

Agenda

Cabinet

Date: **Thursday 28 November 2024**

Time: **2.30 pm**

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

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

For any further information please contact:

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If you would like help to understand this document, or would like it in another format, please call Samantha Gregory, Democratic Services Officer on (01432) 260176 or e-mail samantha.walmsley2@herefordshire.gov.uk in advance of the meeting.

Agenda for the meeting of Cabinet

Membership

Chairperson Councillor Jonathan Lester, Leader of the Council
Vice-Chairperson Councillor Elissa Swinglehurst, Deputy Leader of the Council

Councillor Graham Biggs
Councillor Harry Bramer
Councillor Clare Davies
Councillor Barry Durkin
Councillor Carole Gandy
Councillor Ivan Powell
Councillor Philip Price
Councillor Pete Stoddart

Agenda

	Pages
<p>1. APOLOGIES FOR ABSENCE</p> <p>To receive any apologies for absence.</p>	
<p>2. DECLARATIONS OF INTEREST</p> <p>To receive declarations of interests in respect of Table A, Table B or Other Interests from members of the committee in respect of items on the agenda.</p>	
<p>3. MINUTES</p> <p>To approve and sign the minutes of the meeting held on 26 September 2024.</p> <p>Minutes are to follow.</p>	
<p>HOW TO SUBMIT QUESTIONS</p> <p><i>The deadline for submission of questions for this meeting is:</i></p> <p><i>5pm on Friday 22 November 2024</i></p> <p><i>Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.</i></p> <p><i>Accepted questions and the response to them will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at https://www.herefordshire.gov.uk/getinvolved</i></p>	
<p>4. QUESTIONS FROM MEMBERS OF THE PUBLIC</p> <p>To receive questions from members of the public.</p>	
<p>5. QUESTIONS FROM COUNCILLORS</p> <p>To receive questions from councillors.</p>	
<p>6. REPORTS FROM SCRUTINY COMMITTEES</p> <p>No scrutiny reports have been received.</p>	
<p>7. ADDITION OF CAPITAL BUDGET TO DELIVER IT CAPITAL PROGRAMME</p> <p>For Cabinet to recommend to Council to approve an amendment to the capital programme to utilise underspends to fund two new projects, at a total of £368,000 for delivery of IT projects within this financial year.</p>	11 - 20
<p>8. Q2 2024/25 BUDGET REPORT</p> <p>To report the forecast position for 2024/25 at Quarter 2 (September 2024), including explanation and analysis of the drivers for the material budget variances, and to outline current and planned recovery activity to reduce the forecast overspend.</p>	21 - 58
<p>9. Q2 PERFORMANCE REPORT</p>	59 - 80

To review performance for Quarter 2 (Q2) 2024/25 and to report the performance position across all Directorates for this period.

10. THE NEW PUBLIC REALM SERVICES

81 - 108

This report seeks approval of the council's Public Realm Services model and to delegate authority for the procurement and associated requirements relating to IT, fleet, depots and demobilisation of the current contract.

The Public's Rights to Information and Attendance at Meetings

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- Inspect agenda and public reports at least five clear days before the date of the meeting. Agenda and reports (relating to items to be considered in public) are available at www.herefordshire.gov.uk/meetings
- Inspect minutes of the Council and all committees and sub-committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title. Information about councillors is available at www.herefordshire.gov.uk/councillors
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Public transport links

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

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

Guide to Cabinet

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

Cllr Jonathan Lester (Leader)	Corporate Strategy and Budget
Cllr Elissa Swinglehurst (Deputy Leader)	Environment
Cllr Ivan Powell	Children and Young People
Cllr Harry Bramer	Community Services and Assets
Cllr Pete Stoddart	Finance and Corporate Services
Cllr Carole Gandy	Adults, Health and Wellbeing
Cllr Graham Biggs	Economy and Growth
Cllr Barry Durkin	Roads and Regulatory Services
Cllr Philip Price	Transport and Infrastructure

The Cabinet's roles are:

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

Who attends cabinet meetings?

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

**The Seven Principles of Public Life
(Nolan Principles)**

1. Selflessness

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

2. Integrity

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

3. Objectivity

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

4. Accountability

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

5. Openness

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

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Addition of Capital Budget to deliver IT Capital Programme

Meeting:	Cabinet
Meeting date:	Thursday 28 November 2024
Cabinet member:	Peter Stoddart, finance and corporate services
Report by:	Director of Transformation and Strategy
Report author:	Portfolio Manager, corporate services

Classification

Open

Decision type

Budget and policy framework

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

Wards affected

All Wards

Purpose

For Cabinet to recommend to Council to approve an amendment to the capital programme to utilise underspends to fund two new projects, at a total of £368,000 for delivery of IT projects within this financial year.

Recommendation(s)

That: the following be recommended to Council

- a) **To approve the addition of £368,000 in this year's capital programme, to deliver Wide Area Network (WAN) replacement project and Telephony Contact Centre project, funded from underspends in the capital programme.**

That: Cabinet

- b) **Delegates to the Director of Strategy and Transformation the spend, subject to Council approval, up to £368,000 to deliver the projects as part of the IT Capital Programme.**

Alternative options

1. Do not request Telephony Contact Centre and Wide Area Network Replacement projects funding is reallocated within the 2024/25 capital programme, instead progress for approval in the 2025/26 capital programme. Not recommended. This would delay implementation and in turn delay opportunities to modernise our services and implement transformational change to customer services delivery. In addition, delaying implementation will incur additional licencing and supplier costs to the organisation for only a short period, which does not present a cost-effective solution.

Key considerations

2. The 2024/25 IT capital programme is on track to deliver a projected underspend in the region of £260,000. This underspend could be utilised to fund other IT projects. The underspend is as a result of projected costs within several IT projects being lower than anticipated.
3. Funding for the Wide Area Network Replacement project and Telephony Contact Centre project have been requested in the 2025/26 capital programme. This report requests to bring the funding for these projects into the 2024/25 capital programme.
4. The existing Wide Area Network contract ends in January 2025. Moving to a new solution will enable a revenue saving of £18,000 per annum in 2025/26, then £32,000 in subsequent years.
5. Renewing the contract with the current provider presents a risk of a significant price increase of 23% (approximately £39,500) as it is only a short-term renewal for one year. Inclusion within the 2024/25 capital programme means we can implement a new solution prior to the existing contract end date.
6. The existing contract for the Telephony Contact Centre ends on 31 March 2025. Bringing the decision forward will enable the council to transfer to a new provider and be live with like-for-like functionality before 31 March 2025. This will save £32,000 in licence fees and allow us to build on this foundational work to realise transformation opportunities to support customer service delivery. This will also negate the need to replace current hardware (which is nearing end of life) to run the current telephony platform

Community impact

7. The Council Plan 2024-2028 sets out the ambition to improve the way we use technology across our services by embracing new technologies, test ideas and develop a culture of innovation to improve services and deliver value for money. The council has committed to deliver against bold and ambitious plans and, by working with our local and national partners, we seek to continue to improve the quality of life for the county's residents. Connected to this plan is a stated aim to further embrace digital technology to save costs and improve flexible working practice and service delivery, which directly supports our Transformation priority.

Environmental Impact

8. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
9. Whilst this is a decision on back-office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

10. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
11. The mandatory equality impact screening checklist has been completed for this decision and it has been found to have low impact for equality.
12. Due to the potential impact of this decision being low, a full Equality Impact Assessment is not required. However the following equality considerations should be taken into account when making a decision about this activity/project:
 - a. The introduction of new technology will have an impact on staff and service delivery. This impact will be taken into consideration within individual projects aligned to this decision, where applicable.

Resource implications

13. Spend the requested budget of £368,000 for the delivery of WAN Replacement project and Telephony Contact Centre project for delivery within the 2024/25 and 2025/26 financial years.
14. Project delivery for both projects will be supported by Hoople Ltd as our technical partner and will be managed with oversight by Herefordshire Council's Project Management Office (PMO) and the Head of ICT and Digital.
15. The WAN Replacement project tender is being run via a further competition through the Crown Commercial Services 'HSCN Access Services DPS's RM3825' framework.
16. A compliant telephony contact centre procurement was completed by Hoople Ltd in December 2023 as part of the ICS wide Telephony procurement under the 'Better use of resource' programme, with procurement funded by NHS Herefordshire and Worcestershire Integrated Care Board (ICB). This provides beneficial pricing based on the scale of procurement with take-up from all Herefordshire and Worcestershire Integrated Care System Organisations. Mobilisation for the new contract is underway ready for contract commencement on 1st April 2025.
17. Delivery of the WAN Replacement and Telephony Contact Centre will present a combined revenue cost of £33,000 in 2025/26, due to the overlap of WAN contracts and net £17k saving from 2026/27.
18. The adjustment in the capital programme for these projects are funded from an underspend on existing IT projects and Fastershire, so there is no effect on the overall borrowing requirement.

Capital cost of project	2024/25	2025/26	2026/27	Future Years	Total
	£000	£000	£000	£000	£000
<i>Contact Centre Telephony Replacement</i>	82				82
Wide Area Network (WAN) Replacement	286				286
TOTAL	368				368

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2024/25	2025/26	2026/27	Future Years	Total
	£000	£000	£000	£000	£000
<i>Corporate Funded Borrowing</i>	368				368
TOTAL	368				368

Revenue budget implications	2024/25	2025/26	2026/27	Future Years	Total
	£000	£000	£000	£000	£000
<i>Costs/Savings on license fees</i>		33	(17)		
TOTAL		33	(17)		

19. The Outline Capital Business Cases for WAN Replacement and Telephony Contact Centre are included as appendices to this report.

Legal implications

20. There are no specific legal implications of this report. This report is to comply with capital budget setting requirements within the Constitution and in part, required as there is no ability for officers to vire any capital monies between capital projects even when the overall spend is within budget.

Risk management

21. The risks and opportunities associated with the options as outlined in this paper are as follows:

Risk / opportunity	Mitigation
Risk – not approving the funding will place the authority at risk of not meeting the digital ambitions it has set out in the Council’s Digital, Data & Technology strategy 2024 – 2028.	Whilst the Council can continue deliver its services, the ambitions and opportunities outlined within the Digital, Data and Technology Strategy will not be fully realised.
Risk – Not approving the WAN replacement will place the Council’s service delivery and regulatory obligations at risk in the event of a network failure (as the current WAN solution is set to go out of support and maintenance in 2025).	The current contract could be extended beyond March 2025, but this is likely to incur additional cost which will not allow Herefordshire Council to achieve the revenue savings detailed above.
Risk - We will not take the opportunity to reduce the likelihood of a cyber-attack on our network as we will not embrace the opportunities a new WAN solution would provide to shore up our defences to this type of malicious activities.	Equipment and services can be replaced tactically on an as-required basis based on risk exposure. This will add complexity to any ongoing contract management and not allow for a holistic view of any security. It will prevent the Council from making key improvements to the network capacity in order to support the current working practices (hybrid on premises/cloud) as well as aspirational ‘public cloud first’ strategic objectives.
Opportunity – additional benefits to be realised sooner by implementing solutions at an earlier stage	Implementing the Telephony Contact Centre and completing the M365 roll out will allow Herefordshire Council to embrace and build new ways of working and provide a foundation for opportunities to modernise how we work, which in turn will have a positive impact on service delivery.

22. The above risks will be managed within the respective projects in line with project management processes.

Consultees

23. Political Group Consultation was held on 18th November 2024.
24. Councillors in attendance asked for reassurance that these projects, and the changes they will enable, will not remove access to staff and processes for customers who are digitally excluded, or for those who choose not to utilise digital communications with the Council. Assurance was given that, in line with the Digital, Data and Technology Strategy, services will be designed to encourage customers to choose the digital option first, but not to exclude those who do not.
25. It was confirmed that the decision is not predicated on staff savings.
26. Councillors were supportive of the decision.

Appendices

Outline Strategic Business Case - WAN Replacement
Outline Strategic Business Case – Telephony Contact Centre

Background papers

None identified

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 06/11/2024
Finance	Karen Morris	Date 08/11/2024
Legal	Sean O'Connor	Date 04/11/2024
Communications	Luenne Featherstone	Date 04/11/2024
Equality Duty	Harriet Yellin	Date 05/11/2024
Procurement	Carrie Christopher	Date 06/11/2024
Risk	Jessica Karia	Date 29/10/2024
Approved by	Rosie Thomas-Easton	Date 19/11/2024

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

WAN – Wide Area Network
M365 – Microsoft 365
PMO – Project Management Office

OUTLINE STRATEGIC BUSINESS CASE

Directorate	Corporate Services – ICT Services
Scheme Name	Wide Area Network (WAN) replacement
Budget Holder	- Director Resources

Project aims and objectives:

As the digital world is constantly changing, it's paramount to keep on top of technological developments to introduce digital modernisation into the Council. Replacing the Wide Area Network (WAN) at Herefordshire Council offers several strategic, operational, and financial benefits, helping ensure that the Council's network infrastructure is future-proof, secure, and able to meet the growing demands of modern service delivery

Our current aging WAN solution's support contract is set to expire in 2025. By modernising our existing solution this project will support the Council in delivering its strategic "ambition to digitalise and become a digital-first organisation." This will support the Council with its Digital Data & Technology strategy 2024 – 2028 & planning towards digital transformation by providing a stable, modern and fit for purpose infrastructure.

Project Aim:

The primary objective for the project is to support the council in making our network more secure (due to an ever-increasing likelihood of a Cyber-attack taking place) and reliable (as we provide infrastructure services to external partners and in order to support the increase post covid of the number of staff working from home or none council sites). Modernising our network platform will provide additional benefits such as enabling the introduction of AI Capabilities which will facilitate the council's broader goals i.e. improving public services, enhancing digital transformation, and achieving cost efficiency.

The change in system will enable an improved customer service delivery across HC, modern ways of working and will present new opportunities via digital technology which can be facilitated by a new WAN.

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
Capital cost of project					
Implementation costs (including supplier and equipment costs)	286				
TOTAL	286				286
Funding sources					
Corporate Funded Borrowing	286				286
TOTAL					
Revenue budget implications					
New - £140k	-32	-32	-32	-32	
Current MLL Contract - £172k					
Overlap of contracts (migration parallel run)	50				
TOTAL	18	-32	-32	-32	

Benefits and risks:**Benefits: -**

An introduction of a replacement WAN will provide:

- **Faster Connectivity:** A modern WAN infrastructure can significantly enhance data transmission speeds, enabling faster access to applications, services, and information for both staff and residents.
- **Reduced Downtime:** Moving to a more reliable WAN can decrease network outages, leading to improved availability and continuity of critical council services.
- **Enhanced User Experience:** Improved network performance will enhance the user experience for staff, residents, and external stakeholders accessing Council services.
- **Cloud Integration:** A modern WAN supports seamless integration with cloud-based services, enabling the Council to leverage Software-as-a-Service (SaaS) applications and cloud storage effectively.
- **Remote and Flexible Working:** A replacement WAN solution would enable better remote access for our staff, supporting flexible working policies and improving productivity.
- **Smart City Initiatives:** Replacing the WAN lays the groundwork for future initiatives like Internet of Things (IoT) implementations, AI-powered services, and enhanced citizen engagement platforms.
- **Increased Network Security:** Newer WAN technology will come with built-in advanced security features like encryption, firewalls, and intrusion detection systems that protect Council data and networks from external threats.
- **Compliance with Regulations:** Replacing our WAN ensures that the Council remains compliant with data protection regulations such as GDPR and cybersecurity frameworks.
- **Centralized Security Management:** A replacement WAN supports more effective, centralised management of security policies across all locations, ensuring consistent security controls are applied throughout the network.
- **Lower Operational Costs:** Modern WAN solutions, offer optimized bandwidth usage and lower costs for long-distance data transfers, reducing overall operational expenses.
- **Scalability:** A modern WAN will provide scalable solutions, allowing the Council to easily expand services as needed without major investments in new hardware.

Risks:

- **Implementation Risks:** Potential challenges during deployment, such as integration issues with existing systems.

OUTLINE STRATEGIC BUSINESS CASE

Directorate	Corporate Services – ICT Services
Scheme Name	Contact Centre telephony replacement
Budget Holder	- Director Resources

Project aims and objectives:

As the digital world is constantly changing, it's paramount to keep on top of technological developments to introduce digital modernisation into the Council.

The Councils Digital Data & Technology strategy 2024 – 2028 states:

“We will introduce AI-powered telephony systems to provide instant responses to citizen queries, improving overall customer service”.

We will be replacing our aging contact centre telephony system as the current contract is set to expire in March 2025. By modernising our existing solution this project will support the Council in delivering its strategic “ambition to digitalise and become a digital-first organisation.” Alongside “Modernising our services with the introduction and development of new digital capabilities which will make the most of our data and technology to deliver improvements for our customers and our staff”

Project Aim:

To replace the telephony on our existing contact centre as the current contract ends March 2025 with a modern AI (Artificial Intelligence) powered system which will enhance service delivery, improve efficiency, and reduce operational costs.

The change in system will enable an improved customer service delivery across HC, modern ways of working, better data analytics, and will present new opportunities via digital technology which can be delivered by the new system whilst having the potential to transform the contacts centre's operations.

The project will enable the delivery and development of the outputs of the Customer Services Strategy and align to the transformation of service areas (where there is a customer services element), which will save staff time and create efficiencies/better ways of working.

The primary objective for the project is to support the council in making efficiencies in resources and obtaining better quality data to make better decisions. Moving our contacts centre on to a modern telephony system that has built in AI Capabilities will facilitate these ambitions as well as aligning to the council's broader goals, such as improving public services, enhancing digital transformation, and achieving cost efficiency.

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
Capital cost of project					
Implementation costs	82				82
TOTAL	82				82
Funding sources					
Corporate Funded Borrowing	82				82
TOTAL	82				82
Revenue budget implications					
Cost of Licences		47	47	47	
(Current cost of licences)		-32	-32	-32	
TOTAL		15	15	15	45

Benefits and risks:**Benefits: -**

An introduction of the Contacts centre telephony replacement will provide:

- **Operational Efficiency:** Reduction in average call handling time, decrease in operational costs, and improved resource utilization.
- **Cost Savings:** Lower staffing costs due to automation of routine inquiries.
- **Performance Metrics:** Improvement in key performance indicators such as call resolution time, customer satisfaction scores, and call abandonment rates.
- **Enhanced Customer Experience:** Consistent, quick, and personalized service leading to higher customer satisfaction and trust in the council's services.
- **Scalability:** Ability to handle increased call volumes during peak times without compromising service quality.
- **Data-Driven Insights:** Real-time analytics and reporting to improve decision-making and continuously optimize contact centre operations.

Risks:

- **Implementation Risks:** Potential challenges during deployment, such as integration issues with existing systems or resistance to change from staff.



Title of report: Q2 2024/25 Budget Report

Meeting:	Cabinet
Meeting date:	Thursday 28 November 2024
Cabinet Member:	Cabinet member finance and corporate services
Report by:	S151 Officer
Report Author:	Director of Finance (S151 Officer)

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To report the forecast position for 2024/25 at Quarter 2 (September 2024), including explanation and analysis of the drivers for the material budget variances, and to outline current and planned recovery activity to reduce the forecast overspend. To provide assurance that progress has been made towards delivery of the agreed revenue budget and service delivery targets, and that the reasons for major variances are understood and are being addressed to the cabinet's satisfaction.

The forecast 2024/25 outturn shows a net overspend of £10.2 million at Quarter 2, before management action estimated at £8.2 million to reduce the forecast overspend to £2.0 million.

Recommendation(s)

That: Cabinet

- a) Reviews the financial forecast for 2024/25, as set out in the appendices A-D, and identifies any additional actions to be considered to reduce forecast cost pressures;**
- b) Notes the progress in delivery of savings targets for 2024/25; and**
- c) Approves the transfer of Earmarked Reserve balances to establish a Contingency Reserve to manage the risk of unforeseen demand and cost pressures.**

Alternative options

1. Cabinet may choose to review financial performance more or less frequently; or request alternative actions to address any identified areas of variance from budget, including referral to the relevant scrutiny committee.

Key considerations

Revenue Outturn

2. The council's approved net revenue budget for 2024/25 is £212.8 million which includes planned savings of £19.5 million comprising £11.6 million of Directorate Savings and £7.9 million of Council wide budget savings. Detailed explanations for variances from budget are set out in Appendix A by Directorate and Service area.
3. This report presents the mid-year forecast outturn position for 2024/25 and highlights continuing in-year cost pressures to support increases in demand across social care budgets, temporary accommodation and Special Educational Needs (SEN) transport services.
4. The Quarter 2 revenue outturn position for 2024/25 shows a forecast variance from budget of £10.2 million (4.8% of net budget), before management action. It is expected that planned management activity will reduce the forecast overspend to £2.0 million.
5. This variance represents cost pressures of £11.6 million noted below, reduced by £1.4 million of delivered Children & Young People 2024/25 Savings Targets, previously removed from the 2024/25 budget by amendment.
 - I. +£3.9 million in-year net cost pressures;
 - II. +£5.0 million 2024/25 Savings Targets assessed 'at risk';
 - III. +£0.4 million 2023/24 Savings Targets assessed 'at risk'; and
 - IV. +£2.3 million Council wide Savings pending completion of Directorate restructures and vacancy reviews.
6. The forecast outturn position for 2024/25 by Directorate, is shown in Table 1 below.

