

# Agenda

## Scrutiny Management Board

Date: **Wednesday 10 January 2024**

---

Time: **10.00 am**

---

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:

**Danial Webb, Statutory Scrutiny Officer**

Tel: 01432 260659

Email: [Danial.Webb@herefordshire.gov.uk](mailto:Danial.Webb@herefordshire.gov.uk)

---

If you would like help to understand this document, or would like it in another format, please call Danial Webb, Statutory Scrutiny Officer on 01432 260659 or e-mail [Danial.Webb@herefordshire.gov.uk](mailto:Danial.Webb@herefordshire.gov.uk) in advance of the meeting.

# **Agenda for the meeting of the Scrutiny Management Board**

## **Membership**

**Chairperson**            **Councillor Liz Harvey**  
**Vice-chairperson**   **Councillor Jenny Bartlett**

**Councillor Bruce Baker**  
**Councillor Ellie Chowns**  
**Councillor Simeon Cole**  
**Councillor Frank Cornthwaite**  
**Councillor Pauline Crockett**  
**Councillor Toni Fagan**  
**Councillor Peter Hamblin**  
**Councillor Terry James**  
**Councillor Bob Matthews**  
**Councillor Rob Owens**  
**Councillor Louis Stark**  
**Councillor Richard Thomas**  
**Councillor Rob Williams**

## Agenda

### Pages

**1. APOLOGIES FOR ABSENCE**

To receive apologies for absence.

**2. NAMED SUBSTITUTES**

To receive details of members nominated to attend the meeting in place of a member of the board.

**3. DECLARATIONS OF INTEREST**

To receive declarations of interest in respect of items on the agenda.

**4. MINUTES**

Papers to follow.

**HOW TO SUBMIT QUESTIONS**

The deadline for the submission of questions for this meeting is 9.30am on Friday 5 January 2024.

Questions must be submitted to [councillorservices@herefordshire.gov.uk](mailto:councillorservices@herefordshire.gov.uk).  
Questions sent to any other address may not be accepted.

Accepted questions and the responses will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at [www.herefordshire.gov.uk/getinvolved](http://www.herefordshire.gov.uk/getinvolved)

**5. QUESTIONS FROM MEMBERS OF THE PUBLIC**

To receive any written questions from members of the public.

**6. QUESTIONS FROM MEMBERS OF THE COUNCIL**

To receive any written questions from members of the council.

**7. 2024/25 DRAFT BUDGET - REVENUE**

To seek the views of the Scrutiny Management Board on the budget proposals for 2024/25.

9 - 86

**8. 2024/25 CAPITAL INVESTMENT BUDGET**

To seek the views of Scrutiny Management Board on the capital investment budget proposals for 2024/25 onwards.

87 - 108

**9. DATE OF THE NEXT MEETING**

Tuesday 16 January 2024 2pm



## The public's rights to information and attendance at meetings

In view of the continued prevalence of Covid, 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](http://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](mailto: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](http://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](http://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. The council's constitution is available at [www.herefordshire.gov.uk/constitution](http://www.herefordshire.gov.uk/constitution)
- 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 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 are made available for members of the public via the council's YouTube channel at [www.youtube.com/user/HerefordshireCouncil/videos](http://www.youtube.com/user/HerefordshireCouncil/videos)

## **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:  
[www.herefordshire.gov.uk/downloads/file/1597/hereford-city-bus-map-local-services-](http://www.herefordshire.gov.uk/downloads/file/1597/hereford-city-bus-map-local-services-)

## **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 and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.







# Title of report: 2024/25 Draft Budget - Revenue

**Meeting: Scrutiny Management Board**

**Meeting date: Wednesday 10 January 2024**

**Cabinet member: Peter Stoddart, Finance and corporate services**

**Report by: Head of Strategic Finance (Deputy S151 Officer)**

## **Classification**

Open

## **Decision type**

This is not an executive decision

## **Wards affected**

All Wards

## **Purpose**

To seek the views of the Scrutiny Management Board on the budget proposals for 2024/25.

## **Recommendation**

**That:**

- a) **having regard to the proposals the Board determines any recommendations it wishes to make to Cabinet in relation to the 2024/25 Revenue Budget.**

## **Alternative options**

1. There are no alternatives to the recommendations; Cabinet is responsible for developing budget proposals for Council consideration and it is a function of this committee to make reports or recommendations to the executive with respect to the discharge of any functions which are the responsibility of the executive. The council's budget and policy framework rules require Cabinet to consult with scrutiny committees on budget proposals in order that the scrutiny committee members may inform and support the process for making Cabinet proposals to Council.
2. It is open to the committee to recommend alternative spending proposals or strategic priorities; however given the legal requirement to set a balanced budget should additional expenditure be proposed, compensatory savings proposals must also be identified.

## **Key considerations**

3. A balanced draft revenue budget which totals £205.2 million is proposed for 2024/25. The proposal includes a 4.99% increase in council tax and estimates of central funding to be confirmed following the announcement of the provisional financial settlement in late December 2023.
4. The draft 2024/25 revenue budget assumes a total council tax increase of 4.99%: 2.99% increase in core council tax and a 2% adult social care precept. This increases the band D equivalent charge to £1,875.76, representing an increase of £7.43 per month. This is the maximum increase permitted; a higher increase would require the support of a referendum.
5. The 2% adult social care precept will generate approximately £2.5 million of additional income to fund social care pressures identified in the Community Wellbeing Directorate; reflecting increases in both demand and cost for services to support the county's residents.
6. An increase to the base budget for 2024/25 is proposed to fund identified budget pressures of £43.3 million. Savings and efficiencies of £19.5 million are proposed to mitigate these pressures to deliver a balanced budget.

## **Autumn Statement & Funding Updates**

7. The Chancellor's Autumn Statement on 22 November 2023 included economic forecasts from the Office for Budget Responsibility (OBR) and set out medium term spending plans.

### **Inflation Forecasts and National Living Wage Increases**

8. The OBR has forecast inflation to remain higher for longer and it is now expected that inflation will not return to the 2% target until the second quarter of 2025, more than a year later than forecast in the March 2023 Budget.
9. Consumer Price Index (CPI) inflation is forecast to fall to 4.8% in the final quarter of 2023 with an increase of 7.5% across 2023 compared with a rate of 6.1% in the March 2023 Budget. The increase for 2024 is 3.6% compared with 0.9% previously forecast. CPI inflation is expected to reduce below the 2% OBR target between 2025 and 2027 before returning to a rate of 2% for a longer term.
10. In advance of the Autumn Statement, Central Government announced an increase to the National Living Wage for individuals aged 21 and over of 9.8% from 1 April 2024 from £10.42 to £11.44 per hour.
11. The impact of the increase in the National Living Wage and movement in CPI inflation on the rates that the council pays for services under contract, and in particular care contracts, has been considered as part of this draft budget.

### **Planned Council Tax Increases**

12. The Local Government Settlement in February 2023 confirmed that the council tax referendum limit would be increased to 3% in 2024/25. In addition, local authorities are able to meet adult social care pressures by raising council tax by a further 2% through additional precept in 2024/25.
13. Each 1% increase in council tax will generate approximately £1.3 million of recurrent funding to meet demand pressures and deliver the council's services. The proposed draft revenue budget for 2024/25 assumes the maximum increase of 4.99% in 2024/25.

14. Individual local authority funding allocations were announced in late December 2023 as part of the Provisional Local Government Finance Settlement. The final settlement is expected to be received in early February 2024.
15. If additional funding is identified following the announcement of the Local Government Finance Settlement in late December 2023, this will provide an opportunity for Cabinet to review the options for an increase in council tax and any other element of the draft budget. The updated funding position and any changes to the proposals will be included in the Report to Cabinet on 25 January 2024 along with the outcome of the public consultation and recommendations from scrutiny.

### Revenue Budget Proposals 2024/25

16. The base budget proposed for 2024/25 is summarised below and detailed in Appendix B with Directorate Savings Proposals detailed in Appendix A.

Detail	2023/24 Base Budget	Unfunded Pressures	Mitigation	Savings	2024/25 Proposed Budget
	£'000	£'000	£'000	£'000	£'000
Community and Wellbeing	68,124	17,182	(5,123)	(3,251)	76,932
Children and Young People	50,812	17,623	(800)	(2,503)	65,132
Economy and Environment	27,735	5,811	(2,000)	(3,080)	28,466
Corporate	25,530	2,376	-	(2,772)	25,134
All Ages Social Care	4,000	(4,000)	-	-	-
<b>Sub Total</b>	<b>176,201</b>	<b>38,992</b>	<b>(7,923)</b>	<b>(11,606)</b>	<b>195,664</b>
Central	17,107	314	-	(7,915)	9,506
<b>TOTALS</b>	<b>193,308</b>	<b>39,306</b>	<b>(7,923)</b>	<b>(19,521)</b>	<b>205,170</b>
<b>Funded by:</b>					
Council tax	126,980				135,054
Business rates	40,614				41,426
Collection fund surplus	1,400				-
Revenue support grant	983				1,048
Rural sparsity delivery grant	5,353				5,982
Social care support grant	13,466				15,642
ASC Discharge Fund	951				1,585
Mkt Sustainability/Fair Cost of Care	2,062				3,100
Services Grant	1,268				1,102
New Homes Bonus	231				231
<b>TOTALS</b>	<b>193,308</b>				<b>205,170</b>

### Directorate Key Budget Pressures 2024/25

17. A summary of Unfunded Pressures of £43.3 million in 2024/25, by Directorate, is noted in the table below. It is proposed that the £3.8 million All Ages Social Care budget, approved in the

2023/24 revenue budget, is applied to the Community Wellbeing Directorate in 2024/25 to fund demand and cost pressures in adult social care.

**Pay Award:** This pressure represents an impact of the estimated pay award for 2024/25 on staffing expenditure across each Directorate.

**Inflation:** This pressure represents the impact of inflation across contractual and non-contractual commitments in 2024/25. Inflation is estimated based on a variety of relevant inflation and price indices as well as contract specific rates.

**Demand:** Demand pressures reflect additional demand for services based on most recent activity data and costs. This pressure includes adjustments to reflect trend analysis and planned activity in each service area.

**Transformation:** This pressure reflects expenditure required to deliver transformation of service activity and improvements in each Directorate.

Pressure	Community Wellbeing	Children & Young People	Economy & Environment	Corporate Services	Central	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Pay Award	1,160	1,253	806	809	-	4,028
Inflation	7,115	2,121	2,100	1,158	-	12,494
Demand	8,873	12,886	2,776	-	314	24,849
Transformation	34	1,363	129	409	-	1,935
<b>TOTAL</b>	<b>17,182</b>	<b>17,623</b>	<b>5,811</b>	<b>2,376</b>	<b>314</b>	<b>43,306</b>

### Community Wellbeing

18. The Directorate faces continued challenge in 2024/25 as a result of increasing demand and complexity of need for the county's ageing population, limited market availability, the impact of hospital high occupancy rates and an increase in the number of individuals unable to fund their own care linked to the impact of increases in the cost of living and inflation.
19. Planned activity in 2024/25 aims to respond to these challenges and deliver savings and efficiencies across the Directorate through increased collaboration with Health and community partners, reviewing high cost Adult Social Care packages and improved utilisation of existing care contracts.

### Children & Young People

20. Unprecedented increases in the demand for children's social care have had a significant impact on Children's Services nationally. Insufficiency of local residential placements, growing demand in Special Educational Needs (SEN) and Home to School Transport services and national challenges in the recruitment and retention of social workers continue to contribute to pressures across the Directorate.
21. In 2024/25, savings proposals through the 3 Year Financial Plan place workforce stability and the reduction of high cost placements as key priorities for the Directorate to ensure it lives within its means after 3 years. There will be a continued focus on the conversion of high cost agency staff to permanent posts and a decrease in the number of social workers, aligned to

expected reductions in the number of children in care due to improvements. The 3 Year Financial Plan is aligned to support the delivery of activity per the Children’s Improvement Plan.

22. The Quarter 2 revenue outturn forecast for 2023/24 presented at the Cabinet meeting on 23 November 2023 reports an overspend of £13.8 million before management action, with the most significant forecast overspend in Children & Young People (£11.8 million).
23. The forecast overspend represents the key national and local pressures facing the provision of children’s social care. The key challenges and source of overspend in 2023/24 include:
  - a. sufficiency of placements (local and national);
  - b. unprecedented demand (increasing in a number of areas post covid);
  - c. placement costs (including the impact of inflation and National Living Wage);
  - d. transport services (increase in numbers and contract prices);
  - e. recruitment and retention (local and national challenges); and
  - f. responsibility to support Unaccompanied Asylum Seeking Children (UASC).
24. The Directorate base includes additional funding of £17.6 million to ensure the budget is sufficient to meet the cost of service delivery in 2024/25.
25. This comprises additional funding of £10.8 million, allocated to address demand and cost pressures influencing the 2023/24 outturn position plus amounts to reflect the estimated pay award (£1.2 million), inflation (£2.1 million) and a further £3.5 million which represents additional estimated demand pressures in 2024/25. These pressures are informed by activity data and trend analysis in 2023/24 plus estimated changes for 2024/25 including £1.6 million in respect of Special Educational Needs (SEN) Transport.
26. The table below outlines how savings planned over the three year period will enable a reduction in the base budget by 31 March 2027.

	<b>Year 1 2024/25 £'000</b>	<b>Year 2 2025/26 £'000</b>	<b>Year 3 2026/27 £'000</b>	<b>Total 3 Year Saving £'000</b>
Base budget b/f	50,812	65,132	59,761	
Additional funding	10,750	-	-	
Pressures less Mitigations	6,073	-	-	
<b>Planned savings</b>	<b>(2,503)</b>	<b>(5,371)</b>	<b>(2,292)</b>	<b>(10,166)</b>
Base budget c/f	65,132	59,761	57,469	

## **Economy & Environment**

27. The Directorate budget for 2024/25 implements increases in parking charges to recognise previously deferred savings targets. Investment in the Directorate will provide sufficient resource and capacity to support growth in the economy in 2024/25 and beyond with additional one-off funding allocated to ensure the Local Plan can be delivered in the next 12 months and to provide resources and expertise to support the Future Operating Model and contractual arrangements with BBLP.

