299	2,299	0
Passenger Transport Fleet (Electric)	7800	0	7,800	0	-7,800
Total Transport & Place Making Delivery Board	16,452	3,696	20,148	8,385	-11,763

Total	97,870	38,834	136,705	67,225	-69,480
--------------	---------------	---------------	----------------	---------------	----------------

Table B – Capital Programme position July 2021

Scheme Name	Prior Years £000s	2021/22 budget £000s	2022/23 budget £000s	2023/24 budget £000s	2024/25 budget £000s	Total scheme budget £000s
Disabled facilities grant	0	2,538	0	0	0	2,538
Hillside	559	1,991	0	0	0	2,550
Carehome & Extra Care Development	0	919	13,081	0	0	14,000
Super Hubs	0	2,000	0	0	0	2,000
Homelessness Hub & Property Investment	60	44	0	0	0	104
Empty Property Investment & Development	0	1,598	300	0	0	1,898
Gypsy & Traveller Pitch development	694	1,183	0	0	0	1,877
Strategic Housing Development	7	9,993	10,000	0	0	20,000
Private sector housing improvements	2	197	0	0	0	199
Total Housing Delivery Board	1,322	20,461	23,381	0	0	45,165
Fastershire Broadband	21,460	7,571	6,707	0	0	35,738
PC Replacement	819	697	0	0	0	1,516
Electronic Document Management Storage	24	356	0	0	0	380
Capital Development Fund	0	1,000	0	0	0	1,000
Technology Enabled Communities	38	1,462	0	0	0	1,500
Better Ways of Working	22	828	0	0	0	850
Total Corporate & Digital Delivery Board	22,363	11,914	6,707	0	0	40,984
Colwall Primary School	0	66	0	0	0	66
Schools Capital Maintenance Grant	0	2,410	1,195	0	0	3,605
Peterchurch Area School Investment	10	7,650	3,193	0	0	10,853
Expansion for Marlbrook school	5,642	499	0	0	0	6,141
Brookfield School Improvements	141	3,803	0	0	0	3,945
C & F's S106	0	554	0	0	0	554
Healthy Pupils	91	8	0	0	0	99
Short Breaks Capital	19	99	0	0	0	118
Basic Needs Funding	0	6,891	2,000	0	0	8,891
Preliminary works to inform key investment need throughout the county	35	481	0	0	0	516
School Accessibility Works	0	240	0	0	0	240
Property Estate Enhancement Works	0	110	0	0	0	110
Leisure Centres	221	147	0	0	0	368
Leisure Pool	317	244	0	0	0	561
Estates Capital Programme 2019/22	1,439	4,728	685	40	10	6,902
Car Parking Strategy	151	95	0	0	0	246
Upgrade of Herefordshire CCTV	156	28	0	0	0	184
Grange Court Loan	0	359	0	0	0	359
Hereford Library	142	203	0	0	0	345
Temporary school accommodation replacement	0	450	0	0	0	450

Total Schools & Corporate Property Delivery Board	8,365	29,067	7,073	40	10	44,555
Local Transport Plan (LTP)	0	15,466	0	0	0	15,466
Pothole & Challenge Fund 20/21	5,311	2,363	0	0	0	7,674
Priority Flood Repair Works	1,547	2,480	0	0	0	4,027
E & P's S106	0	784	0	0	0	784
Investment in Infrastructure Assets	943	1,057	0	0	0	2,000
Highway asset management	0	1,868	0	0	0	1,868
Total Highways Maintenance Delivery Board	7,802	24,017	0	0	0	31,820
Integrated Wetlands	66	1,934	0	0	0	2,000
Marches Renewable Energy Grant	159	261	0	0	0	420
Solar Photovoltaic Panels	642	1,492	0	0	0	2,134
SEPUBU Grant	76	356	0	0	0	432
Warm Homes Fund	491	469	0	0	0	960
Schools Transport Route Planning	74	16	0	0	0	90
Air Quality Monitoring Station Resource Improvements	0	140	26	26	0	192
Green Homes Grant - Local Authority Delivery	0	1,820	0	0	0	1,820
Sustainable Landscape Sustainable Places	163	31	0	0	0	195
Total Environment & Sustainability Delivery Board	1,671	6,520	26	26	0	8,243
Hereford Enterprise Zone	12,111	2,836	0	0	0	14,947
Hereford Enterprise Zone - Further funded dev	5,297	135	0	0	0	5,432
Herefordshire Enterprise Zone Shell Store	6,923	393	0	0	0	7,316
Marches Business Investment Programme	701	1,379	1,349	0	0	3,428
Employment Land & Incubation Space in Market Towns	341	11,781	3,066	5,513	0	20,701
Leominster Heritage Action Zone		1,136	2,664	0	0	3,800
Development Partnership activities	10,415	6,918	3,268	0	0	20,600
Total Economic Development Delivery Board	35,788	24,576	10,347	5,513	0	76,224
Hereford City Centre Transport Package	34,042	4,609	2,000	0	0	40,651
Hereford City Centre Improvements (HCCI)	178	4,322	1,500	0	0	6,000
Hereford ATMs and Super Cycle Highway	0	1,000	0	0	0	1,000
Emergency Active travel Fund	19	118	0	0	0	137
Extra Ordinary Highways Maintenance & Biodiversity Net Gain	0	2,299	0	0	0	2,299
Passenger Transport Fleet (Electric)	0	7,800	15,600	15,600	0	39,000
Total Transport & Place Making Delivery Board	34,239	20,148	19,100	15,600	0	89,087
Total	111,550	136,705	66,634	21,179	10	336,077

	2021/22 Budget £000s	2022/23 Budget £000s	2023/24 Budget £000s	2024/25 Budget £000s	Total
February 2021 Council Approved Budget	97,870	66,634	21,179	10	185,693
20/21 Carry Forwards	33,296	-	-	-	33,296
Use of Reserves	56	-	-	-	56
Additional Grants	5,482	-	-	-	5,482
Revised Capital Budget	136,705	66,634	21,179	10	224,527

Grant Additions since February Council

	£000s
Local Transport Plan Increase	3,194
DfE Schools Maintenance Increase	66
Disabled Facilities Grant Increase	416
Marches Business Investment Programme	428
SEPuBu	39
Green Homes Grant - Local Authority Delivery	1,340
	<hr/>
	5,482
	<hr/>

Appendix C Treasury Management Interim Report (31 July 2021)

This report ensures the council demonstrates best practice in accordance with CIPFA's recommendations in their Code of Practice for Treasury Management, by keeping members informed of treasury management activity.

1. The UK Economy

- The dominating factor continues to be the Covid-19 pandemic. In order to minimise the risk of transmission, we have seen individuals subjected to 'lockdown', staff working from home, and shops, restaurants and businesses having to cease trading for a period of time. All of this has had a major effect on the UK economy and economies worldwide, and with only those classed as 'essential' retailers being able to sell goods from their shops, there has been a major reduction in consumer expenditure.
- The anticipated releasing of restrictions on 21 June was postponed due to an upsurge in a 'Delta' variant of the virus and the need to have a greater number of people at least partially vaccinated against it. Restrictions were lifted on 19 July, however there are continuing limitations around overseas travel.
- The Bank of England Monetary Policy Committee (MPC) made two emergency rate reductions in March 2020 in direct response to the Covid pandemic, from 0.75% to 0.25% on 11th and a further cut to 0.10% on 19th. At their meeting of 24th June 2021 the consensus was that they expect the UK to recover to pre-Covid levels over this year but that inflation is likely to rise and exceed 3% for a temporary period before easing down to 2%.

2. The Council's Investments

2.1 At 31 July 2021 the council held the following investments:

Investment	Term	Maturity Date	Interest Rate	Amount £m
<u>Instant access bank accounts:</u>				
NatWest	N/A	N/A	0.01%	0.96
Handelsbanken	N/A	N/A	0.02%	5.00
<u>Instant Access Money Market Funds:</u>				
Federated	N/A	N/A	0.01%	10.00
Aberdeen Standard	N/A	N/A	0.01%	10.00
Deutsche	N/A	N/A	0.00%	8.79
Blackrock	N/A	N/A	0.01%	9.47
Morgan Stanley	N/A	N/A	0.03%	10.00
Invesco	N/A	N/A	0.01%	5.00
CCLA	N/A	N/A	0.02%	5.00

<u>95 Day Notice Bank Accounts:</u>				
Santander	N/A	N/A	0.40%	5.00
Natwest	N/A	N.A	0.15%	3.00
Barclays	N/A	N/A	0.15%	5.00
<u>Fixed Term Deposits:</u>				
Goldman Sachs	181 days	11/08/21	0.18%	5.00
Standard Chartered	94 days	04/10/21	0.10%	5.00
Coventry Building Society	122 days	15/10/21	0.04%	5.00
Total and average interest rate			0.06%	92.22

2.2 The council continues to select counterparties suitable for investment based on the credit worthiness service provided by their treasury advisors, Link Asset Services. The service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies. The modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system to which Capita Asset Services allocate a series of colour coded bands with suggested maximum durations for investments as shown below;

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or part nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

2.3 The council has earned interest on its investments as follows:

Month	Average amount invested		Average rate of interest earned		Amount of interest earned / Forecast £000	Budget £000	(Surplus) /Deficit £'000
	Actual / Forecast £m	Budget £m	Actual / Forecast %	Budget %			
Apr-21	69.0	40	0.11	0.01	6	-	(6)
May-21	76.4	40	0.09	0.01	6	-	(6)
Jun-21	83.3	40	0.08	0.01	5	-	(5)
Jul-21	90.6	40	0.07	0.01	5	-	(5)
Aug-21	40.0	40	0.01	0.01	-	-	-
Sep-21	40.0	40	0.01	0.01	-	-	-
Oct-21	40.0	40	0.01	0.01	-	-	-
Nov-21	40.0	40	0.01	0.01	-	-	-
Dec-21	40.0	40	0.01	0.01	-	-	-
Jan-22	40.0	40	0.01	0.01	-	-	-
Feb-22	40.0	40	0.01	0.01	-	-	-
Mar-22	40.0	40	0.01	0.01	-	-	-
Total					22	-	(22)

- 2.4 Interest income earned has been higher than budgeted due to the receipt of COVID-19 grants before incurring spend increasing the value of cash balances held and the interest rate received exceeding the expected interest rate.
- 2.5 In addition to investment income the council earns interest on the provision of loan finance to the waste disposal PFI provider, this is expected to generate loan interest payable to us of £2.1m in 2021/22, this will be recharged through the waste disposal PFI arrangement.