Table 1: 2024/25 Forecast Revenue Outturn before management recovery action

2024/25 Forecast Revenue Outturn at Quarter 2 (September 2024)			
	Revenue Budget £m	Forecast Outturn £m	Forecast Variance £m
Community Wellbeing	76.8	80.2	3.4
Children & Young People	64.9	64.9	0.0
Budget Amendment	2.3	0.9	(1.4)
Economy & Environment	27.7	29.0	1.3
Corporate Services	24.7	26.9	2.2
Directorate Total	196.4	201.9	5.5
Central	16.4	21.1	4.7
Total	212.8	223.0	10.2

Management Activity and Recovery Actions

7. Initial activity already underway is expected to reduce this forecast overspend to £2.0 million, as set out in Table 2 below, and each Directorate will continue to identify further recovery action and options to mitigate at risk savings targets and ensure recurrent spending is sustainable within the resources available. Corporate Directors will continue to develop Directorate recovery plans to manage in year delivery of services within the approved budget.
8. Additional expenditure controls implemented during the last financial year remain in place to support recovery activity in 2024/25. Directorate panels will continue to review expenditure on goods and services as well as changes in staffing arrangements to maintain the increased level of rigour and challenge over expenditure for the remainder of the financial year.

Table 2: Updated forecast revenue position 2024/25

	Revenue Budget £m	Forecast Outturn £m	Forecast Variance £m	Management Action/ Planned Mitigations £m	Revised Forecast £m
Community Wellbeing	76.8	80.2	3.4	(3.1)	0.3
Children & Young People	64.9	64.9	0.0	(0.1)	(0.1)
Budget Amendment	2.3	0.9	(1.4)	(0.9)	(2.3)
Economy & Environment	27.7	29.0	1.3	(1.1)	0.2
Corporate Services	24.7	26.9	2.2	(0.6)	1.6
Directorate Total	196.4	201.9	5.5	(5.8)	(0.3)
Central	16.4	21.1	4.7	(2.4)	2.3
Total	212.8	223.0	10.2	(8.2)	2.0

Delivery of Savings

9. Council approved a total of £19.5 million of savings for 2024/25 comprising Directorate Savings of £11.6 million and £7.9 million of Council-wide Savings. As part of routine financial monitoring arrangements, a review of the delivery and status of the 2024/25 approved savings at Quarter 2 has been undertaken; informed by planned and actual activity in the year to date to determine savings targets at risk of in-year delivery.
10. This review **confirms £8.9 million (46%) of the total savings target for the year has been delivered at Quarter 2** with a further £5.6 million (28%) assessed as 'on target/in progress' for the year. Savings of £5.0 million (26%) are assessed as 'at risk' with work underway to identify mitigations as a priority.
11. The budget amendment, approved in February 2024, removed savings of £2.3 million from the Children & Young People Directorate budget. As at September 2024, **saving targets S2 (Reduction in Social Worker establishment) and S3 (Reduction in number of agency social workers) totalling £1.4 million are confirmed as delivered in full.** Activity to deliver saving target S1 (Reduction in High Cost Placements) of £0.9 million is assessed as 'in progress' but not reflected in the outturn position at Quarter 2. This budget is monitored on a weekly basis due to its volatility and risk of impact on the Directorate financial outturn. As activity to deliver

this target progresses to provide assurance of delivery, achievement of the saving will be reflected in the outturn position.

12. The **delivery of savings in full and on time is critical** to ensure the 2024/25 revenue outturn position is balanced and to prevent further pressure on future years' budgets. Progress on delivery of savings and mitigations will continue to be monitored and reported in the next budget monitoring report to Cabinet.
13. A breakdown, by Directorate, of 2024/25 approved savings is shown in Table 3 below. Explanations for under/non-delivery and planned mitigations, identified as part of Directorate recovery plans, are set out in Appendix D.

Table 3: Assessment of Delivery of Savings at Quarter 2

	Target £m	At Risk £m	In Progress £m	On Target £m	Delivered £m
Community & Wellbeing	3.2	-	1.2	0.6	1.4
Children & Young People	2.5	0.2	0.9	-	1.4
Economy & Environment	3.1	0.2	0.1	0.1	2.7
Corporate Services	2.8	1.2	0.4	-	1.2
Council wide Savings	7.9	3.4	2.3	-	2.2
Total	19.5	5.0	4.9	0.7	8.9
	100%	26%	25%	3%	46%

Earmarked Reserves

14. The council's earmarked reserves represent amounts set aside for future expenditure; to support specific corporate priorities or for general contingencies and cash flow management. The overall level of reserves is reported to Cabinet at least annually; the last report to Cabinet in May 2024 noted total audited balances of £82.8 million comprising the general fund balance of £9.6 million and earmarked reserve balances of £73.2 million.
15. It is considered prudent to maintain a level of reserve balances commensurate with risk and an assessment to confirm the adequacy and robustness of balances is undertaken annually by the Section 151 Officer as part of the budget setting process.
16. Whilst provision was made in the 2024/25 revenue budget to support increases in demand and cost across all services, the council continues to experience significant in-year financial pressures in respect of social care budgets for adult and children and home to school transport; these budgets representing the majority of the forecast overspend at Quarter 2. These pressures are widely reported as the key budgetary pressures for local authorities across the country.
17. To mitigate against such in-year pressures, the establishment of a Contingency Reserve of £11.0 million is proposed; with funds transferred from the Business Rates Risk Reserve. This will reduce the balance on the Business Rates Risk Reserve from £19.7 million at 1 April 2024 to £8.7 million. The remaining balance is considered reasonable and prudent to manage risks in the business rate regime including uncertainty over appeals.

18. The Contingency Reserve balance of £11.0 million will remain under review during 2025/26; future use of the reserve will be subject to appropriate governance in accordance with the Council's Finance Procedure Rules and Constitution.
19. The Chartered Institute of Public Finance and Accountancy (CIPFA) highlights an annual assessment of the adequacy of reserve balances as best practice in the context of an authority's internal control framework and risk management arrangements. In order to assess the adequacy of earmarked reserves, the Section 151 Officer and leadership team should take account of the strategic, operational and financial risks facing the authority to ensure adequate reserves to manage the impact of uneven cashflows, as contingency to cushion the impact of unexpected expenditure and as a means of building up funds to meet known or predicted requirements.
20. The council's earmarked reserve balances at 1 April 2024 are included at Appendix E. A full risk assessment to determine appropriate levels of reserve balances will be undertaken as part of the budget setting process for 2025/26 and an explanation of risk and justification of balances will be reported.

Dedicated Schools Grant (DSG)

21. The cumulative DSG deficit is accounted for as an unusable reserve on the council's Balance Sheet, as permitted via statutory instrument, which will remain in place until 31 March 2026. This enables all local authorities to ring-fence the DSG deficit from the overall financial position in the statutory accounts.
22. Beyond the period of the statutory override, the expectation is that any balance on the DSG Unusable Reserve will transfer back to the council's total Earmarked Reserves. The deficit will have an impact on the council's overall financial position once the override period ends and this risk is being managed alongside the assessment of the adequacy of the council's reserves, as part of the council's medium term financial strategy. It should be noted that this issue is a major concern amongst local authorities nationally.
23. At 1 April 2024, the cumulative deficit brought forward totals £6.1 million. The current in-year forecast is an overspend of £7.6 million within the High Needs block of the DSG; this will increase the cumulative deficit to £13.7 million by 31 March 2025. A focused review to quantify the impact of emerging demand in 2025/26 and future years is currently underway to inform the council's DSG Deficit Management Plan.
24. Herefordshire, like many other local authorities, continues to experience increases in demand which are not met by corresponding increases in funding. This is a significant risk across local government and the number of authorities with significant DSG deficits is increasing. The council continues to work with the Department of Education, Local Government Association and other local authorities to seek clarification on the position once the statutory instrument expires and a sustainable funding strategy for the High Needs budget.

Capital Outturn

25. The 2024/25 approved capital budget of £160.0 million has been revised to £96.4 million. The revised capital budget includes £15.3 million of unspent project budgets brought forward from 2023/24, approved movements of £2.8 million, removal of a project (£2.6) million and £3.7 million additional grants, all of which are detailed at the bottom of Appendix B Table b. In line with external audit advice the capital budgets have been re-profiled at Quarter 2 in line with expected

delivery therefore, £82.8m budget has been re-profiled from 2024/25 to future years, a full break down by project can be seen in Appendix B Table c. A summary breakdown is shown in Table 4 below.

Table 4: Revised Capital budget 2024/25 to 2027/28

	2024/25 Budget £m	2025/26 Budget £m	2026/27 Budget £m	2027/28 Budget £m	Total £m
February 2024 Council Approved Budget	160.0	50.8	19.2	-	230.0
Re-profile Budget	(82.8)	55.3	20.1	7.4	0.0
Removal of Maylords Library Project	(2.6)	-	-	-	(2.6)
Other Approved Movements	2.8	2.5	-	-	5.3
23/24 Carry Forward	15.3	-	-	-	15.3
Additional Grant	3.7	25.1	22.4	20.3	71.5
Revised Capital Budget	96.4	133.7	61.7	27.7	319.5

26. The forecast spend position is £88.8 million which represents an underspend of £7.6 million against a budget of £96.4 million. Full details for each project are in Appendix B, Table a. This underspend consists of £5.4 million projects that will deliver below the project budget and £2.2 million in respect of project budgets to be rolled forward for delivery 2025/26 if not spent. The full capital programme analysed by project for current and future years can be seen in detail by Appendix B Table b.

Community impact

27. In accordance with the accepted code of corporate governance, the council must ensure that it has an effective financial control framework to support delivery of services within the agreed budget. The council is accountable for how it uses the resources under its stewardship, including accountability for outputs and outcomes achieved. In addition the council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies.

Environmental Impact

28. 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.
29. This report is to review the financial outturn at Quarter 2 of 2024/25 so will have minimal environmental impacts, however consideration has been made to minimise waste and resource use in line with the council's Environmental Policy.

Equality duty

30. 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.
31. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Whilst this paper is not seeking any project specific decisions, in determining the council's budget allocation, the council is working towards its equality objectives (found here: [Equality, diversity and inclusion – Herefordshire Council](#)). In addition, projects identified within the delivery plan, where relevant, will be subject to an Equality Impact Assessment to ensure appropriate attention is given to our Equality Duty.

Legal implications

32. There are no direct legal implications arising from this report, however, the council must ensure compliance with the Code of Practice on Local Authority Accounting.

Risk management

33. The risks associated with the council's business are recorded on the relevant service risk register and escalated in accordance with the council's Performance Management Framework and Risk Management Plan. The highest risks, i.e. those scoring greater than 16 after controls, are escalated to the council's Corporate Risk Register.
34. This report includes recommendations in respect of the forecast financial position for 2024/25 and the reallocation of earmarked reserves. If approved, the risks to the forecast position are managed through routine financial management processes to ensure that expenditure incurred is appropriate, eligible and within budget.

Resource Implications

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

Consultees

36. None in relation to this report.

Appendices

Appendix A - Revenue outturn

Appendix B – Capital outturn

Appendix C - Treasury management outturn

Appendix D - Savings delivery

Appendix E – Earmarked reserve balances

Background papers

None Identified

Appendix A: 2024/25 Revenue Outturn Quarter 2 September 2024

2024/25 Forecast Revenue Outturn at Quarter 2 (September 2024)			
	2024/25 Revenue Budget £m	Q2 Outturn £m	Q2 Outturn Variance £m
Community Wellbeing	76.8	80.2	3.4
Children & Young People	64.9	64.9	-
Budget Amendment	2.3	0.9	- 1.4
Economy & Environment	27.7	29.0	1.3
Corporate Services	24.7	26.9	2.2
Directorate Total	196.4	201.9	5.5
Central	16.4	21.1	4.7
Total	212.8	223.0	10.2

	2024/25 Approved Revenue Budget £'000	Q2 Outturn £'000	Q2 Outturn Variance £'000
Community Wellbeing			
Directorate Management	(13,865)	(12,331)	1,534
Social Care	69,889	72,217	2,328
All Ages Commissioning	16,961	16,767	(194)
Communities	3,700	3,457	(243)
Public Health	113	113	0
Directorate Total	76,798	80,223	3,425

The Directorate is forecasting cost pressures as a result of increased demand and market conditions within adult social care and housing. There has been a continued increase in demographic demand which is reflected in the number of new clients eligible for adult social care provision. In addition, there has been an increase in the complexity and intensity of care support to meet eligible demand, as well as increased average weekly costs.

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

£2.5m overspend - Physical Support - Residential Care and Homecare

£1.1m overspend - General Fund Housing - Temporary Accommodation

£1.1m overspend - Learning Disabilities - Residential Care and Supported Living

£0.8m underspend - Net forecast for reduced headcount of Staff and Agency/Interims

£0.6m net utilisation of Social Care Resilience Reserve

Children & Young People	2024/25 Approved Revenue Budget £'000	Q2 Outturn £'000	Q2 Outturn Variance £'000
Central Children Directorate Costs	924	730	(194)
Education Skills & Learning	8,947	10,254	1,307
Performance Quality, Assurance & Safeguarding	8,133	7,450	(683)
Safeguarding and Family Support	46,915	46,510	(405)
Sub Total	64,919	64,944	25
Supplementary Budget Approval	2,303	864	(1,439)
Directorate Total	67,222	65,808	(1,414)

The forecast includes the following key cost pressures which represent demand and inflationary costs associated with the provision of SEN Transport and growth in the costs of supporting Unaccompanied Asylum Seeking Children. These pressures are mitigated by reduced Staffing and Interim/Agency costs, Agency and In-house Fostering Fees and other net underspends.

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

£1.5m overspend - Additional Needs SEN Transport

£0.5m overspend - Looked After Children - Unaccompanied Asylum Seeking Children

£0.7m underspend - Net forecast for reduced headcount of Staff and Agency/Interims

£0.7m underspend - Looked After Children - Agency and In-house Foster Care

£0.5m underspend - Looked After Children - Supported Accommodation

£1.4m Supplementary Budget Approval - Delivery of 3 Year Plan

Economy & Environment	2024/25 Approved Revenue Budget £'000	Q2 Outturn £'000	Q2 Outturn Variance £'000
Director Management	55	582	527
Environment, Highways and Waste	26,775	26,230	(545)
Economy and Growth	836	2,198	1,362
Directorate Total	27,666	29,010	1,344

The Development Planning Control Income is forecast at £1.3 million less than budgeted in 2024/25. This pressure is mitigated by other net underspends.

Key variances from budget (> £250k) at Q1:

£1.3m overspend Development Planning Control Income

Corporate Services	2024/25 Approved Revenue Budget £'000	Q2 Outturn £'000	Q2 Outturn Variance £'000
Corporate Services	6,505	8,442	1,937
Governance & Legal	5,652	5,405	(247)
HR & Organisational Development	1,866	1,930	64
Strategic Assets	3,336	3,284	(52)
Strategic Finance	7,294	7,746	452
Directorate Total	24,653	26,807	2,154

The Directorate is forecasting a cost pressure associated with then 2024/25 and 2023/24 brought forward Saving Targets forecast 'At Risk', where delivery plans to evidence activity and confirm recurrent savings are still under review. The forecast also includes an estimate of the increase in external audit fees for 2024/25 as determined by the PSAA.

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

£1.9m overspend - 2024/25 and 2023/24 b/fwd Saving Plans considered At Risk of delivery

£0.3m overspend - External Audit Fees

Central	2024/25 Approved Revenue Budget £'000	Q2 Outturn £'000	Q2 Outturn Variance £'000
Directorate Total	16,425	21,058	4,633

The Directorate is forecasting a cost pressure associated with the 2024/25 Saving Targets forecast 'At Risk', where delivery plans to evidence activity to deliver recurrent savings are still under review. The forecast also includes additional interest earned from the Authority's finance and investments.

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

£5.7m overspend - 2024/25 on Saving Plans considered At Risk of delivery £3.3m and In Progress £2.4m

£1.1m underspend - Additional Interest earned

Appendix B

Table A - 2024/25 Capital Programme Forecast
Position Sept 2024

Adjustments include 23/24 carry forwards and additional grants allocations	2024/25 Original Budgets £000s	Adjustments in Year £000s			2024/25			Reason for Forecast Variance to Current Capital Budget
		2023/24 C/Fwd	Reprofile Table C	Grant & Other changes Table B	Current Capital Budget £000s	Q2 Forecast £000s	Forecast Variance to Current Budget £000s	
Disabled facilities grant	2,000	1,009	0	475	3,484	3,484	0	
Empty Property Investment & Development	0	893	-300	0	593	593	0	
Single Homelessness Accommodation Programme (SHAP)	455	0	0	460	915	915	0	
Acquisition Fund for Housing Provision	0	0	0	2,500	2,500	250	-2,250	This is a fund to enable the Council to react quickly to opportunities, therefore the forecast will remain low until purchases come forward. The budget is not reprofiled to ensure it's available in year.
Merton Meadow - Brownfield Land Release Fund	0	0	0	600	600	600	0	
Swimming Pool Support Fund	0	0	0	83	83	83	0	
Libraries Improvement Fund	0	0	-19	62	42	42	0	
Stronger Towns Fund - Hereford Museum & Art Gallery Redevelopment	7,400	227	-6,228	0	1,399	1,399	0	
Stronger Towns Library & Learning Centre relocation to Shirehall	2,611	350	-2,687	0	274	274	0	
Property Improvements in Care Homes	550	0	0	0	550	550	0	

Community Capital Grants Scheme	1,800	200	-1,880	0	120	120	0	
Total Community Wellbeing Transformation Board	14,816	2,679	-11,114	4,179	10,559	8,309	-2,250	
Key Network Infrastructure (Core Data Centre Switches & Corporate Wi-Fi)	0	28	0	0	28	28	0	
HARC SAN Lifecycle Replacement	370	0	0	0	371	210	-161	The Business Case was prepared at the time of covid when the cost of equipment was increasing and now the cost of equipment has reduced so currently underspending by £161k
Data Centre Equipment Lifecycle Replacement	0	137	0	0	137	37	-100	Project will deliver under budget due to lower costs than estimated and no use of contingency.
Windows Server Upgrades	0	155	-36	0	119	119	0	
Device and Ancillary kit replacement programme	365	-178	0	0	187	187	0	
M365 E5 Implementation	150	0	0	0	150	150	0	
Planning & Regulatory Services software	698	0	-28	0	670	670	0	
VMWare Host Replacement	248	0	0	0	248	248	0	
Total IT & Transformation Delivery Board	1,831	142	-64	0	1,909	1,648	-261	
Schools Capital Maintenance Grant	3,902	976	-1,595	18	3,300	3,300	0	
Peterchurch Area School Investment	3,175	-26	-2,478	0	671	671	0	
Brookfield School Improvements	3,875	703	-1,748	0	2,830	2,830	0	
High Needs Grant	3,328	143	-2,971	0	500	500	0	
Basic Needs Funding	5,000	-16	-3,984	0	1,000	1,000	0	
Childcare Expansion Capital Grant 2023-24	0	0	-296	296	0	0	0	

Preliminary works to inform key investment need throughout the county	23	186	0	0	210	183	-27	Project will deliver under budget
School Accessibility Works	2,172	189	-1,837	0	524	524	0	
C & F's S106	1,047	-13	1,105	301	2,440	2,440	0	
Work to Shirehall Annex (Care Leavers Base)	0	100	0	0	100	80	-20	Project will deliver under budget
Shirehall Improvement Works	3,000	0	-3,000	0	0	0	0	
Children's residential homes for 11 to 18 year olds	424	0	-424	0	0	0	0	
Estates Capital Programme 2019/22	1,456	113	-331	0	1,238	1,238	0	
Residual property works identified in the 2019 condition reports	650	129	0	0	779	429	-350	Underspend by £350k projects delivering under original budget or no longer required.
Estates Building Improvement Programme 22-25	1,135	418	-1,053	0	500	500	0	
Estates Building Improvement Programme 2023-25	2,747	21	-1,768	0	1,000	1,000	0	
Estates Building Improvement Programme 2024-27	1,818	0	-918	0	901	901	0	
Building works from 2022 Condition Surveys	191	0	-181	0	10	10	0	
Flexible Futures	0	110	0	0	110	110	0	
Wye Valley Trust - Education Centre Investment	6,000	0	-6,000	0	0	0	0	
HWGTA - Development of Vocational Work Based Skills Investment	2,000	0	-2,000	0	0	0	0	
Green Homes Grant - Local Authority Delivery	0	40	0	0	40	1	-39	Project will deliver under budget

