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| <b>Meeting:</b>         | <b>Cabinet</b>  |
| <b>Meeting date:</b>    | <b>Thursday 27 September 2018</b>                               |
| <b>Title of report:</b> | <b>End of June 2018 Corporate Budget and Performance Report</b> |
| <b>Report by:</b>       | <b>Cabinet member finance and corporate services</b>            |

### **Classification**

Open

### **Decision type**

Non-key

### **Wards affected**

(All Wards);

### **Purpose and summary**

This report is designed to provide assurance that progress is being made towards achievement of the agreed revenue 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. Cabinet is asked to review projected revenue outturn for 2018/19 and consider performance for the first quarter of the year.

At the end of the first quarter there is a forecast revenue overspend of £1,422k, whilst the majority of projects are being delivered to schedule and 70.4% of performance measures are showing improved or stable performance. Action plans are being developed in relevant directorates to address the in-year pressures.

### **Recommendation(s)**

That:

- a) **the projected financial outturn and performance for the first three months of 2018/19 be reviewed and cabinet determine any additional actions required to achieve improvement; and**
- b) **The following measures be added to the corporate delivery plan 2018/19:**
  - **time taken to process housing benefit change of circumstances; and**
  - **time taken to process housing benefit new claims.**

## 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.

## Key considerations

### Revenue outturn

2. The 2018/19 projected outturn as at the end of June 2018 is a £1,422k overspend for the year.
3. The table below sets out the projected directorate position as at the end of June. Further service detail is available in Appendix A.

Projected revenue outturn 2018/19 (as at the end of June)

| <b>Directorate net budget</b>    | <b>Net budget</b> | <b>Projected full year outturn</b> | <b>Projected full year variance over / (under)spend</b> |
|----------------------------------|-------------------|------------------------------------|---|
|                                  | <b>£000</b>       | <b>£000</b>                        | <b>£000</b>   |
| Adults and wellbeing             | 52,111            | 52,605                             | 494   |
| Children's wellbeing             | 24,053            | 25,101                             | 1,048   |
| Economy, communities & corporate | 44,663            | 44,743                             | 80  |
| Directorate total                | 120,827           | 122,449                            | 1,622   |
| Other budgets and reserves       | 23,297            | 23,097                             | (200)   |
| <b>TOTAL</b>                     | <b>144,124</b>    | <b>145,546</b>                     | <b>1,422</b>  |

4. Overspend in the revenue outturn reflects additional residential placements in learning disabilities in Adults and wellbeing, a net increase of looked after children in Children's wellbeing, with an increase in the residential placements. Other budgets and reserves has an underspend due to savings on interest costs.
5. We are continuing to experience significant pressure on the costs of placement for looked after children. The cost is being driven up by the lack of placement options available, including when some placements break down and we have to find new ones.

### Capital outturn

6. The capital programme is currently forecasting spend of £62m as at the end of May 2018 against a budget of £145.3m which gives a forecast underspend of £83.3m. This is likely to fluctuate during the year as schemes spend once the decision paper has been submitted for approval to spend. During the year the timing of delivery and the profiling over future years will be reviewed, to give a more accurate future position.
7. Appendix B provides the 2017/18 capital budget forecast.

## **Corporate performance**

8. 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.
9. In January 2018 Council approved the 2018/19 budget and, having regard to that budget, the supporting delivery plan was agreed by cabinet in April 2018.
10. Progress is measured through a number of agreed performance measures. These have been selected as 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. Where monitoring information is only available annually, these measures will be reported at the point it becomes available.
11. Appendix D provides an overview of performance during the first quarter of 2018/19. The proportion of performance measures showing improved performance or remaining the same compared to the same period last year is 70.4%. There are 29.6% of performance measures that are currently performing worse than the same period last year.
12. A summary of performance and the challenges faced in achievement of each of the council's corporate plan priorities is included in paragraphs 13-65.

## **Enable residents to live safe, healthy and independent lives**

### *Staying well at home*

13. The development and embedding of the HomeFirst service remains a high priority within the directorate and an area of challenge. Whilst there have been recognised areas of improvement within the service – the number of clients receiving the service and the implementation of a rostering system, there is still a robust improvement plan in place. The need to further embed the re-abling culture with the staff group remains, in order to maximise the availability of staff through effective rotas. Recruitment of support workers is a constant difficulty. In addition, the service continues to work towards the CQC registration criteria – at present 3 of 5 areas have been met, and there remains a number of areas to be met in order to assure CQC that we meet their 'Good' standards – these are due to be in place by August.
14. As a result of an annual review of the joint health and social care Integrated Community Equipment Store (ICES), we can confirm that we have issued more equipment year-on-year over the last four calendar years and supported more people to remain at home, whilst at the same time reducing our total ICES spend. This has been achieved by better management of stock and special items and also by challenging prescriber's behaviour.
15. A little over a quarter of those offered an NHS Health Check in Q1 received a health check (annual target 60%). The pattern followed in the previous three years has been for low recorded uptake in Q1, increasing with each quarter through the year. Contract monitoring through the year will regularly review uptake data. A review of NHS Health Checks offer, uptake and outcome is also planned this year which will examine who is taking up NHS Health Checks in Herefordshire.