3. The Council's Borrowing

Short-term borrowing

- 3.1 The council has a policy of using short-term borrowing (if required) from other local authorities for short-term liquidity needs. Short-term interest rates are significantly below levels available from other sources avoiding a large cost of carry when comparing fixed interest debt to current (variable) investment rates.
- 3.2 The council can only borrow up to its Capital Financing Requirement, which represents the need to borrow for capital spend, and cannot borrow beyond this to finance the revenue budget. This is approved as part of the budget setting process in the Treasury Management Policy.
- 3.3 At the end of July 2021 there were no short-term loans outstanding.

Long-term borrowing

- 3.4 At 31 July 2021 the council held long-term borrowing of £126.3m, no new long-term borrowing has been secured since June 2016. Rates are monitored and discussed with our treasury advisors to determine the optimum timing of securing any new long-term borrowing.
- 3.5 The current capital financing budget position is summarised below:

Summary of Borrowing Budget	Budget	Forecast	(Surplus) /Deficit
	£m	£m	£m
Minimum revenue provision	8.5	8.1	(0.4)
Interest payable on all loans	5.4	5.4	(0)
Total	13.9	13.5	(0.4)

4. Summary of forecast outturn

- 4.1 The current net treasury forecast outturn is expected to be a surplus (underspend) of £0.4m, the main reason being the delayed need to borrow, following lower capital investment in 2020/21 compared to the projected spend in 2020/21.

Appendix D: Saving proposals approved by Full Council on 12 February 2021

Project Nova Savings **Status at 31 July 2021 (Period 4)**

The £11.205 million Nova Savings in the 2021/2022 Medium Term Financial Strategy were approved by Full Council on 12 February 2021.

The status of those savings at 31 July 2021 (period 4) are shown below:

£000	Appendix B Savings 2021/2022	Savings achieved at Period 4 31/7/2021	Forecast Savings for the year 12m to 31/3/2022	Variance/ Shortfall for the year at Period 4
Adults and Communities (S1 to S3)	3,270	2,130	3,270	0
Children and Families (S4 to S9)	2,390	970	1,081	1,309
Economy and Place (S10 to S26)	4,348	1,533	2,626	1,722
Corporate (S27 to S28)	1,197	936	1,086	111

Total	11,205	5,569	8,063	3,142
--------------	---------------	--------------	--------------	--------------

Overview

At the end of period 4 £ 5.569 million around half (49.70%) of the £11.205 million savings for the year in Appendix B have been achieved.

Adults and Communities are forecasting to achieve their full £3.270 million savings for the year, however, there is currently a total forecast shortfall of £ 3.142 million for the year relating to Children and Families £1.309 million, Economy and Place £1.722 million and Corporate Services £0.111 million.

Supporting narrative by directorate is shown below.

Detailed savings by directorate as shown in Appendix B of the February 2021 Full Council Report are shown in Annex 1.

The Executive, Management Board, has reviewed the forecast shortfall of £3.142 million and tasked the relevant Directors to address the shortfall.

Adults and Communities

Learning disability and complex needs services redesign' (S1) and 'Targeted review of complex cases' (S2) are inextricably linked due to the complexity of the client base concerned. As a result, the savings delivered against S2 are likely to exceed the proposed target with a possible crossover to the planned savings in S1. The current position of both of these savings proposals should be considered jointly as we progress through the financial year. Maximisation of social care income (S3) is on course to deliver the full year's savings target.

Children and Families

Against a savings target of £2.390 million, Children and Families are currently forecasting a shortfall of £ 1.309 million, rated red, as follows:

Ref	Savings scheme	2021/2022 Saving	2021/2022 Forecast	2021/2022 Shortfall at period 4	Narrative
S4	16+ Accommodation, Widemarsh Street	320	34	286	Savings are from young people moving to Widemarsh Street. Bath Street is costing £178k more than previous accommodation, waiting for confirmation of who

					is now in flats to see if position has changed. Service is being reviewed and updated. Information about our saving plan will be available by September, ie. could be 18+ year olds moving onto independent living and so reducing the cost of semi-independent provisions procurement; or a service redesign
S5	Step down from residential care	1,000	443	557	2 children have stepped down up to end March 2021. Up to 2 further children expected to step down by end of Q1 - waiting for confirmation of savings. Forecast of x5 children in total has now been revised down to x4 by end of year 2021/22
S6	Prevention of children becoming looked after and reunification of looked after children with families	567	604	(37)	We had achieved 267 savings from last year that are carried forward to this year as these children were budgeted for as being in care. However 1 child has recently returned to care so this figure will be slightly lower for 2021/2022 Savings from Q1 – these are the savings for children that have returned home during Q1 until the end of the financial year. Q2 – these are savings from children that have already returned home during Q2, so their savings from when they returned home until the end of the financial year. So providing none of the children return back to care, by the end of Q2 we will have already achieved a saving of 604 for the financial year, so already exceeding the target.
S7	Recruit 30 new foster carers per annum for 5 years	200	0	200	The Fostering Sufficiency project to commission an externally provided marketing and engagement campaign was unsuccessful at tender so options are now being reviewed to look at what we can do in-house by recruiting more capacity to the fostering team
S8	Full cost recovery of traded services	20	0	20	Not achievable as majority of services are provided by Hoople
S9	Manage inflation/contract efficiencies	200	0	200	The CareCubed IT tool has been purchased and training has been given to the Placements team, however recruitment to fixed term additional post to support the review work has been unsuccessful so to date no savings have been achieved. Post is being advertised permanently to attract more candidates (budget allocated to fund it is recurrent)
	Reduce agency spend	83	0	83	Not achievable - was originally based on reducing support for NQSW as they became more experienced but the support wasn't in place as planned so there is no expenditure to reduce
Total		2,390	1,081	1,309	

Economy and Place

Against a savings target of £4.348 million, Economy and Place are currently forecasting a shortfall of £ 1.722 million, rated red, as follows:

Ref	Savings scheme	2021/2022 Saving	2021/2022 Forecast	2021/2022 Shortfall at period 4	Narrative
S11	Streetworks & enforcement function efficiency improvements	50	119	(69)	Forecast to exceed savings target
S12	Hereford Markets	15	7	8	Equipment budget adjusted but vacant post budget was removed as part of the £650k vacancy removal so not available for this
S14	Directorate transformation and redesign	650	455	195	£650k was taken in vacant posts but some had to be reversed
S15	Parking Review	900	439	461	New charges didn't come into force until period 2, lockdown easing was delayed and car parking has not reached pre COVID levels with income 23% lower (£334k) in the first four months of the year than the same period in 2019. On the enforcement side fewer cars mean less to enforce and the team is also depleted through sickness which has reduced enforcement. On street has also lost some spaces due to COVID adaptations
S17	Review of Property Estate	1,000	30	970	Work ongoing to achieve in future years – review of property estate, reduction in reactive maintenance through actioning of condition surveys and partnership with Hoople, internal review of property services and increase in rental income
S19	Review weekend vehicle rental of council fleet vehicles	10	0	10	Moved to S22 – cancels out
S22	Review of Regulatory, Environment and Waste division income	115	125	(10)	Moved from S19 – cancels out
S23	Pre-planning application advice full cost recovery	100	23	77	Alternative proposals required for shortfall (existing pre-app budget not being achieved)
S26		80	0	80	Proposing to increase charges again in S20 (Bereavement & Registrars income) but as year progresses increase will become unreasonable

	Introduction of natural burials and pet burials & cremations				
Total		2,920	1,198	1,722	

Corporate

Against a savings target of £1.197 million, Corporate and Central Services are currently forecasting a shortfall of £ 0.111 million, rated amber, as follows:

Ref	Savings scheme	2021/2022 Saving	2021/2022 Forecast	2021/2022 Shortfall at period 4	Narrative
S27	Back office initiatives and efficiency savings	497	386	111	
Total		497	386	111	

Project Nova Savings
Status at 31 July 2021 (Period 4)

-v-

Appendix B: Saving proposals approved by Full Council on 12 February 2021

Directorate	Ref	Name of proposal	a Appx B Feb 21 Savings £000	b Updated Appx B Savings 31/7/21	c Savings delivered to 31/7/21	d Variance 3 months to 31/7/21 (b-c)	e Full Year Forecast Savings at 31/7/21	f Full Year Forecast Variance at 31/6/21 (b-e)	g RAG Rating*
Adults and Communities	S1	Learning disability and complex needs services redesign	1,500	1,500	907	593	1500	0	GREEN
Adults and Communities	S2	Targeted review of complex cases	1,250	1,250	973	277	1250	0	GREEN
Adults and Communities	S3	Maximisation of social care income	520	520	250	270	520	0	GREEN
Children and Families	S4	16+ Accommodation - Widemarsh Street	320	320	34	286	34	286	RED
Children and Families	S5	Step down from residential care	1,000	1,000	443	557	443	557	RED
Children and Families	S6	Prevention of children becoming looked after and reunification of looked after children with families	400	567	493	74	604	(37)	GREEN

