

MEETING:	Cabinet
MEETING DATE:	11 February 2016
TITLE OF REPORT:	Quarter 3 corporate performance and budget report 2015/16
REPORT BY:	Director of resources and assistant director, commissioning

Classification

Open

Key decision

This is not a key decision.

Wards affected

County-wide

Purpose

To invite cabinet members to consider performance for the first three quarters of 2015/16 and the projected budget outturn for the year.

Recommendation(s)

THAT:

- (a) Cabinet notes the council is currently projected to spend within its overall budget in 2015/16; and**
- (b) Performance for the first nine months of 2015/16 is considered.**

Alternative options

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

Reasons for recommendations

2. To provide assurance that progress is being made towards achievement of the agreed outcomes and service delivery targets, and that the reasons for important areas of actual or potential under-performance are understood and are being addressed to the cabinet's satisfaction.

Key Considerations

3. Council approved the corporate plan 2013-15 in November 2012, framed around the key priorities of: enabling residents to be independent and lead fulfilling lives with resources focussed on supporting the most vulnerable; and creating and maintaining a successful economy. The supporting delivery plan for 2015/16 was approved by cabinet in March 2015.
4. Progress is measured through a number of performance measures. These have been selected because they demonstrate progress towards achievement of the council's priorities and also provide an overview of the council's performance from a resident's perspective. The databooks, which are available on the council's website, contain the latest performance outturns available. Where monitoring information is only available annually, these measures will be reported at the point it becomes available.
5. The council is currently projected to spend within its overall budget in 2015/16. This is based upon spend to the end of December 2015 and a £333k overspend without applying any of the £700k corporate contingency which has had no calls on it. This is similar to that reported for November.

Projected revenue outturn 2015/16			
Directorate Net Budget	Net Budget (£000)	December Outturn (£000)	December Variance Over / (Under)spend (£000)
Adults and wellbeing	54,114	54,202	88
Children's wellbeing	23,199	25,107	1,908
Economy, communities and corporate	53,634	52,671	(963)
Directorates Total	130,947	131,980	1,033
Other budgets and reserves	11,046	10,346	(700)
Total	141,993	142,326	333
Unallocated Corporate Contingency			(700)

6. Appendix A provides a further breakdown of directorate budgets and forecast spend.
7. Appendix D provides an overview of performance during the first nine months of 2015/16. Whilst 69% (65% at the end of September) of performance measures show a positive shift in performance, some 29% (32% at the end of September) are currently performing worse than the same period last year, and consideration needs to be given to actions to improve performance. A summary of performance and the challenges faced within each directorate is included below in paragraphs 8-40.

Adults and wellbeing

8. The latest forecast predicts an £88k overspend of the budget at year end. This

includes an overspend within client groups of £1m, due to higher than budgeted expenditure on direct payments over and above the compensating reduction in domiciliary care spend that would normally be expected.

9. This overspend is mitigated by staffing expenditure underspends arising from unfilled vacancies. This isn't sustainable as the posts will need to be filled in order to deliver the assessments and reviews that are needed to comply with Care Act requirements and deliver the MTFs savings plans for 2016/17 onwards.
10. As part of the budget setting process for 2016/17, client budgets have been 'rebased' to reflect the actual spend patterns in 2015/16. This growth pressure has been offset by the savings that have also been built into the budget.

What is going well?

