

<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>27 July 2017</b>
<b>Title of report:</b>	<b>End of May corporate budget and performance report 2017/18</b>
<b>Report by:</b>	<b>Cabinet member, economy and corporate services</b>

## **Classification**

Open

## **Key decision**

This is not a key decision.

## **Wards affected**

County-wide

## **Purpose**

To review projected revenue outturn for 2017/18 and invite cabinet members to consider performance for the first two months of the year.

## **Recommendation(s)**

**THAT:**

- (a) performance for the first two months of 2017/18 and projected financial outturn are reviewed and cabinet determines any additional actions required to achieve improvement; and**
- (b) £200k be vired from the waste management budget to the community services budget.**

## **Alternative options**

1. Cabinet may: choose to review financial and operational performance more or less frequently; or determine alternative actions to address any identified areas of under-performance, including referral to the relevant scrutiny committee.
2. It is open to cabinet not to approve the proposed virement; this is not recommended because the virement would ensure that community services continue to operate within approved budgets pending delivery of the planned savings during the lifetime of the medium term financial strategy.

## Reasons for recommendations

- To provide assurance that progress is being made towards achievement of the agreed revenue budget and service delivery targets, and that the reasons for major variances or potential under-performance are understood and are being addressed to the cabinet's satisfaction.

## Key considerations

- The projected 2017/18 outturn is £1.85m overspend as at the end of May 2017. Action plans are being developed in relevant directorates to address the in-year pressures in addition to those actions contained within the directorate overviews in paragraphs 10-59 are expected to manage this.
- The table below sets out the directorate position at the end of May. Further service detail is available in appendix A.

### *Projected revenue outturn 2017/18 (as at the end of May)*

Directorate Net Budget	Gross Budget	Net Budget	Projected full year outturn	Projected full year variance
				Over / (Under)spend
	£000	£000	£000	£000
Adults and Wellbeing	83,896	51,887	52,376	489
Children's Wellbeing	141,576	21,620	22,981	1,361
Economy, Communities & Corporate	67,753	45,665	45,665	0
<b>Directorate total</b>	<b>293,225</b>	<b>119,172</b>	<b>121,022</b>	<b>1,850</b>
Other budgets and reserves	57,213	25,853	25,853	0
<b>TOTAL</b>	<b>350,438</b>	<b>145,025</b>	<b>146,875</b>	<b>1,850</b>

- Council approved the corporate plan 2016/17-2019/20 in February 2016, framed around the key priorities to:
  - enable residents to live safe, healthy and independent lives;
  - keep children and young people safe and give them a great start in life;
  - support the growth of our economy; and
  - secure better services, quality of life and value for money.
- In February 2017 Council approved the 2017/18 budget and, having regard to that budget, the supporting delivery plan was agreed by cabinet in April.
- Progress is measured through a number of agreed 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.

9. Appendix D provides an overview of performance during the first two months of 2016/17. Whilst 58% of performance measures are showing a positive shift in performance, there are 42% that are currently performing worse than the same period last year, and consideration needs to be given as to required actions to improve performance. A summary of performance and the challenges faced within each directorate is included below in paragraphs 10-59.

### ***Adults and wellbeing (AWB)***

10. The forecast outturn for 2017/18 is a projected overspend of £489k at year end. This assumes the allocation of £2.5m from Improved Better Care Fund (iBCF) money going towards meeting adult social care needs.
11. The forecast overspend specifically within the adult social care client groups is £769k. This is mainly due to increases in the number of nursing client placements with physical support needs, but there has also been an increase in the cost of learning disability (LD) residential placements, along with cost pressures in both LD domiciliary care and day care placements. Within LD residential, there are also unmet savings of £350k that are contributing to the current AWB financial position.
12. A focussed approach to filling vacant block beds and shared lives placements is continuing to operate to ensure that the council gets best value and quality outcomes for service users from the block contracts that it commissions.