Home Upgrade Grant	4,646	0	0	0	4,646	3,500	-1,146	The underspend is based on the number of applications that have been received and can be delivered by March 2025
Solar Photovoltaic Panels	1,007	64	-1,070	0	1	1	0	
Employment Land & Incubation Space in Market Towns	10,000	98	-9,471	0	627	627	0	
Leominster Heritage Action Zone	653	958		300	1,911	1,878	-33	Underspend relates to the grant not claimed in 23/24
E & E's S106	4,045	1,223	-3,237	0	2,030	2,030	0	
Gypsy & Traveller Pitch development	1,046	23	0	0	1,069	0	-1,068	Due to planning being refused a new business case will be required as an alternative plan is developed.
Total Growth Delivery Board	63,339	5,439	-43,258	915	26,435	23,752	-2,683	
Local Transport Plan (LTP)	15,466	0	0	0	15,466	15,466	0	
Extra Ordinary Highways Maintenance & Biodiversity Net Gain	151	213	0	0	365	207	-158	Works will complete under budget and no use the contingency.
Public Realm Maintenance - Mitigating Risk on the Network	193	832	0	0	1,025	379	-646	Works will complete under budget and no use the contingency.
Additional Pothole Allocation 23/24 & 24/25	3,660	0	0	0	3,660	3,660	0	
Winter Resilience	740	44	435	0	1,219	1,170	-49	Project will deliver under budget
Resurfacing Herefordshire Highways	5,000	0	0	0	5,000	5,000	0	
Natural Flood Management	337	43	-104	0	276	276	0	
Highways Infrastructure Investment	6,835	1,335	0	0	8,170	8,170	0	
Public Realm Improvements for Ash Die Back	367	296	-118	0	544	544	0	
Traffic Signal Obsolescence Grant and Green Light Fund	0	0	-271	541	270	270	0	

Hereford City Centre Transport Package	5,755	420	-5,375	0	800	800	0	
Hereford City Centre Improvements (HCCI)	300	603	0	0	903	559	-344	Project will complete under budget mainly due to underspend on project management and lack of capital bids for shop front grants
Hereford ATMs and Super Cycle Highway	650	350	-711	0	289	289	0	
Emergency Active travel Fund	0	31	0	0	31	31	0	
Active Travel Fund 4	150	98	0	0	248	248	0	
Southern Link Road	2,200	800	-1,620	0	1,380	1,380	0	
Stronger Towns Fund - Greening the City	300	-2	0	0	298	298	0	
LUF - Active Travel Measures (north of river)	3,715	196	-3,053	0	858	858	0	
LUF - Active Travel Measures (south of river)	8,445	507	-5,029	0	3,923	3,923	0	
Integrated Wetlands	339	182	-616	591	497	497	0	
Local Electric Vehicle Infrastructure Capital Fund (LEVI)	300	124	-424	0	0	0	0	
LEVI Pilot Fund Grant	0	0	-36	60	24	24	0	
Wye Valley National Landscape (previously AONB)	116	37	0	0	153	153	0	
Safer Streets 5		0	0	165	165	165	0	
Fastershire Broadband	2,508	272	0	0	2,780	1,637	-1,143	Forecast based on Gigaclear claim for 24/25, all planned works will have been delivered.
Moving Traffic Enforcement Phase 2	119	25	0	0	144	0	-144	There is no plan to progress this project currently
Total Infrastructure Delivery Board	57,646	6,406	-16,922	1,357	48,488	46,004	-2,484	
UK Shared Prosperity Fund	845	103	0	0	948	948	0	
Waste	18,090	0	-11,393	0	6,697	6,697	0	

Rural Prosperity Fund	856	569	0	0	1,424	1,424	0
Total Commissioning Delivery Board	19,790	671	-11,393	0	9,069	9,069	0

Total	157,422	15,338	-82,751	6,451	96,460	88,782	-7,678
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Projects that could be delayed into 25/26, some with no decisions yet made on spend, others with delays in delivery.	-2,250
Project to deliver under budget, not spend full grant allocation or project not continuing.	-5,428
	-7,678

Table B – Overall Capital Programme position 2024/25

Scheme Name	Prior Years £000s	2024/25 budget £000s	2025/26 budget £000s	2026/27 budget £000s	2027/28 budget £000s	Total scheme budget £000s
Disabled facilities grant	0	3,484	2,200	2,200	2,200	10,084
Empty Property Investment & Development	0	593	300	0	0	893
Single Homelessness Accommodation Programme (SHAP)	455	915	0	0	0	1,370
Acquisition Fund for Housing Provision	0	2,500	2,500	0	0	5,000
Merton Meadow - Brownfield Land Release Fund	0	600	1,400	0	0	2,000
Swimming Pool Support Fund	0	83	0	0	0	83
Libraries Improvement Fund	0	42	19	0	0	62
Stronger Towns Fund - Hereford Museum & Art Gallery Redevelopment	2,008	1,399	5,690	10,000	53	19,150
Stronger Towns Library & Learning Centre relocation to Shirehall	45	274	2,063	624	0	3,005
Property Improvements in Care Homes	0	550	0	0	0	550
Community Capital Grants Scheme	0	120	1,530	350	0	2,000
Total Community Wellbeing Transformation Board	2,508	10,559	15,703	13,174	2,253	44,197
Key Network Infrastructure (Core Data Centre Switches & Corporate Wi-Fi)	527	28	0	0	0	555
HARC SAN Lifecycle Replacement	1	371	0	0	0	372
Data Centre Equipment Lifecycle Replacement	192	137	0	0	0	329
Windows Server Upgrades	175	119	36	0	0	330
Device and Ancillary kit replacement programme	0	187	415	548	0	1,150
M365 E5 Implementation	300	150	0	0	0	450
Planning & Regulatory Services software	0	670	726	0	0	1,396
VMWare Host Replacement	0	248	0	0	0	248
Total IT & Transformation Delivery Board	1,196	1,909	1,177	548	0	4,830

Schools Capital Maintenance Grant	0	3,300	2,795	1,200	1,200	8,495
Peterchurch Area School Investment	288	671	6,595	3,299	0	10,853
Brookfield School Improvements	422	2,830	2,570	0	0	5,822
High Needs Grant	85	500	2,000	4,318	0	6,903
Basic Needs Funding	215	1,000	8,000	7,068	0	16,284
Childcare Expansion Capital Grant 2023-24	0	0	296	0	0	296
Preliminary works to inform key investment need throughout the county	306	210	0	0	0	516
School Accessibility Works	141	524	1,143	693	0	2,503
C & F's S106	0	2,440	2,369	345	0	5,153
Work to Shirehall Annex (Care Leavers Base)	0	100	0	0	0	100
Shirehall Improvement Works	0	0	2,220	780	0	3,000
Children's residential homes for 11 to 18 year olds	0	0	424	0	0	424
Estates Capital Programme 2019/22	4,313	1,238	331	0	0	5,882
Residual property works identified in the 2019 condition reports	613	779	0	0	0	1,392
Estates Building Improvement Programme 22-25	1,453	500	1,053	0	0	3,007
Estates Building Improvement Programme 2023-25	759	1,000	1,768	0	0	3,527
Estates Building Improvement Programme 2024-27	0	901	1,525	340	0	2,766
Building works from 2022 Condition Surveys	0	10	455	280	0	745
Flexible Futures	740	110	0	0	0	850
Wye Valley Trust - Education Centre Investment	0	0	6,000	0	0	6,000
HWGTA - Development of Vocational Work Based Skills Investment	0	0	2,000	0	0	2,000
Green Homes Grant - Local Authority Delivery	779	40	0	0	0	819
Home Upgrade Grant	0	4,646	0	0	0	4,646
Solar Photovoltaic Panels	1,063	1	535	535	0	2,134
Employment Land & Incubation Space in Market Towns	343	627	11,318	53	8,360	20,701
Leominster Heritage Action Zone	1,493	1,911	0	0	0	3,404

E & E's S106	0	2,030	3,904	3,356	26	9,315
Gypsy & Traveller Pitch development	808	1,069	0	0	0	1,877
Total Growth Delivery Board	13,824	26,435	57,303	22,267	9,586	129,414
Local Transport Plan (LTP)	0	15,466	15,466	15,466	15,466	61,864
Extra Ordinary Highways Maintenance & Biodiversity Net Gain	1,934	365	0	0	0	2,299
Public Realm Maintenance - Mitigating Risk on the Network	3,925	1,025	0	0	0	4,950
Additional Pothole Allocation 23/24 & 24/25	0	3,660	0	0	0	3,660
Winter Resilience	183	1,219	0	0	0	1,402
Resurfacing Herefordshire Highways	0	5,000	5,000	0	0	10,000
Natural Flood Management	274	276	373	350	0	1,274
Highways Infrastructure Investment	0	8,170	3,985	3,885	0	16,040
Public Realm Improvements for Ash Die Back	19	544	494	240	118	1,416
Traffic Signal Obsolescence Grant and Green Light Fund	0	270	271	0	0	541
Hereford City Centre Transport Package	38,304	800	7,875	0	0	46,979
Hereford City Centre Improvements (HCCI)	5097	903	0	0	0	6,000
Hereford ATMs and Super Cycle Highway	0	289	711	0	0	1,000
Emergency Active travel Fund	88	31	0	0	0	119
Active Travel Fund 4	58	248	0	0	0	306
Southern Link Road	0	1,380	3,620	5,300	0	10,300
Stronger Towns Fund - Greening the City	105	298	0	0	0	404
LUF - Active Travel Measures (north of river)	555	858	3,053	0	0	4,466
LUF - Active Travel Measures (south of river)	244	3,923	5,029	0	0	9,197
Integrated Wetlands	2,479	497	1,686	99	0	4,760
Local Electric Vehicle Infrastructure Capital Fund (LEVI)	0	0	424	400	300	1,124
LEVI Pilot Fund Grant	0	24	96	0	0	120
Wye Valley National Landscape (previously AONB)	173	153	0	0	0	326
Safer Streets 5	0	165	0	0	0	165
Fastershire Broadband	30,958	2,780	0	0	0	33,738

Moving Traffic Enforcement Phase 2	0	144	0	0	0	144
Total Highways Maintenance Delivery Board	84,398	48,488	48,083	25,740	15,884	222,592
UK Shared Prosperity Fund	187	948	0	0	0	1,135
Waste	0	6,697	11,393	0	0	18,090
Rural Prosperity Fund	281	1,424	0	0	0	1,706
Total Commissioning Delivery Board	469	9,069	11,393	0	0	20,931

Total	102,394	96,460	133,659	61,728	27,723	421,964
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	2024/25 Budget £000s	2025/26 Budget £000s	2026/27 Budget £000s	2027/28 Budget £000s	Total
February 2024 Council Approved Budget	160,033	50,791	19,187	-	230,011
Reprofile Budget	-82,751	55,302	20,092	7,357	0
Removal of Maylords Library Project	-2,611	-	-	-	-2,611
Other approved Movements	2,800	2500	-	-	5,300
23/24 Carry Forwards	15,338	-	-	-	15,338
Additional Grants	3,651	25,066	22,449	20,366	71,532
Revised Capital Budget	96,460	133,659	61,728	27,723	319,570

Grant Additions since February Council

	2024/25	2025/26	2026/27	2027/28	£000s
DfE - Childcare Expansion Capital Grant 2023-24	296				296
WMP - Safer Streets 5 Grant & Town Council Cont	165				165
DLUHC - Phosphate Mitigation Grant	591	1,071	99		1,760
DfE - additional Grant for Brookfield School		822			822
WMCA - LEVI Pilot Grant	60	60			120
DfE - High Needs Grant Increase		2,847			2,847
DfT - TSOG and Green Light Fund Grant	541				541
DfE - Schools Maintenance Grant	18				18

DLUHC - SHAP Grant	460				460
Sport England - Swimming Pool Support Fund	83				83
Libraries Improvement Fund Grants	62				62
DLUHC - DFG 24/25 additional grant	475				475
DfE - Schools Maintenance Grant 25/26 to 27/28		1,200	1,200	1,200	3,600
DLUHC - DFG 25/26 to 27/28		2,200	2,200	2,200	6,600
DfT - LTP Grant 25/26 to 27/28		15,466	15,466	15,466	46,398
C&F S106 Income	301		1,734		2,035
E&E S106 Income			1,000	1,500	2,500
Arts Council Grant for Museum Project			750		750
DLUHC - Brownfield Land Release Fund	600	1,400			2,000

	3,651	25,066	22,449	20,366	71,532
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Other Movements

2024/25 2025/26 2026/27 2027/28 £000s

LHAZ additional budget approved at council	300	0	0	0	300
Acquisition Fund for Housing Provision approved at Council	2,500	2,500	0	0	5,000

	2,800	2,500	0	0	5,300
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Total Grants and other movements

	6,451	27,566	22,449	20,366	76,832
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Table C – Reprofiled budget details

Scheme Name	2024/25 Budgets Adj £000s	2025/26 Budgets Adj £000s	2026/27 Budgets Adj £000s	2027/28 Budgets Adj £000s	Reason
Growth Delivery Board					
Schools Capital Maintenance Grant	-1,595	1,595	0	0	Forecast includes 16 tenders for summer plus Emergency - delay due to bat surveys having to be undertaken May-Aug then can plan more works to start in Easter April 2025. Ring-fenced grant so has to be carried forward.
Peterchurch Area School Investment	-2,478	879	1,599	0	Design works have started later than originally planned so there has been some slippage into later years
Brookfield School Improvements	-1,748	1,748	0	0	Delay due to waiting on DFE funding meant delays in signing the contract therefore starting construction late. Ring-fenced grant so has to be carried forward.
High Needs Grant	-2,971	-1,347	4,318	0	Hampton Dene build not due to complete until Sept 25, a decision is currently being taken to decide how to spend the balance of funds. Ring-fenced grant so has to be carried forward.
Basic Needs Funding	-3,984	3,000	984	0	Decision to expand Aylestone was taken later than originally estimated and therefore delayed programme. Ring-fenced grant so has to be carried forward.
Childcare Expansion Capital Grant 2023-24	-296	296	0	0	Awaiting decision on how this grant should be spent and works may not start until 25/26. Ring-fenced grant so has to be carried forward.
School Accessibility Works	-1,837	1,143	693	0	Resource issues internally therefore waiting on consultants to be appointed, there was a delay going out to tender due to service area deciding on requirements, once consultants on board they can design the works
C & F's S106	1,105	284	-1,389	0	S106 based on current agreed projects and projects in the pipeline which are likely to go ahead, this brings forward work to deliver earlier than expected.
Shirehall Improvement Works	-3,000	2,220	780	0	These will take place alongside the Library works in 25/26

Children's residential homes for 11 to 18 year olds	-424	424	0	0	Awaiting the business case to ensure the service provision is managed in the most efficient way.
Estates Capital Programme 2019/22	-331	331	0	0	These will take place alongside the Library works in 25/26
Estates Building Improvement Programme 22-25	-1,053	1,053	0	0	Prioritising other programmes first estimating on 40% of works being achieved in 24/25 due to resources available to design and deliver the works
Estates Building Improvement Programme 2023-25	-1,768	1,768	0	0	
Estates Building Improvement Programme 2024-27	-918	918	0	0	
Building works from 2022 Condition Surveys	-181	181	0	0	
Wye Valley Trust - Education Centre Investment	-6,000	6,000	0	0	Awaiting final business case before any further decisions can be taken and timeframes agreed
HWGTA - Development of Vocational Work Based Skills Investment	-2,000	2,000	0	0	Awaiting final business case before any further decisions can be taken and timeframes agreed
Solar Photovoltaic Panels	-1,070	535	535	0	Finishing off Marlbrook no further works in the pipeline, waiting on further locations being identified and decisions being taken.
Employment Land & Incubation Space in Market Towns	-9,471	1,058	53	8,360	Delay in bringing forward the phase 1 part of Ross EP, once completed will allow the rest to be completed, the 27/28 budget reflects phase 2 that requires the borrowing to be repaid through additional income.
E & E's S106	-3,237	2,356	2,355	-1,474	S106 based on current agreed projects and projects in the pipeline which are likely to go ahead
Total Growth Delivery Board	-43,258	26,443	9,929	6,886	
IT & Transformation Delivery Board					
Windows Server Upgrades	-36	36	0	0	
Planning & Regulatory Services software	-28	28	0	0	
Total IT & Transformation Board	-64	64	0	0	
Community Wellbeing Transformation Board					
Empty Property Investment & Development	-300	300	0	0	The purchase of a property was later than expected so the refurbishment works will be carried out over both financial years
Libraries Improvement Fund	-19	19	0	0	

Stronger Towns Fund - Hereford Museum & Art Gallery Redevelopment	-6,228	-3,075	9,250	53	Delayed due to failed procurement which has meant construction not starting until Feb25
Stronger Towns Library & Learning Centre relocation to Shirehall	-2,687	2,063	624	0	Project redirection due to change of cabinet of moving library from Maylords to Shirehall due to timeframe will fall into 25/26
Community Capital Grants Scheme	-1,880	1,530	350	0	A review was undertaken by the Service Director to ensure the proposal on how to issue these grants provides the best outcomes to meet the delivery plan. This reprofile is estimated on how the bids will progress.
Total Community Wellbeing Transformation Board	-11,114	838	10,224	53	

Infrastructure Delivery Board

Winter Resilience	435	-435	0	0	Accelerating spend from 25/26 budget, as gritters were ordered as one lot for both years.
Natural Flood Management	-104	37	67	0	Budget required in future years as delays in NFM projects. Specific grant so needs to be carried forward.
Public Realm Improvements for Ash Die Back	-118	127	-127	118	Due to delays in commissioning the works, the spend is later than originally planned.
Traffic Signal Obsolescence Grant and Green Light Fund	-271	271	0	0	The works will be planned to fit around the LUF project delivery and therefore some will slip into 25/26
Hereford City Centre Transport Package	-5,375	5,375	0	0	Construction is starting later than originally estimated so budget will be needed in 25/26
Hereford ATMs and Super Cycle Highway	-711	711	0	0	Due to Holme Lacy road delayed by 3 months, not due to start minors works until sept as want same contractor to do works which is better value for money
Southern Link Road	-1,620	1,620	0	0	Budget has been reprofiled in line with expected land purchases and
LUF - Active Travel Measures (north of river)	-3,053	3,053	0	0	Revised profile waiting to be signed off - Commercial Rd, Blueschool & Newmarket North construction not commencing until Feb 2025 therefore due to timeframe slipping into 25/26
LUF - Active Travel Measures (south of river)	-5,029	5,029	0	0	Delay in Holme Lacy Road active travel measures south and Safer routes to schools work commencing later than planned.
Integrated Wetlands	-616	616	0	0	The phase 2 delivery will take place from spring 2025 during the better weather, taking on board the learning from the first wetland delivered

Local Electric Vehicle Infrastructure Capital Fund (LEVI)	-424	124	0	300	Unclear timelines from funding body, legal issues around procurement and therefore delayed delivery.
LEVI Pilot Fund Grant	-36	36	0	0	
Total Infrastructure Delivery Board	-16,922	16,564	-60	418	
Commissioning Delivery Board					
Waste	-11,393	11,393	0	0	Only approved the commencement of approved standard services & the enhanced will be based on future years Business Case & Decisions
Total Commissioning Delivery Board	-11,393	11,393	0	0	
Total	-82,751	55,302	20,092	7,357	

Budgets are reprofiled in quarter 2 as recommended by External Audit to ensure finance reporting against a more deliverable capital programme. Explanations for reprofiling of the budget are given in the table above.



APPENDIX C TREASURY MANAGEMENT QUARTER 2 UPDATE

Introduction

- 1.1 Treasury Management is the management of the council's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 1.2 The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures the council is implementing best practice in accordance with the Code.

Economic Context

- 2.1 The second quarter of 2024/25 saw:
 - Gross Domestic Product (GDP) growth stagnating in July following quarter 2 figures being revised downwards (0.5% quarter on quarter growth);
 - A further easing in wage growth as the headline rate (including bonuses) fell from 4.6% in June to 4.0% in July to 3.8% in August;
 - CPI inflation hitting its target in June before edging above it to 2.2% in July and August, with a fall to 1.7% in September (led by services and fuel prices);
 - Core CPI inflation increasing from 3.3% in July to 3.6% in August to 3.2% in September;
 - 10-year gilt yields falling to 4.0% in September.
- 2.2 On 1 August, the Bank of England's Monetary Policy Committee (MPC) voted to reduce the Bank Rate from 5.25% to 5.00% and held it steady in their September meeting.

Investments

3.1 At 30 September 2024, the council held investments as shown in table 1.

Table 1 Investment Portfolio

Treasury investments	Term	Maturity date	Interest rate	Amount invested £m
Instant Access Money Market Funds:				
Federated	N/A	N/A	5.03%	10.00
Aberdeen Standard	N/A	N/A	5.01%	10.00
Insight	N/A	N/A	4.94%	9.13
Invesco	N/A	N/A	5.00%	7.00
CCLA	N/A	N/A	4.99%	5.00
95 Day Notice Bank Accounts:				
Barclays (ESG green deposits)	N/A	N/A	5.05%	5.00
Fixed Term Deposits:				
Lloyds	94 days	11/11/24	5.03%	5.00
Goldman Sachs	182 days	08/11/24	5.25%	5.00
Total treasury investments			Average 5.03%	56.13

3.2 The council applies the credit worthiness service provided by Link Group. This service employs a modelling approach utilising credit ratings from three main credit rating agencies (Fitch, Moody's and Standard and Poor's). This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system to which Link Group allocate a series of colour coded bands with suggested maximum durations for investments. These are detailed in the Treasury Management Strategy for 2024/25 as approved by Council in February 2024.

3.3 The council has earned interest on its investments as shown in table 2. There is a revenue budget of £0.5 million for 2024/25, resulting in an underspend of £1.215 million within the Central budget line.