Children and Families	S7	Recruit 30 new foster carers per annum for 5 years	200	200	0	200	0	200	RED
Children and Families	S8	Full cost recovery of traded services	20	20	0	20	0	20	RED
Children and Families	S9	Manage inflation and secure contract efficiencies	450	200	0	200	0	200	RED
		Reduce agency spend		83	0	83	0	83	RED
Economy and Place	S10	Public Realm efficiency savings	300	300	200	100	300	0	GREEN
Economy and Place	S11	Streetworks & enforcement function efficiency improvements	50	50	119	(69)	119	(69)	GREEN
Economy and Place	S12	Hereford Markets	15	15	7	8	7	8	RED
Economy and Place	S13	Encourage waste minimisation	200	200	0	200	200	0	GREEN
Economy and Place	S14	Directorate transformation and redesign	650	650	455	195	455	195	RED
Economy and Place	S15	Parking Review	900	900	96	804	439	461	RED
Economy and Place	S16	Technology and Lighting	90	90	50	40	90	0	GREEN
Economy and Place	S17	Review of Property Estate	1,000	1,000	30	970	30	970	RED
Economy and Place	S18	Review efficiency and utilisation of transport fleet	150	150	150	0	150	0	GREEN

Economy and Place	S19	Review weekend vehicle rental of council fleet vehicles	10	10	0	10	0	10	Moved to S22
Economy and Place	S20	Review of Bereavement & Registrars income	270	270	76	194	270	0	GREEN
Economy and Place	S21	Review Building Control services	115	115	28	87	115	0	GREEN
Economy and Place	S22	Review of Regulatory, Environment and Waste division income	115	115	42	73	125	(10)	GREEN £10k moved from S19
Economy and Place	S23	Pre-planning application advice full cost recovery	100	100	7	93	23	77	RED
Economy and Place	S24	Efficiency Savings (already identified in Medium Term Financial Strategy)	273	273	273	0	273	0	BLUE
Economy and Place	S25	Use s106 Funding to cover full costs of delivering identified highway improvements	30	30	0	30	30	0	GREEN
Economy and Place	S26	Introduction of natural burials and pet burials & cremations	80	80	0	80	0	80	RED
Corporate	S27	Back office initiatives and efficiency savings	497	497	236	261	386	111	AMBER
Corporate	S28	Removal of contingency	700	700	700	0	700	0	BLUE
			11,205	11,205	5,569	5,636	8,063	3,142	

*RAG Rating – to show confidence in delivery of savings

Full savings have already been achieved(complete)
Forecasts more than 10% away from their target for the year
Forecasts within 10% of their target for the year
Forecast variance for the year is zero (or negative), but not yet achieved

Delivery

Ambition	Action	Forecast	Lead Officer	Key milestones due in period	RAG
EC0 - Support an economy which builds on the county's strengths and resources	EC0.1 - Develop an engagement framework for the business sector that enables the effective coordination of advice and support	Complete as planned 2021/22	Head of Economic Development	· Draft framework complete	Green
	EC0.2 - Enhance engagement with the private sector through a Talk Business programme of communications, networking and events	Complete as planned 2021/22	Head of Economic Development	· Talk Community Directory Website	
	EC0.3 - Provide support to businesses to enable the soonest possible recovery of the local economy from the impacts of COVID-19	Complete as planned 2021/22	Head of Economic Development	· Restart grant 3rd phase delivered	
EC1 - Develop environmentally sound infrastructure that attracts investment	EC1.1 - Introduce policy to ensure that a robust climate and nature impact assessment is conducted for all infrastructure proposals	Complete as planned 2021/22	AD for Regulatory, Environment and Waste	· None in period	Blue
EC2 - Use council land to create economic opportunities and bring higher paid jobs to the county	EC2.1 - Work with partners to develop and implement a £25m Town Investment Plan for Hereford, to be funded through the Stronger Towns Fund	Continue as planned 2022/23	Head of Economic Development	· Funding decision · Heads of terms agreed	Green
	EC2.2 - Develop & implement Market Town Economic Development Investment Plans for each of the five market towns (Bromyard, Kington, Ledbury, Leominster and Ross) to support recovery, growth and jobs	Complete as planned 2021/22	Head of Economic Development	· Economic development plans completed	
	EC2.3 - Develop a Rural Economic Development Investment Plan to support job creation in rural areas	Continue as planned 2022/23	Head of Economic Development	· None in period	
	EC2.4 - Continue to support development of the Hereford Enterprise Zone , including completion & successful operation of the Shell Store business incubation centre and the Midlands Centre for Cyber Security, to deliver new high-skill job opportunities	Continue as planned 2022/23	Head of Economic Development	· 4.5 acres land identified for sale · Shell Store open - first 5 tenants	
	EC2.5 - Develop Maylord Orchards as a key strategic site; acting as a catalyst for the regeneration of Hereford City Centre	Continue as planned 2022/23	Head of Economic Development	· TIP outcome (EC2.1 above) · Appoint support for development	
EC3 - Invest in education and the skills needed by employers	EC3.1 - Enable and support the development & expansion of higher education in the county (NMITE, HCA), including through supporting work to increase the availability of student accommodation	Complete as planned 2021/22	Head of Economic Development	· Accommodation complete · Landscape complete	Red
	EC3.2 - Work with partners to expand our adult and community learning programme , with a particular focus on those at risk of long term unemployment, and young people at risk of not being in education, training or employment	Continue as planned 2022/23	AD for Education	· Framework for community learning · Community Renewal Fund bid outcome	Green
	EC3.3 - Provide more apprenticeships , including through the council's direct contracts	Continue as planned 2022/23	AD People	· Internal promotion plan developed	Green
EC4 - Enhance digital connectivity for communities and business	EC4.1 - Expand the Fastershire programme to increase delivery of superfast and ultrafast broadband coverage, including launch of Stage 5 to reach the remaining 3% of premises at the end of current contracts through Community Broadband Grant	Continue as planned 2022/23	AD Corporate Support	· Funding model agreed for 6th community	Yellow
	EC4.2 - Increase the number of businesses connected to high speed broadband by providing bespoke grant support	Complete as planned 2021/22	AD Corporate Support	· Funding fully committed	
	EC4.3 - Undertake feasibility study for a low power digital infrastructure that delivers benefits to residents and business and reduce the impact of digital exclusion	Continue as planned 2022/23	Director Adults and Communities	· Award contract to develop business case	
EC5 - Protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism	EC5.1 - Work with private sector partners to support the growth of the tourism industry across Herefordshire building on our strengths of outdoor activities, heritage & culture; and support the development of a destination business improvement district	Continue as planned 2022/23	Head of Economic Development	· None in period	Green
	EC5.2 - Implement the Leominster Heritage Action Zone Project , to act as a catalyst to the regeneration of the town and to attract new visitors	Continue as planned 2022/23	Head of Economic Development		
	EC5.3 - Take appropriate action to ensure our historic environment data is up-to-date	Extend to 2022/23	AD for Regulatory, Environment and	· Mapping of conservation areas	
EC6 - Spend public money in the local economy wherever possible	EC6.1 - Develop and implement a Social Value procurement policy to maximise the local benefit of all council spending	Complete as planned 2021/22	AD Corporate Support	· None in period	Green

■ complete
 ■ on target
 ■ possible delays
 ■ likely delays

Performance Measures

Ambition	Measure	Lead Officer	Q1	Improve- ment?	Target Met?	Comments
EC0 - Support an economy which builds on the county's strengths and resources	The number of business engaged and supported	Head of Economic Development	2,159			885 Growth Hub, 791 restart grant, tourism campaign ARG support
	The value of grants paid to businesses to support viability, or enable growth	Head of Economic Development	£2.4m			
EC1 - Develop environmentally sound infrastructure that attracts investment	The value of investment in the county from both public and private sources	Head of Economic Development	£0.35m			Finalising collection methods
	Percentage of infrastructure proposals where climate and nature impact assessments have been completed	AD for Regulatory, Environment and Waste	TBC			
EC2 - Use council land to create economic opportunities and bring higher paid jobs to the	The money invested and leveraged (both public and private) by council to create economic opportunities	Head of Economic Development	£0.35m			MBIP reported outputs, jobs saved as
	The number of jobs created (directly and indirectly) as a result of council investment	Head of Economic Development	156.64			
EC3 - Invest in education and the skills needed by employers	The number of Higher Education students	AD for Education	NA			Annual data available in Feb. 2022
	The percentage qualification achievement rate of provision of Higher Education	AD for Education	NA			Annual data available in Feb. 2022
	The number of adult and community learning students	AD for Education	NA			Annual data available in Feb. 2022
	The percentage qualification achievement rate of adult and community learning	AD for Education	NA			Annual data available in Feb. 2022
	The number of apprenticeships and job placements	AD for Education	NA			Annual data available in Feb. 2022
	The percentage qualification achievement rate of apprenticeships	AD for Education	NA			Annual data available in Feb. 2022
	The number of hard to fill vacancies	AD for Education	TBC			
	The number of 18-24 year olds in receipt of unemployment related benefits (claimant count)	AD for Education	645		NA	
	The percentage of apprenticeship levy spent	AD People	66.26%			
EC4 - Enhance digital connectivity for communities and business	The percentage of premises in Herefordshire able to access a superfast broadband service	AD Corporate Support	93.40%			
EC5 - Protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism	The number of unique visits to www.visitherefordshire.co.uk	Head of Economic Development	103,124			Referndum not until autumn. Reach of the marketing campaign. LEP grant spend in the period.
	The percentage of eligible businesses supporting DBID	Head of Economic Development	NA			
	The number of people reached by tourism marketing	Head of Economic Development	8.3m			
	The investment of the council on protecting and promoting our heritage, culture and natural beauty	Head of Economic Development	£0.24m			
EC6 - Spend public money in the local economy wherever possible	The social value attributable to council procurement	AD Corporate Support	NA			Not launched this year so will be reported in 2022/23
	The percentage of the council procurement budget spent locally	AD Corporate Support	TBC			
<div><div></div> on target/improvement<div></div> within 10% of target/small decline<div></div> missed target by more than 10% /significant decline<div></div> Not Available</div>						