### *What is going well?*

13. Further improvement work on the adult social care pathway began in January 2017. The focus of the work includes a redesign of 'front door' services, stronger and clearer pathway control, improved short-term care and urgent care systems, and training in strengths-based practice. The approach taken includes piloting new pathways in several service areas, such as hospital discharge, reablement and rapid response, where there is already evidence of improved performance. The final delivery of this work is planned for September 2017.
14. The Healthy Lifestyle Trainer Service has continued to widen its scope; developing an in-house smoking cessation service (following the withdrawal of existing external service providers), ongoing coaching and support for diabetes prevention courses and development of a training programme for champions of walking and cycling under the transport access fund to support healthy lifestyle behaviour change.
15. In order to increase the take-up of NHS health checks for people over the age of 50, a pilot is being developed with Belmont Medical Centre surveying, all people who opted not to take the opportunity to have a check in the last five years. This will provide greater insight as to why health checks were not taken up, which in turn should identify a number of activities that can be rolled out county-wide.
16. During the last quarter, campaigns have been run to focus on mental health through workplace events, Be Food Smart and Change 4 Life and Only YOU. These represent the local delivery of national campaigns mandated by Public Health England.
17. The WISH website saw 1702 and 1866 hits in April and May respectively, which continues the overall upward trajectory; a report based on web activity for this period identified that dementia is the top result searched for on the website, followed by community transport, personal independence payment, day opportunities, residential care homes for dementia, Addaction, childminders and care homes. The most searched for activities include calligraphy, singing, yoga, gardening and walking. All

of these activities can contribute to reducing social isolation and provide useful evidence of the wide impact of the WISH approach.

18. A programme to implement assistive technology to support clients with learning disabilities is currently underway. Surveys of all properties have begun; each property has been assigned to a particular phase of the programme. The first tranche of funding has been claimed and used to purchase technologies to meet the identified needs of the properties allocated to the first phase of the programme. This is expected to allow more individuals to maintain independent lives in the community, rather than have to live in residential placements.
19. Improvements within the Home Improvement Agency are ongoing, focussed on streamlining processes and introducing a new shorter application form for disabled facilities grant (DFGs). A pilot 'trusted contractor' agreement has now been established between one local contractor and the council, which is expected to help reduce waiting times by the contractor providing both the surveying and contractor function for each request. The pilot will be evaluated and used to inform future approaches across the system.
20. A decision is scheduled for September 2017 to procure a new 'open' framework for domiciliary care with the intention to award by January 2018 and move providers to the new framework before the current framework ends on 31 March 2018. Work with the market is continuing, a particular area of focus will be the external care workforce and developing strategies to support providers to recruit and retain care workers, thereby improving continuity of care, increasing capacity and reducing the costs associated with the current high levels of staff turnover.
21. There have been a large number of applications for the new community broker roles which will begin in late August/September 2017. These new roles are key to maximising the use of community support as part of a person's support and care offer, thereby maintaining their links into local communities and reducing demand for formal care services.
22. The current reablement and rapid response services are being redesigned following the decision to bring management of the reablement service into the council. The new Home First service will aim to keep people at home with additional support (preventing hospital admission and supporting hospital discharge).
23. A new carers strategy for Herefordshire has been developed through co-production with local carers, building on past consultation and will be considered by cabinet on 20 July. Six priorities are identified including information and advice, identifying and registering carers, access to universal services and assessment and mutual support. The design of new services for carers is being finalised with carers themselves, prior to re-procurement commencing in September 2017.
24. The council is renewing and extending its commitment to supported and targeted housing for vulnerable people. A new accommodation strategy for vulnerable young people appears elsewhere on the cabinet agenda today, and a strategy for people with LD and acquired brain injury is in development. Both strategies will take a three phase approach focusing on utilising current places, new schemes acquired or being built and longer term housing development.

### *Challenges*

25. The DFG approvals and completions in quarter 1 have been lower than anticipated due to staffing shortfalls within the Home Improvement Agency team. This has now been addressed through an interim solution in the short term whilst a permanent

recruitment has been completed.