Table 2: Interest earned

Month	Average amount invested £m	Average rate of interest earned	Amount of interest earned £m
April 24	54.6	5.31%	0.221
May 24	61.0	5.27%	0.273
June 24	64.0	5.26%	0.276
July 24	76.2	5.23%	0.339
August 24	75.4	5.06%	0.324
September 24	68.5	5.01%	0.282
Total			1.715
Budget			0.500
Underspend variance			1.215

3.4 In addition to the investment income, the council earns interest on the provision of loan finance to the waste disposal PFI provider. This is expected to generate loan interest of £1.9 million in 2024/25 and will be credited to the waste reserve.

Borrowing

- 4.1 The council can only borrow up to its Authorised Borrowing Limit which represents the affordable limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements. The Authorised Borrowing Limit for external borrowing for 2024/25 is £350m which was approved in the Treasury Management Strategy.
- 4.2 At 30 September 2024, the council held long-term borrowing of £118.1m; no new long-term borrowing has been secured during the financial year. The council's Capital Financing Requirement at 1st April 2024 is £303.1m, which demonstrates that the Council has significant internal borrowing when compared to the actual long-term borrowing (excluding PFI liabilities) of £118.1m.
- 4.3 The current capital financing budget position is shown in table 3.

Table 3: Summary of borrowing budget

	Budget £m	Forecast £m	(Surplus)/deficit £m
Minimum Revenue Position (MRP)	9.7	9.5	(0.2)
Interest Payable on loans	5.8	4.7	(1.1)
Total	15.5	14.2	(1.3)

Compliance with Treasury and Prudential Limits

- 5.1 During the quarter ended 30 September 2024, the council has operated within the treasury and prudential indicators set out in the Treasury Management Strategy for 2024/25. Actual values for quarter 2 are shown in table 4.
- 5.2 Treasury indicators for quarter 2 are shown as actual values as at 30 September 2024, e.g. for PI4 (authorised limit for external debt), the actual value of external debt as at 30 September 2024 of £155.9 million is shown against a Treasury Indicator limit of £420.0 million as approved in the Treasury Management Strategy. This means that actual debt is lower than the approved limit and the council is operating within agreed boundaries.
- 5.3 Prudential indicators for quarter 2 are shown as updated forecasts for the financial year 2024/25, e.g. for PI1 (capital expenditure), the forecast of spend for the financial year 2024/25 of £88.8 million is shown against a Prudential indicator value approved in the Treasury Management Strategy of £160.0 million. This means that capital expenditure for 2024/25 is now forecast to be lower than was budgeted for at the start of the year.

Table 4: Prudential and Treasury indicators for 2024/25 as at 30 September 2024

Ref	Treasury indicators	Description	2024/25 Budget/Limit £000	Actual as at 30 September 2024 £000	Compliance result
PI4	Authorised limit for external debt	To set an authorised limit for its gross external debt for the forthcoming financial year (includes PFI liabilities)	420,000	155,900	Within limit
PI5	Operational boundary for external debt	To set an operational boundary for its gross external debt for the forthcoming financial year (includes PFI liabilities)	400,000	155,900	Within limit
PI8	Upper limit for principal sums invested over 364 days	To set an upper limit for total principal sums invested over 364	5,000	NIL	Within limit
PI7	Maturity structure upper and lower limits:	To set upper and lower limits for the maturity structure of its borrowing			
	Under 12 months		0-10%	6%	Within limit
	12 months to 2 years		0-10%	5%	Within limit
	2 to 5 years		0-25%	10%	Within limit
	5 to 10 years		0-35%	20%	Within limit
	10 years and above		0-80%	59%	Within limit
	Prudential indicators	Description	2024/25 Budget £000	Forecast for 2024/25 at 30 September 2024 £000	Compliance result
PI1	Capital expenditure	A reasonable estimate of the total capital expenditure that it plans to incur during the forthcoming financial year	160,033	88,782	Under budget
PI2	Capital financing requirement (CFR)	A reasonable estimate of the total capital financing requirement at the end of the forthcoming financial year	349,974	322,706	Under budget
PI3	Gross debt and CFR	To ensure that the total gross debt does not, except in the short term, exceed the total of capital financing requirement	52%	37%	Below 100%, within limit
PI6	Ratio of financing costs to net revenue stream	To estimate the proportion of financing costs to net revenue stream for the forthcoming financial year	7%	7%	In line with budget
PI9	Ratio of net commercial and service investments income to net revenue stream	To estimate the proportion of net income from commercial and service investments to net revenue stream for the forthcoming financial year	1%	1%	Low reliance on this income

Appendix D: Progress against 2024/25 approved Savings as at 30 September 2024 (Quarter 2)

Total Savings of £19.5m for 2024/25 were approved by Council on 9 February 2024.

The status of the delivery of approved savings at 30 September 2024 (Quarter 2) is noted below:

Directorate	Approved Savings £m	Delivered £m	Forecast £m	At Risk £m
Community Wellbeing	3.2	1.4	1.8	-
Children & Young People	2.5	1.4	0.9	0.2
Economy & Environment	3.1	2.7	0.2	0.2
Corporate Services	2.8	1.2	0.4	1.2
Council-wide	7.9	2.2	2.3	3.4
Total Savings	19.5	8.9	5.6	5.0
	100%	46%	28%	26%

At 30 September 2024 (Quarter 2), £8.9 million (46%) of the £19.5 million savings for 2024/25 have been delivered with a further £5.6 million (28%) forecast to be delivered in year.

The status of individual Directorate savings as per Appendix B of the Council Report approved on 9 February 2024, is shown in Annex 1 below.

Annex 1: Status of delivery of approved savings at 30 September 2024 (Quarter 2)

Community Wellbeing 2024/25 Saving Targets Q2 Forecast	Target £'000	At Risk £'000	In Progress £'000	On Target £'000	Delivered Recurrent £'000
S1 (i) Workforce service review - reduce posts in Talk Community	353	-	50	15	288
S3 Delete vacant permanent posts not currently occupied	801	-	-	466	335
S4 Review of high cost packages in Adult Social Care	1,000	-	839	46	115
S5 Better utilisation of existing care contracts	200	-	200	-	-
S6 Reduction in non-care contract values	104	-	-	-	104
S7 Public Health Savings	211	-	-	-	211
S8 Maximise housing benefit claims	22	-	-	-	22
S9 Ensure correct pathways for funding of complex care	500	-	146	48	306
S10 Charge for welfare benefits support	5	-	-	-	5
Total Community Wellbeing	3,196	-	1,235	575	1,386
Children & Young People 2024/25 Saving Targets Q2 Forecast	Target £'000	At Risk £'000	In Progress £'000	On Target £'000	Delivered Recurrent £'000
S1 Reduce Children's High Cost Placements	959	-	864	-	95
S2 Reduce the number of Social Workers based on assumption of reduced demand	338	-	-	-	338
S3 From 1 October 2024 convert 30 posts from Agency to permanent	1,006	-	-	-	1,006
S4 SEN Transport Efficiencies	200	200	-	-	-
Total Children and Young People	2,503	200	864	-	1,439
Economy & Environment 2024/25 Saving Targets Q2 Forecast	Target £'000	At Risk £'000	In Progress £'000	On Target £'000	Delivered Recurrent £'000
S1 Delete vacant permanent posts not currently	340	-	-	-	340
S2 BBLP – Revision of Annual Plan works	450	-	-	-	450
S3 BBLP – Annual Efficiency Saving	250	-	-	-	250
S4 Reduced Energy Costs	580	-	-	-	580
S5 Changes to School Enforcement team	40	-	7	-	33
S6 Inflationary Increases in Fees and Charges	350	233	-	84	33

S7 Waste Collection Service	800	-	-	-	800
S8 Transfer of functions from the Local Enterprise Partnership (LEP)	250	-	100	-	150
S9 Stop using Scoot Highways System	20	-	-	-	20
Total Economy and Environment	3,080	233	107	84	2,656
Corporate Services 2024/25 Saving Targets Q2 Forecast	Target £'000	At Risk £'000	In Progress £'000	On Target £'000	Delivered Recurrent £'000
S1 Governance & Legal Services: 50% reduction in locum budget	200	-	-	-	200
S2 Governance & Legal Services: 20% reduction in external legal budget	100	-	-	-	100
S3 Resources & Assurance: Implementation of Oxygen Finance solution	60	-	60	-	
S4 Resources & Assurance: Reduction in mobile phone provider contract	170	150	-	-	20
S5 Resources & Assurance: automation of Council Tax and Business Rate processes using GovTech solution	100	-	100	-	-
S6 Reduction in Hoople SLA contract value and workforce service reviews	2,142	1,052	242	-	848
Total Corporate Services	2,772	1,202	402	-	1,168
Central Budget 2024/25 Saving Targets Q2 Forecast	Target £'000	At Risk £'000	In Progress £'000	On Target £'000	Delivered Recurrent £'000
S1 Mutual Early Resignation Scheme 2024 (MERS24)	4,500	-	2,375	-	2,125
S2 Transformation: Thrive Programme Savings	2,600	2,541	-	-	59
S3 Transformation: Target Operating Model	815	815	-	-	
Total Central Budget	7,915	3,356	2,375	-	2,184
Total All Directorates 2024/25 Savings Targets	19,466	4,991	4,983	659	8,833

RAG Rating – to show confidence in delivery of savings

Red	Delivery in 2024/25 at risk. Recovery action to identify mitigations required.
Amber	Activity to deliver savings in 2024/25 is in progress.
Green	Activity to deliver savings expected to be delivered in 2024/25 is on target.
Blue	Savings achieved in 2024/25.



EARMARKED RESERVES AND GENERAL FUND BALANCE 01 APRIL 2024

Reserve	01 April 2024* £m
Business rates risk	(19.7)
Waste disposal	(6.8)
Fastershire clawback	(0.5)
Additional pension costs	(1.7)
Settlement monies	(2.8)
Care market costs	(1.0)
Whitecross school PFI	(1.8)
Technology enabled communities	(1.5)
Financial resilience	(3.1)
Severe weather fund	(1.0)
Unused grants carried forward	(17.3)
Other reserves individually under £1 million	(6.1)
Total reserves excluding schools	(63.3)
Schools' balances	(9.9)
Total earmarked reserves	(73.2)
General fund balance	(9.6)
Total earmarked reserves and general fund	(82.8)

*audited balances per the council's statutory accounts



Title of report: Q2 Performance Report 2024/25

Meeting:	Cabinet
Meeting date:	Thursday 28 November 2024
Cabinet member:	Cabinet member finance and corporate services
Report by:	Director of Strategy and Transformation
Report author:	Head of Corporate Performance and Intelligence

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To review performance for Quarter 2 (Q2) 2024/25 and to report the performance position across all Directorates for this period.

Recommendation(s)

That Cabinet:

- a) review performance for Q2 2024/25

Alternative options

Cabinet may choose to review delivery and operational performance more or less frequently; or request alternative actions to address any identified areas of underperformance, including referral to the relevant scrutiny committee.

Key considerations

1. This report aligns with the Council Plan 2024-2028 and the associated annual Delivery Plan for 2024/25 financial year. It provides a summary of the activities undertaken to deliver the key priorities and goals in Q2, and highlights the top ten key performance indicators (KPIs) selected to offer a more accurate view of performance compared to Oflog's outdated data. Appendix A provides the full breakdown of the Q2 updates on the Delivery Plan milestones that are due to be in progress by Q2. 152 out of 174 milestones (87%) that were due to be in progress by Q2 under the new Delivery Plan for 2024/25 were completed or are on track to be delivered by the end of the financial year.
2. Beyond the Delivery Plan, the council has achieved many successes in Q2 of 2024/25.

Quarter 2 highlights

3. The council has continued to deliver on its Capital Investment Programme. The following table are some of the highlights for Quarter 2.

Project	Investment	Where are we...
Shirehall Library Development	£7.205m of which £2.61m is grant funded	Design for the Shirehall (phase 1) and the library has completed Royal Institute of British Architecture (RIBA) stage 3 and an application submitted for planning/ listed building consent. RIBA stage 4 (detailed engineering level design) is underway, which will feed into a contractor procurement process in February/ March 2025.
Road resurfacing across the county	£10m in total, £5m in 2024/25 and £5m in 2025/2026	Around 40% of the in-year works programme is complete, with a further tranche of works in progress beyond this. Delivery is currently progressing on programme and on budget.
Schools Capital Maintenance across the County	£4.9m	The 2023-26 schools maintenance programme continues at pace, with 19 work packages complete, 2 currently in delivery and a further 22 planned for Easter/ Summer 2025. The forecast expenditure for 2024/25 is £3.3m.
Black and White House – Hereford City	£300k	Completed improvement works to the black and white house in the City Centre in early October ahead of schedule.
Brookfield School	£4.8m	Improvements are being made with a new build extension to provide a sports hall, 2 teaching blocks, and internal improvement programme to existing secondary school. Contractors are on site and work is in underway. Due for completion in the Autumn term 2025.
School Improvement Projects across the County	£2.2m	18 schemes completed across the County, making significant improvements across our education assets.

Aylestone School	£492k	C block emergency works completed in September making vast improvements to the school.
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4. The Household Support Fund aims to deliver crisis support to vulnerable households struggling with essential expenses, with authorities tailoring delivery plans to provide consistent support throughout the funding period. Since October 2021, £8 million from the Household Support Fund has been allocated to support Herefordshire communities. We have partnered with 11 third-party organisations to proactively and reactively identify and assist those most in need.
5. Here for Herefordshire Holidays Programme (HAF) is a Department for Education funded programme of activities for children and young people from Reception to Year 11, during the school holidays (Winter, Easter, and Summer) that are eligible for Free School Meals (FSM). It offers a range of physical and creative activities, including some specialist SEND provisions. The programme also includes daily and free nutritious meals.

We distributed £228,000.00 over the summer 2024 programme. Grants were awarded to 41 organisations offering a wide range of opportunities across Herefordshire, over 1200 children took part.

Performance: People

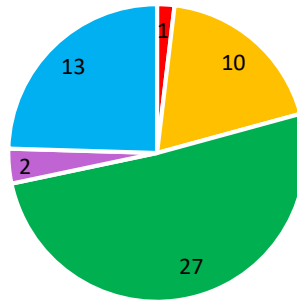


RAG status of Delivery Plan milestones in progress during Q2

6. Improving the lives of children and young people made significant progress during the second quarter by getting a better understanding of the experiences of children and young people across Herefordshire, and by creating the strategies and frameworks needed to improve our service development:
 - i. The quality of life survey closed with 1,571 Year 4-6 children from 28 primary schools and 3,250 pupils from 11 secondary schools participating. Two sixth form colleges contributed 130 students, with Hereford Art College numbers pending. Reports for primary schools are underway, and full survey results will be available in mid-November. A survey for special schools is planned for spring 2025.
 - ii. The results of the Bright Spots survey (an independent method to listen to the voice of our children and young people in care) were received in the second quarter and will help guide future service development.

- iii. The education strategy and corporate parenting strategy have been created. Additionally, the Healthy Tots and Healthy Schools Framework was launched in June 2024, with eight educational settings involved in the pilot phase, which concluded before the end of the second quarter. Plans are in place to identify eight schools for smaller scale enhancements.
- 7. Progress has also been made towards improving public health. Stopping smoking is the single biggest action smokers can take to improve their health. Three Stop Smoking Advisors have been recruited, with a lead now trained to deliver the Healthy Lifestyles service, Swap to Stop. The Advisors will work with current smokers to increase their chance of quitting, such as, using nicotine replacement therapy (NRT) in the form of gums, patches, or vapes. The Pharmacotherapy service (pharmacies that provide nicotine replacement products) is being re-commissioned to enhance behavioural support. To build on the progress in Q2, the first Tobacco Control Alliance meeting and a workshop is scheduled for Q3.
- 8. Agreement in principle has been reached to sign up for the Prevention Concordat for Better Mental Health, and the Good Mental Wellbeing implementation plan has been approved, with work underway to implement specific actions and projects.
- 9. Improving the lives of our aging population also made significant progress in the second quarter with further actions planned:
 - i. All discharge pathways from hospital have been reviewed to ensure people leave hospital with the right support. While challenges remain with therapy service capacity and same-day discharges, overall improvements in the discharge process are being observed.
 - ii. Efforts are underway to enhance data analysis and intelligence with the development of a system-wide dashboard for discharges. Further analysis of outcomes and case reviews will be undertaken in Q3 to ensure effective partnership working.
 - iii. Feedback from social work teams and service providers is being collected to address issues faced by current service users of respite services, and direct consultations with service users will be conducted as part of a broader review.

Performance: Place



■ Not on Target ■ At risk of missing deadline ■ On Target ■ Paused ■ Completed

RAG status of Delivery Plan milestones in progress during Q2

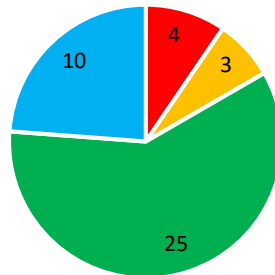
10. Significant efforts are being made to tackle climate change:

- i. A Cabinet working group is currently scoping and developing the next carbon management plan for the next five years.
- ii. 17 farm carbon audits have been completed, surpassing the initial target of six.
- iii. The second phase of the Home Upgrade Grant is performing well with 93 installs year to date and 3 installs through the Home Energy Savers scheme.
- iv. 30 charge points are now live with more in the pipeline.

11. The Western Bypass programme is still on track to deliver design review of Phase 1 of the southern section of the western bypass by end of the financial year. The scoping for Phase 2 of the western bypass indicates that additional work is needed beyond what was initially anticipated to meet Government Green Book requirements. The Strategic Case for Phase 2 is now scheduled for June 2025.

12. Work was completed in August to surface dress 30 sites across the county. Further work to spend the remaining budget is being planned for completion by the end of the financial year.

Performance: Growth



■ Not on Target ■ At risk of missing deadline ■ On Target ■ Completed

RAG status of Delivery Plan milestones in progress during Q2

13. Significant efforts are underway to develop affordable housing:

- i. Three experts have been commissioned to review best practices in affordable housing delivery.
- ii. Master planning for high-quality, affordable housing is currently in progress on Merton Meadows, Bromyard, Ross, and other council-owned land, with engagement from registered providers and delivery agents.
- iii. As part of the work on the revised draft Local Plan following the central government's review of the National Planning Policy Framework, the council is engaging with developers and registered providers. Additionally, the council is considering direct delivery options to address specific needs on a case-by-case basis, contingent on an acceptable business case and governance.

14. The Rough Sleeper Outreach Team is in contact with all rough sleepers, providing support on the streets and helping them secure accommodation, whether at the hub or through the accommodation pathway. Preparations are underway for the Winter Shelter to reopen on 4th December, and the support services associated with it are currently out to tender.

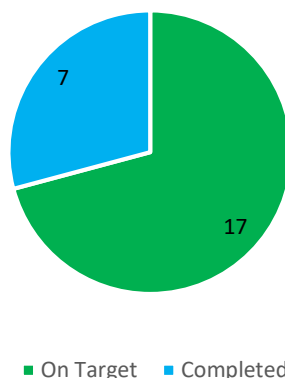
15. Land has been secured for the improvements of the Great Western Way pathway.

16. Engagement with businesses at Skylon Park regarding future management arrangements is underway following the transfer of the management of the Skylon Park to the council.

17. A local framework has been established as a procurement tool for the Towns Investment related to the Greening the City initiative. This process has taken time but now offers a more streamlined approach designed to provide opportunities for local contractors. These projects are currently undergoing the tender process.

18. Delays in appointing representatives from Network Rail for the Golden Valley Parkway Task Force for the proposed new railway station have prevented the scope of work for the consultant from being finalised. All representatives have now been identified, and a task force meeting is scheduled for late November.

Performance: Transformation



RAG status of Delivery Plan milestones in progress during Q2

19. Significant technological advancements are in progress including testing a new telephony system; developing a project plan for the new website; piloting the migration to M365; enhancing digital functionality in customer services; and piloting the use of artificial intelligence within the council.
20. The future council operating model was launched at the employee conference, and efforts are ongoing to develop the transformation strategy and the strategic transformation programme to facilitate its implementation and delivery. An employee survey conducted in Q2 showed an increase in the employee engagement score to 3.7, up from 3.56 in 2022.