## Corporate Services

28. Savings will be delivered in 2024/25; reducing costs through a review of corporate services, business support functions across the council and a review of the council's management structure.

## Proposed Directorate and Council-wide Savings

29. Total savings of £19.5 million are proposed in the 2024/25 draft budget comprising £11.6 million of Directorate savings and a further £7.9 million of council-wide savings. These savings include a range of proposals to:
- transform the delivery of services;
  - increase opportunities to recover the costs of service delivery;
  - reduce expenditure to deliver recurrent efficiencies; and
  - review of the size and shape of the organisation.

Category of Saving	Directorate £'000	Council-wide £'000	TOTAL £'000
Transform	5,488	7,915	13,403
Reduce	5,103	-	5,103
Increase	1,015	-	1,015
<b>TOTAL</b>	<b>11,606</b>	<b>7,915</b>	<b>19,521</b>

30. Details of individual proposals and a description of planned activity for Directorate savings of £11.6 million are included at Appendix A.
31. In addition to the proposed Directorate savings, a further £7.9 million of savings will be achieved through planned transformation activity across the council in 2024/25. Efficiencies and savings will be achieved through the council's Thrive programme with improvements to systems, processes and technology; using digital solutions and technology to improve the customer offer and maximise opportunities to work with communities and partners alongside maximising income through service cost recovery.
32. Delivery of these initiatives will require the council to transform as an organisation to ensure the future sustainability of the council and the services it delivers. This will require a review of the size and shape of the workforce to create a lean and resilient council for the future.

## Outstanding Information and Next Steps

33. Outstanding information which is required in the budget setting process is set out below. Changes to budget proposals arising from the funding settlement, consultation activity, inflationary changes as well as the assessed level of reserves and forecast outturn position for 2023/24 will need to be considered and reflected in the final budget proposed by Cabinet in January 2024.
34. Outstanding information expected to have an impact on the proposed budget for 2024/25 and MTFS includes:

- a) The provisional and final Local Government Finance Settlement for 2024/25 setting out the council's Settlement Funding Assessment and confirming estimated grant funding and any other changes;
  - b) The outcome of the public consultation running from 21 November to 31 December 2023; and
  - c) Recommendations from Scrutiny Management Board in respect of draft budget and savings proposals.
35. Cabinet will propose the 2024/25 Revenue Budget for recommendation to Council at the meeting on 25 January 2024 reflecting the outstanding information above. The report to Cabinet in January 2024 will include:
- a) Council tax and precept calculations;
  - b) 2024/25 Revenue Budget;
  - c) Medium Term Financial Strategy (2024/25 to 2027/28);
  - d) Directorate Savings Plans 2024/25;
  - e) Directorate Base Budgets 2024/25;
  - f) Treasury Management Strategy 2024/25;
  - g) Earmarked Reserve Balances at 31 March 2023;
  - h) Results of Consultation Activity; and
  - i) Responses to recommendations from Scrutiny Management Board.
36. Council will meet to approve the 2024/25 Revenue Budget and supporting Appendices at its meeting on 9 February 2024. Any changes to the budget proposed by Cabinet at the meeting on 25 January 2024, as a result of outstanding information noted above, will be incorporated into the final budget to be considered by Council.

### **Community impact**

37. The draft budget demonstrates how the council plans to use its financial resources to deliver its statutory responsibilities and strategic priorities. The budget and savings proposals support the overall delivery plan and service delivery strategies in place.
38. In accordance with the adopted code of corporate governance, the council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these is an important strategic choice to make to ensure intended outcomes are achieved. The council needs robust decision making mechanisms to ensure our outcomes can be achieved in a way that provides the best use of resources while still enabling efficient and effective operations.

### **Environmental Impact**

39. 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.
40. Whilst this overarching budget setting document will not detail specific environmental impacts, consideration is always made to minimising waste and resource use in line with the council's Environmental Policy. A specific environmental impact assessment for the service specific budget proposals will be considered as appropriate to seek to minimise any adverse environmental impact and actively seek opportunities to improve and enhance environmental performance.

## Equality duty

41. 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.
41. Service specific equality impact assessments for the service specific budget proposals will be completed, as required, to assess the impact on the protected characteristic as set out in the Equality Act 2010. The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified. Where additional governance is required to support possible service delivery changes the impact of a decision on people with different protected characteristics will be fully detailed and disclosed in that governance decision report.

## Resource implications

42. The financial implications are as set out in the report. The ongoing operational costs including, human resources, information technology and property resource requirements are included in the draft budget and will be detailed in separate governance decision reports as appropriate.
43. The council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from its resources. This includes taking properly informed decisions and managing key operational and financial risks in order to deliver objectives and safeguard public money.
44. Under the Local Audit and Accountability Act 2014, the council's external auditors are required to assess whether the council has made proper arrangements under three areas, as defined by the National Audit Office: Financial Sustainability, Governance and Improving economy, efficiency and effectiveness.
45. The draft Auditor's Annual Report for 2022/23 notes that arrangements are appropriate and that the council has undertaken appropriate analysis and consultation to arrive at reasonable and prudent assumptions in respect of income and expenditure, including inflation at appropriate rates and reflecting the impact of increases in demand for services.
46. Audit testing of the robustness of savings proposals included in the 2023/24 budget has confirmed that there was appropriate evidence to support proposals and they had been consulted upon. The report acknowledges that delivery of savings has been monitored throughout 2023/24 with risks to delivery and mitigating actions clearly identified and reported to Cabinet.
47. The audit report provides valuable independent assurance that the council has robust financial planning arrangements in place to identify all significant financial pressures and risks to financial resilience and to support the sustainable delivery of services in accordance with strategic and statutory priorities. These arrangements, assessed by external audit, underpin the 2024/25 budget setting process to support the preparation of a realistic balanced budget.



## **Legal implications**

48. When setting the budget it is important that councillors are aware of the legal requirements and obligations. Councillors are required to act prudently when setting the budget and council tax so that they act in a way that considers local taxpayers. This also covers the impact on future taxpayers.
49. In acting prudently, the council has an obligation to determine whether any planned council increase is excessive (based on a set of principles defined by the Secretary of State, and approved by the House of Commons).
50. The level of council tax rise does not meet the definition of an excessive increase so can be approved without the need for a referendum.
51. The Local Government Finance Act 1992 requires a council to set a balanced budget. To do this the council must prepare a budget that covers not only the expenditure but also the funding to meet the proposed budget. The budget has to be fully funded and the income from all sources must meet the expenditure.
52. Best estimates have to be employed so that all anticipated expenditure and resources are identified. If the budget includes unallocated savings or unidentified income then these have to be carefully handled to demonstrate that these do not create a deficit budget. An intention to set a deficit budget is not permitted under local government legislation.
53. The council must decide every year how much they are going to raise from council tax. The decision is based on a budget that sets out estimates of what is planned to be spent on services. Because the level of council tax is set before the year begins and cannot be increased during the year, risks and uncertainties have to be considered, that might force higher spending more on the services than planned. Allowance is made for these risks by: making prudent allowance in the estimates for services; and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.
54. Local government legislation requires the council's S151 officer to make a report to the full Council meeting when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals (the statement is contained within the risk management section of this report). This is done so that members will have authoritative advice available to them when they make their decisions. As part of the Local Government Act 2003 members have a duty to determine whether they agree with the S151 statutory report.
55. The council's budget and policy framework rules require that the chairpersons of a scrutiny committee shall take steps to ensure that the relevant committee work programmes include any budget and policy framework plan or strategy, to enable scrutiny members to inform and support the process for making Cabinet proposals to Council.
56. Section 106 of the Local Government Finance Act 1992 precludes a councillor from voting on the Council's budget if he or she has an outstanding council tax debt of over two months. If a councillor who is precluded from voting is present at any meeting at which relevant matters are discussed, he or she must disclose that section 106 applies and may not vote. Failure to comply is a criminal offence.

## **Risk management**

57. Section 25 of the Local Government Act 2003 requires the S151 officer to report to Council when it is setting the budget and precept (council tax). Council is required to take this report

into account when making its budget and precept decision. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.

58. The budget has been updated using the best available information; current spending, anticipated pressures and estimates in respect of the provisional 2024/25 funding settlement.
59. The known most substantial risks have been assessed as part of the budget process and reasonable mitigation has been made where possible. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process.
60. The council maintains a general fund reserve balance above the minimum requirement, earmarked reserves and an annual contingency budget to manage these risks.
61. Key financial risks and mitigating actions are noted in the table below. The impact measure refers to the potential financial severity of each identified risk.

<b>Key Financial Risk</b>	<b>Likelihood</b>	<b>Impact (Potential Severity)</b>	<b>Mitigating Action</b>
<p><b>Unexpected events and emergencies</b> By its nature, the financial risk is uncertain</p>	Low	High	The Council maintains a strategic reserve at a level of between 3 and 5% of its revenue budget for emergency purposes. The level of this reserve at 31 March 2023 was 9.6m (6.0% of budget). Additionally, national resources have historically been provided to support national issues.
<p><b>Not delivering required improvements</b> The council must address the statutory direction and improvements across Children's Services</p>	Low	Medium	<p>The Children's Improvement Board continues to work with the Department for Education, the appointed Commissioner for Children's Services and its improvement partner Leeds City Council and resources have been allocated to address required transformation and improvement. Performance against the Improvement Plan is monitored and reported on a quarterly basis.</p> <p>A three year Strategic and Financial Plan has been developed to ensure the Children &amp; Young People Directorate is able to live within its means after 3 years.</p>
<p><b>Increasing demand for Adult and Children's Social Care</b> Demand for Children's services continue and demand for adult services increases as the population ages.</p>	High	Medium	<p>Demand led pressures are reflected within our spending plans; additional funding to support increased demand has been applied to Community Wellbeing and Children &amp; Young People Directorate base budgets for 2024/25. In year monitoring of performance enables Directorates to forecast trends and identify changes in demand. Talk Community and strength Based Assessment have evidenced managing demand and investing in Early Help and Prevention will support our response to increasing demand.</p> <p>Increasing demand for social care represents a key financial pressure for all councils. Robust and regular budget monitoring identifies emerging pressures and the financial impact on in-year budgets across the council.</p>

			Financial monitoring is informed by activity data and trend analysis from the relevant service to ensure that forecasting is reliable and timely.
<b>Potential overspend and non-delivery of savings required to balance the budget</b>	Medium	Medium	High risk budget areas have been identified and financial support is targeted in these areas. Robust and regular financial monitoring which is reported to Directorate and Corporate Leadership Teams and Cabinet enables the timely identification of actions to mitigate the risk of overspends.
<b>Volatility in Government funding streams</b> The government settlement for 2023/24 is a one year settlement; the assumed funding for the MTFS period is not confirmed	High	Medium	The MTFS reflects prudent estimates and assumptions in the financial planning over the medium term period where it is acknowledged that uncertainty over future funding exists.
<b>Interest and Inflation</b> There is uncertainty over interest and inflation rates	Medium	Medium	The Treasury Management Strategy is informed by latest forecast, as provided by our Treasury Management Advisors. Increases in borrowing rates will be offset by increases in investment returns.

## Consultees

62. The council's constitution states that budget consultees should include parish councils, health partners, the schools forum, business ratepayers, council taxpayers, the trade unions, political groups on the council, the scrutiny committees and such other organisations and persons as the Leader shall determine.
63. A series of 15 local budget public consultation events will be held between 22 November and 13 December 2023 including engagement with community groups and the business community. The consultation presents high-level options to contribute towards balancing the council's budget for 2024/25 and their likely impact. These options included reducing and transforming services, increasing charging for services and increasing council tax.
64. An online public consultation will be available for residents to complete from 21 November to 31 December 2023.
65. The results of these consultation activities will be included in the updated 2024/25 Budget Report for the meeting of Cabinet on 25 January 2024.

## Appendices

- Appendix A: Proposed Savings Plans 2024/25
- Appendix B: Proposed Directorate Base Budgets 2024/25
- Appendix C: Community Wellbeing Directorate Delivery Plan 2024/25
- Appendix D: Children & Young People Directorate Delivery Plan 2024/25
- Appendix E: Economy & Environment Directorate Delivery Plan 2024/25
- Appendix F: Corporate Services Directorate Delivery Plan 2024/25

## Background papers

None identified.