26. The provider market continues to be challenging, particularly around the cost of nursing placements due to people's needs being greater and more complex when they require formal care. This issue is compounded by the shortage of care staff within the workforce across the health and social care system.
27. The cost of LD placements remains high. The anticipated savings and timescales to deliver the savings are proving challenging as many of the packages are not seeing reductions due to the limited range of alternative accommodation and services currently available in the market.
28. There are continuing national debates on the use of the iBCF for meeting adult social care needs, which are causing a lack of clarity for local NHS partners and hence hindering their agreement on the use of the funding. Although some of this money will be used to fund recurrent pressures in the adult social care budget, this represents a risk as no commitment for funding beyond 2020 has been made by the government.

### ***Children's wellbeing (CWB)***

29. The forecast outturn for 2017/18 is a projected net overspend of £1.36m at year end. This is due to an increase in looked after children (LAC) of 29 since the budget was set, and the savings targets relating to a reduction in LAC not being realised at this stage. All other savings in the MTFs have been delivered and an additional £600k cut relating to the Educational Services Grant has been applied.
30. Underspends have been identified in all other areas, through delivering on maximising grants, holding on staff vacancies, complex needs panel reducing costs, and continued management on social worker staff costs. An invest to save proposal is being worked up to reduce the long term impact of the pressure.
31. During 2016, CWB delivered significant savings in staffing costs. The use of agency staff reduced from 60 to 12, a reorganisation of management roles delivered £200k and a concerted recruitment drive resulted in 80% of posts being occupied by permanent staff. Work with partners led to a halving of the children subject to child protections and a similar reduction in children need offered support under s17 of the children act 1989.
32. The principal pressure on the delivery of the CWB medium term financial strategy (MTFS) for 2017/18 is the cost of placements associated with our looked after population. The current figure of 309 is unsustainably high and does not reflect the needs of our population. This figure is 85 per 10,000 and our statistical neighbours' average rate is 50 per 10,000. The current LAC population is a legacy from a period when professional practice was more risk averse in the aftermath of our critical Ofsted judgement.
33. Work to reduce our looked after population to a demographically appropriate level began during 2016 when the scale of the challenge was identified. The Threshold of Care Panel came into place in September 2016 to consider all requests for children to become accommodated apart from those subject to court proceedings which are screened through the legal gateway process. This led to a reduction in the numbers of children becoming looked after. In 2015/16 an average 10.2 children became looked after each month; the figure for 2016/17 was 8.6, a 16% reduction. In comparison with our regional neighbours, we have the 11th lowest rate of new entrants in the west midlands for last period where comparative data exists: quarter 2.
34. The challenge has been to move those children who are looked after on into more

appropriate, permanent arrangements which will include returning home to their families or becoming subject to special guardianship. To support this change, all LAC have been reviewed to explore their suitability for de-accommodation. Those young people who will 'age out' of care have also been identified. In order to progress the reduction in the LAC population, a number of applications to court will be required alongside the supporting assessments, changes to care plans and statements. It will take an average of six months for a court to decide on the application. This work will reduce our LAC population and the changes already noted to manage new admissions should ensure the number remains appropriate.

35. We look after children in a range of provision, some of which is council owned and some of which is purchased from the private sector. We have our own foster carers, approved kinship carers, supported lodgings and short term approved family members. From the private sector we purchase foster care and residential care. At quarter 4, 15% of our LAC were placed in independent fostering provision as opposed to 54% within local authority foster provision. The fostering team have seen a net increase in their carers and continue to recruit new carers to reduce our use of expensive external provision.
36. During the last year Herefordshire Council agreed to offer a total of 25 unaccompanied asylum seeking children (UASC) accommodation. These young people will be additional to those young people within the county who will require our care. At present we look after 10 UASCs and have three supported as care leavers. We can therefore expect to provide care for a further 15 during this financial year.
37. Short term planning for the reduction of looked after children can be problematic because crises will occur which lead to a child becoming looked after appropriately. When this occurs we often have to use external provision because we have limited vacancies within our own resource. Social workers always seek to remedy domestic problems quickly and return children home. Sadly this is not always possible. Since April there have been 12 children placed in external foster provision of which 6 have, or are planned to return home. Only 5 are planned to last for six months.