County Plan - Success Measures



Corporate Risks

Risk		Impact				
CRR.39 - COVID-19		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Significant
x	5 Certain					
	4 Possible					

Likelihood	Likely 3					
	Possible 2					
	Unlikely 1					
	Rare					

Delivery

Ambition	Action	Forecast	Lead Officer	Key milestones due in period	RAG
EN0 - Protect and enhance our environment and keep Herefordshire a great place to live	EN0.1 - Develop the evidence base for the update of the Core Strategy and confirm programme for new plan following enactment of the planning white paper	Continue as planned 2022/23	Head of Economic Development	· Rural settlement audit and options for settlement · Housing and employment land availability assessment complete	
EN1 - Minimise waste and increase reuse, repair and recycling	EN1.1 - Develop a new waste strategy that drives the environmental ambition of the council, delivers value for money and meets residents' expectation. The new strategy will inform the future commissioning of waste collection and disposal in Herefordshire	Complete as planned 2021/22	AD for Regulatory, Environment and Waste	· Development of the Waste strategy begins	
EN2 - Improve and extend active travel options throughout the county	EN2.1 - Complete the Hereford Transport Strategy Review and begin implementation of the preferred options EN2.2 - Continue to deliver and extend the Choose How You Move sustainable and active travel programme to increase levels of walking and cycling EN2.3 - Significantly increase electric vehicle charging infrastructure by leveraging private sector investment through the development of a concession contract EN2.4 - Explore feasibility for the development of a cycle super highway	Continue as planned 2022/23 Continue as planned 2022/23 Extend to 2022/23 Extend to 2022/23	AD Highways and Transport AD for Regulatory, Environment and Waste AD for Regulatory, Environment and Waste AD Highways and Transport	· Budget allocated · Contract awarded for consultant · Business travel and rural car club grants commence · Targeted promotions begin · Electric vehicle concession contract awarded · Decision on capital budget	
EN3 - Build understanding and support for sustainable living	EN3.1 - Create a new countywide climate & ecological emergency partnership, strategy and action plan to improve biodiversity and achieve countywide carbon neutrality by 2030 EN3.2 - Introduce supplementary planning guidance on environmental building standards to ensure all new buildings are compatible with our climate and nature goals	Continue as planned 2022/23 Complete as planned 2021/22	AD for Regulatory, Environment and Waste Head of Economic Development	· Cabinet decision on new partnership, with first meetings due to take place · None in period	
EN4 - Invest in low carbon projects	EN4.1 - Support the most vulnerable people in our communities by providing energy efficient and more affordable heating EN4.2 - Develop new domestic building retrofit programmes to further improve the energy efficiency of Herefordshire's housing stock, reducing carbon emissions, improving wellbeing and tackling fuel poverty	Continue as planned 2022/23 Continue as planned 2022/23	AD for Regulatory, Environment and Waste AD for Regulatory, Environment and Waste	· None in period · Lowest energy efficiency houses complete	
EN5 - Identify climate change action in all aspects of council operation	EN5.1 - Reduce the council's own carbon footprint through implementing our Carbon Management Action Plan EN5.2 - Improve the environmental and energy efficiency standards of Council buildings through the introduction of: a) new minimum standards for energy efficiency b) a plan for investing in energy efficiency and renewable energy measures for existing buildings c) a plan for achieving net zero carbon for all council new-build buildings	Continue as planned 2022/23 Continue as planned 2022/23	AD for Regulatory, Environment and Waste AD for Regulatory, Environment and Waste	· Schools PV programme decision and start · None in period	
EN6 - Seek strong stewardship of the county's natural resources	EN6.1 - Construct the first of up to eight integrated wetlands as tertiary treatments for waste water treatment works to reduce phosphate levels within the River Lugg catchment area EN6.2 - Develop & implement supplementary planning guidance on intensive livestock units to protect water quality in our rivers EN6.3 - Continue to support the River Wye and Lugg pilot Natural Flood Management Project to reduce flood risk to communities within Herefordshire	Complete as planned 2021/22 Complete as planned 2021/22 Complete as planned 2021/22	AD for Regulatory, Environment and Waste AD for Regulatory, Environment and Waste AD for Regulatory, Environment and Waste	· Site procurement · Public consultation complete · Projects commence	
EN7 - Protect and enhance the county's biodiversity, value nature and uphold environmental standards	EN7.1 - Develop & implement a new nature strategy to enhance and protect biodiversity across the Council's estate	Extend to 2022/23	AD for Regulatory, Environment and Waste	· Approach to Nature Strategy agreed	

■ complete ■ on target ■ possible delays ■ likely delays

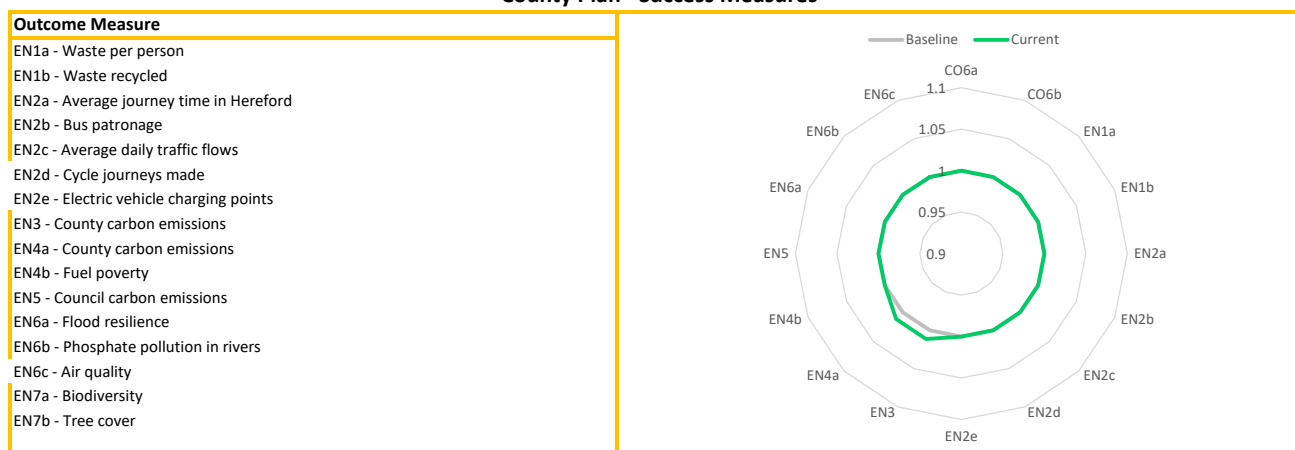
Performance Measures

Ambition	Measure	Lead Officer	Q1	Improve-ment?	Target Met?	Comments
EN1 - Minimise waste and increase reuse, repair and recycling	The average kilograms of waste per person	AD for Regulatory, Environment and Waste	97.07kg			
	The percentage of waste sent for recycling	AD for Regulatory, Environment and Waste	31.77%			
EN2 - Improve and extend active travel options throughout the county	The total kilometres cycled using Beryl's Bikes	AD for Regulatory, Environment and Waste	TBC			
	The number of children trained through Bikeability	AD for Regulatory, Environment and Waste	NA			Data will be reported once schools return in September.
	The total kilometres of cycle route within the county	AD for Highways and Transport	TBC			
	The total number of bus journeys within the county	AD for Highways and Transport	NA			Data available from October.

	The total number council installed charging points	AD for Regulatory, Environment and Waste	NA		Contract not due to begin until late 2021.
EN3 - Build understanding and support for sustainable living	The KWh in business emissions through the provision of grant assistance from Business Efficiency Programme The total number of signatories to the Herefordshire Climate and Nature Partnership	AD for Regulatory, Environment and Waste AD for Regulatory, Environment and Waste	TBC NA		Partnership will launch in the autumn. Targeting 50 signatories.
EN4 - Invest in low carbon projects	The number of households that have had a significant impact on their carbon footprint as a result of council intervention The £ and percentage of investment that contributes significantly to climate and nature goals	AD for Regulatory, Environment and Waste AD for Regulatory, Environment and Waste	44 TBC		
EN5 – Identify climate change action in all aspects of council operation	The energy consumption across all council operations The KWh saved as a result of capital investment and grants	AD for Regulatory, Environment and Waste AD for Regulatory, Environment and Waste	59.60% 44,124kWh		This is the reduction for 2020/21. Data is available in July retrospectively. This is the reduction for 2020/21. Data is available in July retrospectively.
EN6 – Seek strong stewardship of the county's natural resources	Phosphate reduction as a result of the introduction of new wetlands The number of properties with a reduced risk of flooding as a result of the council's support and intervention	AD for Regulatory, Environment and Waste AD Highways and Transport	NA TBC		This will be reported after the completion of the first of the wetlands
EN7 – Protect and enhance the county's biodiversity, value nature and uphold environmental standards	The percentage of road verges managed for wildlife The number of trees planted as a result of direct council intervention The percentage of planning applications submitting a full ecology checklist	AD for Regulatory, Environment and Waste AD for Regulatory, Environment and Waste AD for Regulatory, Environment and Waste	TBC TBC TBC		