# Appendix A: Savings Proposals recommended for 2024/25

21

# 2024/25 Savings

<b>Directorates</b>	<b>Savings £m</b>
Community Wellbeing	3.2
Children & Young People	2.5
Environment & Economy	3.1
Corporate Services	2.8
<b>Total Directorate Savings</b>	<b>11.6</b>
<b>Council-wide Savings</b>	<b>7.9</b>
<b>TOTAL SAVINGS</b>	<b>19.5</b>

22

# 2024/25 Savings by Category

Category	Directorate £m	Council-wide £m	TOTAL £m
Transform	5.5	7.9	13.4
Reduce	5.1	-	5.1
Increase	1.0	-	1.0
<b>TOTAL SAVINGS</b>	<b>11.6</b>	<b>7.9</b>	<b>19.5</b>

23

## 2024/25 Community Wellbeing Savings £3.2m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Reduce	S1	Workforce service review	Full review of current service delivery models with a continued focus on operating with a stable engaged workforce.	353
Reduce	S2	Reduce Library opening hours by 10%	Review of current library service delivery with a focus on areas where reductions in opening hours would have the minimum impact	55
Reduce	S3	Delete vacant permanent posts not currently occupied	Review of all vacant posts not currently occupied by permanent or interim staff with a view to reducing employment costs across the service	801
Transform	S4	Review of high cost packages in Adult Social Care	Review of all active high cost packages of care including those delivering 2:1 and 3:1 care	1,000



## 2024/25 Community Wellbeing Savings £3.2m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Transform	S5	Better utilisation of existing care contracts	Focus on existing block contracts	200
Reduce	S6	Reduction in non-care contract values	Specific focus on Talk Community website, advertising & promotion budgets and voluntary sector infrastructure support	104
Increase £138k; Reduce £23k; Transform £50k	S7	Public Health savings	Reprioritising Public health grant through the recommissioning / decommissioning of contracts across Public Health.	211
Increase	S8	Maximise housing benefit claims	Maximise housing benefit claims to offset the costs of temporary accommodation	22
Increase	S9	Ensure correct pathways for funding of complex care	Continuation of Fair & Consistent Care & Funding Pathway	500

## 2024/25 Community Wellbeing Savings £3.2m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Increase	S10	Charge for welfare benefits support	Introduction of charging for welfare benefits support where not already in place	5
			<b>Total Community Wellbeing Savings</b>	<b>3,251</b>

26

## 2024/25 Children & Young People Savings £2.5m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Reduce	S1	Reduce Children's High-Cost placements	Current activity to step down higher cost placements and reunite some families	959
Reduce	S2	Reduction in Social Worker establishment	Achieving a reduction of 14 social workers posts by 31 March 2025 based on the assumption of reduced demand	338
Transform	S3	Reduce numbers of agency social workers	Convert 30 posts from agency to permanent by end of June 2024 (Q1) to realise 3/4yr effect	1,006
Transform	S4	SEN Transport Efficiencies	Changes to contract arrangements.	200
			<b>Total Children and Young People Savings</b>	<b>2,503</b>

## 2024/25 Environment & Economy Savings £3.1m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Reduce	S1	Delete vacant permanent posts not currently occupied	Removal of vacant posts that are no longer required	340
Reduce	S2	BBLP – Revision of Annual Plan works	Reduction in services provided as a part of the Annual Plan	450
<sup>28</sup> Transform	S3	BBLP – Annual Efficiency Saving	Deliver the same services as a reduced cost	250
Reduce	S4	Reduced Energy Costs	As energy costs have reduced so the budget required has reduced	580
Transform	S5	Changes to School Enforcement team	Alignment of costs to income	40

## 2024/25 Environment & Economy Savings £3.1m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Increase	S6	Inflationary Increases in Fees and Charges	Increase in service charges in line with current levels of inflation	350
Transform	S7	Waste Collection Service	To deliver efficiencies for the operation of the waste collection service	800
<sup>29</sup> Transform	S8	Transfer of functions from the Local Enterprise Partnership (LEP)	Following a government decision to transfer functions to Local Authorities, national guidance is expected in January 2024	250
Reduce	S9	Stop using Scoot Highways System	Removal of software for traffic signal operation	20
			<b>Total Economy &amp; Environment Savings</b>	<b>3,080</b>

## 2024/25 Corporate Services Savings £2.8m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Reduce	S1	Governance & Legal Services: 50% reduction in locum budget	To reflect the recruitment of permanent staff	200
Reduce	S2	Governance & Legal Services: 20% reduction in external legal budget	Reduce spend, subject to reduced demands in child care proceedings and no increase in other areas	100
Transform	S3	Resources & Assurance: Implementation of Oxygen Finance solution	To achieve discount on invoice value through prompt payments to suppliers (supplier sign up to benefit from advanced cashflow in exchange for discount). To be implemented in Q4 of 2023/24	60
Reduce	S4	Resources & Assurance: Reduction in mobile phone provider contract	Delivered by appointment of new provider in 2023/24 at a cheaper rate	170

## 2024/25 Corporate Services Savings £2.8m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Transform	S5	Resources & Assurance: automation of Council Tax and Business Rate processes using GovTech solution	Implementation of a new system that allows customers to provide updates to the Council Tax and Business Rates system via the website	100
Reduce £610k; Transform £1,532k	S6	Reduction in Hoople SLA contract value and workforce service reviews	Renegotiation of the service level agreements with Hoople - transforming a range of support services and specific workforce service reviews	2,142
			<b>Total Corporate Services Savings</b>	<b>2,772</b>

## 2024/25 Council-wide Savings £7.9m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Transform	S1	Mutual Early Resignation Scheme 2024 (MERS24)	A voluntary resignation scheme for employees	4,500
Transform	S2	Transformation: Thrive Programme Savings	Maximisation of income generation through Service Cost Recovery. Reduction of expenditure through review of third party spend and transformation of services through Customer Acceleration and Robotic Automation projects	2,600
Transform	S3	Transformation: Target Operating Model	A review of the council Management Structure, Corporate Services and Business Support functions across the council.	815
			<b>Total Council-wide Savings</b>	<b>7,915</b>

32



# **Appendix B:**

## **Proposed Directorate Base Budgets 2024/25**

<b>Community Wellbeing Directorate TOTAL</b>	<b>2024/25 Proposed Budget £m</b>
Employees	21.027
Premises	0.397
Transport	0.545
Supplies and Services	(1.002)
Support Services	0.058
Third Party Payments	101.769
Transfer Payments	1.105
<b>Gross Budget</b>	<b>123.898</b>
Income	(46.110)
Cont From Reserves	(0.856)
<b>Net Budget</b>	<b>76.932</b>

<b>Director</b>	<b>2024/25 Proposed Budget £m</b>
Employees	5.201
Premises	0.362
Transport	0.034
Supplies and Services	(5.264)
Support Services	0.000
Third Party Payments	0.597
Transfer Payments	(2.169)
<b>Gross Budget</b>	<b>(1.239)</b>
Income	(15.982)
Cont From Reserves	(0.138)
<b>Net Budget</b>	<b>(17.359)</b>

<b>All Ages Commissioning</b>	<b>2024/25 Proposed Budget £m</b>
Employees	3.495
Premises	0.001
Transport	0.219
Supplies and Services	2.561
Support Services	0.000
Third Party Payments	14.051
Transfer Payments	0.033
<b>Gross Budget</b>	<b>20.360</b>
Income	(2.237)
Cont From Reserves	(0.661)
<b>Net Budget</b>	<b>17.462</b>

<b>Social Care Delivery</b>	<b>2024/25 Proposed Budget £m</b>
Employees	7.438
Premises	0.002
Transport	0.260
Supplies and Services	(1.574)
Support Services	0.000
Third Party Payments	84.460
Transfer Payments	0.000
<b>Gross Budget</b>	<b>90.586</b>
Income	(17.672)
Cont From Reserves	(0.057)
<b>Net Budget</b>	<b>72.857</b>

<b>Communities</b>	<b>2024/25 Proposed Budget £m</b>
Employees	3.583
Premises	0.025
Transport	0.025
Supplies and Services	0.252
Support Services	0.000
Third Party Payments	0.124
Transfer Payments	0.010
<b>Gross Budget</b>	<b>4.018</b>
Income	(0.159)
Cont From Reserves	
<b>Net Budget</b>	<b>3.859</b>

<b>Public Health</b>	<b>2024/25 Proposed Budget £m</b>
Employees	1.310
Premises	0.007
Transport	0.007
Supplies and Services	3.023
Support Services	0.058
Third Party Payments	2.537
Transfer Payments	3.231
<b>Gross Budget</b>	<b>10.173</b>
Income	(10.060)
Cont From Reserves	
<b>Net Budget</b>	<b>0.113</b>

<b>Children &amp; Young People Directorate TOTAL</b>	<b>2024/25 Proposed Budget £m</b>
Employees	29.454
Premises	3.548
Transport	5.989
Supplies and Services	(0.857)
Support Services	(0.868)
Third Party Payments	37.958
Transfer Payments	0.181
<b>Gross Budget</b>	<b>75.405</b>
Income	(10.273)
Cont From Reserves	0.000
<b>Net Budget</b>	<b>65.132</b>

<b>Director</b>	<b>2024/25 Proposed Budget £m</b>
Employees	4.864
Premises	0.000
Transport	0.014
Supplies and Services	(2.354)
Support Services	0.017
Third Party Payments	0.759
Transfer Payments	0.084
<b>Gross Budget</b>	<b>3.384</b>
Income	(0.207)
Cont From Reserves	
<b>Net Budget</b>	<b>3.176</b>

<b>Education, Skills and Learning</b>	<b>2024/25 Proposed Budget £m</b>
Employees	4.518
Premises	3.498
Transport	5.723
Supplies and Services	0.531
Support Services	(1.011)
Third Party Payments	1.880
Transfer Payments	0.001
<b>Gross Budget</b>	<b>15.140</b>
Income	(3.564)
Cont From Reserves	
<b>Net Budget</b>	<b>11.576</b>

<b>Safeguarding and Family Support</b>	<b>2024/25 Proposed Budget £m</b>
Employees	14.968
Premises	0.035
Transport	0.193
Supplies and Services	0.467
Support Services	0.095
Third Party Payments	35.281
Transfer Payments	0.156
<b>Gross Budget</b>	<b>51.194</b>
Income	(5.886)
Cont From Reserves	
<b>Net Budget</b>	<b>45.308</b>

<b>Performance, Quality Assurance &amp; Safeguarding</b>	<b>2024/25 Proposed Budget £m</b>
Employees	5.104
Premises	0.015
Transport	0.059
Supplies and Services	0.499
Support Services	0.032
Third Party Payments	0.038
Transfer Payments	(0.060)
<b>Gross Budget</b>	<b>5.688</b>
Income	(0.616)
Cont From Reserves	
<b>Net Budget</b>	<b>5.071</b>

<b>Economy and Environment Directorate TOTAL</b>	<b>2024/25 Proposed Budget £m</b>
Employees	<b>13.393</b>
Premises	<b>2.825</b>
Transport	<b>5.428</b>
Supplies and Services	<b>(0.661)</b>
Support Services	<b>0.026</b>
Third Party Payments	<b>29.670</b>
Transfer Payments	<b>0.497</b>
<b>Gross Budget</b>	<b>51.178</b>
Income	<b>(18.773)</b>
Cont From Reserves	<b>(3.939)</b>
<b>Net Budget</b>	<b>28.466</b>

<b>Director</b>	<b>2024/25 Proposed Budget £m</b>
Employees	0.442
Premises	0.000
Transport	0.000
Supplies and Services	(1.134)
Support Services	0.000
Third Party Payments	0.000
Transfer Payments	0.000
<b>Gross Budget</b>	<b>(0.692)</b>
Income	0.000
Cont From Reserves	0.000
<b>Net Budget</b>	<b>(0.692)</b>

<b>Environment, Highways and Waste</b>	<b>2024/25 Proposed Budget £m</b>
Employees	5.285
Premises	2.680
Transport	5.330
Supplies and Services	(0.346)
Support Services	0.026
Third Party Payments	29.060
Transfer Payments	0.497
<b>Gross Budget</b>	<b>42.532</b>
Income	(12.389)
Cont From Reserves	(2.923)
<b>Net Budget</b>	<b>27.220</b>

<b>Economy and Growth</b>	<b>2024/25 Proposed Budget £m</b>
Employees	7.666
Premises	0.145
Transport	0.098
Supplies and Services	0.819
Support Services	0.000
Third Party Payments	0.360
Transfer Payments	0.000
<b>Gross Budget</b>	<b>9.088</b>
Income	(6.384)
Cont From Reserves	(0.766)
<b>Net Budget</b>	<b>1.938</b>

<b>Lengthsman Scheme</b>	<b>2024/25 Proposed Budget £m</b>
Employees	
Premises	
Transport	
Supplies and Services	
Support Services	
Third Party Payments	0.250
Transfer Payments	
<b>Gross Budget</b>	<b>0.250</b>
Income	
Cont From Reserves	(0.250)
<b>Net Budget</b>	<b>0.000</b>

<b>Corporate Services Directorate TOTAL</b>	<b>2024/25 Proposed Budget £m</b>
Employees	14.671
Premises	3.156
Transport	0.038
Supplies and Services	4.711
Support Services	(0.243)
Third Party Payments	11.395
Transfer Payments	0.773
<b>Gross Budget</b>	<b>34.501</b>
Income	(9.167)
Cont From Reserves	(0.200)
<b>Net Budget</b>	<b>25.134</b>

<b>Chief Executive Office</b>	<b>2024/25 Proposed Budget £m</b>
Employees	1.147
Premises	0.000
Transport	0.001
Supplies and Services	(1.375)
Support Services	(0.012)
Third Party Payments	0.000
Transfer Payments	0.000
<b>Gross Budget</b>	<b>(0.239)</b>
Income	0.000
Cont From Reserves	0.000
<b>Net Budget</b>	<b>(0.239)</b>

<b>Corporate Services Support</b>	<b>2024/25 Proposed Budget £m</b>
Employees	0.000
Premises	0.000
Transport	0.000
Supplies and Services	2.398
Support Services	0.000
Third Party Payments	2.437
Transfer Payments	0.000
<b>Gross Budget</b>	<b>4.835</b>
Income	(0.575)
Cont From Reserves	0.000
<b>Net Budget</b>	<b>4.260</b>

<b>Governance and Legal Services</b>	<b>2024/25 Proposed Budget £m</b>
Employees	5.763
Premises	0.127
Transport	0.029
Supplies and Services	1.341
Support Services	(0.025)
Third Party Payments	0.000
Transfer Payments	0.000
<b>Gross Budget</b>	<b>7.235</b>
Income	(1.323)
Cont From Reserves	(0.200)
<b>Net Budget</b>	<b>5.712</b>