11. In November 2015 a revised care pathway was introduced which was intended to bring equity for service users in how adult social care teams are allocated to individuals. Historically, cases were allocated to teams based on diagnostic cohorts, rather than on the basis of their needs. Staff within the Learning Disability, Mental Health and Acquired Brain Injury teams have come together into the North and South teams. These teams now focus on the most complex cases and help ensure that support is provided proportionately based on the needs of the individual and that reviews are provided as needed, in a timely manner.
12. Both the sexual health and substance misuse contracts were mobilised at the beginning of December. Sexual health services were awarded to a partnership of Worcester Health and Care NHS Trust and Taurus Healthcare. The contract covers a range of community and specialist services, including information and advice, sexual health screening, contraception (emergency and long acting) and treatment.
13. Substance misuse services were awarded to Addaction. This covers adults and young person's cessation and recovery support services. Both services expect to deliver from other localities in Herefordshire after setting up initially in the city.
14. In order to meet the Care Act requirement to review all cases against new eligibility standards, a review team has been put in place. To date, 45% of people have received a review, with all remaining cases due to be concluded by the end of the first quarter of 2016/17. Reviews are an important part of care management and are vital in ensuring that the needs of individuals are met in the most cost effective way, supporting the enablement philosophy.
15. The Wellbeing Information and Signposting (WISH) service, comprising a face-to-face walk-in centre in Hereford and a website, went live on 1 February 2016. WISH help inform and signpost both people in the community and professional staff to a wide range of services that could meet their needs and help improve their health and wellbeing. At present, 500 local community services are listed within the directories component of the website and around 150 information content pages have been developed. A schedule of regular 'pop-up' hubs around the county is also in development.

Challenges

16. During the last quarter, a care home within Herefordshire closed. Whilst the closure was managed appropriately, keeping people safe and in receipt of appropriate levels of care, it did highlight the need to review our home closure processes. This review is now complete and a training session has been delivered, enabling staff to practice

the processes that need to be followed in the event of care home closures.

17. There is continued fragility in the home care market with difficulty placing packages of care in certain areas of the county being experienced. This has meant that alternative care provision has had to be sought. In order to help alleviate some of the problems within the market, an uplift of 1% has been agreed for providers.
18. Work has commenced on the commissioning of a new Home and Community support service that will focus more on enabling people to regain independence and stay at home where possible. The new service will commence in July 2017 and engagement with providers, service users and other key stakeholders to support this redesign will be undertaken in early 2016.
19. The directorate continues to face challenging financial targets; and has plans for the delivery of savings for 2016/17. Whilst the targets are challenging, there is a degree of confidence over delivery, however, planning for savings in 2017/18 will require more fundamental changes to service models and reviewing all non-statutory services. Consultation on these plans is now underway.

Children's wellbeing

20. The forecast outturn is a £1.9m overspend and the safeguarding overspend is £2.4m. Other key overspends are shown below:

	December Outturn Overspends	
	(£000)	(£000)
Placements and Allowances		
Residential and Fostering	1,031	
Kinship Carers	268	
Special Guardianship Allowances	132	
Direct Payments	50	1,481
Agency Staff		829
Social work Academy		142
Overspend in Safeguarding		2,452
Underspend in Directorate, Education & Commissioning		(550)
Estimated Outturn for Children's Wellbeing		1,902

21. There continues to be increased demand on placements. During December there were two new residential placements and one extension at a cost of £133k. As of December 2015, the number of looked after children was 299 (a year on year increase of 28).
22. Agency spend has been a pressure for 2015/16. Clear plans are in place for 2016/17 around recruitment and use of agency staff to ensure that costs stay within the establishment budget.

What is going well?

23. The percentage and number of young people not in education, training or employment (NEET) is better than target for this quarter. 255 young people were NEET, which represents 4.4% and is below the 5% target. The project to support learners transitioning from the pupil referral unit into education, training or employment started in the summer 2015 and is showing benefit. 15 from 20 pupils are still in education and training, the remainder are either re-engaging with education

or in employment with no training. There has also been focused support from the traveller learning mentor and the Gypsy Romany and Traveller team which has enabled 17 out of the 29 young people in the cohort to access training; a number have entered employment and post 16 learning through mentoring and family support.