■ on target/improvement
 ■ within 10% of target/small decline
 ■ missed target by more than 10% /significant decline
 ■ Not Available

County Plan - Success Measures



Corporate Risks

Risk		Impact				
CRR.39 - COVID-19						
Likelihood	5 Certain					
	4 Likely					
	3 Possible					
	2 Unlikely					
	1 Rare					
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant

Delivery

Ambition	Action	Forecast	Lead Officer	Key milestones due in period	RAG
CO0 - Strengthen communities to ensure everyone lives well and safely together	CO0.1 - Improve the overall mental and physical health and wellbeing of residents of all ages with a more diverse and increased level of support that helps people to make healthy food and lifestyle choices	Continue as planned 2022/23	AD Talk Community Operations	<ul style="list-style-type: none"> Spec for MH leaders developed Debt & Money service implement'd Redesign health & wellbeing offer 	Green
	CO0.2 - Improve the capacity and capability of data management and use of systems to drive efficiencies and maximise user experience	Continue as planned 2022/23	AD Corporate Support	<ul style="list-style-type: none"> Business Case for CRM system 	
	CO0.3 - Implement capital highway maintenance projects	Complete as planned 2021/22	AD Highways and Transport	<ul style="list-style-type: none"> GIS mapping of conservation areas complete 	
	CO0.4 - Deliver the asset management plan to improve road conditions across the county	Complete as planned 2021/22	AD Highways and Transport	<ul style="list-style-type: none"> Ongoing updates to 22/23 plan 	
	CO0.5 - Complete the infrastructure repair work following the flooding in winter 2019	Extend to 2022/23	AD Highways and Transport	<ul style="list-style-type: none"> Procure design and build of Whitney flood repairs 	Red
	CO0.6 - Complete the review of governance arrangements and implement new arrangements and constitution	Complete as planned 2021/22	Solicitor to the Council	<ul style="list-style-type: none"> Final constitution drafted Full council sign off 	Yellow
	CO0.7 - Development of a communication strategy and engagement framework that supports the delivery of the County Plan and improves the involvement by residents and key stakeholders in the development of services and ongoing direction of travel	Complete as planned 2021/22	AD Strategy	<ul style="list-style-type: none"> Talk Community campaign launched Framework approved by Cabinet 	Yellow
	CO0.8 - Development and delivery of the SafeHerefordshire campaign to support the fight against the pandemic and ensure key messages are being targeted effectively	Complete as planned 2021/22	Head of Communications	<ul style="list-style-type: none"> None in period 	Green
	CO0.9 - Effectively manage COVID-19 outbreaks through the development and implementation of the Outbreak Control Plan	Continue as planned 2022/23	Director of Public Health	<ul style="list-style-type: none"> None in period 	Green
CO1 - Ensure all children are healthy, safe and inspired to achieve	CO1.1 - Deliver schools investment programme including completion of the expansion of Marlbrook and Mordiford primary schools and development of Brookfield and Peterchurch schools	Extend to 2022/23	AD for Education	<ul style="list-style-type: none"> Marlbrook landscaping complete Brookfield tender complete Peterchurch design contract start 	Yellow
	CO1.2 - Work with school leaders locally and nationally to develop and implement an action plan to support pupils and students to make the most of their education, particularly at Key Stage 4 and the move into the world of work	Continue as planned 2022/23	AD for Education	<ul style="list-style-type: none"> Opportunity area work to restart with Blackpool and Stoke 	
	CO1.3 - Work with school and education leaders and other partners to minimise the impact of the pandemic by enabling and implementing a range of support including online teaching and home learning	Continue as planned 2022/23	AD for Education	<ul style="list-style-type: none"> Elective home education review 	
	CO1.4 - Improve the oral health of children in the county	Continue as planned 2022/23	Director of Public Health	<ul style="list-style-type: none"> Oral Health Improvement Board start Contract variation complete Survey spec out for tender 	Green
CO2 - Ensure that children in care, and moving on from care, are well supported and make good life choices	CO2.1 - Implement and embed a new Children's social work model of practice which provides a strengths based approach to child protection case work (model is known as Signs of Safety)	Extend to 2022/23	AD Children's Safeguarding Quality and Improvement	<ul style="list-style-type: none"> New QA framework launched Advanced staff and multi-agency SoS training 	Yellow
	CO2.2 - Continue the improvement of the children's safeguarding system to ensure children and families get the right support at the right time, including early help and reduce the number of children needing to be cared for by the council	Continue as planned 2022/23	AD Children's Safeguarding and Family Support	<ul style="list-style-type: none"> Fostering marketing campaign Fostering review initiated Childrens home feasibility report ASYE recruitment Business case for increased resource in Early Help hub 	
CO3 - Build publicly owned sustainable and affordable houses and bring empty properties back in to use	CO3.1 - Develop feasibility and options for the development of council owned homes and confirm the model for delivery	Complete as planned 2021/22	Head of Economic Development	<ul style="list-style-type: none"> None in period 	Blue
	CO3.2 - Submit planning application for the first site of Council owned affordable net zero carbon housing	Extend to 2022/23	Head of Economic Development	<ul style="list-style-type: none"> Review financial impact of schemes Decision on list of sites for affordable housing delivery 	Yellow
CO4 - Protect and improve the lives of vulnerable people	CO4.1 - Develop and adopt new models of care accommodation to support vulnerable young people, people with learning disabilities and older people	Continue as planned 2022/23	AD All Ages Commissioning	<ul style="list-style-type: none"> Second peer review of options complete Costed care plan rolled out 	Green
	CO4.2 - Develop and deliver a community meal offer (Talk Community Kitchen) that provides healthy meals to the local community and offers skills and training opportunities for young people and those at risk of long term unemployment	Complete as planned 2021/22	AD Talk Community Operations	<ul style="list-style-type: none"> Project closed and no further progression is planned 	Blue
	CO4.3 - Develop Right Support, Right Time for Families through our Talk Community approach and building on strengths within local communities	Extend to 2022/23	Director of Children and Families	<ul style="list-style-type: none"> Targeted communications campaign complete 	Red
	CO4.4 - Embrace the principles of "no second night out" and "housing first" through developing a model of delivery that prevents homelessness	Continue as planned 2022/23	Head of Prevention Adults & Communities	<ul style="list-style-type: none"> Work commences on two sites, with Whitecross completing. 	Yellow
	CO4.5 - Develop the council owned Hillside Care Centre to be a fully digital, dementia friendly and environmental care home	Continue as planned 2022/23	AD All Ages Commissioning	<ul style="list-style-type: none"> Confirm scope of Hillside as Dementia-friendly Environmental upgrades complete Technology Plan complete 	Green
	CO4.6 - Develop and implement an all ages, whole system commissioning strategy that improves outcomes for people and	Continue as planned 2022/23	AD All Ages Commissioning	<ul style="list-style-type: none"> Childrens commissioners now re-aligned to AD all age commissioning 	

	families and maximises the use of resources			
CO5 - Use technology to support home care and extend independent living	CO5.1 - Develop a new Independent Living Services offer for Herefordshire residents CO5.2 - Develop our assistive technology offer to enable people to maximise independent living including the delivery of a demonstration centre at Hillside Care Centre and an online catalogue	Continue as planned 2022/23 Continue as planned 2022/23	Director of Adults and Communities AD All Ages Commissioning	· Project reviewed · Delivery of improvements in ILS · Publish new Technology Enabled Living Strategy · Model drafted for proactive call response
CO6 - Support communities to help each other through a network of community hubs	CO6.1 - Support communities to improve community resilience through development of a network of community led hubs throughout the county CO6.2 - Develop integrated service hubs within communities to tackle inequalities, meet the needs of the local community and that make best use of council and community assets	Continue as planned 2022/23 Extend to 2022/23	AD Talk Community Operations Director of Adults and Communities	· 20 hubs launched across the county · Project reviewed with Ledbury members