<b>HR and Organisational Development</b>	<b>2024/25 Proposed Budget £m</b>
Employees	0.895
Premises	0.000
Transport	0.002
Supplies and Services	0.163
Support Services	0.000
Third Party Payments	0.773
Transfer Payments	0.000
<b>Gross Budget</b>	<b>1.834</b>
Income	0.000
Cont From Reserves	0.000
<b>Net Budget</b>	<b>1.834</b>

<b>Strategic Assets</b>	<b>2024/25 Proposed Budget £m</b>
Employees	1.495
Premises	3.029
Transport	0.003
Supplies and Services	0.252
Support Services	0.016
Third Party Payments	4.568
Transfer Payments	0.000
<b>Gross Budget</b>	<b>9.363</b>
Income	(6.179)
Cont From Reserves	0.000
<b>Net Budget</b>	<b>3.184</b>

<b>Strategic Finance</b>	<b>2024/25 Proposed Budget £m</b>
Employees	2.046
Premises	0.000
Transport	0.000
Supplies and Services	1.935
Support Services	(0.232)
Third Party Payments	3.616
Transfer Payments	0.770
<b>Gross Budget</b>	<b>8.135</b>
Income	(0.909)
Cont From Reserves	0.000
<b>Net Budget</b>	<b>7.226</b>

<b>Transformation, PMO and Performance</b>	<b>2024/25 Proposed Budget £m</b>
Employees	3.325
Premises	0.000
Transport	0.003
Supplies and Services	(0.003)
Support Services	0.010
Third Party Payments	0.000
Transfer Payments	0.003
<b>Gross Budget</b>	<b>3.338</b>
Income	(0.181)
Cont From Reserves	0.000
<b>Net Budget</b>	<b>3.157</b>





# Community Wellbeing 2024/25 Revenue Budget

# Contents

## 2023/24 Context

- Q2 forecast outturn
- Key variances
- Directorate pressures

42

## 2024/25 Revenue Budget

- Directorate unfunded pressures and mitigations
- Detailed savings plans

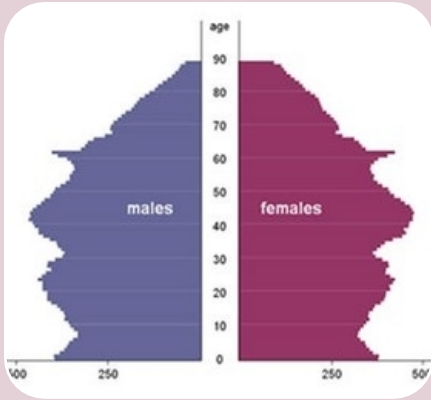
# Community Wellbeing 2023/24 Forecast

## 2023/24 Forecast Outturn at Q2: **£0.5m overspend**

(Management Action expected to reduce to balanced position by 31 March 2024)

## Key variances from budget (> £250k) at Q2:

- **£0.7m overspend** (Learning Disability) due to a combination of cost pressures resulting from increased complexity in care needs as well as demand pressures within residential care.
- **£1.6m overspend** (Physical Support) due to both cost and demand pressures in residential care, cost pressures in nursing care and demand pressures in homecare.
- **£0.5m overspend** (Care Operations and All Ages Commissioning) due to agency/interim cost pressures.



**Ageing population in Herefordshire**

*Over 65 population has grown by nearly 10,000 in last 10 years – 43% increase in 70-75 year olds; 39% increase in 90+*

**Inflation / cost of living**

*Average weekly cost of residential and nursing placements has increased by nearly £100 per week in last 12 months – request for fee uplifts are already being received*

**Increased complexity of need**

*Impact of the pandemic when people did not attend for routine hospital appointments*

**Market availability**

*Expensive care homes in the county – impact and speed of people falling below the income threshold*

**Impact of the hospital**

*Hospital running at over 100% bed occupancy through much of autumn*

**Increased demand – cost and complexity for adult social care**

# Community Wellbeing 2024/25 Budget £76.9m

Continued challenge in 2024/25 due to increasing demand and complexity of need for the county's ageing population, limited market availability, the impact of hospital high occupancy rates and an increase in the number of individuals unable to fund their own care linked to the impact of the cost of living and inflation increases.

## The budget for 2024/25 includes:

45

- Directorate Pressures of **£17.1m**
- Identified Mitigations of **£5.1m**
- Proposed Savings of **£3.3m**

Directorate	23/24 Budget £'000	Pressures £'000	Mitigations £'000	Savings £'000	24/25 Budget £'000
Community Wellbeing	68,124	17,182	(5,123)	(3,251)	76,932

## Community Wellbeing 2024-2025 Pressures £17.1m and Mitigations £5.1m

Ref	Detail	£'000
P1	Pay Award	1,160
P2	Inflation pressures (90% funded)	7,115
P3	Demand pressures across learning disability, physical support and memory and cognition	5,123
P4	All Ages Social Care Fund	3,750
P5	Cross directorate virements	34
	<b>Total Pressures</b>	<b>17,182</b>
M1	All Ages Social Care Fund	(3,750)
M2	Better Care Fund – commissioned services	(661)
M3	Better Care Fund – hospital staffing support	(309)
M4	Management of cost and demand for short stay residential and nursing care placements	(403)
	<b>Total Mitigations</b>	<b>(5,123)</b>

## Community Wellbeing 2024-2025 Proposed Savings £3.3m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Reduce	S1	Workforce service review	Full review of current service delivery models with a continued focus on operating with a stable engaged workforce.	353
Reduce	S2	Reduce Library opening hours by 10%	Review of current library service delivery with a focus on areas where reductions in opening hours would have the minimum impact	55
Reduce	S3	Delete vacant permanent posts not currently occupied	Review of all vacant posts not currently occupied by permanent or interim staff with a view to reducing employment costs across the service	801
Transform	S4	Review of high cost packages in Adult Social Care	Review of all active high cost packages of care including those delivering 2:1 and 3:1 care	1,000

## Community Wellbeing 2024-2025 Proposed Savings £3.3m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Transform	S5	Better utilisation of existing care contracts	Focus on existing block contracts	200
Reduce	S6	Reduction in non-care contract values	Focus on Talk Community website, advertising & promotion budgets and voluntary sector infrastructure support	104
Increase £138k; Reduce £23k; Transform £50k	S7	Public Health savings	Reprioritising Public health grant through the recommissioning / decommissioning of contracts across Public Health.	211
Increase	S8	Maximise housing benefit claims	Maximise housing benefit claims to offset the costs of temporary accommodation	22
Increase	S9	Ensure correct pathways for funding of complex care	Continuation of Fair & Consistent Care & Funding Pathway	500



## Community Wellbeing 2024-2025 Proposed Savings £3.3m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Increase	S10	Charge for welfare benefits support	Introduction of charging for welfare benefits support where this is requested by other organisations (not charging individuals)	5
			<b>Total Community Wellbeing Savings</b>	<b>3,251</b>

49

# Delivery of Savings in 2024/25

The deliverability and status of the planned savings will be monitored as part of monthly budget monitoring arrangements, informed by planned and actual activity in the year to date, to determine a RAG rating for each identified savings targets. The table below notes the estimated delivery of savings in each quarter of the 2024/25 financial year.

Community Wellbeing				Profiled Delivery				
Category	Ref	Name of Proposal	Proposed Saving £'000	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000	TOTAL £'000
Reduce	S1	Workforce service review	353	0	183	170	0	353
Reduce	S2	Reduce Library opening hours by 10%	55	0	55	0	0	55
Reduce	S3	Delete vacant permanent posts not currently occupied	801	801	0	0	0	801
Transform	S4	Review of high cost packages in Adult Social Care	1,000	250	250	250	250	1,000
Transform	S5	Better utilisation of existing care contracts	200	0	100	100	0	200
Reduce	S6	Reduction in non-care contract values	104	57	47	0	0	104
Increase Reduce Transform	S7	Public Health savings	211	211	0	0	0	211
Increase	S8	Maximise housing benefit claims	22	22	0	0	0	22
Increase	S9	Ensure correct pathways for funding of complex care	500	125	125	125	125	500
Increase	S10	Charge for welfare benefits support	5	5	0	0	0	5
<b>TOTAL</b>			<b>3,251</b>	<b>1,471</b>	<b>760</b>	<b>645</b>	<b>375</b>	<b>3,251</b>

50

# Risks and Dependencies

- Agreement and implementation of the Service review
- Strong and dedicated contact management expertise to support with delivery of the review of high cost packages, utilisation of care contracts and reduction in non-care contract costs
- An increase in client demand and/or costs particularly the emerging demand pressures caused by clients requiring Adult Social Care support after falling below the 'self-funding' threshold



**Children & Young  
People  
2024/25 Revenue  
Budget**

# Contents

## 2023/24 Context

- Q2 forecast outturn
- Key Variances
- National Context

54

## 2024/25 Revenue Budget

- Directorate Unfunded Pressures and Mitigations
- Detailed Savings Plans

# Children & Young People 2023/24 Forecast

**2023/24 Forecast Outturn at Q2: £11.5m overspend**

(Recovery action to reduce overspend continues in 2023/24)

## Key variances from budget (> £250k) at Q2:

- £0.2m underspend representing reduced costs in respect of Looked After Children
- £0.2m total underspends across various Directorate budgets
- £4.5m overspend representing Savings Targets 'At Risk'
- £3.0m cost pressures in respect of Agency Staff
- £2.0m overspend representing additional demand in SEN Transport
- £0.7m overspend in Agency Fostering
- £0.6m overspend due to additional demand in Complex Needs
- £0.5m overspend re additional expenditure to support Practice Improvement
- £0.5m overspend due to cost pressures in respect of In-House Fostering
- £0.4m overspend to support UASC

# National Context

County Councils Network (CCN) analysis shows **average overspend of £16m** per council in 2023/24 with growing demand for children's services accounting for almost half of this projected overspend.

Nationally, **all 151 councils with children's services responsibility overspent** in 2021/22 (total £966.5m)

## Key challenges and source of overspend:

56

- **Sufficiency of placements** (local and national)
- **Unprecedented Demand** (increasing in a number of areas post Covid)
- **Placement costs** (including inflation impact and National Living Wage)
- **Transport Services** (increased in numbers and contract prices)
- **Recruitment & Retention** (local and national challenges)
- Responsibility to support **Unaccompanied Asylum Seeking Children** (UASC)



# Children & Young People 2024/25 Budget £65.1m

The 2024/25 Directorate base budget is £65.1m which represents an increase of £14.3m.

	£
<b>2023/24 Base Budget</b>	<b>50,812</b>
Additional funding demand/cost pressures	10,750
Pay Award	1,253
Inflation pressures (90% funded)	2,121
Demand pressures*	3,499
Mitigations	(800)
Planned Directorate Savings	(2,503)
<b>2024/25 Proposed Base Budget</b>	<b>65,132</b>

57

\*Demand pressures are informed by costs/activity pressures in 2023/24 budget monitoring and include: £1.6m (SEN), £0.3m (Foster Fee uplifts)

# Additional Funding in 2024/25

Additional funding has been allocated to support increased demand and cost pressures in 2024/25. The table below confirms that the funding allocated is sufficient to meet the cost of service delivery in 2024/25.

	£m	£m
<b>Pressures reported at Q2 2023/24</b>		<b>13.5</b>
<b>Less 2023/24 one-off pressures:</b>		
Listening to Families	(0.5)	
Agency staff – exit planned in 2023/24	(0.3)	
<b>Recurrent pressures for Directorate</b>		<b>12.7</b>
<b>To be met in 2024/25 Base Budget by:</b>		
Additional funding allocated (demand/cost)	(10.5)	
SEN funding included as demand pressure	(1.6)	
Foster fee uplift included as demand pressure	(0.3)	
		<b>(12.4)</b>
<b>Residual pressure not funded*</b>		<b>0.3</b>

58

\*This represents 10% of inflation not funded in the draft budget. This is a residual pressure in each of the Directorates to be managed in 2024/25.

# Children & Young People 3 Year Financial Plan

Planned activity/transformation	Year 1 2024/25 £'000	Year 2 2025/26 £'000	Year 3 2026/27 £'000	TOTAL £'000
Workforce Savings ( <b>S2</b> and <b>S3</b> )	1,344	1,477	933	<b>3,754</b>
Reduced Demand Children In Care ( <b>S1</b> )	959	3,894	1,359	<b>6,212</b>
SEND Transport efficiencies ( <b>S4</b> )	200			<b>200</b>
<b>Total</b>	<b>2,503</b>	<b>5,371</b>	<b>2,292</b>	<b>10,166</b>

69

# Impact on budget over 3 year period

	Year 1 2024/25 £'000	Year 2 2025/26 £'000	Year 3 2026/27 £'000	TOTAL 3 Year Saving £'000
<b>Base budget b/f</b>	<b>50,812</b>	<b>65,132</b>	<b>59,761</b>	
Additional funding (£10.8m)	10,750			
Pressures (£6.9m) - Mitigations (£0.8m)	6,073			
<b>Planned savings to reduce base budget</b>	<b>(2,503)</b>	<b>(5,371)</b>	<b>(2,292)</b>	<b>(10,166)</b>
<b>Base budget c/f</b>	<b>65,132</b>	<b>59,761</b>	<b>57,469</b>	

## Children & Young People 2024-2025 Pressures £6.9m and Mitigations £0.8m

Ref	Detail	£'000
P1	Pay Award	1,253
P2	Inflation pressures (90% funded)	2,121
P3	Demand pressures	3,499
	<b>Total Pressures</b>	<b>6,873</b>
M1	Reduce legal court costs budget	(70)
M2	Reduce court ordered placement budget	(30)
M3	Reduce training budget and administration	(20)
M4	Reduce mileage claims budget	(27)
M5	Increase income charged to Other LAs	(75)
M6	SEN – Internal recharge for services	(65)
M7	Pay and non pay budget adjustments - various	(13)
M8	Public Health Ring-fenced grant to supply Early Help	(500)
	<b>Total Mitigations</b>	<b>(800)</b>

## 2024/25 Children & Young People Savings £2.5m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Reduce	S1	Reduce Children's High-Cost placements	Current activity to step down higher cost placements and reunite some families	959
Reduce	S2	Reduction in Social Worker establishment	Achieving a reduction of 14 social workers posts by 31 March 2025 based on the assumption of reduced demand	338
Transform	S3	Reduce numbers of agency social workers	Convert 30 posts from agency to permanent by end of June 2024 (Q1) to realise 3/4yr effect	1,006
Transform	S4	SEN Transport Efficiencies	Changes to contract arrangements	200
			<b>Total Children and Young People Savings</b>	<b>2,503</b>

# Delivery of Savings in 2024/25

The deliverability and status of the planned savings will be monitored as part of monthly budget monitoring arrangements, informed by planned and actual activity in the year to date, to determine a RAG rating for each identified savings targets. The table below notes the estimated delivery of savings in each quarter of the 2024/25 financial year.