24. Provision for post 19 learners with Learning Difficulties at New Horizons in Hereford is continuing its success into the second year. Herefordshire now has 20 out of 41 learners in local provision, reducing the reliance on out of county provision that has traditionally been used which places young people away from their family and local friendship and community groups.
25. Education Health and Care Plan timescales are improving and now are running at 81%. The Department for Education has noted that this is one of the higher figures nationally.
26. The Frameworki transformation project has completed 70% of the work. However, whilst the work is being completed within project timescales, further improvements have been put on hold as attention turns to the upgrade to MOSAIC in April 2016. We do now have a much better understanding as to how the whole system is operating than we have had previously, and this has enabled an improved focus on understanding and targeting performance improvement areas.
27. Contacts received by children's safeguarding being screened by a qualified practitioner on the same working day has been consistently strong. Audits have confirmed that all contacts were screened appropriately.
28. There is clearer definition of when a contact should be appropriately progressed to a referral, and as at December, 51.95% of contacts were progressed, reflecting a broad trend over the last six months. Whilst the majority of contacts and referrals from the police during the period follow the established pattern of domestic abuse notifications, the upward trend of sexual abuse has continued in relation to significantly heightened awareness of child sexual exploitation. The high rate of contact from the police is being explored, and work is progressing in the implementation of a triage system to reduce unnecessary contacts, albeit is too early to evaluate the impact of this.
29. The re-referral rate has continued to remain within expected parameters and consistent with regional and national levels.
30. The number of initial assessments completed within timescales is improving in comparison with the late autumn, and is at an all year high of 143 completed within timescales and 206 completed overall, therefore 69.42% completed in timescale. This improving figure reflects the consolidation of resources in the MASH and a clearer business process in terms of transitioning cases from MASH appropriately.

Challenges

31. The council, clinical commissioning group and Wye Valley NHS trust continue to work closely together to support short breaks for families with children with disabilities. The children with disabilities team have completed the core assessments with families who currently use number one Ledbury road. In addition consultation is currently being carried out with regards to the provision at Ledbury road and is considering what provision can be provided within the resources available.
32. Of continuing concern has been the increase in the number of strategy discussions/meetings leading to S47 child protection (CP) investigations reported in

June and July, reflecting the higher than usual number of CP referrals from the police in relation to an ongoing child protection investigation. However, whilst having reduced, there were still 97 during December, of which 29.9% did not progress to S47, which may be indicative of a too low threshold being applied to convening such meetings. Audit activity to test this hypothesis is due to commence.

33. The rate per 10,000 in Herefordshire of children subject to a child protection plan is higher than our statistical neighbours and the England average, and this number continues to rise to 274 children subject to a plan at the end of December. The incremental rise in the number of children subject to plans as a consequence of emotional abuse, where domestic abuse is the common factor of concern, and as highlighted above due to increased awareness of child sexual exploitation, in part reflect the reasons behind this increase. However, further analysis is being undertaken with respect to the progress of children remaining subject to a plan beyond 18 months, to better understand the factors as to why children are remaining subject to a CP plan for so long. As at December 2015, however, only 1.82% of those on a child protection plan were subject to such a plan for a second or subsequent time. This figure is lower than the all England and West Midlands local council average (15.8% and 9.5% respectively) and indicates that children are at least not being stepped down from a CP plan precipitately.
34. The performance at all key stages for vulnerable groups and particularly those eligible for free school meals remains an area of focus for individual schools and the local authority. The gap between these groups and their peers remains too great. Specific work to address this is being co-ordinated through the Herefordshire school improvement partnership.
35. There is a mixed picture of Ofsted judgements and educational performance in several of the Herefordshire academies, with one being judged as inadequate in the last quarter.