■ complete
 ■ on target
 ■ possible delays
 ■ likely delays

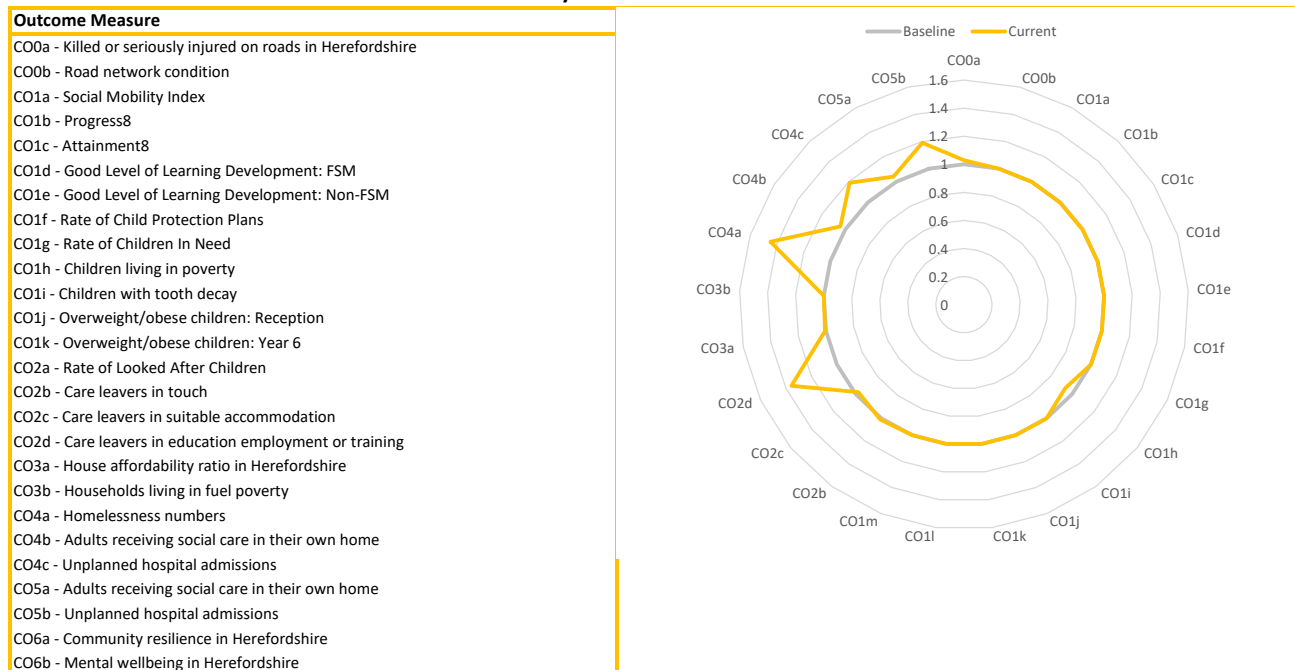
Performance Measures

Ambition	Measure	Lead Officer	Q1	Improve-ment?	Target Met?	Comments
CO0 – Strengthen communities to ensure everyone lives well and safely together	Employee engagement index (council workforce)	AD of People	TBC			
	Resident engagement and overall satisfaction with the council	AD of Strategy	TBC			
	Percentage of Category 1 defects managed within timescale	AD Highways and Transport	100%			
	The percentage of overall condition of footways rated as good	AD Highways and Transport	TBC			
	Percentage of Category 2a defects managed within timescale	AD Highways and Transport	89.91%			
	Percentage of construction materials reused and recycled	AD Highways and Transport	TBC			
CO1 - Ensure all children are healthy, safe and inspired to achieve	The percentage of school buildings identified as safe, appropriate and up-to-date	Director of Children & Families	TBC			
	The percentage of school leavers that are (a) not in education, employment of training, or (b) not known	Director of Children & Families	(a) 4.1% (b) 1.0%			
	The percentage of (a) primary and (b) secondary schools rated good or outstanding by OFSTED	Director of Children & Families	(a) 97.4% (b) 80.0%			
	The percentage of pupil attendance in (a) primary and (b) secondary schools	Director of Children & Families	(a) 95.2% (b) 89.3%			Data related to Spring term. Comparison not drawn due to difference in conditions between yrs due to COVID
	The proportion of schools able to provide online learning	Director of Children & Families	100%			
	The number of children seen as part of a 4-6 month health check	Director of Public Health	0			This new scheme started in July, so reporting will be in future quarters
	The percentage uptake of childrens 2.5yr ages and stages review	Director of Public Health	TBC			
	The number of early years settings signed up to and implemented a supervised brushing programme	Director of Public Health	0			10 schools signed up, implementation pending
	The percentage of children looked after/children with a child protection plan offered a health assessment	Director of Children & Families	TBC			
	The percentage of child and family assessments completed within statutory timescales	Director of Children & Families	78%			
	The percentage of timely (a) Children in Care (b) Child Protection and (c) Child in Need visits	Director of Children & Families	(a) 88% (b) 74% (c) 83%			
	The percentage of referrals which are re-referrals (within 12 months of a previous referral)	Director of Children & Families	12%			
	The percentage of all current child protection cases which have previously been on a CP Plan (within 2 years)	Director of Children & Families	6.40%			
	The proportion of audits of children's cases rated as good or outstanding	Director of Children & Families	37%			
CO2 - Ensure that children in care, and moving on from care, are well supported and make good life choices	The numbers of children being referred into children's social care for specialist support after an assessment per 10000	Director of Children & Families	TBC			
	Increase the timeliness of the number of children who are adopted and/or has a permanency plan by the second looked after review	Director of Children & Families	TBC			
	Increasing the numbers of children in receipt of edge of care support that have not entered the care system	Director of Children & Families	TBC			
	Increase the percentage of children that have timely health assessments and completed SDQ's	Director of Children & Families	TBC			
	The percentage of children and families surveyed who reported that their social care intervention was positive and made a difference	Director of Children & Families	TBC			
CO3 - Build publicly owned sustainable and	The number of affordable houses delivered with 450 homes built by March 2022	Head of Economic Development	66			

affordable houses and bring empty properties back in to use	The number of affordable net zero carbon houses (from April 22 onwards) The number of empty properties brought back in to use	Head of Economic Development Head of Economic Development	- 5	<div></div> <div></div>	These are scheduled for delivery from April 2022 onwards
CO4 - Protect and improve the lives of vulnerable people	The number of people engaging with the Healthy Lifestyle Trainer Service The rate of admissions to care homes for clients aged under 65 The rate of admissions to care homes for clients aged over 65 The number of new tenancies developed for independent living The number of new dwellings of extra care developed The local count of Herefordshire homelessness The number of cases where homelessness has been (a) prevented and (b) relieved	AD Talk Community Operations AD for Adult Social Care Operations AD for Adult Social Care Operations AD All Ages Commissioning AD All Ages Commissioning Head of Prevention Adults & Communities Head of Prevention Adults & Communities	344 7.3 151 TBC TBC TBC TBC	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	Improved engagement this year, partly driven by increased demand post-pandemic Very low levels of admissions were noted during the same period last year due to the pandemic
CO5 - Use technology to support home care and extend independent living	The rate of admissions to care homes for clients aged under 65 The rate of admissions to care homes for clients aged over 65	AD for Adult Social Care Operations AD for Adult Social Care Operations	7.3 151	<div></div> <div></div>	
CO6 - Support communities to help each other through a network of community hubs	Establish a baseline for the volunteer capacity in Herefordshire The number of talk community hubs active in the county to 50 by March 2022 The number of people engaging with Talk Community hubs The number of hits on the Talk Community Directory (previously WISH)	AD Talk Community Operations AD Talk Community Operations AD Talk Community Operations AD Talk Community Operations	23% 23 TBC 12,709 (YTD)	<div></div> <div></div> <div></div> <div></div>	Based on the talk community survey outputs Mechanism for this measure is being established Demand at the same point last year was particularly high due to the pandemic

■ on target/improvement
 ■ within 10% of target/small decline
 ■ missed target by more than 10% /significant decline
 ■ Not Available

County Plan - Success Measures



Corporate Risks

Risk		Impact				
Likelihood	5 Certain	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
	4 Likely				CRR.59	
	3 Possible					CRR.52, CRR.60
	2 Unlikely					
	1 Rare					

CRR.39 - COVID-19	
CRR.52 - Court cases	
CRR.59 - Sustainability and closure of a care home	
CRR.60 - Development of Sufficiency strategy to support best value model	

Performance Measures

Measure	Lead Officer	Q1	Improve-ment?	Target Met?	Comments
Average days sickness per FTE	AD of People	6.76 days			
Percentage of mandatory training completed	AD of People	88%			Work is underway to manage non completers. By the end of the year it is anticipated that the target will be comfortably met.
Percentage of permanent staff	AD of People	TBC			Establishing final collection methods in order to provide an accurate position
Number of RIDDOR reportable incidents	AD of People	0			
Revenue outturn	Chief Finance Officer	£65k over			
Percentage of capital budget spent	Chief Finance Officer	49%			Detail provided in the cover report
Percentage of savings delivered, or on track to be delivered	Chief Finance Officer	72%			Detail provided in Appendix F.
Percentage of invoices paid on time	Chief Finance Officer	TBC			
Percentage of projects delivered on time	AD of Strategy	TBC			
Percentage of projects delivered on budget	AD of Strategy	TBC			
Percentage of complaints responded to within timescales	AD Corporate Support	94.3%			
Percentage of FOIs & EIRs responded to within timescales	AD Corporate Support	96.2%			
<div> <div></div> on target/improvement <div></div> within 10% of target/small decline <div></div> missed target by more than 10% /significant decline <div></div> Not Available </div>					

Corporate Risks

Risk		Impact				
CRR.39 - COVID-19		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain					
	4 Likely					
	3 Possible					
	2 Unlikely					
	1 Rare					