Children & Young People				Profiled Delivery				
Category	Ref	Name of Proposal	Proposed Saving £'000	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000	TOTAL £'000
Reduce	S1	Reduce Children's High-Cost placements	959	0	0	0	959	959
Reduce	S2	Reduction in Social Worker establishment	338	85	169	56	28	338
Transform	S3	Reduction in Social Worker establishment	1,006	1,006	0	0	0	1,006
Transform	S4	SEN Transport Efficiencies	200	0	0	0	200	200
<b>TOTAL</b>			<b>2,503</b>	<b>1,091</b>	<b>169</b>	<b>56</b>	<b>1,187</b>	<b>2,503</b>

3

# Risks and Dependencies

- Planned reductions in the social worker establishment assume reductions in demand in the period to 31 March 2025
- The conversion of agency to permanent staff is dependent upon successful recruitment and retention activity of qualified social care staff
- Demand for SEN transport may further increase at the start of the new academic year (September 2024) due to rising demand nationally for this service
- Activity to reduce high cost placements is reliant upon continued transformation and improvement activity across the Directorate; delays in stepping down of care packages may put savings at risk
- Increased and new un-budgeted placements of 'Looked After Children' placements emerging during the year will create additional financial pressures



**Economy &  
Environment  
2024/25 Revenue  
Budget**

# Contents

## 2023/24 Context

- Q2 forecast outturn
- Key Variances
- Directorate Pressures

99

## 2024/25 Revenue Budget

- Directorate Unfunded Pressures and Mitigations
- Detailed Savings Plans

# Economy & Environment 2023/24 Forecast

**2023/24 Forecast Outturn at Q2: £0.6m overspend**

(Management Action expected to reduce to balanced position by 31 March 2024)

**Key variances from budget (> £250k) at Q2:**

- £0.4m underspend in Energy costs representing £0.7m of reduced Electricity costs offset by £0.3m increase in Gas costs
- £0.4m net underspend in respect of Concessionary Travel
- £0.4m net underspend in respect of Employees and Consultants
- £0.2m additional income for Trade Waste
- £0.2m total underspends across various Directorate budgets
- £0.9m overspend representing Savings Targets 'At Risk'
- £1.3m reduced income for Development Planning and Building Control

# Economy & Environment 2024/25 Budget £28.5m

The Directorate budget for 2024/25 implements increases in parking charges to recognise previously deferred savings targets. Investment in the Directorate will provide sufficient resource and capacity to support growth in the economy in 2024/25 and beyond with additional one-off funding allocated to ensure the Local Plan can be delivered in the next 12 months and to provide resources and expertise to support the Future Operating Model and contractual arrangements with BBLP.

## The budget for 2024/25 includes:

- Directorate Pressures of **£5.8m**
- Identified Mitigations of **£2.0m**
- Proposed Savings of **£3.1m**

Directorate	23/24 Budget £'000	Pressures £'000	Mitigations £'000	Savings £'000	24/25 Budget £'000
Economy & Environment	27,735	5,811	(2,000)	(3,080)	28,466

## Economy & Environment 2024-2025 Pressures £5.8m and Mitigations £2.0m

Ref	Detail	£'000
P1	Pay Award	806
P2	Inflation pressures (90% funded)	2,100
P3	Demand pressures	2,962
P4	Cross Directorate Virements	(57)
	<b>Total Pressures</b>	<b>5,811</b>
M1	Local Plan and FOM – one-off – Collection Fund	(1,200)
M2	Delivery of Deferred Parking Increases	(400)
M3	Concessionary Fares – Reduced costs	(400)
	<b>Total Mitigations</b>	<b>(2,000)</b>

### Demand pressures of £2,962k include:

- £1,200k one-off funding to support the Local Plan and to provide resources and expertise to support the Future Operating Model and contractual arrangements with BBLP
- £718k in respect of the waste collection contract
- £458k deferred parking savings targets
- £186k for 3 additional posts in Economic Regeneration
- £400k growth (£100k Inward Investment Proposals + £300k Delivery of Employment Land)

## 2024/25 Environment & Economy Savings £3.1m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Reduce	S1	Delete vacant permanent posts not currently occupied	Removal of vacant posts that are no longer required	340
Reduce	S2	BBLP – Revision of Annual Plan works	Reduction in services provided as a part of the Annual Plan	450
Transform	S3	BBLP – Annual Efficiency Saving	Deliver the same services as a reduced cost	250
Reduce	S4	Reduced Energy Costs	As energy costs have reduced so the budget required has reduced	580
Transform	S5	Changes to School Enforcement team	Alignment of costs to income	40

## 2024/25 Environment & Economy Savings £3.1m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Increase	S6	Inflationary Increases in Fees and Charges	Increase in service charges in line with current levels of inflation	350
Transform	S7	Waste Collection Service	To deliver efficiencies for the operation of the waste collection service	800
Transform 71	S8	Transfer of functions from the Local Enterprise Partnership (LEP)	Following a government decision to transfer functions to Local Authorities, national guidance is expected in January 2024	250
Reduce	S9	Stop using Scoot Highways System	Removal of software for traffic signal operation	20
			<b>Total Economy &amp; Environment Savings</b>	<b>3,080</b>

# Delivery of Savings in 2024/25

The deliverability and status of the planned savings will be monitored as part of monthly budget monitoring arrangements, informed by planned and actual activity in the year to date, to determine a RAG rating for each identified savings targets. The table below notes the estimated delivery of savings in each quarter of the 2024/25 financial year.

Economy & Environment				Profiled Delivery				
Category	Ref	Name of Proposal	Proposed Saving £'000	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000	TOTAL £'000
Reduce	S1	Delete vacant permanent posts not currently occupied	340	340	0	0	0	340
Reduce	S2	BBLP – Revision of Annual Plan works	450	450	0	0	0	450
Transform	S3	BBLP – Annual Efficiency Saving	250	250	0	0	0	250
Reduce	S4	Reduced Energy Costs	580	120	100	180	180	580
Transform	S5	Changes to School Enforcement team	40	0	0	40	0	40
Increase	S6	Inflationary Increases in Fees and Charges	350	88	87	88	87	350
Transform	S7	Waste Collection Service	800	0	0	400	400	800
Transform	S8	Transfer of functions from the Local Enterprise Partnership (LEP)	250	0	0	250	0	250
Reduce	S9	Stop using Scoot Highways System	20	20	0	0	0	20
<b>TOTAL</b>			<b>3,080</b>	<b>1,268</b>	<b>187</b>	<b>958</b>	<b>667</b>	<b>3,080</b>



# Risks and Dependencies

- Revisions to annual plan require agreement prior to commencement of revised delivery in 2024/25
- Movement in energy prices in 2024/25; no protection from existing contractual arrangements
- Decrease in activity for services with increased fees and charges from 1 April 2024
- National guidance on transfer of functions from the Local Enterprise Partnership (LEP) expected in early 2024 may impact on activity planned to deliver identified savings
- Procurement activity to award the waste collection contract is ongoing and until the contract is awarded, revenue pressures and savings in respect of the new contract, and ancillary costs, remain estimates which are based on reasonable information in respect of future costs and activity

73



**Corporate Services  
2024/25 Revenue  
Budget**

# Contents

## 2023/24 Context

- Q2 forecast outturn
- Key Variances
- Directorate Pressures

76

## 2024/25 Revenue Budget

- Directorate Unfunded Pressures and Mitigations
- Detailed Savings Plans (Corporate Services)
- Detailed Savings Plans (Council-wide)

# Corporate Services 2023/24 Forecast

**2023/24 Forecast Outturn at Q2: £2.0m overspend**

(Management Action expected to reduce to balanced position by 31 March 2024)

**Key variances from budget (> £250k) at Q2:**

- **£0.4m overspend** (Public Relations Office) due to staffing and agency cost pressures
- **£0.4m underspend** (Governance & Legal) representing staff vacancy savings
- **£0.3m overspend** (Strategic Assets) representing savings targets at risk – this is partially offset by increase rental income
- **£1.0m overspend** (Transformation Programme) in respect of Thrive Transformation costs
- **£1.2m overspend** (Programme Management Office) arising due to staffing cost pressures – this is partially offset by **an underspend of £0.4m** in the Special Projects budget.

# Corporate Services 2024/25 Budget £25.1m

Savings will be delivered in 2024/25; reducing costs through a review of corporate services, business support functions across the council and a review of the council's management structure.

## The budget for 2024/25 includes:

- Directorate Pressures of **£2.4m**
- Proposed Savings of **£2.8m**

78

Directorate	23/24 Budget £'000	Pressures £'000	Mitigations £'000	Savings £'000	24/25 Budget £'000
Corporate Services	25,530	2,376	-	(2,772)	25,134

# Corporate Services 2024-2025 Pressures £2.4m

Ref	Detail	£'000
P1	Pay Award	809
P2	Inflation pressures (90% funded)	1,158
P3	Cross Directorate Virements	409
	<b>Total Pressures</b>	<b>2,376</b>

## 2024/25 Corporate Services Savings £2.8m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Reduce	S1	Governance & Legal Services: 50% reduction in locum budget	To reflect the recruitment of permanent staff	200
Reduce	S2	Governance & Legal Services: 20% reduction in external legal budget	Reduce spend, subject to reduced demands in child care proceedings and no increase in other areas	100
Transform	S3	Resources & Assurance: Implementation of Oxygen Finance solution	To achieve discount on invoice value through prompt payments to suppliers (supplier sign up to benefit from advanced cashflow in exchange for discount). To be implemented in Q4 of 2023/24	60
Reduce	S4	Resources & Assurance: Reduction in mobile phone provider contract	Delivered by appointment of new provider in 2023/24 at a cheaper rate	170



## 2024/25 Corporate Services Savings £2.8m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Transform	S5	Resources & Assurance: automation of Council Tax and Business Rate processes using GovTech solution	Implementation of a new system that allows customers to provide updates to the Council Tax and Business Rates system via the website	100
Reduce £610k; Transform £1,532k	S6	Reduction in Hoople SLA contract value and workforce service reviews	Renegotiation of the service level agreements with Hoople - transforming a range of support services and specific workforce service reviews	2,142
			<b>Total Corporate Services Savings</b>	<b>2,772</b>

81

## 2024/25 Council-wide Savings £7.9m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Transform	S1	Mutual Early Resignation Scheme 2024 (MERS24)	A voluntary resignation scheme for employees	4,500
Transform	S2	Transformation: Thrive Programme Savings	Maximisation of income generation through Service Cost Recovery. Reduction of expenditure through review of third party spend and transformation of services through Customer Acceleration and Robotic Automation projects	2,600 2m – contracts 600k – SCR/CA
Transform	S3	Transformation: Target Operating Model	A review of the council Management Structure, Corporate Services and Business Support functions across the council.	815
			<b>Total Council-wide Savings</b>	<b>7,915</b>

82

# Delivery of Savings in 2024/25: Corporate Services

The deliverability and status of the planned savings will be monitored as part of monthly budget monitoring arrangements, informed by planned and actual activity in the year to date, to determine a RAG rating for each identified savings targets. The table below notes the estimated delivery of savings in each quarter of the 2024/25 financial year.

Corporate Services				Profiled Delivery				
Category	Ref	Name of Proposal	Proposed Saving £'000	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000	TOTAL £'000
Reduce	S1	Governance & Legal Services: 50% reduction in locum budget	200	200	0	0	0	200
Reduce	S2	Governance & Legal Services: 20% reduction in external legal budget	100	100	0	0	0	100
Transform	S3	Resources & Assurance: Implementation of Oxygen Finance solution	60	0	20	20	20	60
Reduce	S4	Resources & Assurance: Reduction in mobile phone provider contract	170	170	0	0	0	170
Transform	S5	Resources & Assurance: automation of Council Tax and Business Rate processes using GovTech solution	100	25	25	25	25	100
Reduce Transform	S6	Reduction in Hoople SLA contract value and workforce service reviews	2,142	536	536	536	534	2,142
<b>TOTAL</b>			<b>2,772</b>	<b>1,031</b>	<b>581</b>	<b>581</b>	<b>579</b>	<b>2,772</b>

# Delivery of Savings in 2024/25: Council-wide

The deliverability and status of the planned savings will be monitored as part of monthly budget monitoring arrangements, informed by planned and actual activity in the year to date, to determine a RAG rating for each identified savings targets. The table below notes the estimated delivery of savings in each quarter of the 2024/25 financial year.