The Office for Local Government – Local Authority Data Explorer

21. The Office for Local Government (Oflog) is an office of the Ministry of Housing, Communities and Local Government (MHCLG) and was launched in July 2023. Oflog has been established to provide information about the performance of local government to audiences in all levels of government and to the public.
22. One of the primary tools Oflog will use to monitor local government performance will be via the [Local Authority Data Explorer](#). The aim of the tool is to create an overlapping and holistic picture of local government performance – with the facility to easily view metrics across different domains.
23. At present, the Explorer covers six areas of performance. These are: waste management, planning, adult social care, roads, adult skills, corporate and finance
24. Some of the data published by Oflog is historic and therefore should be interpreted with caution.
25. The following top ten indicators have, therefore, been selected to demonstrate a more meaningful indication of the latest performance:

Key Performance Indicator	Q1 Actual	Q2* Projection	Q2* Actual	Q2* RAG**
Percentage of service users aged 65+ discharged from hospital into Home First who are still at home 91 days after discharge	77.1%	80%	77.2%	

Percentage of Children and Young People social work assessments completed within timescale (45 days)	54%	82%	55.9%	
Percentage of children in care who have an up-to-date review	92.4%	95%	99.5%	
Percentage of major planning applications dealt with within 13 weeks (or 16 weeks if subject to an Environmental Impact Assessment), or with an agreed extension of time	100%	70%	93%	
Percentage of non-major (minor and other) planning applications dealt with within 8 weeks, or with an agreed extension of time	75.4%	80%	77%	
Number of kg of waste that is not sent to reuse, recycling or composting (per household)	119.85kg	240kg	244.62kg	
Number of affordable homes delivered	64	179	158	
Local count of Herefordshire homelessness	18	15	10	
Value of grants awarded*** to businesses to support viability and enable growth through UK Shared Prosperity Fund and Rural England Prosperity Fund	£88,324.35	£1,168,340	£1,867,543.70	
Average days sickness per FTE	9.10	9	8.35	

* year to date (April – September 2024)

** RAG (Red Amber Green) Key: Green (target met/ exceeded); Amber (within 10% threshold); Red (away from target by 10%+ in an adverse direction); Grey (not targeted/ monitoring only)

*** Indicator name has changed from 'paid' to 'awarded' as the projection column reflects this

26. The Multi-Agency Safeguarding Hub (MASH) social work assessments completed in timescales remain low over quarter 2 as we are seeing the outcome of the impact of the higher caseloads in June that rose to 27 due to staffing vacancies. These caseloads are now down to 21 and we will see this improvement of performance in quarter 3. There are only nine assessments open over 45 days so there is no backlog in the system. Assessment teams continue to manage six vacancies and we have been successful in appointing one new permanent candidate.

27. Delivery of affordable housing is expected to vary from quarter to quarter due to inclement weather and shortages on skilled workers. This year, the contractors have gone into administration for two large development sites which has delayed the delivery of the properties, however we still expect to achieve this year's target.

Community impact

28. In accordance with the accepted code of corporate governance, the council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner.

29. Regularly reviewing performance with a view to identifying actions which will further drive improvement in outcomes or efficiencies helps ensure the council achieves its County Plan priorities.

Environmental Impact

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

Equality duty

31. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Each project within the Delivery Plan will assess its equality impact individually.

Resource implications

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

Legal implications

33. This Council is a best value authority designated under the Local Government Act 1999. It is required to make arrangements to secure continuous improvement in the way it exercises its functions. Measuring performance is a tool to evidence such improvement.

Risk management

34. The risks associated with the council's business are recorded on the relevant service risk register and escalated in accordance with the council's Performance Management Framework and Risk Management Plan. The highest risks, i.e. those scoring greater than 16 after controls, are escalated to the council's Corporate Risk Register.

Consultees

35. None in relation to this report.

Appendices

Appendix A Q2 Council Plan Delivery Plan Updates

Background papers

Council Plan 2024-2028
Delivery Plan 2024-2025

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 11/11/2024
Finance	Judith Tranmer	Date 08/11/2024
Legal	Sean O'Connor	Date 08/11/2024
Communications	Luenne Featherstone	Date 08/11/2024
Equality Duty	Harriet Yellin	Date 11/11/2024
Procurement	Claire Powell	Date 15/11/2024
Risk	Jessica Karia	Date 30/10/2024
Approved by	Rosie Thomas-Easton	Date 19/11/2024

Appendix A - Council Plan Delivery Plan Updates

People: We will enable residents to realise their potential, to be healthy and to be part of great communities that support each other. We want all children to have the best start in life.

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks
Support all children to have the best start in life.	Develop a revised Children's Improvement Plan	<ul style="list-style-type: none"> Work with our partners to deliver against the approved priorities in the revised Children's Improvement Plan for 2024-2025 	Blue	Completed Quarter 1
	Further develop and embed our restorative practice model focussed on working with families	<ul style="list-style-type: none"> Deliver a programme of 8 restorative practice learning webinars Complete the supervision train the trainer programme 	Blue	Completed Quarter 1
	Ensure that the views and lived experience of children and young people inform strategic intent and service delivery	<ul style="list-style-type: none"> Conduct a quality of life survey with children and young people 	Blue	The survey is now closed. Primary schools – 1,571 Y4-Y6 children completed across 28 primary schools. 3,250 pupils across 11 secondary schools. Two sixth form colleges completed (130 students – slightly lower than last time) and Hereford Art College (numbers to be confirmed). Reports are now being progressed with primary schools. The full survey results will be available from mid November. The special schools survey will be completed in the spring 2025.
		<ul style="list-style-type: none"> Utilise findings from the Bright Spots survey to update service delivery and strategic intent 	Blue	Bright Spots survey outcome now received (25th Sept) and findings will be used to inform future service development
		<ul style="list-style-type: none"> Develop and publish a Participation Strategy for vulnerable children and young people 	Green	Partnership strategy in draft
	Roll out delivery of the Early Intervention and Prevention Strategy for children and young people	<ul style="list-style-type: none"> Complete a review of early help provision 	Blue	Completed Quarter 1
	Update the Early Intervention and Prevention Strategy for children and young people based on the above review and update the implementation plan	<ul style="list-style-type: none"> Develop an implementation plan for the Early Intervention and Prevention Strategy 	Green	Set up meeting held with Police and Crime Commissioner to progress plans for next steps in the joint funding of Early Help and to combine this with a future model and framework. Integrated Care Board and Public Health invited to joint planning to source all funding sources. Update set for Improvement Board Agenda November 2024.
	Increase capacity of specialist Special Educational Needs (SEN) school places so that children and young people can attend a local provision that meets their needs	<ul style="list-style-type: none"> Update the Education Strategy which includes a sufficiency focus Ensure that all future applications to Department for Education (DfE) schemes are completed and submitted by the DfE specified deadline 	Blue	Plan published
		<ul style="list-style-type: none"> Publish a plan to explore solutions through the High Needs capital grant to increase or improve SEN provision, that may include: resource based provision, repurposing of existing council buildings, new build, and purchase and conversion of existing buildings 	Green	Sufficiency plan is being refreshed. Additional 8 places made available at Leominster Primary School Autism base in September 2024. Agreement for re-purpose of part of Ryefield Children Centre to become a Special Educational Needs provision in place. Work starting on Brookfield expansion. Extension planned at Hampton Dene Learning Communication Centre.
	Develop and launch the updated Corporate Parenting Strategy	<ul style="list-style-type: none"> Approve the refreshed Corporate Parenting Strategy Produce an implementation plan for the strategy 	Blue	Is now completed and pending Cabinet endorsement November.
Support all residents to live healthy lives within their communities.	Deliver active travel programmes to encourage more walking and cycling	<ul style="list-style-type: none"> Support 5 businesses at the Hereford Enterprise Zone with employer travel plans 	Green	Two businesses have received support with their Local Development Order outline plans to date. The dedicated bus route 78 X has been expanded to include more stops. Arranged for vinyls to be updated and advocated for the refurbishment of bus stops. Delivered Active Travel presentations to 45 students at NMite.
		<ul style="list-style-type: none"> Engage with 15 primary schools across Hereford and the market towns as part of the Stride Active (walk to school) programme 	Green	12 different schools have been supported in total to date. Assemblies and workshops were delivered to 11 schools whilst Walk 2 School packs were delivered to 12 schools.
		<ul style="list-style-type: none"> Deliver the Bikeability (cycle training) programme 	Green	On track to train 80% of primary school pupils to Level 1 and 2 combined
	Increase capacity and capability of addiction programmes to reduce harm from smoking, alcohol and drugs	<ul style="list-style-type: none"> Deliver the national Harm to Hope strategy by increasing the number of adults in structured treatment to 996 	Green	A new aftercare programme providing post-treatment support, will support the development of a peer-led recovery community, work with the peer mentor and volunteer training offer, and new developments with Individual Placement and Support (IPS) scheme offered by Enable. A 12-week fitness programme called 'Active in Recovery', supporting service users to improve their health and wellbeing will start in 2025.

People: We will enable residents to realise their potential, to be healthy and to be part of great communities that support each other. We want all children to have the best start in life.

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks
		<ul style="list-style-type: none"> Increase capacity of the Herefordshire Stop Smoking Service by recruiting additional Stop Smoking Advisors 	Blue	3 Stop Smoking Advisors have been recruited and a lead now trained and delivering service. In the process of re-commissioning the Pharmacotherapy service to further enhance the behavioural support offer. First Tobacco Control Alliance scheduled for the 1st November and a workshop at the beginning of Dec.
		<ul style="list-style-type: none"> Increase smoking quit rates amongst smokers by 25% aligned to the Smoke Free Generation Funding targets 	Green	We are targeting pregnant women, inpatients, and those with drug and alcohol problems. We will be reaching out and targeting manual workers as there is a high prevalence of smokers within this specific group.
	Sign up education settings to the healthy tots/healthy schools framework	<ul style="list-style-type: none"> Complete pilot of healthy tots/schools framework 	Blue	The Healthy Tots/ Healthy Schools Framework was launched in June 2024 with 8 educational settings participating in the pilot phase. The pilot phase was completed before the end of Q2.
		<ul style="list-style-type: none"> Sign up 20% of education settings to the framework 	Green	This target has been exceeded with 40% of primary schools signed up to the framework. The next phase is to expand the framework for nursery settings and high schools.
Tackle inequality and facilitate social mobility by focussing on early intervention and prevention activities that enable people to live independent and fulfilling lives.	Protect children and young people at risk of exploitation	<ul style="list-style-type: none"> Develop Get Safe as a response to child exploitation and contextual safeguarding concerns 	Blue	Completed Quarter 1
		<ul style="list-style-type: none"> Develop support for young adults up to 25 years, who may be at risk of exploitation, and a transition pathway, through review of the Care and Risk Management Process (CARM) for this cohort and introduction of the adults exploitation toolkit 	Green	This is in progress and will be completed by the end of Q3.
	Promote the emotional health and wellbeing of children and young people	<ul style="list-style-type: none"> 400 new registrations achieved to the online Solihull Approach parenting programme and 600 new courses started by parents/carers 	Green	454 new online registrations achieved and 934 new courses were started by the end of August 2024. Nationally, Herefordshire ranked number one for the highest number of online registrations over the last 12 month per 100,000 population.
	Deliver a Youth Employment Hub to support young people aged 16 to 24 into education, employment and/or training	<ul style="list-style-type: none"> Launch a Youth Employment Hub 	Green	Career and Employment coaches have been recruited. Website has been developed and is now live. Branding has been agreed taking into consideration young people's views and feedback. Physical building will be open in October 2024.
	Deliver five technology pilots within the wider Technology Enabled Living Programme	<ul style="list-style-type: none"> Provide support for 200 young people who are not in education employment or training 	Amber	200 young people to be supported is for one year of delivery to September 2025.
		<ul style="list-style-type: none"> Complete roll out of the technology pilots 	Green	Four out of five predict and prevent products are successfully commissioned and are being trialled in the community. The fifth product could not proceed due to data protection issues and as there is insufficient time remaining to source a replacement, the decision has been made to focus on the four active products.
	Deliver implementation plans for best start in life and good mental wellbeing within the Health and Wellbeing Strategy	<ul style="list-style-type: none"> Sign up to the prevention concordat for better mental health 	Blue	Sign up to the prevention concordat has been agreed in principle and has been submitted for confirmation.
		<ul style="list-style-type: none"> Agree the Mental Wellbeing implementation plan 	Blue	The Good Mental Wellbeing implementation plan has been agreed and approved with work underway to deliver specific actions and projects.
		<ul style="list-style-type: none"> Present annual progress reports against the implementation plans to the Health and Wellbeing Board 	Green	Two progress reports on Best Start in Life have been presented to the Health and Wellbeing Board (March and September 2024). An annual report will be presented in March 2025. One progress report on Good Mental Wellbeing has been presented to the Board (June 2024) with a further report due in December and an annual report due in June 2025.
	Deliver schemes to tackle inequality and support our most vulnerable residents	<ul style="list-style-type: none"> Ensure the council tax reduction scheme continues to be maintained at its maximum level of discount 	Blue	Completed Quarter 1
<ul style="list-style-type: none"> Deliver the Holiday Activity and Food programme (HAF) targeted at children in receipt of free school meals 		Green	Applications are currently open for providers for the Holidays Activity and Food Christmas programme which will run for 2 weeks over the Christmas holidays.	
<ul style="list-style-type: none"> Deliver the Household Support Fund (HSF) to those affected by cost of living 		Blue		

People: We will enable residents to realise their potential, to be healthy and to be part of great communities that support each other. We want all children to have the best start in life.

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks	
71	Enable people to support themselves and each other by providing the right help at the right time.	<ul style="list-style-type: none"> Approve and launch the All Ages Carers Strategy Commence delivery of the implementation plan 	Blue Green	Completed Quarter 1 The newly formed Carers Partnership Board will oversee the development and implementation of an agreed action plan, based around the key priorities identified in the All Age Carers Strategy: Value and recognition, Young Carers, Assessments and support, Staying Healthy, Information and Resources.	
		<ul style="list-style-type: none"> Implement a new framework for supported living and community activities Sign up three new work opportunities providers 	Blue Green	Contracts signed and mobilisation meetings with providers commenced. These have been well received by providers who have welcomed the opportunity to have face to face discussions on an agreed frequency (proportionate to value and risk) as part of ongoing contract management arrangements. Specification for the new community activities framework includes a requirement for an improved offer to support Service Users into meaningful work. Approach being developed in relation to identifying additional work opportunity providers.	
	Review existing respite provision and design and implement a model for future delivery	<ul style="list-style-type: none"> Consult users of existing respite services to understand issues and areas for improvement 	Green	Intelligence regarding issues experienced by existing service users is being gathered through feedback through social work teams and current block purchased service providers. Direct consultation with users of services to be undertaken as part of wider review.	
		<ul style="list-style-type: none"> Design a model for improved respite provision 	Green	External support identified to undertake a review of the current delivery model and capacity for respite services, develop proposals to reshape the service to meet demand.	
	Explore options for investing in, and building, the council's own care facility	<ul style="list-style-type: none"> Complete a business case for a council-owned care facility 	Green	Significant work undertaken to scope the demand for new care facility with a focus on working age adults, discussion paper presented to Cabinet member and business case is in development.	
	Improve the model to ensure that people who are discharged from hospital receive the right support in the community, including reablement	<ul style="list-style-type: none"> Implement robust processes with health partners to achieve safe discharge from hospital 	Blue	All discharge pathways reviewed and new models developed that will help to ensure that people are discharged from hospital with the right support. Some challenges remain in relation to capacity within therapy services and same day discharge but overall we are seeing improvements in the discharge process.	
		<ul style="list-style-type: none"> Review the existing reablement model in light of best practice 	Green	Service specifications reviewed and revised in accordance with local requirements and national best practice. Demand and capacity model reviewed and service delivery targets refined to reflect improvements required in year. Additional block care home beds to be commissioned to support timely discharge with reablement approach.	
		<ul style="list-style-type: none"> Undertake a review of 25 sample hospital discharge cases of people aged over 18 to provide assurance on partnership working. 	Green	Work is progressing to improve data analysis and intelligence through the development of a system wide dashboard. Further work required to identify appropriate analysis of outcomes and review of sample cases to provide assurance on effective partnership working during Q3.	
	Work with partners and residents to build connected and resilient communities.	Implement the findings of the Talk Community strategic review	<ul style="list-style-type: none"> Publish the findings of the strategic review 	Blue	
			<ul style="list-style-type: none"> Develop and agree the three-year Talk Community Strategy 	Blue	
<ul style="list-style-type: none"> Launch the community capital grants scheme 			Green	The scheme will be launched in November 2024.	
Support people to feel safe and respected in their communities.	Implement the new Working Together 2023 requirements through the Herefordshire Children's Safeguarding Partnership	<ul style="list-style-type: none"> Agree and appoint a new Chair 	Blue	Completed Quarter 1	
		<ul style="list-style-type: none"> Full implementation of the Working Together 2023 requirements 	Green	All actions are either completed or on track for completion by the end of December 2024.	
	Expand CCTV through delivery of the Safer Streets 5 programme	<ul style="list-style-type: none"> Install CCTV cameras and undertake other related improvements in Leominster, Ross on Wye and Ledbury 	Green	Works progressing. Invoices have been raised and Balfour Beatty Living Place (BBLP) have ordered required materials.	
	Deliver a Safer Streets for Schools policy and deliver designs for safer routes to school	<ul style="list-style-type: none"> Policy developed and approved 	Blue	Complete	
		<ul style="list-style-type: none"> Identify three priority schools 	Blue	Completed Quarter 1	
<ul style="list-style-type: none"> Complete co-design stage & stakeholder consultation 		Green	Co-design workshops complete. Designs now subject to sign-off by Senior School staff and approval by Cabinet Member - this will be completed by end of November.		
	<ul style="list-style-type: none"> Identify eight schools to benefit from smaller scale enhancements 	Blue			

People: We will enable residents to realise their potential, to be healthy and to be part of great communities that support each other. We want all children to have the best start in life.

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks
	Commence implementation of the Community Safety Partnership (CSP) Strategy 2024 – 2027	<ul style="list-style-type: none"> Implement the first year of the CSP Strategy against the four priority areas: Domestic Abuse, Violence against Women and Girls - Sexual Violence, Misuse of Drugs and Neighbourhood Crime 	Green	Domestic Abuse and Sexual Violence Training programme has begun, delivering courses until end June 2025. White Ribbon Conference in November 2024. Cranstoun to deliver courses on Working with Perpetrators of Domestic Abuse in Nov 2024. Domestic Abuse Needs Assessment awaited to inform the Domestic Abuse Strategy. Multi-Agency Tasking and Coordination Group meeting regularly.
	Reduce the waiting list of Traffic Regulation Orders (TROs) and investigate and commence delivery of 35 TRO's countywide	<ul style="list-style-type: none"> Progress the delivery of 35 schemes to reduce the TRO waiting list using Local Transport Plan (LTP) Capital Funding 	Amber	The Traffic Management team are currently working through schemes in order to meet this objective.

On Target

At risk of missing deadline

Not on Target

Paused

Completed

Place: We will protect and enhance our environment and ensure that Herefordshire is a great place to live. We will support the right housing in the right place, and do everything we can to improve the health of our rivers.

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks
73	Develop Herefordshire as a place for growth, prosperity and communities to thrive	• Launch Regulation 18 consultation	Blue	Completed Quarter 1
		• Commence Regulation 19 consultation	Purple	The Draft National Planning Policy Framework (NPPF) includes mandatory housing targets that are far in excess of that of the existing Reg 18 Plan and would not allow for continuation of the existing plan. This work has been paused awaiting the NPPF consultation outcome in January 2025.
	Deliver the New Road Strategy	• Complete design review of phase 1 (Southern section of the western bypass)	Green	Scope being coproduced with consultant with a view to entering into contract end of November. Programme still on track to deliver design review of phase 1 by end of March.
		• Complete "heads of terms" on land acquisition for phase 1 (Southern section of the western bypass)	Green	Land agent report provides reassurance that heads of terms should be agreed by end of January.
		• Complete scheme review of phase 2 (western bypass)	Red	Scoping shows that more work is required than was originally envisaged in order to align with Government Green Book requirements. Strategic Case for Phase 2 now programmed for June 2025.
	Deliver a new Local Transport Plan	• Complete public consultation on draft Local Transport Plan (LTP)	Purple	Local Transport Plan (LTP) to be paused for three months due to change in housing target for county, and need to align LTP with Local Plan. Consultation will still happen, but not until quarter 1 of 2025/2026.
		• Complete draft Local transport Plan	Green	Despite the drafting being paused for three months due to change in housing target for county, and need to align LTP with Local Plan we are still aiming to deliver the draft LTP by end of the current financial year.
	Deliver the Public Realm Services	• Agree Public Realm Services operating model	Green	The model has been developed and responses from Market Engagement undertaken during Summer 2024 are being adapted into the model scheduled for Cabinet approval 28 November 2024. There are challenges relating to providing financial assurance to support the final version of the model to support the cabinet decision 28 November 2024.
		• Commence the procurement for a new Public Realm contractor	Amber	The model has been developed and responses from Market Engagement undertaken during Summer 2024 are being adapted into the model scheduled for Cabinet approval 28 November 2024. There are project challenges relating to securing expert resources and development of the tender, services information and contract documents required by December 2024.
	Continue to deliver Section 106 infrastructure projects	• Reduce backlog of Section 106 schemes	Green	Delivery Programme on-target to reduce backlog of S106 Schemes. 17 projects delivered on the ground so far in 2024/2025.
		• Commission infrastructure projects in a timely manner to ensure best value for money when income is received	Amber	New commissioning processes working well but still experiencing some delays.
	Work with an investment partner to develop student accommodation across the city	• Work with stakeholders to progress designs at the College Road Campus site and Edgar Street Football Stadium site	Green	On track to complete Royal Institute of British Architects (RIBA) Stage 2 and present to Cabinet in November on the future student accommodation in Hereford City
• Cabinet to consider a business case and investment models to build student accommodation on both sites		Green	On track to complete RIBA Stage 2 and present to Cabinet in November on the future student accommodation in Hereford City	
Expand and maintain the transport infrastructure network in a sustainable way and improve connectivity across the county.	Carry out transport infrastructure improvements	• Continue with the delivery of the Levelling Up Fund (LUF) projects	Amber	Currently out to tender on the Great Western Way works and about to go to tender on the Holme Lacy active travel works. Aylestone Hill design work is progressing well with anticipated final designs by the end of November.
		• Produce a Parking Strategy for the City	Green	Phil Jones Associates Limited have been appointed via tender to produce an overview of the current Car parking provision, use patterns and identify what mitigation provision is required to enable the Merton Meadows site to be developed for housing. This work is in progress report due December 2024.
	Deliver the highways maintenance investment programme across the county	• Deliver the Department for Transport (DfT) Highways Maintenance scheme within the additional funding	Green	Work was completed in August to surface dress 30 sites across the county. Further work to spend the remaining budget is being planned for completion by the end of the financial year.
		• Deliver the Resurfacing Herefordshire Highways scheme	Green	Orders for £4.5m of spend have been raised and work is planned for completion by the end of November.