Business viability and resilience: enabling businesses to restart and recover trade as quickly and effectively as possible whilst meeting national Covid 19 guidelines. Providing opportunities to kickstart trade, adding value to existing products and services, or to diversify into new market opportunities. As well as providing support for people to start a new business revitalising the local economy.					
Action	What	When	Lead Officer	Progress in period	RAG
Revive and Thrive	· Grants to support first few month rent in vacant retail units and business space · Access to business advice through the Marches Growth Hub · Encourage business start-ups, pop up shops, cultural and creative use of space · Utilising the Shell Store and Midlands Centre for Cyber Security · Focus on encouraging young entrepreneurs, providing access to premises and support services.	August 21 - March 22	Head of Economic Development	Criteria and application process drafted for a grant scheme offering grants up to £2,500 to support start-up businesses wishing to trial retail; and up to £10,000 for existing businesses to encourage businesses onto the high street. Scheme launch in September.	
Visit Herefordshire	· Promote Herefordshire as a fantastic staycation destination, building on the current campaign into the autumn, Christmas and spring 2022 · Focus on festivals and events.	July 21 - March 22	Head of Economic Development	Procurement undertaken to commission provider(s) to deliver a marketing and PR campaign. Contract awarded July, commenced August.	
Love Going Out Locally	· Incentivise residents to spend locally on a wide range of local activities · Track and analyse use to understand people's interests and trends.	July 21 - March 22	Head of Economic Development	Soft market testing for a pre-paid card scheme has been undertaken to inform delivery. Procurement to commission an organisation to deliver the scheme is underway. Contract award September. Proposed scheme launch 1st October.	
Shop Local Love Local	· Marketing and PR campaign to encourage people to support local businesses, making people aware of products and services and any offers · Developing content for the Herefordshire Loyal Free app	July 21 - December 21	Head of Economic Development	Procurement due to commence early September to commission a Provider(s). Delivery commence towards the end of September aligned to LGOL and launch of the scheme.	
Safe and Welcoming Places: encouraging people to safely return to a more normal way of life, through creating safe, attractive and vibrant places for events, leisure and hospitality, visiting, studying, culture, re-engaging with friends and family generating spend in our towns, city and wider rural county.					
Action	What	When	Lead Officer	Progress in period	RAG
Great Places to Visit	· Revitalised places offering high quality experiences such as 'dressing'/presentation/greening of market town centres · Grants for shop front enhancements · Infrastructure for events · Improvements to public rights of way/cycling routes.	July 21 - March 22	Head of Economic Development	Funding for Town Councils to support proposals for improvements. Discussions with Town Councils and proposals to be agreed September, commence October.	
Return to Towns & City	· Incentivising people to get back to leisure/social activities · Working out of home and exploring new places · Helping people to access new jobs through providing periods discounted bus fares, access to the Hereford bike scheme · Possible roll out of services elsewhere, developing car pools, utilising e-cargo (people carrier) bikes, and feasibility for future cycling connectivity routes · Monitor and analyse take up to understand trends, and inform incentivisation of modal shift.	July 21 - March 22	Head of Economic Development	Proposals have been agreed and are being implemented for: - Free weekend bus travel in the county and for an expanded weekend bus network to maximise the potential of the free travel scheme - launching 1st September. - A community car club pilot in up to 6 areas in the county. Scheme launch 1st September. - A proposal has also been agreed for a Herefordshire Business E-bike and E-cargo grant offering funding for bikes and electric bikes for Herefordshire businesses and other organisations with paid employees, for travelling to meetings, travel between sites, delivery services. Due to launch September.	
Supporting Local People: stem the rise in unemployment, support people who have been made or are at risk of redundancy to return to work including through opportunities to re-skill/change career path, and find new job opportunities. Consider the impact of the pandemic on people's wellbeing, and the support required to enable recovery					
Action	What	When	Lead Officer	Progress in period	RAG
Joined Up for Jobs: NEET Prevention	· Additional support for complex Not in Education and Employment (NEET) cases		Post 16 Senior Advisor	Proposal agreed to support the positive transition of approximately 30 x year 11 students from Herefordshire Pupil Referral Service and The Brookfield School into Post 16 education, employment or training. Delivery commence August.	
Joined Up for Jobs: Youth Employment Hub	· Launch of the Herefordshire Youth Employment Hub		Post 16 Senior Advisor	Funding allocated for the Youth Employment Hub project bringing together a wide range of statutory, voluntary and private organisations to provide multi-agency support in one place aimed at supporting 16 to 24 year olds into education, employment or training. Mobilisation August, delivery commence September.	
Joined Up for Jobs: One Stop Shop Advice	· One stop shop advice (contact point, local events, proactive engagement) to guide people to the right location to access the wide range of available support.		AD Talk Community Programme	One Stop Shop Advice proposal in development for additional resource and capabilities to provide advice, guidance and signposting to people at risk of, or in, unemployment as a result of the impact of the pandemic.	
Supporting Whole Population Physical and Mental Wellbeing: to encourage, facilitate and develop opportunities for the whole population to improve physical and mental wellbeing, including those most affected fastest.					
Action	What	When	Lead Officer	Progress in period	RAG

Community and Personal Resilience	· Supporting individuals, families and communities to connect through free events, activities and targeted support · Increased activities within libraries, children's centres and schools · Providing funding to the VCSE that supports community and personal resilience.	July 21 - March 22	AD Talk Community Programme	Mobilising a grant scheme through Herefordshire Community Foundation (HCF) to support VCSE organisations. Launch September. Mobilising a 0-3 year's universal offer grant programme aimed at early year's settings and community groups to provide sessions for parents and 0-3 year olds to meet peers and form their own networks to improve mental wellbeing. A programme of activities and access to resources and specialist training will also be available through Libraries. Launch September. Currently out to the market to commission a provider to undertake a review of the VCSE sector. Delivery commence September.
Get Active	· Increased opportunities to encourage individuals to become more active · Supporting physical activity through improved infrastructure and access to green space · scaled up preventative and behavioural support, including workplaces.	July 21 - March 22	AD Talk Community Programme	Free swimming lessons for children and adult non-swimmers, plus free family swimming sessions are being delivered by Halo. Launched in July to run over the school holidays – this has been a huge success with sessions being fully booked. Further proposals have also been agreed and are being implemented to encourage individuals be more active.
Mental Health Awareness and Support	· Online mental and wellbeing toolkits and campaigns at key times of the year.	July 21 - March 22	AD Talk Community Programme	An online toolkit has been commissioned providing access to low level interactive support aimed at over 18's - launch September. Spec developed ready to go out to the market to commission a provider to develop a package of support targeted at low level mental health prevention and develop additional capacity in the community by establishing a peer support network. Funding allocated to extend the existing Solihull Parenting Scheme to address the emerging mental health needs of children and parents arising from the pandemic. The training allows opportunities for parents, schools and professionals to gain understanding and skills to help them manage children's behaviours and anxieties.
Early Awareness and Identification of excessive/harmful drinking	· Early detection of high risk alcohol consumption · assertive outreach for complex drinkers	August 21 - March 22	Director of Public Health	Proposal agreed and implemented with current provider (Turning Point) to deliver increased online marketing, awareness and harm reduction, online self-help modules, increased brief interventions, and recruitment of assertive outreach workers to engage with those most complex and vulnerable dependent drinkers identified through Wye Valley Trust's multi-disciplinary meeting.
Education Catch Up	· Catch-up/Mentor programmes for education · Support for schools and teachers	August 21 - March 22	AD Education	Currently mobilising a grant scheme that offers schools and early years settings a number of options to help improve their students' mental health and wellbeing. Also, commissioning a provider(s) to: - Support attendance in Herefordshire Schools to work with families, pupils and Herefordshire schools to support anxious pupils, school refusers and persistent non-attenders back into the classroom post COVID. - Provide CPD (Continuous Professional Development) for staff delivering the new statutory sex and relationships curriculum, mental health and wellbeing is a key part of this new curriculum.
Digital Poverty & Exclusion	· Acceleration and scale up of existing support to improve access for digital inclusion through existing community assets and infrastructure.	July 21 - March 22	AD Talk Community Programme	Project being mobilised with Age UK aimed at over 55's, to commence September and will include: 6 week courses at weekly cafes in rural locations, 121/outreach support for those who are at the very early stages of entering the digital world and tablet loan. The project will also utilise Digital Volunteers to support delivery.

■ complete
 ■ on target
 ■ possible delays
 ■ likely delays

Risk Reference	Risk Description	Opened	Risk score before controls (LxC)	Risk score after controls (LxC)	Residual Risk trend (6 months)
CV1	Risk to the vulnerable people in Herefordshire (children not in education, not in social care)	Apr-20	15 (5*4)	6 (2*3)	
	Ability to carry out business as usual to support vulnerable people in the community	Apr-20			
	National focus is largely on protecting the NHS, which might result in poor practices generating increased (long term) pressures on social care	Apr-20			
	Assurance that Care Home are effectively managing the COVID risks and contamination control within their settings	Apr-20			
	Adequacy of Infection Protection control	May-20			
	Testing availability	Sep-20			
	Increase in infection rate	Sep-20			
	Patchy test and trace communication and service	Oct-20			
CV2	Risk to our staff	Apr-20	20 (5*5)	8 (2*4)	
	Availability of PPE	Apr-20			
	Staffing levels will make BAU, and COVID responses under pressure	Apr-20			
	Risk of infection/death to frontline staff working in the community	Apr-20			
	Working from home H&S and well being	Apr-20			
	Risk to BAME workforce	May-20			
	Covid secure workplaces	May-20			
	Testing availability	Aug-20			
	Risk to social work practice as supervision continues to be remote	Oct-20			
	Long term implications of Covid and return to BAU	Feb-21			
CV3	Risk to the council's finances	Apr-20	25 (5*5)	20 (4*5)	
	A reduction in council tax income	Apr-20			
	A reduction in business rate income	Apr-20			
	A reduction in income for other sources, such as car parking	Apr-20			
	Additional unbudgeted spend including PPE @ significant cost	Apr-20			
	Uncertainty over central government support and unavoidable costs	May-20			
	Timing deadline for central government support	Jun-20			
CV4	Risk to the local economy	Apr-20	20 (5*4)	25 (5*5)	
	Local economy will suffer as a result of the COVID measures	Apr-20			
	Increased likelihood of businesses failing	Apr-20			
	Delays in progressing some of the key council developments which will increase the capacity to	Apr-20			
	Market failures for LA services	Jun-20			
	Impact for market towns not covered by specific grants	Jun-20			
	Increased unemployment	Jun-20			
	Ability for transport services to provide covid secure service and still be viable	Jun-20			
	Difficulty in recruiting in some areas ie agriculture	Jun-20			
	Uncertainty of pandemic on top of flooding this year	Jun-20			
	Risk of Variant of Concern resulting in re-implementation of measures that impact economy	Aug-21			
CV6	Risk to the Shield, BRAVE and other vulnerable groups COVID response	Apr-20	20 (4*5)	6 (2*3)	
	Due to numerous lists being issued from health, there is a risk that some people are missed and not contacted	Apr-20			