84

Council-wide				Profiled Delivery				
Category	Ref	Name of Proposal	Proposed Saving £'000	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000	TOTAL £'000
Transform	S1	Mutual Early Resignation Scheme 2024 (MERS24)	4,500	4,500	0	0	0	4,500
Transform	S2	Transformation: Thrive Programme Savings	2,600	650	700	650	600	2,600
Transform	S3	Transformation: Target Operating Model	815	0	150	300	365	815
<b>TOTAL</b>			<b>7,915</b>	<b>5,150</b>	<b>850</b>	<b>950</b>	<b>965</b>	<b>7,915</b>

# Risks and Dependencies

- Agreement and implementation of the operating model for the Council
- Strong and dedicated contact management expertise to support with delivery of the third party spend
- Enabling the delivery of the customer acceleration work stream with digital support
- Working collaboratively with Hoople to shape, develop and scope opportunities for the future operating model for the Council and Hoople
- Reduction in contracts may also result in a change service offer and delivery model
- The early resignation scheme (MERS) will reduce the number of staff and resource capacity across the council

85





# Title of report: 2024/25 Capital Investment Budget

**Meeting: Scrutiny Management Board**

**Meeting date: Wednesday 10 January 2024**

**Cabinet member: Peter Stoddart, Finance and corporate services**

**Report by: Strategic Capital Finance Manager**

## **Classification**

Open

## **Decision type**

This is not an executive decision

## **Wards affected**

(All Wards);

## **Purpose**

To seek the views of scrutiny management board on the capital investment budget proposals for 2024/25 onwards.

## **Recommendation(s)**

That:

- a) **Having regard to the capital investment proposals in appendix a, the committee notes the Capital Investment Budget, and**
- b) **The committee determines any recommendations it wishes to make to Cabinet in relation to the revised capital programme in appendix b.**

## **Alternative options**

1. There are no alternatives to the recommendations; Cabinet is responsible for developing budget proposals for Council consideration and it is a function of this committee to make reports or recommendations to the executive with respect to the discharge of any functions which are the responsibility of the executive. The council's budget and policy framework rules

---

Further information on the subject of this report is available from  
Karen Morris Tel: 01432 261865, email: karen.morris1@herefordshire.gov.uk

require Cabinet to consult with scrutiny committees on budget proposals in order that the scrutiny committee members may inform and support the process for making Cabinet proposals to Council.

2. It is open to scrutiny management board to recommend alternative spending proposals or strategic priorities; however given the legal requirement to set a balanced budget, should additional expenditure be proposed compensatory savings proposals must also be identified.

### **Key considerations**

3. The capital programme reflects capital investment generating benefit to the county for a period in excess of one year. The profiling of the capital spend and forecasting against budget is reported to Cabinet in the quarterly performance report, which includes an up to date forecast of the timing of capital spend.
4. Appendix A provides details of the proposed additions to the existing capital programme that have been identified and the impact of approving these additions. Seven capital investment budget proposals totalling £7.63m have been identified, to be funded by prudential borrowing. Appendix C provides strategic outline business cases for each proposed project.
5. Council will be asked to approve the revised capital programme on 9 February 2024. At the same meeting Council will also be asked to approve the updated capital strategy.

### **Community impact**

6. The budget proposals demonstrate how the council is using its financial resources to deliver the priorities within the County Plan and associated delivery plan.
7. The council is committed to delivering continued improvement, positive change and outcomes in delivering key priorities.
8. In accordance with the principles of the code of corporate governance, the council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.

### **Environmental Impact**

9. 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.
10. Whilst this overarching budget setting document will not detail specific environmental impacts, consideration is always made to minimising waste and resource use in line with the council's environmental policy. A specific environmental impact assessment for the service specific budget proposals will be considered as appropriate to seek to minimise any adverse environmental impact and actively seek opportunities to improve and enhance environmental performance.



## Equality duty

11. 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.
12. 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. Service specific equality impact assessments will be completed when the service specific proposals are developed to assess the impact on the protected characteristic as set out in the Equality Act 2010. The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account. When these assessments have been completed, we will consider mitigating against any adverse impact identified.

## Resource implications

16. The proposed additions at appendix A total £7.63m over the next four years. This is all to be financed from prudential borrowing funded by the corporate revenue budget. Where projects are in the capital programme but they depend on grant, if the grant request is not successful, the full project including any match funding will be removed unless a revised project is approved within the revised allocations.

Scheme	Capital Grant funding £000	Redirected funding £000	Capital receipt funding £000	Funded by ROI £000	Corporate Funded PB £000	Total Request £000
Schools Accessibility	0.0	0.0	0.0	0.0	1,500.0	1,500.0
Children's residential homes for 11 to 18 year olds	0.0	0.0	0.0	0.0	424.0	424.0
Planning & Regulatory Services software	0.0	0.0	0.0	0.0	1,396.0	1,396.0
Estates Building Improvement Programme 2024-27	0.0	0.0	0.0	0.0	2,765.6	2,765.6
Building works from 2022 Condition Surveys	0.0	0.0	0.0	0.0	745.0	745.0
VMWare Host Replacement	0.0	0.0	0.0	0.0	247.5	247.5
Property Improvements in Care Homes	0.0	0.0	0.0	0.0	550.0	550.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7,628.1</b>	<b>7,628.1</b>

17. The corporate revenue implications of securing this new borrowing is supported in the current Medium Term Financial Strategy and Treasury Management Strategy which included an estimation of £6.7m new prudential borrowing per annum over the strategy period.

<b>Funding Position</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>Total</b>
<b>Total Corporate Borrowing Required</b>	<b>5,428.4</b>	<b>1,579.7</b>	<b>620.0</b>	<b>-</b>	<b>7,628.1</b>
Annual Funding Limit	6,700.0	6,700.0	6,700.0	6,700.0	26,800.0
Unspent 22/23 borrowing to reallocate	150.7	-	-	-	150.7
Unspent 23/24 borrowing estimated	777.3	-	-	-	777.3
Allocated Previously	- 6,700.0	- 6,700.0	- 6,700.0	-	- 20,100.0
<b>Total Funding Available</b>	<b>928.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6,700.0</b>	<b>7,628.0</b>
<b>Funding Variance</b>	<b>-4,500.3</b>	<b>-1,579.7</b>	<b>-620.0</b>	<b>6,700.0</b>	<b>-0.0</b>

18. The additional borrowing requirement is reflected in an update to the Treasury Management Strategy. Although the above table reflects advance borrowing of the 2024/25 allowance, it is believed the additional cash balances held in reserves and slippage of the capital programme each year will ensure the costs of borrowing for these new projects will be offset within the existing budget. The revised capital programme approved at council 8 December 2023 reprofiled £5.3m corporate funded borrowing from earlier years to 2026/27, which more than covers the amount now added for 2024/25.
19. Individual capital scheme resourcing implications will be detailed in the approval to precede decision. Appendix C contains the strategic outline business cases for each of the new projects.
20. An informal review of all prospective capital funding requests has been completed to ensure all funding requests were manageable within the current borrowing limits in the medium term financial strategy.

## **Legal implications**

21. The council is under a legal duty to sensibly manage capital finance. The council is able to borrow subject to limits set by the council, any nationally imposed limits, and it must do so in accordance with the prudential code on borrowing.
22. The Local Government Act 2003 allows the council to borrow for any purpose relevant to its functions under any enactment and for the purposes of the prudent management of its financial affairs.
23. Full Council is responsible for adopting the capital investment budget (referred to above as the capital programme) for the next financial year. Local Authorities deliver a range of services some of which are required to be undertaken under statutory duties and others which are a discretionary use of statutory powers. Local Authorities' powers and duties are defined by legislation. The Localism Act 2011 provides a General Power of Competence under Section 1, which provides local authorities with the power to do anything that an individual may do, subject to limitations. Capital expenditure is defined under the Local Government Act 2003. It is

therefore not only schemes that are necessary for the council to meet its statutory duties, which can be approved. Any scheme must be procured in accordance with the council's own contract procedure rules and appropriate contractual documentation put in place to protect the council's interests.

24. The Council's budget and policy framework rules require that the chairmen of the scrutiny management board shall take steps to ensure that the relevant committee work programmes include any budget and policy framework plan or strategy, to enable scrutiny members to inform and support the process for making Cabinet proposals to Council.
25. Section 106 of the Local Government Finance Act 1992 restricting councillors voting on certain matters where they are in arrears of council tax, does not apply to scrutiny function as the views from scrutiny on the budget are not a recommendation for approval, a resolution or any other type of decision. As a result a s106 check of councillors arrears has not been undertaken.

### **Risk management**

26. For all capital projects monthly budget control meetings give assurance on the robustness of budget control and monitoring, to highlight key risks and to identify any mitigation to reduce the impact of pressures in the council's overall position for example through phasing of spend, identifying and securing scheme changes or alternative funding sources.
13. Capital projects inherently give rise to risks in their delivery, both in time and budget. Individual scheme reporting and associated project boards exist to mitigate these risks. Furthermore slower delivery than forecast can mean the strategic ambitions are not being met as planned. All projects are expected to be managed through the programme management office once resources are in place, so further mitigating the risk of overspend or delays.
27. The proposed additions have been reviewed in relation to risks, both in deliverability, costs, impact and associated scheme interdependencies. The individual scheme detail of the risks will be provided as individual schemes progress to approval to deliver.

### **Consultees**

28. The council's constitution states that budget consultees should include parish councils, health partners, the schools forum, business ratepayers, council taxpayers, the trade unions, political groups on the council, the scrutiny committees and such other organisations and persons as the leader shall determine.
29. The draft paper was considered at cabinet on 14 December 2023, with the additions supported by other group leaders. The only change since that meeting is an increase to the property budget of £0.3m which is funded by further underspend in 23/24 of projects delivering under budget and the corporate borrowing to be reallocated.
30. An online public consultation is currently open and the results of this will be published for the Council meeting in February 2024. The main focus of the consultation was on council tax setting and the savings that needed to be identified to enable a balanced revenue budget to be presented due to the current pressures but is also seeking views on the disposal of assets.
31. During the year Parish Councils have been continually been consulted on S106 income held and discussed what will be delivered to ensure these funds are appropriately spent within the timeframes required.

**Appendices**

Appendix A: Capital funding requests for approval

Appendix B: Four year capital programme and funding requirements

Appendix C: Strategic Outline Business Cases to support capital investment proposals

**Background papers**

None identified

Appendix A

Scheme	Current Capital Programme £000	Total 24/25 £000	Total 25/26 £000	Total 26/27 £000	Total 27/28 £000	Capital Grant funding £000	Redirected funding £000	Capital receipt funding £000	Funded by ROI £000	Corporate Funded PB £000	Total Request £000
Schools Accessibility	1,003.0	1,500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,500.0	1,500.0
Children's residential homes for 11 to 18 year olds		424.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	424.0	424.0
Planning & Regulatory Services software		698.0	698.0	0.0	0.0	0.0	0.0	0.0	0.0	1,396.0	1,396.0
Estates Building Improvement Programme 2024-27		1,818.3	607.3	340.0	0.0	0.0	0.0	0.0	0.0	2,765.6	2,765.6
Building works from 2022 Condition Surveys		190.6	274.4	280.0	0.0	0.0	0.0	0.0	0.0	745.0	745.0
VMWare Host Replacement		247.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	247.5	247.5
Property Improvements in Care Homes		550.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	550.0	550.0
<b>Total</b>	<b>1,003.0</b>	<b>5,428.4</b>	<b>1,579.7</b>	<b>620.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7,628.1</b>	<b>7,628.1</b>