*What is going well?*

38. At the end of quarter 1 the number of children subject to a child protection plan was 128. This has increased slightly from the end of quarter 4. It reflects concerted effort by directorate and local safeguarding board colleagues. We can be confident that this profile accurately reflects the experience of children within the county because it has been in place since the summer of 2016. A review of those children whose plans were discontinued has found evidence of appropriate decision making.
39. A new approach to referral management has been in place for eight months and has enabled the directorate to have a more accurate picture of demand. Work is continuing to address the issue of referrals being made that do not meet the local safeguarding board threshold for a social care service. A recent review of children who are re-referred did not find cases of the same child being referred repeatedly for the same reason. Children were re-referred either for a new reason or because concerns had emerged about a sibling. The decision-making at the point of referral was validated by the review.
40. The majority of new social work assessments are now completed within the statutory timescale. This is a notable improvement on the same period last year when the majority were not.
41. The recent move of operational social work staff to Nelson House is supporting a more coherent response to young people who are in our care with a particular focus

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Further information on the subject of this report is available from Richard Ball, assistant director environment and place on (01432) 260965 and Andrew Lovegrove, chief finance officer on (01432)

on ensuring that those children who can safely return home do so promptly.

42. The directorate has seen a net increase in the number of foster carers recruited by the local authority and this is contrary to local and regional colleagues who have struggled to maintain their numbers. This will enable us to place more looked after children locally and also avoid the additional costs associated with the use of the private sector.
43. As part of the Children and Families Act 2014, Education, Health and Care (EHC) Plans were introduced from September 2014, replacing Statements of Special Educational Need. From receiving the initial request for statutory assessment of a child's special educational needs, councils have a maximum of 20 weeks to complete the process and issue a final EHC Plan (a reduction from 26 weeks for Statements of SEN). The success against this statutory deadline is a key performance measure and we are currently completing 91.5% within the timescale; nationally this is just over 50% and Herefordshire is the highest performing council in the West Midlands.

### *Challenges*

44. During this period the number of our looked after children has increased to 309 (an increase of 7 since the end of the last financial year). As noted previously we have introduced a Threshold of Care Panel to ensure that all new placements meet the appropriate criteria and now monitor our LAC population to identify young people who will leave our care as they return home, reach 18, or are due to be placed in permanent care, such as adoption or special guardianship to ensure that drift is avoided.
45. Further work within the service has identified two key areas for future improvement: the return of children home and the approval of permanency alternatives for those children not able to return home, such as Special Guardianship Orders. Analysis of our current LAC population to identify those children who could be subject to permanency arrangements is underway and will require significant social work over 6-12 months.
46. The percentage of referrals accepted for assessment is of concern because it is too low. We would expect the majority of referrals to be accepted. We have raised our concerns with the local safeguarding children board; because analysis would suggest professional colleagues are not confident in applying the local threshold guidance rather than the imposition of inappropriate criteria by the referral manager; which was evidenced by our peers during our recent casework review.
47. The first stage of the local government peer review took place in June 2017. There were a number of positive observations as well as a number of areas for improvement. The second stage of the peer review is to take place in September 2017 and Children's Scrutiny Committee will review the findings and the actions taking place to improve practice to inform future cabinet consideration of improvement action.