Economy, communities and corporate

36. The December forecast outturn is an underspend of £963k, similar to November.
What is going well?
37. Good progress has been made on completing the Energy from waste plant, with the only major challenge being to the sub-contractor undertaking the civils work. This part of the contract has been successfully re-let and the planned takeover date of 28 February 2017 is still forecast to be achieved. Since the start of the site works, officers of the council's waste management team have regularly attended update meetings at the building site to check on progress. Of particular note is the recent completion of the plant boiler, and the successful pressure test of the boiler that was satisfactorily carried in December. Substantial progress has been made in the installation and insulation of pipework and flue gas treatment systems.
38. Investment in Hereford since the opening of the Old Market has seen a number of new retail premises open within the city centre. This, together with a series of successful Christmas markets coordinated and promoted by the Council alongside the Hereford Business Improvement District (BID) team, contributed to an increased vibrancy of the city centre. For the six week period in the run up to Christmas, early results suggest that within Hereford City there was a 5% increase in footfall in the main shopping areas, with an increase in sales of more than 7% being reported by shops, compared to the same period in 2014.

39. A new Local Transport Plan (LTP) covering the period 2016-2031 has been prepared, reflecting the adopted Core Strategy which covers the same period. The proposals contained in the plan have been subject to considerable consultation and the General Overview and Scrutiny Committee considered the draft at its meeting in January this year. It is due to be considered by Cabinet today and, subject to approval, will be considered by Council in March 2016. The LTP sets out the county's long term transport strategy to achieve transport objectives and provide the infrastructure necessary to deliver the new jobs and homes required by the Core Strategy.

Challenges

40. Digital Strategy: although considerable activity is taking place for services to be delivered digitally as a way of meeting customer trends and creating efficiencies, there is much more that can be achieved. This includes an overhaul of the website as a key tool of engagement with the citizens of the county, with an increased functionality and improved navigation. Investment is needed to carry out this overhaul and a specification produced that meets the different aspirations of the services and can be future proofed in terms of customer use and expectations. The new website is due to be commissioned by March 2016 for implementation later in the year.

Other budgets and reserves

41. The forecast outturn is to underspend by £700k compared to the budget. This is in three areas: managing change is expected to underspend by £100k; a one-off contribution to the general fund reserve of £500k is not required due to the 2014/15 £600k underspend being transferred to reserves last year; and treasury management is forecast to underspend £100k. More details are provided in Appendix C.

Council Tax and Business Rate Collection Performance

42. The overall collection fund outturn forecast is a deficit position of £1.3m. Whilst council tax receipts are forecast to be higher than budgeted, business rate income is expected to be lower due to the impact of successful appeals. The overall deficit has been included in the 2016/17 budget requirement. A more detailed analysis of the revenue outturn is provided in Appendix A.

Capital forecast

43. A summary of capital schemes is provided in Appendix B, scheme forecasts are within the budget approved. The Local Enterprise Partnership has accelerated the grant funding of the link road. The budgets for this scheme has not been amended but the need to borrow funds has been delayed resulting in a £100k treasury management forecast underspend for 2015/16.

Treasury Management

44. Treasury Management is forecast to underspend by £100k due to the delayed need to borrow. Appendix C provides further details.

Community Impact

45. The recommendations within the report do not have any community impact.

Equality and human rights

46. There are no specific implications in the report. As regards demonstrating due regard to the council's public sector equality duty (PSED), as part of our decision making processes we ensure that individual directorates and service areas assess the potential impact of any proposed project, leading to fairer, transparent and informed decisions being made.

Financial implications

47. Included within the report.

Legal implications

48. None.

Risk management

49. The risks associated with any delivery plan objectives and projects are entered onto the relevant service or directorate risk register and escalated as appropriate. The corporate risk register is available on the council's website and an overview of the significant risks is included within Appendix D.

Consultees

50. None in relation to this report. The development of the delivery plan was informed by the evidence base already gathered during the year and which includes user, resident and partner feedback where available.

Appendices

Appendix A Revenue forecast

Appendix B Capital forecast

Appendix C Treasury management forecast

Appendix D Scorecards: Adults and wellbeing
Children's wellbeing
Economy, communities and corporate
Organisation wide

Additional Documentation

- [Adults and wellbeing databook](#)
- [Children's wellbeing databook](#)
- [Economy, communities and corporate databook](#)
- [Corporate risk register \(December 2015\)](#)

Background Papers

None identified