Scheme Name	Spend in					Total Scheme Budget £000	Grant & funding					Total Funding £000	
	Prior Years £000	2023/24 Total Budget £000	2024/25 Total Budget £000	2025/26 Total Budget £000	2026/27 Total Budget £000		Capital receipts £000	Prudential borrowing £000	Total £000	Prior Years £000	Total £000		
Hereford City Centre Transport Package	37,224	1,500	5,755	2,500	0	46,979		6,081	3,674	9,755	37,224	46,979	
Hereford City Centre Improvements (HCCI)	3,500	2,200	300	0	0	6,000			2,500	2,500	3,500	6,000	
Southern Link Road		800	2,200	2,000	5,300	10,300	5,000		5,300	10,300	0	10,300	
Hereford ATMs and Super Cycle Highway		350	650	0	0	1,000			1,000	1,000	0	1,000	
Emergency Active travel Fund		119	0	0	0	119		119		119	0	119	
Active Travel Fund 4		156	150	0	0	306		306		306	0	306	
LUF - Active Travel Measures (north of river)	251	500	3,715	0	0	4,466		4,215		4,215	251	4,466	
LUF - Active Travel Measures (south of river)	2	750	8,445	0	0	9,197		9,194		9,194	2	9,197	
<b>Sustainable Transport &amp; Place Making Delivery Board</b>	<b>40,976</b>	<b>6,375</b>	<b>21,215</b>	<b>4,500</b>	<b>5,300</b>	<b>78,366</b>	<b>5,000</b>	<b>19,915</b>	<b>12,475</b>	<b>37,390</b>	<b>40,976</b>	<b>78,366</b>	
Local Transport Plan (LTP)		15,466	15,466	0	0	30,932				30,932	0	30,932	
Priority Flood Repair Works	2,868	1,159	0	0	0	4,027			1,159	1,159	2,868	4,027	
Extra Ordinary Highways Maintenance & Biodiversity Net Gain	1,891	256	151	0	0	2,299			408	408	1,891	2,299	
Public Realm Maintenance - Mitigating Risk on the Network	1,101	3,656	193	0	0	4,950			3,849	3,849	1,101	4,950	
Highways Maintenance and pot hole repairing 2023/24		2,558	0	0	0	2,558		2,558		2,558	0	2,558	
Resurfacing Herefordshire Highways		0	5,000	5,000	0	10,000	816		9,185	10,000	0	10,000	
Winter Resilience		227	740	435	0	1,402			1,402	1,402	0	1,402	
Highways Equipment	41	507	0	0	0	548			507	507	41	548	
Natural Flood Management	97	220	337	336	284	1,274		1,176		1,176	97	1,274	
Highways Infrastructure Investment		1,335	6,835	3,985	3,885	16,040		1,580	14,460	16,040	0	16,040	
Public Realm Improvements for Ash Die Back		315	367	367	367	1,416			1,416	1,416	0	1,416	
Moving Traffic Enforcement Phase 2		25	119	0	0	144			144	144	0	144	
<b>Highways Maintenance Delivery Board</b>	<b>5,998</b>	<b>25,724</b>	<b>29,209</b>	<b>10,123</b>	<b>4,536</b>	<b>75,590</b>	<b>816</b>	<b>36,246</b>	<b>32,530</b>	<b>69,592</b>	<b>5,998</b>	<b>75,590</b>	
E & E's S106		1,979	4,045	1,548	0	7,572				7,572	0	7,572	
C & F's S106		860	1,047	2,084	0	3,992				3,992	0	3,992	
<b>Planning Delivery Board</b>	<b>0</b>	<b>2,839</b>	<b>5,092</b>	<b>3,632</b>	<b>0</b>	<b>11,563</b>	<b>-</b>	<b>11,563</b>	<b>0</b>	<b>11,563</b>	<b>0</b>	<b>11,563</b>	
Integrated Wetlands	2,252	410	339	0	0	3,000			748	748	2,252	3,000	
Solar Photovoltaic Panels	862	265	1,007	0	0	2,134			1,272	1,272	862	2,134	
Wye Valley AONB	55	155	116	0	0	326			272	272	55	326	
SEPU Grant	88	344	0	0	0	432			344	344	88	432	
Waste		0	18,090	0	0	18,090		5,800	12,290	18,090	0	18,090	
E-Cargo Bike Share		85	0	0	0	85			85	85	0	85	
Local Electric Vehicle Infrastructure Capital Fund (LEVI)		124	300	300	400	1,124			1,124	1,124	0	1,124	
Green Homes Grant - Local Authority Delivery	526	293	0	0	0	819			293	293	526	819	
Home Upgrade Grant	522	4,301	4,646	0	0	9,469			8,947	8,947	522	9,469	
<b>Environment &amp; Sustainability Delivery Board</b>	<b>4,304</b>	<b>5,977</b>	<b>24,498</b>	<b>300</b>	<b>400</b>	<b>35,479</b>	<b>0</b>	<b>17,613</b>	<b>13,562</b>	<b>31,175</b>	<b>4,304</b>	<b>35,479</b>	
Hereford Enterprise Zone	14,526	421	0	0	0	14,947	421			421	14,526	14,947	
Marches Business Investment Programme	2,884	544	0	0	0	3,428			544	544	2,884	3,428	
Investment in Employment Land in Herefordshire	341	100	10,000	10,260	0	20,701	12,000	2,053	6,307	20,360	341	20,701	
Leominster Heritage Action Zone	1,095	1,356	653	0	0	3,104	1,623	386		2,009	1,095	3,104	
Safer Streets / CCTV	340	43	0	0	0	383			43	43	340	383	
Fastershire Broadband	26,990	4,240	2,508	0	0	33,738		3,853	2,895	6,748	26,990	33,738	
<b>Economic Development Delivery Board</b>	<b>46,176</b>	<b>6,705</b>	<b>13,161</b>	<b>10,260</b>	<b>0</b>	<b>76,301</b>	<b>14,044</b>	<b>6,879</b>	<b>9,202</b>	<b>30,125</b>	<b>46,176</b>	<b>76,301</b>	
Stronger Towns Fund - Hereford Museum & Art Gallery Redevelopment	1,535	700	7,000	8,765	0	18,000	7,946	8,519		16,465	1,535	18,000	
Stronger Towns Fund - Greening the City	81	23	300	0	0	404			323	323	81	404	
UK Shared Prosperity Fund		290	845	0	0	1,135			1,135	1,135	0	1,135	
Rural Prosperity Fund		850	856	0	0	1,706			1,706	1,706	0	1,706	
Stronger Towns Library & Learning Centre relocation to Shirehall		395	2,611	0	0	3,005	395	2,611		3,005	0	3,005	
Stronger Towns Fund - Maylord Orchard Redevelopment and Learning Resource Centre	434	455	2,611	0	0	3,500			395	2,671	434	3,500	
<b>Major External Funded Delivery Board</b>	<b>2,050</b>	<b>2,713</b>	<b>14,222</b>	<b>8,765</b>	<b>0</b>	<b>27,750</b>	<b>8,735</b>	<b>16,964</b>	<b>0</b>	<b>25,700</b>	<b>2,050</b>	<b>27,750</b>	
Electronic Document Management Storage	303	12	0	0	0	315			12	12	303	315	
Capital Development Fund		1,000	0	0	0	1,000				1,000	0	1,000	
Key Network Infrastructure (Core Data Centre Switches & Corporate Wi-Fi)	143	412	0	0	0	555			412	412	143	555	
HARC SAN Lifecycle Replacement		2	370	0	0	372			372	372	0	372	
Data Centre Equipment Lifecycle Replacement		329	0	0	0	329			329	329	0	329	
Windows Server Upgrades		330	0	0	0	330			330	330	0	330	
Backup Storage		82	0	0	0	82			82	82	0	82	
Device and Ancillary kit replacement programme		265	365	415	548	1,593			1,593	1,593	0	1,593	
M365 E5 Implementation		300	150	0	0	450			450	450	0	450	
Planning & Regulatory Services software		0	698	698	0	1,396			1,396	1,396	0	1,396	
VMWare Host Replacement		272	248	0	0	520			248	248	0	520	
Primary Data Storage Area Network (Plough Lane)		272	63	0	0	335			63	63	272	335	
<b>IT Services Partnership Board</b>	<b>718</b>	<b>2,795</b>	<b>1,831</b>	<b>1,113</b>	<b>548</b>	<b>7,005</b>	<b>0</b>	<b>1,000</b>	<b>5,286</b>	<b>6,286</b>	<b>718</b>	<b>7,005</b>	
Flexible Futures	268	582	0	0	0	850			582	582	268	850	
Wye Valley Trust - Education Centre Investment	0	0	6,000	0	0	6,000			6,000	6,000	0	6,000	
HWGTA - Development of Vocational Work Based Skills Inv My Account	0	0	2,000	0	0	2,000			2,000	2,000	0	2,000	
<b>Corporate Transformation Delivery Board</b>	<b>268</b>	<b>588</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>8,857</b>	<b>0</b>	<b>0</b>	<b>8,588</b>	<b>8,588</b>	<b>268</b>	<b>8,857</b>	
Schools Capital Maintenance Grant		2,986	3,902	0	0	6,888			4,181	2,707	6,888	0	6,888
Peterchurch Area School Investment	232	30	3,175	5,716	1,700	10,853	5,433		5,188	10,621	232	10,853	
Brookfield School Improvements	375	750	3,875	0	0	5,000	919	3,706		4,625	375	5,000	
High Needs Grant	77	150	3,328	500	0	4,055			3,978	3,978	77	4,055	
Basic Needs Funding		200	5,000	5,000	6,084	16,284			16,033	251	16,284	0	16,284
Preliminary works to inform key investment need throughout the county	213	280	23	0	0	516			303	303	213	516	
School Accessibility Works		331	2,172	0	0	2,503			2,503	2,503	0	2,503	
Estates Capital Programme 2019/22	3,760	666	1,656	0	0	6,082			2,322	2,322	3,760	6,082	
Work to Shirehall Annex (Care Leavers Base)		100	0	0	0	100	100			100	0	100	
Shirehall Building Improvements		0	3,000	0	0	3,000	2,000		1,000	3,000	0	3,000	
Children's residential homes for 11 to 18 year olds			424	0	0	424			424	424	0	424	
Residual property works identified in the 2019 condition reports	40	701	650	0	0	1,392			1,351	1,351	40	1,392	
Estates Building Improvement Programme 22-25	174	1,698	1,135	0	0	3,007			2,833	2,833	174	3,007	
Estates Building Improvement Programme 2023-25		780	2,747	0	0	3,527		1,105	2,422	3,527	0	3,527	
Estates Building Improvement Programme 2024-27		0	1,818	607	340	2,766			2,766	2,766	0	2,766	
Building works from 2022 Condition Surveys		0	191	274	280	745			745	745	0	745	





## OUTLINE STRATEGIC BUSINESS CASE

Directorate	Children and Young People
Scheme Name	Schools Accessibility Works
Budget Holder	Head of Educational Development Children and Young People

### Project aims and objectives:

*Scheme description and demonstration of links to corporate priorities and savings plans.*

There are nine known children that may require adaptations who are transitioning into schools. The schools that the children will ultimately be attending has not been determined. This will be ascertained as part of the admissions process which takes place at the start of each calendar year. The final places therefore will not be known until April/May 2024, however, these children will need an accessible school for September 2024

Councils receive no dedicated funding for adaptation, improvement or alteration at any schools. It remains the case, therefore, that central funding for accessibility improvements related to pupils joining or transferring to an individual school will need to be considered by the council. There is a requirement on schools to notify the council of access needs, and parents need to identify on school admission forms that their child has physical access requirements.

### This project will seek to the following corporate priorities:

CO1: Ensure all children are healthy, safe and inspired to achieve

CO4: Protect and improve the lives of vulnerable people

EC3: Invest in education and the skills needed by employers

EC6: Spend public money in the local economy wherever possible

### Estimated costs and funding sources:

	2024/25	2025/26	2026/27	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
Schools Accessibility Works	1,275				1,275
profession, internal fees and surveys	225				225
<b>TOTAL</b>	<b>1,500</b>				<b>1,500</b>
<b>Funding sources</b>					
Council borrowing	1,500				1,500
<b>TOTAL</b>	<b>1,500</b>				<b>1,500</b>
<b>Revenue budget implications</b>					
<b>TOTAL</b>					

**Benefits and risks:**

*The anticipated benefits and risks of the proposed project plus risks of not going ahead with the scheme.*

**Benefits:**

- Compliance with government guidelines
- Fit for purpose accommodation and associated infrastructure
- A fully accessible school that could meet the needs of all future children as well as staff and visitors.

**Risks**

- Adaptations will not be delivered in time for when the learner requires them
- Learners do not have the same choices/opportunities as their abled peers

**Do nothing option**

- Council does not fulfil their statutory duty to place children with SEN and/or disabilities in schools
- Impact on service delivery
- Reputational risk of the Council failing in its duty
- Learners could be placed in out of catchment schools leading to additional schools transport costs

# OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Children &amp; Young People</b>
<b>Scheme Name</b>	<b>Children’s residential homes for 11 to 18 year olds – Provider sourced staff and council purchased accommodation</b>
<b>Budget Holder</b>	<b>Darryl Freeman – Corporate Director Children &amp; Young People</b>

## Project aims and objectives:

Following the cabinet decision of 23<sup>rd</sup> November 2023 approving the commissioning of two, two bedroomed children’s residential homes within Herefordshire, it was also approved for officers to undertake work to consider the option to develop an in house provision as a phase 2 approach. This project aims to develop an in house provision to further increase local sufficiency for children’s placements in Herefordshire and achieve best value.

### Herefordshire County Plan 2020-24 states:

“We intend to invest in new models of care, housing and accommodation to maximise the levels of personal independence these vulnerable people are able to attain while remaining in their communities. This might include new care homes, care villages, technology or specialist accommodation for vulnerable children and young people.”

### Our Sufficiency Strategy 2019-2024 states that:

“For those young people requiring residential care we intend to develop more local quality provision within 2024-25 and improve percentage of children placed in area annually.

### Herefordshire Improvement Plan for Children and Families 2023 highlights that our role as Corporate Parent is a priority area of focus and promotes the following outcomes:

“Children and young people are central to decision making and planning within the council. They trust that the council has their best interest at heart and will prioritise resources to meet their needs.”  
 “Increased choice of placement to meet the needs of children in our care.”  
 “Matching of placement will be available to ensure needs are met and reduction in short term placements.”

## Estimated costs and funding sources:

	2024/25	2025/26	2026/27	Future Years	Total
	£’000	£’000	£’000	£’000	£’000
<b>Capital cost of project</b>					
Purchase cost and mobilisation cost [2 x 2 bedroom houses]	424				424
<b>TOTAL</b>	<b>424</b>				<b>424</b>
<b>Funding sources</b>					
Corporate Funded Borrowing	424				424
<b>TOTAL</b>	<b>424</b>				<b>424</b>
<b>Revenue budget implications</b>					
Cost of purchasing property and adapting but a provider running the service (assuming 2 x 2 at 80% occupancy)	249	498	498	498	1,743
<b>TOTAL</b>	<b>249</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>1,743</b>

## Benefits and risks:

**Benefits: -**

The provision within county is expected to deliver improved outcomes, promote placement stability through effective matching, control costs and allow for effective collaborative working across partner agencies.

- The council would have full control of how the service was developed and delivered via specification
- The council would manage referrals into the service and support conversations around matching, managing risk and avoid placement of non-Herefordshire children. However, the provider would have the potential to veto subject to certain conditions i.e. safeguarding risk.
- Risks associated with sourcing property, maintenance and management would be shared
- Increased local options improving choice and matching
- Retention of local connection with family/community and access to services within adult social care and housing
- Improved outcomes for children and recognition of the need to maintain trusted relationships
- Increased access to local education and health services avoiding delay in assessment/ support
- Improved engagement with providers mitigating breakdown, complaints and reputational risk
- Improved referral uptake leading to effective care planning with timely step up/down
- Reduced number of placement moves experienced by children and young people
- Reduced costs associated with transport, contact, travel, notice and uplifts
- Reduced additionality of costs linked to spot/emergency arrangements
- Reduced risk of unregistered placements
- Reduced average length of placement prior to transition to family based care

**Risks: -**

Currently children are being placed into accommodation that does not fully meet their needs and is often out of area. Placement stability is fragile and matching cannot be managed fully. Costs are rising and quality cannot always be guaranteed. Placing children out of county creates challenges for maintaining family contact, local networks and disrupts education.