### ***Economy, communities and corporate (ECC)***

48. The ECC directorate is currently projecting a nil variance at year-end. In previous years ECC have delivered a budget underspend to support the overall corporate position. However, savings delivery and mitigation of budget pressures is becoming increasingly challenging. There is limited scope for an ECC underspend in 2017/18 based upon current service delivery.
49. The directorate is projecting an underspend of £200k in waste management, through

a number of collection and disposal efficiencies, as well as positive gains in trade waste customers. It is recommended that this excess budget is vired to the communities service area which is facing a number of challenges in delivery of MTFS savings including libraries, museums and modern records. The savings are still anticipated to be delivered in full over the life of the MTFS, however the virement will assist in managing timing variances. In year budget risks remain, particularly in relation to significant areas of income, including car parking and planning.

#### *What is going well?*

50. The Invest Herefordshire economic strategy was successfully launched on 23 June 2017 at Eastnor Castle, Ledbury. The event was extremely well attended and included speakers from British Land, NMiTE (the new university in Hereford), the Business Board and the council. The event outlined the key strategic investment opportunities within the county, providing overall strategic vision for sustained economic and housing growth for the county, and established the framework under which the strategy will be driven forward with the support of private business and public sector partners.
51. Main roadworks for the new Hereford city centre link road are progressing well. The main contractor has brought additional resource to site to accelerate works and completion of the road is programmed to finish by the end of the year. Works are continuing at Station Approach and in the middle section of the site. Traffic management has commenced on Commercial Road with night-time works being carried out at this junction to complete online tie-in works and minimise traffic disruption.
52. The parliamentary election ran effectively in Herefordshire on 8 June, led by the elections team, with a high turnout of over 70% and as this was a snap election, much less preparation time than usual.
53. Following its recent refresh, the Herefordshire Council website was awarded a 4\* Better Connected score from SOCITM (industry review body for local government websites). This score reflects how simple it is to perform a variety of tasks on the website and for website accessibility (previously scoring was two or three stars). The site performed well above average on all aspects of testing and due to the 4\* status, the council was nominated for two awards: Best Council – English Unitary; and Best Council - category, search and navigation. The council won both these awards.
54. Hereford has been awarded Purple Flag status for its evening and night-time economy. Purple Flag is a town and city centre award – similar to the Blue Flag for beaches – which aims to raise the standard and broaden the appeal of town and city centres between the hours of 17:00 and 05:00.
55. The EnviRecover Plant at Hartlebury was officially opened by HRH the Duke of Gloucester. The plant will deliver a massive reduction in the use to landfill for the disposal of household waste.
56. The smallholdings disposal has progressed according to plan and the estate was marketed by our appointed agent in April.

#### *Challenges*

57. The time taken to process new benefit claims has seen an increase from 24.22 days at the same point in 2016 to 29.26 days in May 2017 (an average of 26.56 days year to date), against a target of 19 days. A plan is in place to bring the work up to date to within a reasonable time limit and a separate plan identified for sustaining the position



and improving. The backlog will be worked through in May and should see an improvement from June.

58. The number of people killed or seriously injured (KSI) on Herefordshire roads continues to be a challenge. However, there were fewer KSI's during the first quarter of the calendar year compared to the same period in 2015 and 2016. An action plan has been prepared to address the issues highlighted from analysis of data, and is just starting to be implemented.
59. Delivery of the Blueschool House joint customer services hub capital project within the original cost estimate is unachievable. A separate report on this issue appears elsewhere on the cabinet agenda.

### ***Capital forecast***

60. The capital forecast outturn will be reported as part of the quarter 2 corporate budget and performance report.

## **Community impact**

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

## **Equality duty**

62. 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 -

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

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

64. Included within the report.

## **Legal implications**

65. None.

## Risk management

66. 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 are included within appendix B.
67. The council is required to close the accounts by 30 June 2018 which includes the approval of statutory statements by the chief finance officer. Failure to meet statutory deadlines carries a reputational risk for the council in relation to its corporate governance role.

## Consultees

68. 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 Scorecards: Adults and wellbeing  
Children's wellbeing  
Economy, communities and corporate  
Organisation wide

## Background Papers

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