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks
	Work with parishes on locally important maintenance	• Lengthsman: deliver the scheme within the additional £250k	Amber	Agreements have been signed and Purchase Orders raised to Parish Councils for them to deliver this spend in year.
		• Public Rights of Way (PROW): deliver the scheme within the additional £250k	Amber	Contract variation agreements have been issued to Parish Councils who are taking part in the scheme.
		• Drainage: deliver the scheme within the additional £445k	Amber	Applications from Parish Councils were received at the end of September and are being processed.
	Reopen as many closed public rights of way routes as possible	• Deliver £140k Local Transport Plan (LTP) capital funding to scope, design and replace bridges to support reopening of routes	Amber	Scoping and design work has been completed for 10 bridges, with a further 13 in progress. 10 bridges are now being sent out to tender for construction this year.
	Work with partners across the recently launched Marches Forward Partnership	• Engage with both UK and Welsh governments on a new model for working together that not only reflects our functional geography but will also be a pilot for other potential partnerships who sit outside urban conurbations	Green	
Value nature and uphold environmental standards to minimise pollution and maximise biodiversity	Deliver Phase 2 Strategic Mitigation for Phosphate Credits	• Purchase additional wetland site	Green	On target. Legal agreement being finalised.
		• Commence design for second site	Blue	On target. Design and Build contractors commissioned.
	To lead and be responsible for the delivery of the Local Nature Recovery Strategy	• Delivery of the Nature Recovery Network mapping	Blue	Completed Quarter 1
		• Public engagement to support delivery of the strategy	Green	Public engagement underway. Series of workshops held with Members, Officers, Parish Councils and Public. Landowner workshops being developed.
	Integrate Biodiversity Net Gain into the planning process	• Securing Biodiversity Net Gain through creation of natural habitats both onsite and offsite through individual planning applications	Green	Biodiversity Net Gain is now being assessed as part of planning applications. Habitat Banks within the county are being assessed to deliver off site provision.
	Develop a countywide Tree Strategy and guidance	• Deliver guidance for the management of the council's tree and hedgerow stock	Blue	Completed Quarter 1
		• Deliver the Ash Die Back action plan for the council	Blue	Completed and Published.
		• Work with partners to deliver a countywide Tree Strategy	Green	Consultants are commissioned and development of the Tree Strategy is underway.
	Continue to implement the Herefordshire Natural Flood Management (NFM) project to reduce flood risk to communities within the county	• Deliver a range of engagement activity throughout the year	Green	The content on the project's NFM webpages has been refreshed and updated. A drop-in event was held in the Brimfield Book catchment earlier this year, the project will be represented at a forthcoming Rural Business Advice Day and a NFM showcase/farm event is being planned for 2025. The next newsletter is scheduled to be issued next month.
		• Provide landowners and farmers with recommendations to reduce flood risk and to access the Natural Flood Management (NFM) construction grant	Amber	Catchment advisors continue to produce tailored reports for landowners identifying NFM works that may be undertaken. In terms of the construction grant scheme, we have made payments totalling £39.4k (out of the current budget allocation of £250k). Whilst the value of grants claimed this quarter was slightly less than anticipated, we expect a number of claims will be submitted during the next quarter and that the uptake of grants for 2024/25 will be as forecast.
Support and facilitate the partnership approach to address river pollution, through the River Wye Nutrient Management Board, the work of the Wye Catchment Partnership, the Cabinet Commission and working closely with the River Champion	• Progress the Nutrient Management Plan and the Wye Catchment Plan	Green	Invitation to Tender for the Nutrient Management Plan is due to be issued. Specification for the Wye Catchment Plan has been developed in partnership. The Council is supporting in bringing forward the commissioning of this plan.	
	• Deliver a rivers conference to promote sustainable farming innovation	Green	The Rivers Conference is in development; the date for the conference is set as 21st November.	
Reduce waste, increase reuse and increase recycling	Mobilise the new waste contract	• New contract commences	Blue	New waste collection contract started on 1 September 2024
Work towards reducing county and council carbon emissions, aiming for net zero CO ₂ by 2030/31 and work with partners and communities to make the county more resilient to the effects of climate change.	Reduce the council's own CO ₂ footprint through implementing our Carbon Management Action Plan	• 2 electric refuse collection vehicles (RCVs) to be added to the waste collection fleet	Green	Both vehicles have been built but awaiting vehicle livery and inspection before being delivered. Officers and Cllr Swinglehurst visited the Dennis Eagle factory to see production process and one of the vehicles awaiting its livery.
		• Achieve a 65% reduction of CO ₂ emissions from our 2008/09 baseline by the end of the financial year	Amber	A 63.2% emission reduction was achieved for 2023/24 and the annual report will be published shortly. The 2024/25 out turn will be published in Q2 of 2025/26 when the data is available.

74

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks	
75		• 5 heat decarbonisation plans for the corporate estate	Green	Property services are due to carry out heat decarbonisation plans across the estate this year.	
		• Scope and commence development of the next carbon management plan to take us to 2030/31	Blue	The leadership team and Cabinet have been briefed and a cabinet working group is being set up to drive this work forward with support of the sustainability and climate change team.	
		• Deliver a climate focused youth conference	Green	Conference planned for 4th December with 9 schools signed up already for a Conference of the Parties (COP) style session.	
	Support households and businesses to take action to address climate change	• Install energy efficient measures to 200 homes and retrofit assessments completed for 150 households	Green	The second phase of the Home Upgrade Grant is performing well with 93 installs year to date and 3 installs through the Home Energy Savers scheme.	
		• Deliver 6 farm carbon audits	Blue	17 farm carbon audits have been delivered.	
	Expand the electric vehicles charging network in council owned car parks and additional points through the Local Electric Vehicle Infrastructure (LEVI) funded project	• Deliver the Big Green Business Event in partnership with Herefordshire Means Business	Blue	Completed Quarter 1	
		• Deliver a total of 50 publically available charge point sockets across the county	Green	30 chargepoints are now live with more in the pipeline.	
	Support our local culture and heritage and make Herefordshire a thriving, safe and attractive place to live and visit.	Progress the project to redevelop the Library and Learning Centre in the Shire Hall	• Appoint a Library design consultant to deliver design proposals	Blue	Completed Quarter 1
			• Relocate interim Library to the Town Hall	Blue	Completed Quarter 2. Interim library due to open to the public on 22 October 2024.
			• Undertake consultation with users, stakeholders and internal staff on designs	Green	On target for completion in Quarter 3. Consultation ongoing with stakeholders, users and target audiences and due to complete in November 2024.
• Develop a new Library Strategy			Green	Library strategy approach agreed with Cabinet on 27 September to enable strategy work to start. Consultation period due to commence over October-November 2024.	
Progress the project to redevelop the Hereford Museum and Art Gallery		• Complete design work	Green	Planning approval and listed building consent granted Next stage governance approval of The Royal Institute of British Architects (Riba)4b-7 granted RIBA4B underway	
		• Commence Activity Plan (National Lottery Heritage Fund funded)	Blue	Exhibition content and interpretation design meetings taking place fortnightly All staff in post Curatorial Advisory Panel recruitment underway, first meeting scheduled National Lottery Heritage Fund (NLHF) Activity plan activities being developed.	
		• Procure contractor	Green	Procurement process being agreed. Principal contractor procurement documentation being prepared.	
Progress the Leominster Heritage Action Zone Project; including completion of public realm improvements		• Contractor commences works	Blue	Completed Quarter 1	
		• Completion of public realm improvements works	Amber	Construction phase has been challenging - a critical stone supplier unable to deliver due to capacity issues, which even after mitigation led to delay of 8 weeks. Defects discovered beneath streets (drains, basements and roadbase thicknesses) further impacted speed of construction, but essential to rectify these while opened up. Target completion end of November.	

On Target	At risk of missing deadline	Not on Target
Paused	Completed	

Growth: We will create the conditions to deliver sustainable growth across the county; attracting inward investment, building business confidence, creating jobs, enabling housing development along with providing the right infrastructure.

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks
Develop employment land to unlock new business opportunities for the County and generate local jobs.	Develop employment land across Herefordshire	• Commission Ross Enterprise Park design team	Blue	Completed Quarter 1
		• Procure contractor for Ross Enterprise Park	Green	Project Programme updated by consultants- tender process planned November 2024 - February 2025
		• Contractor commences work at Ross Enterprise Park	Green	Project Programme updated by consultants- construction process planned to commence following completion of the tender process.
		• Complete countywide review of additional employment land needs and opportunities	Green	Feasibility work underway with detailed review of potential employment land having taken place; initial outcomes to be shared with relevant Cabinet Members in December
		• Select and allocate funding to additional employment land projects across Herefordshire	Green	Feasibility work underway with detailed review of potential employment land having taken place; initial outcomes to be shared with relevant Cabinet Members in December
	Support the growth of the Enterprise Zone in Hereford	• Complete current plot sales in the Enterprise Zone	Green	3 Plot Sales completed so far this year. Further sales are in progress.
		• Engage with businesses in Skylon Park regarding future management arrangements	Green	Skylon Park businesses have been written to and the Council has offered follow up engagement with the Growth Hub Team. An event has been organised for Skylon Park businesses in Q3 to reinforce the key messages.
		• Complete transition of management of Skylon Park to the council	Blue	Transition Completed and member of Economic Development team now acts as Enterprise Zone business liaison.
	Develop and implement an Inward Investment and Place Marketing plan for Herefordshire	• Recruit inward investment manager	Green	Recruiting and due to interview in mid-October 2024.
		• Establish inward investment programme	Green	Commissioning Inward Investment Plan in October/ November 2024.
		• Commence delivery of the inward investment programme	Green	Anticipate early 2025
		• Publish an Investment Prospectus setting out both financial and development opportunities	Green	Anticipate early 2025
	Support market towns and Hereford City to be vibrant hubs through working with residents, grassroots organisations and businesses.	Implement the £403k Towns Investment for the Greening the City Towns Investment project	• Secure land for improvements of the Great Western Way pathway	Blue
• Confirm design of the widening of the pathway			Blue	Completed Quarter 1
• Award contracts of works for the widening the pathway			Amber	A local framework has been developed as a procurement vehicle, which has taken time but now gives a more streamlined procurement process aimed at giving opportunities to local contractors. These works currently going through tender process.
• Works completed on the pathway		Amber	Construction dates will be firmed up on appointment of a contractor. Amber rating reflects progress slippage against programme while developing framework, but project remains within grant parameters.	
Support implementation of the Market Town Investment Plans (MTIP)		• UKSPF (UK Shared Prosperity Fund) feasibility funding awarded to each town to support development of Market Town Investment Plan (MTIP) priorities.	Blue	Funding has been awarded to Town Councils for feasibility studies in October 2024. The Council is further supporting this process by putting these out to tender in October 2024.
Work with partners in the Golden Valley Parkway Task Force to complete the strategic outline business case for the proposed new railway station	• Strategic Outline Business Case completed	Red	Delays in identifying representatives for the task force from Network Rail mean that scope of works for the consultant has not yet been agreed. All representatives now identified and task force meeting set up for late November.	
Support residents to access skills development, training and employment opportunities.	Work in partnership with Wye Valley Trust (WVT) with a view to developing a new Education Centre at Hereford County Hospital	• Signed "heads of terms" agreed	Amber	Awaiting confirmation from NHS England/ Wye Valley Trust on agreement over the financial position.
		• Full business case presented to Cabinet and decision to be taken	Green	Cabinet decision planned for January 2025.
	Explore options for a strategic investment partnership with Herefordshire and Worcestershire Group Training Association (HWGTA) to establish a new centre of excellence at Skylon Park	• Signed "heads of terms" agreed	Red	Re-scoping the project pending a Green Book business case to identify funding models for the project.
		• Full business case and delivery model for the new centre of excellence completed	Red	Re-scoping the project pending a Green Book business case to identify funding models for the project.
	• Present to Cabinet for decision to be taken	Red	Re-scoping the project pending a Green Book business case to identify funding models for the project.	
Agree a new strategic plan for the council's adult and community learning education service	• Develop and agree the new strategy and delivery plan to support learning and enable access to employment, further training and skill development opportunities	Green	Adult and Community Learning Plan is being drafted and will be consulted upon in Q3.	

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks
	Working in partnership with the Skills Board to promote the higher education offer available in Herefordshire	<ul style="list-style-type: none"> Deliver a joint promotional/marketing campaign and the Careers and Enterprise programme in local schools and colleges, to attract students to study in the county including local residents 	Green	Working in partnership with the Skills Board. A joint marketing campaign to be agreed Autumn term 2024.
		<ul style="list-style-type: none"> Work in partnership with NMITE to support their development and growth 	Green	We continue to support the development of NMITE following the September intake and in the further enrolments planned for November and January
77	Work with partners to provide high quality and affordable housing to meet all needs.	<ul style="list-style-type: none"> Establish a housing development team 	Blue	Completed Quarter 1
		<ul style="list-style-type: none"> Establish a housing forum to engage registered social providers and developers to identify development opportunities and barriers to growth for high quality and affordable housing 	Green	Master plan work commissioned and in progress on Merton Meadows, Bromyard, Ross and other council owned land includes engagement with registered providers and delivery agents. The council are identifying barriers to delivery and bringing forward solutions where appropriate/ possible.
		<ul style="list-style-type: none"> Engage with surrounding land owners and key stakeholders to progress strategically significant council owned sites such as Merton Meadow in Hereford and Model Farm in Ross-on-Wye 	Green	Three dragons commissioned to provide review of Affordable housing delivery best practice. Final report due November.
		<ul style="list-style-type: none"> Establish the delivery programme 	Green	Part of the work on the revised draft Local plan following the central Government National planning policy framework review, includes engagement with developers and registered providers. The council are also looking to undertake direct delivery to meet specific need on a case by case basis subject to an acceptable business case and governance.
	Secure accommodation for vulnerable people at risk of homelessness	<ul style="list-style-type: none"> Purchase a further 15 properties using funding through the Single Homelessness Accommodation Programme, specifically for young people aged 18-25 identified at risk of homelessness 	Green	11 properties have been purchased and a further offer has been made for 2 more, the grant funding has to be spent by March 2025.
		<ul style="list-style-type: none"> Engage with rough sleepers to enable them to access accommodation and appropriate support 	Green	The Outreach Team are in contact with all rough sleepers and provide support on the street and assistance to secure accommodation be it at the hub or through the pathway of accommodation. The Winter Shelter is currently being prepared to enable it to open again on 4th December, alongside that the support element is currently out to tender.
Enhance the rollout of improved broadband across the county to deliver a fully digital Herefordshire	Increase full fibre broadband coverage in the county, and move to new stage of gigabit capable speeds by targeting the final 16% of properties (fibre to home)	<ul style="list-style-type: none"> Complete the delivery of the remaining Fastershire stage 3 contracts 	Green	On track for Gigaclear to complete the remaining contracts by 31st October 2024. In Herefordshire that is 157 properties, 124 in Lot 4 and 33 in Lot 2/3c Hereford. Currently awaiting the September delivery results. There are some additional properties that Gigaclear are seeking to descope and we are assessing those.
		<ul style="list-style-type: none"> Support the transition and delivery of BDUK's (Building Digital UK) Project Gigabit investment programme in the county 	Green	Lot 15 West Herefordshire & Forest of Dean - Stage 1, surveying, is ending and FullFibre Ltd will submit the full plan to Building Digital UK (BDUK) this month. Details of the rollout will be finalised following BDUK sign-off and stakeholder comms will also follow. North Herefordshire - The lot is going through Type C procurement and BDUK expect the outcome of the procurement later this year.
Work with our partners and businesses to facilitate growth across the county.	Ensure engagement with local businesses by the Herefordshire Growth Hub	<ul style="list-style-type: none"> Launch the Herefordshire Growth Hub brand 	Blue	Completed Quarter 1
		<ul style="list-style-type: none"> Establish and deliver a range of business support networking events 	Green	Ongoing - programme of Business Roadshows in 7 locations around the County delivered in Summer, plus Charities and Cyber sector events. Team also attended many business engagement events, conferences, Expos to promote the Herefordshire Growth Hub.
	Support the growth of the tourism industry across Herefordshire, working closely with the Herefordshire County Business Improvement District (BID) and other key stakeholders	<ul style="list-style-type: none"> Secure local visitor economy partnership status 	Blue	Completed Quarter 1
		<ul style="list-style-type: none"> Launch the tourism rural prosperity grants 2024 	Blue	Completed Quarter 1
	<ul style="list-style-type: none"> Deliver all tourism focussed grant funding 	Green	All funding allocated and delivery is well underway.	
Implement the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (RPF) grant schemes, to support	<ul style="list-style-type: none"> Launch all remaining UKSPF (UK Shared Prosperity Fund) and RPF (Rural England Prosperity Fund) grant schemes 	Blue	Completed Quarter 1	

Objectives	THIS YEAR WE WILL.....	Key Milestones to Deliver	RAG	Remarks
	local businesses and communities	<ul style="list-style-type: none"> • Deliver and claim all UKSPF and RPF budget allocations 	Green	All funding allocated and delivery is well underway.
	Engage with mobile network providers to improve coverage across Herefordshire	<ul style="list-style-type: none"> • Produce a strategy to support improved network coverage 	Green	Continuing to encourage commercial supplier to invest in the county. The full county 4G/ 5G coverage survey is due to take place in October and November and this data will inform the basis of the strategy.

On Target

At risk of missing deadline

Not on Target

Paused

Completed

Transformation: We will be an efficient council that embraces best practice, delivers innovation through technology and demonstrates value for

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks
Change and transform the organisation to be fit for the future and deliver the efficiencies required	Develop and implement the council's transformation programme and Future Council Operating model	• Develop and launch the Transformation Strategy	Green	Work continues on developing the transformation strategy and the strategic transformation programme aligned to the future council operating model.
		• Develop and launch the Future Council Operating model	Blue	The future council operating model was launched at the employee conference in September/ October. Work continues now to develop the strategic transformation programme to support implementation and delivery of the future council operating model.
		• Develop and implement the strategic and directorate transformation programmes to support delivery of the Transformation Strategy and Future Council Operating Model	Green	Work is progressing to scope and develop the strategic transformation programme to support implementation and delivery of the future council operating model and transformation strategy.
Attract and retain an excellent workforce through effective approaches to recruitment and retention.	Implement the Workforce Strategy	• Launch the new Workforce Strategy incorporating our updated values through a planned programme of staff engagement	Blue	Completed Quarter 1
		• Conduct the employee survey	Blue	Completed Quarter 2
		• Deliver the employee survey action plan	Green	Action plan is being developed in Q3
		• Report the revised employee engagement score	Blue	Employee engagement score for 2024 has increased to 3.7 (74%). The score is reported every two years and in 2022 the employee engagement score was 3.56 (71%).
79 Work collaboratively with our residents, communities and businesses to achieve the best results together.	Implement the Customer Service Strategy	• Develop and agree the implementation plan to deliver the strategy	Blue	An implementation plan has been developed to support delivery of the customer service strategy.
		• Develop the new customer standards	Green	Initial workshops have been held with service teams and staff network groups to inform the development of the customer services standards. Work has also started on refreshing the council's Customer Charter. Further engagement sessions are planned with service users and members of the public.
		• Review the top 10 high volume customer 'journeys' to streamline and improve the end to end process and experience	Green	Multi-Agency referral webform testing underway. Adult Social Care referral webform development commenced. New planning pre-application service launched September. Improvements made contact centre planning queries process, Environmental Health planning consultation process and Public Rights of Way front door process by integrating the web form and reporting app with the back office system.
		• Review the council website and microsites to ensure that the information is accessible and relevant	Green	Initial investigations in progress to establish scale of document review for accessibility requirements which will inform timeline to engage with service areas. All documents need to be accessible before we transfer to the new platform in July 2025. Content review will run concurrently and will be a continuous improvement process for the organisation.
	Ensure improved working with Town and Parish Councils	• Develop a draft Town and Parish Charter	Green	A working group of councillors to co-design the charter has produced a draft charter which will be presented to the Parish Summit in October 2024.
		• Recommence the Parish Summits	Blue	
		• Review and make recommendations for improving communications with Town and Parish Councils following the first Parish Summit	Blue	
	Adopt the digital strategy to embed improved technology across the council	Develop and implement an updated Digital Strategy for improved customer experience, communication and connectivity	• Roll out phase 1 of Microsoft 365 to ensure the workforce have the latest version of Microsoft tools	Green
• Full review of the council website			Green	The scope for the review has been agreed and funding secured. The project plan is being developed with a view to the new website being implemented by September 2025.
• Implement a new telephony system			Green	Testing of products is underway with a new telephony system due to be implemented by March 2025.