Herefordshire's use of both in area and out of area residential have increased by circa 67% between 2020 and 2021 with in-area placements representing approximately 20% of all placements made [Note based on previously reported data]. Out of area placements are costly and work within the service is underway to use alternative placement methods, e.g. reunification, kinship placements, etc. However due to the complex needs of some young people, it may be in their best interest to be in an external placement which is in area rather than out of area. Young people placed out of area do not maintain the family and friendship groups easily which is not in their best interest.

# OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Economy &amp; Environment / Community Wellbeing</b>
<b>Scheme Name</b>	<b>Planning and Regulatory Services software replacement</b>
<b>Budget Holder</b>	<b>Roger Allonby- Service Director Economy &amp; Growth</b>

## Project aims and objectives:

*Scheme description and demonstration of links to corporate priorities and savings plans.*

The Economy & Environment Directorate currently use Civica APP as their dominant line of business system. It is used by numerous service areas, delivering many Statutory functions, including Planning & Building Control, Waste, Conservation, Environmental Health, Public Health, and Licensing. It is also used by the Home Improvement Agency and Strategic Housing (Community Wellbeing).

The current system has been in place since **2009** and is renewed annually at a cost of c£57k+ RPI (around £900k spent over lifetime, to 2023). The current contract period comes to an end on 31 March 2024 and is being extended to enable replacement. The implementation would take up to two years to cover all service areas currently in scope

The replacement of Civica APP is the highest Economy and Environment Transformation Plan priorities. It will also deliver multi-Directorate benefits, whilst replacing a business-critical system that is about to reach the end-of-life stage (as-such, there is no opportunity to upgrade the current software).

Starting the procurement and implementation as soon as is possible will reduce the risk of needing to extend the current Civica contract for more than a two-year period. It will also deliver significant operational benefits in terms of improved services to customers, improved data, enhanced communication tools, improve user output significantly, and reduce dependence on outdated and labour-intensive manual processes.

A modern back-office IT system for regulatory services should be able to further reduce duplication and manual inputting of work, offering an integrated digital by default and remote mobile working solution for all service areas. This should allow all service areas using the system to sustain current service level during current difficulties of recruitment and retention.

Whilst a new software system is yet to be identified, it can be assumed that with the improved efficiencies a new software system will bring will result in the potential reduction in FTEs. New processes will also be the enabler for major changes in ways of working and accruing benefits from the Economy and Place Directorate Transformation Plan.

## Estimated costs and funding sources:

	2024/25	2025/26	2026/27	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
<b>Planning, Housing &amp; Regulatory Services software replacement</b>	<b>698.0</b>	<b>698.0</b>	<b>0</b>	<b>0</b>	<b>1,396.0</b>
<b>TOTAL</b>	<b>698.0</b>	<b>698.0</b>	<b>0</b>	<b>0</b>	<b>1,396.0</b>
<b>Funding sources</b>					
<i>Corporate Funded Borrowing</i>	<b>698.0</b>	<b>698.0</b>	<b>0</b>	<b>0</b>	<b>1,396.0</b>
<b>TOTAL</b>	<b>698.0</b>	<b>698.0</b>	<b>0</b>	<b>0</b>	<b>1,396.0</b>

Revenue budget implications					
New licenses and hosting (R)					108
Current (and two year) licences (R)		78	78	-78	
<b>TOTAL</b>		<b>78</b>	<b>78</b>	<b>30</b>	

**Benefits and risks:**

The replacement of the now dated Civica APP with a modern software system is the highest Economy & Environment transformation priority. It is business-critical for the service users that have a duty to provide statutory services.

Option	Short-list Y/N	Reasons
Do Nothing	N	The current software will inevitably be de-supported in the future. This would lead to a rush to procure and implement; In the meantime the services would need to work with an inefficient / broken system This would mean statutory duties could not be undertaken by HC
Do minimum (ie replace certain functionality in phases)	N	By not having a full suite of software options teams and customers would be impacted. Further IT solutions would have to be procured, likely to increase overall costs of support and integration
Full replacement of software suite	Y	Cost effective and quickest solution to ensure statutory service standards are maintained and potentially improved

The current software (Civica APP) is end of life and has not been developed by the vendor for some time. There are some major issues, such as:

- Remote / field working is very limited
- Search functionality is slow and limited
- Data extracts and reports take a significant amount of time to produce
- The system slows when 'many' users are logged in
- There are frequent periods of system downtime
- There is lack of integration to the Planning Portal
- The Private Water Supplies functionality is missing
- Lack of citizen self-serve functionality

**BENEFITS:** The benefits are that a new system will address these issues (above) enabling much more efficient working practices and improvement in service. This will inevitably include fte savings however these are difficult to quantify in advance.

Risk	Mitigation
Lack of HC resources, leading to lengthened implementation and need to extend current contract	Ensure appropriate and necessary resources and allocated to the implementation
No system solution agreed and in place before end of Civica APP life, teams would be unable to provide statutory services	Agree funding and begin procurement and implementation of a replacement solution asap
Civica issuing end-of-life notice for current software before new implementation project has started	Agree funding and begin procurement and implementation of a replacement solution asap
Inconsistent / no- use of HC EDRMS by services, causing double work on document 'loading' and testing	Progress other initiatives or projects to ensure all services in scope are using EDRMS by time of implementation
Poor data quality in current system	Conduct data cleansing before project implementation

# OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Corporate Services</b>
<b>Scheme Name</b>	<b>Estates Building Improvement Programme 2024-27 &amp; Building Works from 2022 Condition Surveys</b>
<b>Budget Holder</b>	<b>Andrew Lovegrove- Director Resources &amp; Assurance</b>

## Project aims and objectives:

A three year programme of building improvement works 2024/27 which have been prioritised through the assessment of criteria primarily focussed on (1) identified risk, (2) health, safety or welfare of the building users (3) delivery of the aims within the council's county plan, (4) service continuity, through the delivery of property specific projects.

Key objectives include:

- Ensure that the Council's estate is maintained, safe and fit for purpose
- Address identified risks
- Reduce revenue expenditure by investing in buildings and reducing reactive maintenance
- Extend the lifecycle of Council assets and protect/enhance value
- Secure better services, quality of life and value for money
- Support the growth of our local economy
- Protect and promote our heritage
- Support reduction of carbon footprint
- To support the delivery of the County Plan

Allowing investment and undertaking a programme of improvement works will mitigate and prevent risk of failure and ensure the buildings remain open and fit for current use, thereby avoiding disruption to the delivery of services.

## Estimated costs and funding sources:

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Future Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Capital cost of project</b>					
<b>Building Improvement Works</b>	<b>1,818.3</b>	<b>607.3</b>	<b>340.0</b>	<b>0</b>	<b>2,765.6</b>
<b>Condition Survey Works</b>	<b>190.6</b>	<b>274.4</b>	<b>280.0</b>	<b>0</b>	<b>745.0</b>
<b>TOTAL</b>	<b>2,008.9</b>	<b>881.7</b>	<b>620.0</b>	<b>0</b>	<b>3,510.6</b>
<b>Funding sources</b>					
<b>Corporate Funded Borrowing</b>	<b>2,008.9</b>	<b>881.7</b>	<b>620.0</b>	<b>0</b>	<b>3,510.6</b>
<b>TOTAL</b>	<b>2,008.9</b>	<b>881.7</b>	<b>620.0</b>	<b>0</b>	<b>3,510.6</b>
<b>Revenue budget implications</b>					
<b>TOTAL</b>					

**Benefits and risks:**

The anticipated benefits of the proposed programme are listed below:

- Reduced depreciation of buildings and assets
- Heritage protection
- Energy efficiency
- Sustainability
- Reduced revenue costs
- Protected service delivery
- Protected income
- Statutory Compliance
- Risk management / Mitigation
- Growth of our local economy

The programme seeks to reduce the risks identified on a project by project basis.

The key risks of not doing the project are:

- Impact on service delivery
- Rising costs – reducing the extent or quality of completed works
- Insufficient funding
- Loss of income
- Potential for serious physical injury
- Loss in value/deterioration of property assets
- Reputational risk
- Non-Compliance with statutory regulations
- Health and safety risks

The key project risks are:

- Statutory
- Financial
- Service
- Reputational



## OUTLINE STRATEGIC BUSINESS CASE

Directorate	Corporate Services
Scheme Name	VMWare Host Replacement
Budget Holder	Andrew Lovegrove- Director Resources & Assurance

### Project aims and objectives:

*Scheme description and demonstration of links to corporate priorities and savings plans.*

**Replacement of Key IT Hardware operating the council's key line of business systems.**

The primary objective for the project is to support the council's requirements to operate IT solutions in a secure manner protecting the Confidentiality, Integrity and Availability of the Councils data and service delivery. The authority is obliged to ensure that the underlying infrastructure is secure and that the systems hosting environment is maintained securely. Infrastructure must not be vulnerable to common cyber-attacks and this should be maintained through secure configuration and software patching.

This project is to replace ageing computer server equipment with manufacturer supported equipment, to allow security and operational integrity to be maintained, in line with emerging vulnerabilities and Cyber Security threats.

The aim of the project is as follows:

- Replace ageing server hosting equipment which provides the underlying hardware resources required to run the councils key line of business systems, with supported 'in life' equipment which is actively supported by the supplier for hardware failure and cyber security/vulnerability patches.
- Replace like for like with equipment that meets the current compatibility, interoperability and support requirements for the infrastructure. This will include additional overhead to mitigate against failure and capacity growth in line with current digital planning throughout the first 5 years of operation.
- Provide support and maintenance contract with the manufacturer or partner for a period of five years.
- Migrate services from existing hosting equipment to new supported equipment.
- Decommission and dispose of outgoing equipment in line with the authorities' security and environmental policies and obligations.

This will support the Council with its strategy & planning towards digital transformation by providing a stable, modern and fit for purpose infrastructure, enabling the flexibility required to adapt to changing service delivery models throughout the short to medium term (i.e. the initial life of the equipment - 5 years).

Procurement will be through an approved Local Government Procurement Framework (CCS or similar) to ensure that best value is demonstrated.

Commissioning and migration activity will be carried out by the Councils contracted IT provider – Hoople Ltd.

**Estimated costs and funding sources:**

	2024/25	2025/26	2026/27	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
VMWare Host Replacement	247.5				247.5
<b>TOTAL</b>	<b>247.5</b>				<b>247.5</b>
<b>Funding sources</b>					
Corporate Funded Borrowing	247.5				247.5
<b>TOTAL</b>	<b>247.5</b>				<b>247.5</b>
<b>Revenue budget implications</b>					
<b>TOTAL</b>					

**Benefits and risks:**

*The anticipated benefits and risks of the proposed project plus risks of not going ahead with the scheme.*

Supported 'in life' equipment will provide:

- Continued Cyber Security protection through manufacturer support for vulnerabilities (i.e. loss of data or disruption to service through Ransomware, Malware & Virus exploitation)
- Continued hardware failure protection through manufacturer support for parts and components (i.e. loss of data or disruption to service through catastrophic hardware or component failure)
- Continued feature support through manufacturer software development. Potential for cost avoidance associated with exploitation of advances in technology.
- Reduces risk for potential loss of Confidentiality, Integrity and Availability of Council key Data due to Cyber Attack or Catastrophic Hardware Failure.
- Protects the Councils Data and Service Delivery obligations through fit for purpose equipment.
- Provides operational efficiencies with opportunity for reduced power consumption & improved performance due to technology advancement in modern solutions.
- Additional overhead to support future data growth/transformation in line with current planning.

# OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Corporate Services</b>
<b>Scheme Name</b>	<b>Property Improvements in Care Homes</b>
<b>Budget Holder</b>	<b>Andrew Lovegrove- Director Resources &amp; Assurance</b>

## Project aims and objectives:

A programme of building improvement works 2023/24 which have been identified through the assessment of criteria primarily focussed on (1) identified risk, (2) health, safety or welfare of the building users (3) delivery of the aims within the council's county plan, (4) service continuity, through the delivery of property specific projects.

Key objectives include:

- Ensure that the Council's estate is maintained, safe and fit for purpose
- Address identified risks
- Reduce revenue expenditure by investing in buildings
- Extend the lifecycle of Council assets and protect/enhance value
- Secure better services, quality of life and value for money
- Support reduction of carbon footprint
- To support the delivery of the County Plan

Allowing investment and undertaking a programme of improvement works will mitigate and prevent risk of failure and ensure the buildings remain open and fit for current use, thereby avoiding disruption to the delivery of services.

## Estimated costs and funding sources:

	2024/25	2025/26	2026/27	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
<b>Care Homes Building Improvement Works 2023/24</b>	550.0				550.0
<b>TOTAL</b>	550.0				550.0
<b>Funding sources</b>					
<b>Corporate Funded Borrowing</b>	550.0				550.0
<b>TOTAL</b>	550.0				550.0
<b>Revenue budget implications</b>					
<b>TOTAL</b>					

**Benefits and risks:**

The anticipated benefits of the proposed programme are listed below:

- Statutory Compliance
- Risk Management / Mitigation
- Protected Service Delivery
- Energy Efficiency
- Sustainability

The programme seeks to reduce the risks identified on a project by project basis.

The key risks of not doing the project are:

- Non-Compliance with Statutory Regulations
- Health and Safety Risks
- Potential for serious Physical Injury
- Impact on Service Delivery
- Reputational Risk

The key project risks are:

- Statutory
- Financial
- Service
- Reputational