	Fragile processes have been developed to support immediate resolution, which rely too heavily on individuals and single points of failure.	Apr-20			
	Sufficiency of foster care places	Jun-20			
	Availability of volunteers and shield buddies as normal duties resume	Jun-20			
	Impact of public realm changes for the visually impaired	Jun-20			
	Increase in infection rates	Sep-20			
	Testing ability	Sep-20			
	Patchy test and trace communications and service	Oct-20			
CV7	Risks to Communications and national messaging	Apr-20	9 (3*3)	6 (2*3)	
	Herefordshire council might not agree with the national messaging	Apr-20			
	The requirement to respond to the national governments decisions quickly poses a risk to the council	May-20			
	Messages not understood due to unclear messaging and different counties/welsh border.	May-20			
	Inaccessible communications not reaching audience	Jun-20			
CV8	Risk to delivery of Strategic Objectives	Apr-20	20 (4*5)	16 (4*4)	
	Transformational projects stalling due to inability to build/develop/transform services	May-20			
	HE ability/pressures	Jun-20			
	Lockdowns and further restrictions	Sep-20			
CV9	Risk of non compliance with advice/guidance by general public	Jun-20	25 (5*5)	15 (3*5)	
	Non compliance by members of public	Apr-20			
	Pressure on council enforcement resources	Jun-20			
	Not securing court orders	Aug-20			
	Increase in infection rates	Sep-20			
	Risk from international travel and non-compliance with quarantine requirements on return.	Apr-21			
CV10	Risk of larger outbreaks leading to wider lockdown	Jun-20	15 (3*5)	15 (3*5)	
	LA not have powers for wider lockdown	Jun-20			
	Community tensions rising	Jun-20			
	Local authority and local system capacity being overwhelmed if multiple large outbreaks occur simultaneously	Jul-20			
	Increase in infection rate	Sep-20			
	School reopening	Sep-20			
	Variant of concern spread within the county	Apr-21			
	Staff cannot be recruited to key COVID-19 response positions	Aug-21			
CV11	Missed education for Herefordshire learners	Jun-20	25 (5*5)	8 (3*4)	
	Impact of lack of learning /virtual learning capability	Jun-20			
	Parental and school tensions	Jun-20			
	Non-attendance for September return	Aug-20			
	Schools returned and preparing for virtual learning	Sep-20			
	Ability to catch up on missed education	Sep-20			
CV12	Lack of digital inclusion /IT	Jun-20	12 (4*3)	12 (4*3)	
	Superfast broadband not accesible to all	Jun-20			
	Digital inclusion - feeling more excluded	Jun-20			
	Cyber security risk increasing given increase of matter online	Jun-20			
	IT still within the council having an impact on delivery	Nov-20			
CV13	Risk to the Council's reputation	Nov-20	25 (5*5)	8 (2*4)	
	Introduction of local rapid testing at scale places expectations on council to make this an effective, well-run service for an estimated 6-12 months. No clear national policy yet from end of June.	Nov-20			

Development of contact tracing and compliance services at a local level will be necessary to control and mitigate infection spread. This has been of poor quality nationally, and damaging to national government.

Nov-20

There is already an expectation that the local authority will support the effective roll-out of vaccinations to health and care staff: likely that this will extend to the wider population in the new year.

Nov-20



Title of report: Annual review of earmarked reserves

Meeting: Cabinet

Meeting date: Thursday 30 September 2021

Report by: Cabinet member corporate strategy and budget

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To note and review the reserves held by the council.

Earmarked reserves are established to fund future year commitments over and above the annual budget requirement. They generally arise where funding allocations exceeds annual expenditure, usually due to the timing of receipts being ahead of incurring expenditure. As a matter of good practice a review is undertaken each year to establish the continued need for reserves held for earmarked purposes to ensure resources can be used to best effect whilst maintaining a prudent level of reserves to meet future anticipated commitments.

Recommendation(s)

That:

- (a) The reserves position, detailed in appendix A, be noted.**

Alternative options

1. There is no alternative to reviewing the position. Alternative use of earmarked funds could be proposed, this is open for Cabinet to determine. However should that mean that funds required for an earmarked purpose are no longer available an alternative method of funding would need to be secured. Not all earmarked funds may be redirected for use – for example funding received from external sources for a specified purpose may not be able to be redirected if doing so would amount to a breach of funding conditions.

Key considerations

2. Earmarked reserves are established to hold revenue balances to fund future year commitments over and above the annual budget requirement. They generally arise where funding exceeds expenditure, usually due to the timing of receipts being ahead of incurring expenditure. As a matter of good practice a review is undertaken each year to establish the continued need for reserves held for earmarked purposes to ensure resources can be used to best effect whilst maintaining a prudent level of reserves to meet future anticipated commitments.
3. Whilst ensuring that the overall annual budget is balanced, the council carefully maintains reserves at a prudent level to manage future financial risks and to support future financial needs, both foreseen and unforeseen.
4. The council's useable revenue reserves are split between general reserves and earmarked reserves that are held for certain purposes. Part of the council's general reserve is held as a strategic reserve to cover emergency events such as unforeseen financial liabilities or natural disasters. This reserve is maintained at a minimum level of between 3% and 5% of the council's net revenue budget. As at 31 March 2021 the general reserve balance totalled £9.1m, being 5.7% of the council's 2021/22 net expenditure. The remainder of the council's general reserve balance is held to support one-off and limited on-going revenue spending and for smoothing the impact of the late delivery of savings plans.
5. Earmarked reserves can be set up using one-off funds (such as year-end under-spends or grants) or by budgeting for a fixed amount to be taken from the revenue account each year and "saved" separately. Any expenditure then incurred within the year is taken from this "savings account", thereby smoothing the impact on Council Tax.
6. Due to the delay in completing the 2019/20 external audit work the last annual review was completed by Cabinet in October 2019. Since then earmarked reserves have grown significantly however this is mainly due to £23.8m Covid 19 funds being held in reserve as at the financial year end that are expected to be spent in 2021/22.
7. Unused grant balances held in reserves, which means any grant conditions have been met, are reviewed by each directorate as part of the budget setting process to ensure the funds are spent in accordance with the grant conditions or to determine if the fund is no longer needed for that purpose for consideration of either returning to funder or seeking an alternative use.
8. The budget setting process will include considering the use of reserved funds to enable one-off spends that could provide spend to save initiatives, or address corporate risks, or provide greater confidence in delivering our corporate objectives. Due to the one-off cost nature of these proposals these would not add to any base budget requirement going forward and would be proposed to support the delivery of savings or target specific outcomes.
9. Cabinet is asked to review the balances of earmarked reserves listed in Appendix A. The chief finance officer has completed his review of each reserve value, appropriateness and status of the earmarked reserve balances listed. This review concluded that the balances held remain reasonable and prudent in addressing some of the current and future challenges.

Community impact

10. The use of reserve funding proposals demonstrates how the council is using its financial resources to best deliver the priorities within the agreed corporate plan, health and safety obligations and corporate parenting responsibilities.
11. Before each reserve balance is spent a separate report will detail the expenditure plans and how they will specifically impact the community.

Environmental Impact

12. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
13. Whilst this is a factual summary and will have minimal environmental impacts, consideration will be made to minimise waste and resource use in line with the Council's Environmental Policy when spending reserved funds.

Equality duty

14. 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.
15. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this report is a factual summary, we do not believe that it will have an impact on our equality duty.

Resource implications

16. The use of reserve funding utilises existing resources. The actual incurring of expenditure against earmarked reserves will be subject to approval following the usual governance processes which will detail the resource implication of each proposal.
17. This review does not change the budget approved by Council in February 2021 and is proposed in accordance with the reserves policy included in the medium term financial strategy approved at the same time.

Legal implications

18. The review of earmarked reserves does not have in itself a legal implication, including reserves to manage risks is a prudent approach.

Risk management

19. Maintaining reserves for risk mitigation is recommended by Cipfa as best practice. The minimum levels referred to in the report are in line with Cipfa recommended practices. The annual review of balances held is also in line with best practice.

Consultees

None

Appendices

Appendix A - Earmarked reserves

Background papers

None identified

Reserves

Reserve	Balance as at 31/03/2020 £m	Expected Movements £m	Balance as at 31/03/2021 £m	Expected Movements £m	Expected balance 31/03/2022 £m	Explanatory notes
Unallocated Reserve	9.1	0.0	9.1	0.0	9.1	General Reserves for use, as necessary
Earmarked Reserves						
County Plan						
Planned future revenue spending	5.4	(0.5)	4.9	0.2	5.1	Settlement monies & adults integration
Planned future capital spending	2.0	0.6	2.6	1.5	4.1	Technology Enabled Communities & remedial road works
Business Risk						
Identified Operational Risks	10.6	0.2	10.8	(0.1)	10.7	Business rates and severe weather events
Resilience & Risk Mitigation	17.6	(0.3)	17.3	2.3	19.6	Financial resilience and legal risk mitigation
Children & Families						
Childrens Services	0.6	5.1	5.7	(3.7)	2.0	To fund improvement journey
School balances	8.8	1.6	10.4	(1.6)	8.8	Ring-fenced
Adults Services	1.0	3.6	4.6	(0.3)	4.3	Care costs contingency
Economy and Place						
Non-Covid government grants carried forward	9.9	(1.5)	8.4	(0.1)	8.3	Expected to be spent in line with grant guidance
Covid government grants carried forward	6.4	17.4	23.8	(23.8)	0.0	Mainly in relation to business rate relief
Corporate and Central						
PFI Contractual commitments	9.9	0.1	10.0	3.0	13.0	Set aside for committed spend
Contractual commitments	3.0	(0.3)	2.7	2.3	5.0	Mainly McCloud pension estimated liabilities
Digital Infrastructure	0.6	(0.1)	0.5	(0.1)	0.4	ICT services
Reactive & Transitional Reserves	3.7	0.2	3.9	(0.4)	3.5	To smooth expenditure profiles
Total unallocated and earmarked reserves	88.6	26.1	114.7	(20.8)	93.9	