Objectives	THIS YEAR WE WILL....	Key Milestones to Deliver	RAG	Remarks
		<ul style="list-style-type: none"> Upgrade the online and telephone payment function 	Green	The online payment function will be upgraded as part of the replacement website project (September 2025) and the online telephone payment function will be introduced as part of the new telephone system (March 2025).
		<ul style="list-style-type: none"> Increase digital functionality in customer services, voice automation and Microsoft co-pilot capabilities 	Green	Increased digital functionality in customer services and voice automation will be delivered through the replacement website project (September 2025) and the new telephony system (March 2025). A 6 month pilot of Microsoft co-pilot has been agreed by Corporate Leadership Team to allow Herefordshire Council to trial modern Artificial Intelligence capabilities into business areas.
		<ul style="list-style-type: none"> Review and upgrade of our key software systems to be more efficient and fit for the future in order to support our statutory services 	Green	Upgrades in terms of the planning and regulatory system and the HomePoint system are in progress. A wider project looking at the case management system for children's and adult services is currently being scoped.
Strengthen the council's strategy ensuring alignment for delivering the future vision	Align the council's strategic plans with internal service planning	<ul style="list-style-type: none"> Review the council's strategic plans and alignment to the Herefordshire Council Plan 	Green	Work commenced to progress review of the council's key strategic plans.
		<ul style="list-style-type: none"> Implement business service planning across the directorates to align to the Herefordshire Council plan 	Green	Service plan developed, further work to refine and embed service planning across directorates aligned to 2025/ 2026 delivery planning.
Build a data and performance rich culture to inform decisions, improve efficiency and manage demand	Strengthen the performance culture in the organisation and current process	<ul style="list-style-type: none"> Agree and deliver a development plan for improved performance reporting across the organisation 	Green	Head of Corporate Performance and Intelligence has procured a new performance management system and is making preparations for the service restructure. Monthly and quarterly performance reports for the Corporate Leadership Team have been redesigned. Performance data preparations are underway for Ofsted and Care Quality Commission (CQC) visits and inspections.
		<ul style="list-style-type: none"> Develop a Corporate Risk Strategy to improve the process for managing corporate and directorate risks 	Green	Risk Management Strategy has been drafted and presented to the Audit and Governance Committee in September 2024.

On Target

At risk of missing deadline

Not on Target

Paused

Completed

The New Public Realm Services

Meeting:	Cabinet
Meeting date:	28 November 2024
Cabinet member:	Harry Bramer, Community Services and Assets
Report by:	Corporate Director, Economy and Environment
Report author:	Interim Programme Director – Major Contracts

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

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

Wards affected

All Wards

Purpose

This report seeks approval of the council's Public Realm Services model and to delegate authority for the procurement and associated requirements relating to IT, fleet, depots and demobilisation of the current contract.

Recommendations

That:

- a) **Cabinet adopt the Public Realm Services model set out in Appendix 2;**
- b) **Cabinet delegates authority to the Corporate Director Economy and Environment to;**

Further information on the subject of this report is available from
Alex Deans, , email: Alex.Deans@herefordshire.gov.uk

- i. **undertake the procurement of the Public Realm Services model set out in Appendix 2 within the allocated budget;**
- ii. **agree and award of all necessary leases to enable the provision of the Public Realm Services in consultation with property services;**
- iii. **procure and purchase or lease the fleet of vehicles to enable the provision of the Public Realm Services with the Director of Finance;**
- iv. **agree and implement the demobilisation of the current Public Realm Contract;**
- v. **make all operational decision to implement the above recommendations.**

Alternative Options

1. To vary the current contract. This is not an option as the variations required to the contract to meet the council's vision for the new Public Realm Services are not permissible under the Public Contract Regulations 2015.

Background

2. The council's vision is to deliver Public Realm Services that are fit for the future embracing technology, automation and digital innovation, a transition to electric plant and fleet, using materials to meet carbon reduction ambitions, investment in people that support development and innovation enabling the service to continually improve, maximising resources and opportunities to best meet the needs of local residents and communities.
3. The 25 April 2024 Cabinet report provided as a background paper, provides details of the current contract and the reasons why that contract was terminated with an end date of 31 May 2026.
4. The 27 June 2024 Cabinet report provided as a background paper, sets out the new Public Realm Services model that was used for market engagement undertaken during the Summer 2024.
5. Appendix 1 summarises the findings of the market engagement including resulting recommendations that the council have adopted into the model in Appendix 2.
6. The Connected Communities Scrutiny Committee formed a working group comprising of members and officers to review the model and the findings of the market engagement. The outcome of this working group is summarised in a report taken to the committee on the 15 October 2024 which is provided as a background paper to this report. The group made no recommendations to alter the proposed future operating model as set out in Appendix 2.
7. The project has identified the requirements relating to IT hardware and systems, fleet and depot arrangements that will be required to support the new model and new contract.
8. Engagement with the current provider has identified that demobilisation of the current contract will be planned from November 2024 and delivered during 2025 and will be concluded at contract end on 31 May 2026.

Key Considerations

9. The model has been developed to deliver the council's vision, delivering the best for Herefordshire in everything we do, while being attractive to the market to promote a competitive procurement.

10. Market engagement undertaken during Summer 2024 provided contractors early insight to the council's vision and requirements. The resulting recommendations from this engagement have been refined into the model set out in Appendix 2. The refined model will ensure the model is attractive to the market ahead of procurement during 2025, and deliver improvements associated with implementation and operation of the new model and the supporting contracting arrangements.
11. Until the new model and new contracting arrangement come into effect on 1 June 2026, the council and the current provider will continue to work together to deliver the Public Realm Services under the current contract, and both parties have committed to work together to support a smooth transition to the new arrangements.

Implementation & Timescales

New Public Realm Services- High Level Programme		
Activity	Start Date	Finish Date
Services review & model refinement (including IT, fleet & depots)	July 2024	Nov 2024
Develop contract documents, specification & tender documents	Aug 2024	Dec 2024
Connected Communities Scrutiny Working Group 8 October 2024	15 Oct 2024	15 Oct 2024
Cabinet Decision to approve model and commence procurement	28 Nov 2024	28 Nov 2024
Deliver procurement process	Jan 2025	Oct 2025
Cabinet Decision to Award contract	Nov 2025 (TBC)	Nov 2025 (TBC)
Notify Successful Contractor	Dec 2025	Dec 2025
Sign contract	Jan 2026	Jan 2026
Sign contract	1 Jan 2026	31 Jan 2026
Plan and deliver Demobilisation	1 Apr 2025	31 May 2026
Deliver mobilisation (5 months)	1 Jan 2026	31 May 2026
Contract with BBLP ends	31 May 2026	31 May 2026
New Public Realm Services Contract Goes Live	1 Jun 2026	1 Jun 2026

Community impact

12. Public Realm Services are a statutory function of the council and vital to communities as the services include maintaining and developing infrastructure, maintaining green areas, street cleaning, bereavement services, providing effective drainage, lighting the highway and enabling safe and reliable travel by all modes of transport, and access for business and leisure. Transformation is an integral part of the Council Plan 2024 to 2028. A stated aim being to create an efficient council that embraces best practice, delivers innovation through technology and demonstrates value for money
13. The Department for Transport has asked local transport authorities to refresh their Local Transport Plans, this work is under way and will be ready for implementation during 2025 and will inform the procurement for Public Realm Services, with an emphasis on active and sustainable traffic measures.
14. The new model will encourage engagement with community groups and parish councils to seek out efficiencies and identify where local communities would like the service enhanced. The model will allow for top up voluntary and paid services to be provided within the scope of the new contract.

Environmental Impact

15. The Public Realm Services, model and new contract will be aligned to the council's 2030 net zero carbon emission targets including:
- a) *Improve drainage and increase flood resilience*
 - b) *Reduce the council's carbon emissions*
 - c) *Work in partnership with others to reduce carbon emissions*
 - d) *Improve the air quality*
 - e) *Improve residents' access to green space*
 - f) *Increase the number of short distance trips being done by sustainable modes of travel including walking, cycling and use public transport*

Equality duty

16. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
17. Due to the broad scope of this project and its potential impact on certain protected characteristics Equality Impact Assessments have been carried out and are provided in Appendix 3 for the impact on the services, and Appendix 4 for the impact on the workforce.
18. The project impacts on protected characteristics can include both positive and negative impacts however there are no negative impacts identified from this project.
19. The Equality impact Assessments provided in the appendices will be kept under review, and developed as the project is developed and implemented until Summer 2026.

Resource implications

20. The 2024/25 approved revenue budget allowed for £0.9 million of one-off funding allocated to deliver the project together with funding of £1.0 million from the council's earmarked reserve balances securing a budget of £1.9 million for project costs during 2024/25, 2025/26 and 2026/27 comprising of project management; contract expertise; fleet expertise; procurement expertise; legal expertise; property expertise; human resources; change management; communications; IT and demobilisation costs.
21. Development of the New Public Realm Services model and contract has been subject to financial review. The review will continue through the procurement process to ensure the services are affordable within the approved combined total Capital Programme and Revenue budget for the new Public Realm Services contract are set out in the table below:-

Capital and Revenue Budgets <i>As at 2024/25 prices</i>	from June 2026 2026/27 £'000	2027/28 £'000	2028/29 £'000	Future Years £'000	Total £'000
Capital LTP Budget	10,723	12,867	12,867	12,867	49,324
Revenue Public Realm Services	4,813	5,775	5,775	5,775	22,138

TOTAL	15,536	18,642	18,642	18,642	71,462
Estimated Additional Capital Works Subject to Funding	2,000	2,000	2,000	2,000	8,000

Funding streams (indicate whether base budget/ external / grant / capital borrowing)	from June 2026 2026/27 £'000	2027/28 £'000	2028/29 £'000	Future Years £'000	Total £'000
DfT Annual Grant	10,723	12,867	12,867	12,867	49,324
Revenue Base Budget	4,813	5,775	5,775	5,775	22,138
TOTAL	15,536	18,642	18,642	18,642	71,462

Budget Implications	from June 2026 2026/27 £'000	2027/28 £'000	2028/29 £'000	Future Years £'000	Total £'000
New Public Realm Services Contract	12,342	15,448	15,448	15,448	58,686
Transfer of staff to Authority to be apportioned between revenue and capitalisation funding <i>(subject to HR confirmation of TUPE cost implications)</i>	3,194	3,194	3,194	3,194	12,776
TOTAL	15,536	18,642	18,642	18,642	71,462

Legal implications

22. The Public Realm Contract together with any other contracts necessary for the provision the Public Realm Services will need to be procured in accordance with the relevant procurement legislation. The Procurement Act 2023 commences on 24th February 2025, until then, the Public Contract Regulations 2015 will apply.
23. Local Authorities have powers under Section 123 of the Local Government Act 1972 to dispose of land which includes granting leases, but they should be able to demonstrate that they have achieved the best consideration reasonably obtainable, unless consent is obtained from the Secretary of State or the disposal satisfies the General Disposal Consent (England) 2003. In addition, if the rent is less than market rent, consideration should be given as to whether the reduced rental could be considered to be a subsidy in accordance with the Subsidy Control Act 2022.

Risk management

24. The key risks associated with approval of the model for market engagement are:

Ref	Risk	Potential Impact	Mitigation
1	The model does not deliver the council's vision for new Public Realm Services.	Public Realm Services do not meet the requirements and expectations of Herefordshire's communities and residents.	The model, contract and specifications are being developed with contract experts working with service leads to ensure the new contracts meets the council's vision and requirements. Market engagement was used during Summer 2024 to refine

			the model aligned to the preferences from the market to maximise interest and promote a competitive procurement.
2	Lack of interest in the new contract.	Lack of competition during the procurement process in 2025 may result in cost escalation and concerns relating to Value For Money for the new contract.	Market engagement was used during Summer 2024 to refine the model aligned to the preferences from the market to maximise interest and promote a competitive procurement.
3	The current provider struggles to retain staff and operatives during the transition period to the new arrangements from 1 June 2026.	Inadequate resources and loss of local and expert knowledge lead to reduction in service capacity.	The council and current provider are delivering regular staff communications setting out the roadmap to the new model and new contract from 1 June 2026, including providing assurances to staff identified to transfer to the council or new contract under the new model. The council and the new provider will continue to work together to provide the necessary assurances to staff.
4	Relationship sours with the current provider during the transition period to the new contracts on 1 June 2026.	Service delivery performance reduces, and/or the current provider adopts a commercial approach for remaining period of contract resulting in service reduction and cost and claim increases.	The current provider has committed to, and been assisting with, a smooth transition to the new model. The Council and current provider are working together maintaining a good relationship ensuring appropriate contractual and performance controls are in place during the remainder of the contract. The Council and current provider will work together to develop a Demobilisation Plan that will start to be implemented from 2025.
5	Cost increase.	The new contract costs more than the current contracted services resulting in a reduction of services.	The model and contract selected follows industry best practice, has been subject to market engagement to secure a competitive procurement and subject to a financial review.

Consultees

A Political Group Consultation was held on Monday 18 November 2024 which provided an update

including the findings from the market engagement, a summary of the recommendations that have been accepted by the council and adopted into Appendix 2 of this report. Members were informed that current contractor has been kept informed of developments, and have committed to supporting the transition to the new arrangements and that it is proposed to return to Cabinet towards the end of 2025 seeking permission to Award the new contract.

Members were broadly supportive of the findings of the market engagement and the model that is set out in Appendix 2. Members sought assurances relating to the level of interest of suppliers, the value and quality of the new contract, the transfer of staff into the council and Locality Stewards.

Members attended from The Conservative Party, The Green Party, The Liberal Democrats. Independents for Herefordshire, True Independents and following the meeting a recording was shared with all ward members.

The council and the current provider are delivering regular communications with their staff in relation to the transition to the new Public Realm Services.

Appendices

- Appendix 1- Findings of Market Engagement Report
- Appendix 2- New Public Realm Services Model for Procurement
- Appendix 3- Equality impact assessments for services
- Appendix 4- Equality impact assessments for workforce

Background papers

Connected Communities Scrutiny Committee 15 October 2024
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=1157&MId=9355&Ver=4>

Cabinet 27 June 2024
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=251&MId=9301&Ver=4>

Cabinet 25 April 2024
<https://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?Id=10100>

Cabinet 2 March 2023
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=251&MId=8905&Ver=4>

Connected Communities Scrutiny Committee 13 February
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=1157&MId=8826&Ver=4>

Report Reviewers Used for appraising this report:

Governance	Claire Porter	Date 07/11/2024
Finance	Racheal Hart	Date 08/11/2024
Legal	Sarah Halliwell	Date 06/11/2024
Communications	Luenne Featherstone	Date 07/11/2024

Procurement	Carrie Christopher	Date 24/10/2024
Finance	Rachael Sanders	Date 08/11/2024
Equality Duty	Harriot Yellen	Date 07/11/2024
Risk	Jessica Karia	Date 07/11/2024

Approved by	Ross Cook	Date 20/11/2024
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Glossary of terms, abbreviations and acronyms used in this report.

None.

Appendix 1- Findings of Market Engagement Public Realm Services Model Report 24 September 2024

The Council developed a model for the delivery of the Public Realm Services that was approved at Cabinet on 27 June 2024 for the purposes of market engagement.

<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=251&MId=9301&Ver=4>

Market engagement was carried out during Summer 2024 and involved an in person event on 16 July 2024, where potential suppliers were invited to attend a presentation of the council's proposed model and procurement route. Suppliers were given the opportunity to engage with the Council and feed-back their initial views during the event.

Following the event a series of online one-to-one meetings with potential suppliers were held by the council to seek the market's views on the proposed model, and provide an opportunity for the council to meet with the suppliers.

The council developed and provided potential suppliers with a "Request for Information" template, issued to secure written feedback where suppliers could express support or concerns with the model, and provide an opportunity to propose alternative options.

The Request for Information template sought views on the following areas:

1. The services
2. IT
3. Depot arrangements
4. Fleet
5. Innovation
6. Contract
7. Procurement
8. Mobilisation
9. General

Whilst the market engagement exercise was comprehensive and engaged with known suppliers to whom this opportunity might appeal, it should be noted that bidders are being selective about the opportunities they pursue due to costs of bidding and the limited resources of their bidding teams. Several organisations indicated either that the Herefordshire opportunity did not align with their business strategy, or was not a target.

The size and nature of the Herefordshire opportunity with a reduced contract value estimated around £12M per annum, is at the lower end of market expectations. Further, the opportunity is programmed to be procured at the same time as several larger opportunities, which also has a bearing on the level of interest.

Competing procurements include;

- Kent – Due to start in October 24. The initial tender stage will likely come to market at the same time as Herefordshire.
- Norfolk – A notice from Norfolk states issue from 2 December 2024. This is likely to run into the new year and will therefore be procured on a very similar timeframe to Herefordshire.
- Warwickshire, Coventry & Solihull – Contract end date is 31 May 2026. Therefore it is anticipated an identical procurement timetable to Herefordshire.
- West Sussex (Lot 1, Highways Core Services) – To be procured in 2025.
- Worcestershire – Contract end date is 30 September 2026. Therefore it is anticipated that procurement will start in mid-2025 and be active during the negotiation and final tender period of Herefordshire.

Appendix 1- Findings of Market Engagement Public Realm Services Model Report 24 September 2024

- West Berkshire - Contract end date is 30 September 2026. Therefore it is predicted the same conflict as Worcestershire.

Having reviewed the information from the market engagement, the council has six organisations that are interested and well placed to tender for the opportunity from early January 2025, which is considered adequate to ensure a competitive process, and a good outcome for the council.

Of the six, one organisation is the incumbent provider Balfour Beatty Living Places, who have stated that they are undecided as to whether they will tender for the new contract.

Although unlikely, other organisations that have not participated during market engagement could participate in the tender process once released by the council from January 2025.

With six organisations currently engaged, the council must encourage all six to participate in the tender process from January 2025, to ensure a competitive procurement. The process will involve shortlisting after initial tenders, before moving into the negotiation and final tender stages of the procurement during the Summer of 2025.

The programme to deliver the new Public Realm Services from 1 June 2026 is provided in the table below:

New Public Realm Services- High Level Programme		
Activity	Start Date	Finish Date
Services review & model refinement (including IT, fleet & depots)	July 2024	Sept 2024
Develop contract documents, specification & tender documents	Aug 2024	Dec 2024
Connected Communities Scrutiny Working Group 8 October 2024	15 October 2024 committee	
Cabinet Decision to approve model and commence procurement	28 November 2024	
Deliver procurement process	Jan 2025	Oct 2025
Cabinet Decision to Award contract	November 2025	
Notify Successful Contractor	December 2025	
Sign contract	January 2026	
Sign contract	1 Jan 2026	31 Jan 2026
Deliver Demobilisation and mobilisation (5 months)	1 Jan 2026	31 May 2026
Contract with BBLP ends	31 May 2026	
New Public Realm Services Contract Goes Live	1 Jun 2026	

Appendix 1- Findings of Market Engagement Public Realm Services Model Report 24 September 2024

The council's model, as set out to the market, was broadly welcomed during the market engagement, which is encouraging.

There were some areas that suppliers stated would make the model and procurement more attractive, which are set out in the following recommendations.

Recommendation 1 - Increase the scheme value from a maximum of £100,000 to £250,000 (index linked) commissioned at client discretion.

Recommendation 2 – Include flexibility to commission additional scheme work above the £250,000 threshold at client discretion where value for money can be demonstrated. The limited circumstances where this may be appropriate are where the type of scheme is particularly suited to the contractor, speed may be of the essence and/or where there is not a suitable supplier on an alternative framework that can deliver the scheme to the council's requirements.

Recommendation 3 - Continue to engage positively with the market demonstrating that the council is listening and refining the model to meet market sentiment.

Recommendation 4 - Provide as much data (consider TUPE, budget, depots, fleet and asset) as possible, as early as possible in the process.

Recommendation 5 - Avoid onerous risk transfer under the contract.

Recommendation 6 - Be supportive of collaborative proposals that will see the client and contractor working together enabling the contractor to influence and provide their expertise into development of policy and plans.

Recommendation 7 – Adopt a 70/30 quality / price evaluation criteria.

Recommendation 8 – As part of demobilisation and transition to the new public realm services the council and incumbent contractor should work closely together to ensure that necessary systems and processes are developed, implemented and tested ahead of the new contract starting on 1 June 2026.

Recommendation 9 - The council should apply a grace period for some aspects of the performance management regime for the first few months of the contract.

Recommendation 10 – Adoption of the NEC Term Services Contract including Option A (Price List) as the main payment mechanism for the contract, with Option C (Target Cost) used only in limited circumstances including for services and projects with undefined scope and timescales, and Option E (Cost Reimbursable) used only in exceptional circumstances.

The council are proposing to accept all 10 recommendations and incorporate these into the model and procurement for approval at Cabinet 28 November 2024.

Appendix 2 The New Public Realm Services Model for Procurement

This documents sets out the Public Realm Services model and new contracting arrangements that have been developed and refined from market engagement during Summer 2024.

The refined version of the model and new contracting arrangements as set out below define the model for procurement, which is planned to commence early 2025.

Services for the New Public Realm Services Contract

The contractor will deliver the following “core services” under a new Public Realm Services contract:

- Network resilience & civil emergencies services
- Winter service
- Reactive maintenance (potholes & patching)
- Carriageway & footway maintenance programmes
- Drainage (gully cleansing & land drainage)
- Street lighting, illuminated signs and traffic signals
- Structures (maintenance of bridges and culverts)
- Street cleaning (bin emptying, fly tipping & road sweeping)
- Fleet management and mechanical workshop (TBC)
- Parks and open spaces (highways verges and trees)
- Bereavement Services (cemeteries & burials) will be included in the procurement as a separate lot
- Schemes up to a value of up to £250,000 (two hundred and fifty thousand pounds) indexed linked may be directly awarded through the contract at the council’s discretion
- Limited scheme work above the £250,000 threshold where value for money can be demonstrated and there are advantages for this work being commissioned through this contract

The core services usually comprise of labour, fleet and materials. However, for the contractor to host the contract and deliver the core services effectively, they require a facility and team of people which would ordinarily comprise of the following functions:

- Contract management
- Business & IT support
- Performance Management & reporting
- Supervisors
- Contract accountancy
- Quantity surveying
- Social value, carbon & environmental services
- Fleet management
- Depots and depot management
- Health & safety services

Such provision by the contractor to deliver the core services is referred to as the Local Management Overhead (LMO).

The LMO to deliver the quantum of services set out by the council in the tender documents will be used by tenderers to propose a LMO. During evaluation, tenderers LMO’s will be assessed by the

Appendix 2 The New Public Realm Services Model for Procurement

council for their appropriateness and proportionality in relation to the core services and contract value.

The council intend for the LMO to flex during the contact term agreed between the council and the contractor, reacting to changes in service priorities and contract turnover, and a contractual mechanism to provide this will be developed in the contract.

BBLP employees and workforce who are primarily delivering the core services and LMO services will be offered transfer rights to the new contractor under the Transfer of Undertakings Protection of Employment rights (TUPE).

Services transferred to the council

Technical roles transferred to the council from BBLP under the Transfer of Undertakings Protection of Employment rights (TUPE) include the following functions:

- Asset Management Team
- Network Management
- Locality Stewards (incl Highway Inspections)
- Design / Project Management / Quantity Surveying
- Customer Services (enquiries and complaints)
- Communications
- Fleet management
- Health & Safety / CDM

An initial assessment has identified that in the region of 60 roles will transfer from BBLP to the council for the functions listed.

The Contract

The council has investigated the form of contract and options that would best deliver the services to the council's requirements. This investigation has identified the NEC 4 Term Service Contract with a combination of options A, C and E will best meet the council's vision as set out in the table:

Option	Description	Scenario for use
Option A: Priced Contract with Price List	Lump Sum Activity or Item Rate from Price List	As the main payment mechanism for the contract including Core Services & Schemes
Option C: Target Contract with Price List	Target is built up from Price List Contractor is paid their "Defined Costs" + Fee Risk is shared: Loss/gain 50/50 (TBC)	Used only in limited circumstances including for services and projects with undefined scope and timescales

Appendix 2 The New Public Realm Services Model for Procurement

Option E: Cost Reimbursable Contract	Works are agreed and paid on an open book basis Contractor is paid their "Defined Costs" + the Fee percentage	By exception for unusual services that are not catered for in the Price List and used in times of emergency for example deployment of resources

The Specification

The contract specification will be developed in accordance with national and local standards:

- Highway Maintenance Efficiency Programme
- Design Manual for Roads and Bridges (DfT)
- Material requirements & specifications including British Standards
- Local requirements & Standard Details (as standard as possible)

The contract will allow new items to be included in the Price List during the contract term, and include an allowance to review and potentially re-price a limited number of items from the Price List where this is considered reasonable, in support of a commercially sustainable long term contract and relationship between the council and the Contractor.

The Contract will allow for innovation and efficiency variations to maximise public benefit and value for money.

The proposed contract term will be an initial term of 7 years, with the option to extend for periods up to 3 years. The decision to extend would be taken during year 5 in the form of a Fundamental Review, including a VFM assessment.

Performance Management is an important aspect of the contract and will include:

- Contractor Strategic Performance Indicators
- Contractor Operational Performance Indicators
- A grace period for some aspects of performance for the first three months of the contract
- The contract will include "Low Service Damages" for non-compliance

A Performance Management Framework is being developed and will be provided in the tender documents for procurement.

Requirements relating to IT, accommodation, depots and fleet are being reviewed and developed to support the model and new contracting arrangements.

Appendix 3

Equality Impact Assessment (EIA) Form

Please read EIA guidelines when completing this form

1. Name of Service Area/Directorate

Name of Head of Service for area being assessed:

Ed Bradford Head of Highways and Traffic

Directorate: Economy & Environment

Individual(s) completing this assessment:

- Alex Deans- Interim Major Contract Improvement Specialist
- Ed Bradford- Head of Highways and Traffic
- Bruce Evans- Engineering Manager
- Spencer Grogan- Parks & Leisure Centre Commissioning Manager
- Mark Pearson- BBLP Contract Director
- Jwerea Morgan- BBLP Future Operating Model lead
- Anthony Agate- BBLP Network and Engagement Manager
- Paul Raynor- BBLP Contracts Operations Manager

Date assessment completed: March 2024 plus refresh 16/10/24

2. What is being assessed

Activity being assessed (eg. policy, procedure, document, service redesign, strategy etc.)

The Public Realm Services delivered by the council and its 2013 contract with Balfour Beatty Living Places (BBLP) include the following services:

Technical Services

- Asset Management Team
- Network Management
- Locality Stewards (incl Highway Inspections)
- Design / Project Management / QS
- Customer Services (enquiries and complaints)
- Communications Lead (communications management including social media)
- Fleet
- Health & Safety / CDM

Core Services and works

- Network resilience & civil emergencies services
- Winter service
- Reactive maintenance (potholes & patching)
- Carriageway & footway maintenance programmes
- Drainage (gully cleansing & land drainage)
- Street lighting
- Structures (maintenance of bridges and culverts)
- Parks and open spaces (highways verges and trees)
- Street cleaning (bin emptying, fly tipping & road sweeping)
- Fleet management and mechanical workshop
- Bereavement Services
- Infrastructure schemes and projects

What is the aim, purpose and/or intended outcomes of this activity?

The council's vision is to deliver public realm services that are fit for the future embracing technology, automation and digital innovation, a transition to electric plant and vehicles, using materials to meet carbon reduction ambitions, investment in people that support development and innovation enabling the service to continually improve, maximising resources and opportunities to best meet the needs of local residents and communities.

Name of lead for activity

Alex Deans- Interim Major Contract Improvement Specialist

Who will be affected by the development and implementation of this activity?

- Service users
- Patients
- Carers
- Visitors
- Staff
- Communities
- Other:

Is this:

- Review of an existing activity
- New activity/policy
- Planning to withdraw or reduce a service, activity or presence?

What information and evidence have you reviewed to help inform this assessment? (name your sources, eg. demographic information for services/staff groups affected, complaints etc.)

Best practice from other local authorities
Review of the Public Realm Services delivered under the contract with BBLP
The Major Contract Improvement Plan 2020-2023
Contract performance indicators

Summary of engagement or consultation undertaken (eg. who and how have you engaged with, or why do you believe this is not required)

Council service managers, commissioners and support services
BBLP
Cross party Member groups
Market engagement undertaken during Summer 2024
Connected Communities Scrutiny Committee 15 October 2024
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=1157&MId=9355&Ver=4>
Cabinet 27 June 2024
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=251&MId=9301&Ver=4>
Cabinet 25 April 2024
<https://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?Id=10100>
Cabinet 2 March 2023
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=251&MId=8905&Ver=4>
Connected Communities Scrutiny Committee 13 February
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=1157&MId=8826&Ver=4>

Summary of relevant findings

The Public Realm Services which primarily maintain the highway network have direct and indirect impacts on the communities and residents of Herefordshire.

The services include statutory obligations to ensure the free movement on the network, and ensure safety. This includes core services like cutting the grass, cleaning drains, fixing street lights and filling potholes.

While undertaking the services it is also essential to comply with safety legislation to ensure the services are delivered safely including provision for the various equality groups including but not limited to blind, partially sighted, the elderly and those with mobility issues.

Works are covered by standard national safety requirements and site specific risk assessments to ensure works are delivered safely on the network catering for the equality groups. These will include appropriate signing and guarding, lighting and appropriately planned and signed diversion routes.

There are also indirect impacts of the services such as ensuring that vulnerable people including blind, partially sighted, the elderly and those with mobility issues can travel safely through providing safe and well lit highways.

The review of the Public Realm Services has identified that although the council desires to deliver the technical services in-house, the works and core services are best delivered by a contractor.

The new delivery model includes the termination of the current Public Realm Services Contract delivered by BBLP, and the reprocurement of a new contractor to deliver the services from June 2026.

The procurement process will be designed to ensure that any new contractors participating in the tender process have due regard to the equality requirements of a local authority.

The process will not impact adversely for the delivery of services for the equality groups listed below.

However should the council or new provider propose to change an aspect of service delivery that could potentially impact the residents of Herefordshire, including any of the equality groups, then this specific service change will be subject to an independent EIA.

Likewise should a capital scheme or project propose to change or improve part of the highway network, then this proposal is subject to an independent EIA, which looks at the impact during construction and any changes or improvements to the highway network.

3. The impact of this activity

Please consider the potential impact of this activity (during development and implementation) on each of the equality groups outlined below. **Please tick one or more impact box below for each Equality Group and explain your rationale.** Please note it is possible for the potential impact to be both positive and negative within the same equality group and this should be recorded. Remember to consider the impact on staff, public, patients, carers, partner organisations, etc. in these equality groups.

Equality Group	Potential positive impact	Potential neutral impact	Potential negative impact	Please explain your reasons for any potential positive, neutral or negative impact identified
Age		✓		Transferring the Technical Services from BBLP to the Council, and the core service works to a new provider under a compliant procurement process with equality

Equality Group	Potential <u>positive</u> impact	Potential <u>neutral</u> impact	Potential <u>negative</u> impact	Please explain your reasons for any potential positive, neutral or negative impact identified
				assurances, will not have a negative impact on this equality group, although this will be managed and reviewed during the transition to the new services to 1 June 2026.
Disability		✓		As above
Gender Reassignment		✓		As above
Marriage & Civil Partnerships		✓		As above
Pregnancy & Maternity		✓		As above
Race (including Travelling Communities and people of other nationalities)		✓		As above
Religion & Belief		✓		As above
Sex (including issues of safety and sexual violence)		✓		As above.
Sexual Orientation		✓		As above
Other Vulnerable and Disadvantaged Groups (eg. carers, care leavers, homeless, social/ economic deprivation, etc)		✓		As above
Health Inequalities (any preventable, unfair & unjust differences in health status between groups, populations or individuals that arise from the unequal distribution of social, environmental & economic conditions within societies)		✓		As above

What actions will you take to mitigate any potential negative impacts?

Potential negative impact	Actions required to reduce/ eliminate negative impact	Who will lead on action?	Timeframe
EIA matters arising during the procurement process and transition to new services from 1 June 2026.	Managed as part of Project Governance controls to 1 June 2026.	Alex Deans-Interim Major Contract Improvement Specialist	Under review until 1 June 2026.

Where an impact on any of the Equality Groups is realised after the implementation of the project/service/policy, the commissioners and/or providers of the project/service/policy will seek to minimise the impact and carry out a full review of this EIA.

4. Monitoring and review

How will you monitor these actions?

The EIA will be reviewed and updated along with the procurement process and implementation of the new model and contracting arrangements, which are scheduled to go live on 1 June 2026.

Should there be any proposed service/policy changes during the re-design and re-procurement of the Public Realm Services working in partnership with BBLP and/or the new provider, then these changes would be subject to further EIAs specific to any changes being proposed and designed, prior to their implementation.


When will you review this EIA? (eg in a service redesign, this EIA should be revisited regularly throughout the design & implementation)

The EIA will be under review aligned with the implementation of the project to 1 June 2026.

5. Equality Statement

- All public bodies have a statutory duty under the Equality Act 2010 to set out arrangements to assess and consult on how their policies and functions impact on the 9 protected characteristics.
- Herefordshire Council will challenge discrimination, promote equality, respect human rights, and design and implement services, policies and measures that meet the diverse needs of our service, and population, ensuring that none are placed at a disadvantage over others.
- All staff are expected to deliver services and provide services and care in a manner which respects the individuality of service users, patients, carers etc, and as such treat them and members of the workforce respectfully, paying due regard to the 9 protected characteristics.

Signature of person completing EIA



Date signed

16/10/2024

Appendix 4

Equality Impact Assessment (EIA) form for activities affecting the workforce

1. Name of Service Area/Directorate

Name of Head of Service for area being
Ed Bradford- Head of Highways and Traffic
Directorate: Economy & Environment

Individual(s) completing this assessment:

- Alex Deans- Interim Major Contract Improvement Specialist
- Ed Bradford- Head of Highways and Traffic
- Bruce Evans- Engineering Manager
- Spencer Grogan- Parks & Leisure Centre Commissioning Manager
- Mark Pearson- BBLP Contract Director
- Jwerea Morgan- BBLP Future Operating Model lead
- Anthony Agate- BBLP Network and Engagement Manager
- Paul Raynor- BBLP Contracts Operations Manager

Date assessment completed: March 2024 plus refresh 16/10/24

2. What is being assessed

Activity being assessed (eg. policy, procedure, document, service redesign, strategy etc.)

The Public Realm Services delivered by the council and its 2013 contract with Balfour Beatty Living Places (BBLP) include the following services:

Technical Services

- Asset Management Team
- Network Management
- Locality Stewards (incl Highway Inspections)
- Design / Project Management / Quantity Surveying
- Customer Services (enquiries and complaints)
- Communications Lead (communications management including social media)
- Fleet (part)
- Health & Safety / CDM (part)

Core Services and works

- Network resilience & civil emergencies services
- Winter service
- Reactive maintenance (potholes & patching)
- Carriageway & footway maintenance programmes
- Drainage (gully cleansing & land drainage)
- Street lighting
- Structures (maintenance of bridges and culverts)
- Parks and open spaces (highways verges and trees)
- Street cleaning (bin emptying, fly tipping & road sweeping)
- Fleet management and mechanical workshop
- Bereavement Services
- Infrastructure schemes and projects

What is the aim, purpose and/or intended outcomes of this activity?

The council's vision is to deliver public realm services that are fit for the future embracing technology, automation and digital innovation, a transition to electric plant and vehicles, using materials to meet carbon reduction ambitions, investment in people that support development and innovation enabling the service to continually improve, maximising resources and opportunities to best meet the needs of local residents and communities.

Name of lead for activity

Alex Deans- Interim Major Contract Improvement Specialist

Who will be affected by the development and implementation of this activity?

- Full time staff
- Part time staff
- All staff that are involved in delivering the Public Realm Services for the council and BBLP.

Is this:

- Review of an existing activity
- New activity/policy
- Planning to withdraw or reduce a service, activity or presence?

What information and evidence have you reviewed to help inform this assessment?

Performance of current BBLP employees and workforce
Individuals T&Cs
TUPE rights
Wider employee benefits
On call / out of hours including Winter Service Decision Making
Training and development
Vehicles (provision of)
Travel benefits and staff car parking
Place of work
Business continuity plans
H&S requirements
Systems, IT and data that supports the workforce
Review of the Public Realm Services delivered under the contract with BBLP
The Major Contract Improvement Plan 2020-2023
Contract performance indicators

Summary of engagement or consultation undertaken (eg. who and how have you engaged with, or why do you believe this is not required)

Council service managers, commissioners and support services
BBLP
Cross party Member groups
Council HR services
Council legal services
Council finance officers
Balfour Beatty Living Places HR services
Council and BBLP comms teams
Market engagement during Summer 2024
Connected Communities Scrutiny Committee 15 October 2024
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=1157&MId=9355&Ver=4>
Cabinet 27 June 2024
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=251&MId=9301&Ver=4>
Cabinet 25 April 2024
<https://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?Id=10100>
Cabinet 2 March 2023
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=251&MId=8905&Ver=4>
Connected Communities Scrutiny Committee 13 February
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=1157&MId=8826&Ver=4>

Summary of relevant findings

The outcome of the review is that the council has in April 2024 terminated the current contact with BBLP, which will take effect on 31 May 2026 (2 year termination period).

The new model, subject to cabinet approval will require:

- A redesign and restructure of the council client (currently around 35 roles), commissioning and contract management structure.
- The BBLP Technical Services employees will transfer into the council (59 roles).
- The BBLP Core Services and Works employees will transfer to the contractor that is selected from the procurement process ran in 2025 (40 BBLP depot based plus 65 BBLP workforce direct employees plus supply chain TBC).

The BBLP Technical Service role employees, and BBLP Core Service and Works role employees who are primarily working on the Herefordshire contract will be offered Transfer of Undertakings Protection of Employment rights (TUPE) into the council and new contractor respectively, where under TUPE existing terms and conditions will be retained by the new employers.

The BBLP Technical Service employees identified to be transferred into the council will deliver very similar services under similar working arrangements and office locations as currently provided, therefore subject to the council's employment terms and conditions and HR policies, there is not anticipated to be any negative impact of any of the groups listed. The Council is fully compliant in its EIA duties relating to staff transfer under TUPE and for all employees.

The BBLP Core Services and Works employees (operatives undertake the physical activities and works on site) will under TUPE transfer to the new provider, that wins the procurement process to be ran during 2025. Under TUPE regulations the BBLP employees T&Cs will be protected with the new contractor, and the services delivered by the new provider will be similar services that are currently delivered by BBLP. The new provider may have different working and H&S practices to BBLP, however new requirements will be addressed by appropriate training, health and safety processes and welfare provisions of the provider. This will ensure the BBLP employees identified to transfer to the new provider under TUPE are not disadvantaged by the new Public Realm Services Future Operating model from 1 June 2026.

The procurement process put in place by the council will be designed to ensure that any new contractors participating in the tender process have due regard to the equality requirements of a local authority and will be fully compliant with TUPE, HR, safety and wellbeing matters in relation to their employees.

3. The impact of this activity

Please consider the potential impact of this activity (during development and implementation) on each of the equality groups outlined below. **Please tick one or more impact box below for each Equality Group and explain your rationale.** Please note it is possible for the potential impact to be both positive and negative within the same equality group and this should be recorded. **Note that you may not be aware of a staff member's protected characteristics.**

Equality Group	Potential <u>positive</u> impact	Potential <u>neutral</u> impact	Potential <u>negative</u> impact	Rationale/reasons
Age		✓		Transferring the Technical Service employees from BBLP to the Council, and the core service works employees to a new provider under a compliant procurement process, with TUPE and HR requirements with the necessary equality assurances, will not have a negative impact on this equality group, although this will be managed and

Equality Group	Potential positive impact	Potential neutral impact	Potential negative impact	Rationale/reasons
				reviewed during the transition to the new services to 1 June 2026.
Disability		✓		As above
Gender Reassignment		✓		As above
Marriage & Civil Partnerships		✓		As above
Pregnancy & Maternity		✓		As above
Race (including Travelling Communities and people of other nationalities)		✓		As above
Religion & Belief		✓		As above
Sex (including issues of safety and sexual violence)		✓		As above. And noting that civil engineering industry and workforces have a higher proportion of male workers than female.
Sexual Orientation		✓		As above
Other (eg. carers, social/economic deprivation, etc)		✓		As above

What actions will you take to mitigate any potential negative impacts?

Potential negative impact	Actions required to reduce/eliminate negative impact	Who will lead on action?	Timeframe
Matters arising during the procurement process and transition to new services from 1 June 2026.	Managed as part of Project Governance controls to 1 June 2026.	Alex Deans-Interim Major Contract Improvement Specialist	Under review until 1 June 2026.

Where an impact on any of the Equality Groups is realised after the implementation of the project/service/policy, the commissioners and/or providers of the project/service/policy will seek to minimise the impact and carry out a full review of this EIA.

4. Monitoring and review

How will you monitor these actions?

The EIA will be reviewed and updated along with the procurement process and implementation of the new model and contracting arrangements including staff restructures, TUPE transfer and mobilisation which are scheduled in 2026 leading up to a go live on 1 June 2026.

When will you review this EIA?

The EIA will be under review aligned with the implementation of the project to 1 June 2026.

5. Equality Statement

- All public bodies have a statutory duty under the Equality Act 2010 to set out arrangements to assess and consult on how their policies and functions impact on the 9 protected characteristics.
- Herefordshire Council will challenge discrimination, promote equality, respect human rights, and design and implement services, policies and measures that meet the diverse needs of our service, and workforce, ensuring that none are placed at a disadvantage over others.
- All staff are expected to behave in a manner which respects the individuality of service users and colleagues, and upholds our values.

Signature of person completing EIA

A rectangular box containing a handwritten signature in black ink. The signature is cursive and appears to be 'A. J. P.' followed by a horizontal line.

Date signed

16/10/24