### *Targeted support*

16. A new strategy for people with Learning disabilities has been adopted by Cabinet – a joint strategy across the council and Health partners. We have an above average proportion of clients with learning disabilities supported within Herefordshire, although this number has reduced in recent times. We also have a high proportion of clients within residential settings. The strategy will focus on ensuring that the best outcomes for this group of vulnerable people. As part of this, work has been completed to consider how we will monitor progress, and the impact of the work relating to the new strategy.
17. As part of the refugee resettlement schemes, two families (eight people) arrived at the beginning of June. Two more properties have been secured and another property is pending confirmation for up to 13 further people to arrive over the summer. More properties are being sought in Hereford and Leominster for the arrival of the remaining 35 individuals in September.
18. A protocol for the acquisition of properties for asylum dispersal in Herefordshire has been agreed between council officers and G4S. Police, environmental health and community cohesion colleagues have all been involved in drafting this protocol. Whilst G4S are actively seeking to acquire private rental properties as commercial lets in Hereford, they are finding this challenging and do not have any confirmed properties to date.

### *Care provision*

19. The urgent care system is under continuous development to ensure that we are able to respond to pace and demand required of clients within Herefordshire, and in particular those being discharged from hospitals. The pressures of delayed transfers of care rates across the system evidence the need for this improved joined up work to minimise delays experienced by Herefordshire residents. We continue to explore options with health colleagues for the option of more integrated ways of working. For these changes to be embedded, we need to continue to challenge the culture within our own local operational teams and challenge wider health and system partners to focus on alternatives to formal care and prevention to minimise demand in the future.
20. The implementation of our pathway model has received recognition from a number of other local authorities following the presentation at a national event held by one of our software suppliers. There is a lot of interest in the way that our adult social care teams have developed the pathway in a more sustainable way than other authorities. Whilst this work is still subject to directorate scrutiny to ensure its methodology is fully embedded, there are a number of areas where we are able to evidence improvements:
  - Continued improvements of responsiveness at the first point of contact (ART team), resulting in fewer phone calls and a greater proportion of calls being responded to upon the first request
  - An increase in the proportion of cases being signposted to other universal services at the initial point of contact
  - A reduction in the average cost of care packages compared to pre-strength based practice
  - An increasing number of cases identified with a military background, meaning we are able to refer them to other avenues of support
21. Options are being scoped to convert the recently closed community Hillside hospital into a facility that supports an increasing demand for nursing care. In recent weeks the project

has been scoped and a full feasibility study is being conducted – the outcomes of which are due in October. This project provides an opportunity to increase the capacity of nursing beds, in turn mitigating challenges associated with the limited capacity; including high cost of sought after nursing placements and delays in discharges from hospital whilst searching for placements.

22. Recognising the staffing pressures of our care providers (which limits the availability of placements and care packages), we have implemented a Care Workforce Development Project in order to support our providers and the caring workforce. We have developed a website which has consolidated important information for providers – reducing their administrative burden and ensuring that care providers are aware of training and funding opportunities. Via the site, providers can register for free vacancy advertising – where we support them to post adverts and reach wider audiences and help them to recruit. Some 44 adverts have been placed since April. In addition, the site allows providers to sign up for the Care Hero Rewards –an employee benefit scheme for staff working for registered providers. In the last two months 731 workers have signed up to the reward scheme.
23. A further recruitment campaign will be launched in the summer, involving attendance at local events to start marketing and a large launch event is planned for September. The Care Heroes brand has also sponsored an award at The Hereford Times' Health and Social Care Awards. Promotion of the awards has begun and voting is open. The Care Heroes brand will receive significant coverage online and in print. The Health and Social Care Awards take place in September. It is hoped that developing these schemes will help providers in recruiting and retaining staff, therefore building capacity in the local social care market and help us to better respond to the needs of our customers.

### **Keep children and young people safe and give them a great start in life**

#### *Improving children's health and wellbeing*

24. Public Health is putting in place, with partners, mechanisms for tackling childhood obesity and poor dental health. We are establishing an oral health strategy and action plan and piloting a Fit Families project to provide practical tailored support for children/families identified through the national childhood weight measurement programme as being severely obese.
25. The recently commissioned public health nursing service brings together health visiting and school nursing in order to provide seamless support for children 0-19 years (up to 25 years for young people with a disability or special health need). This is a universal service comprising health reviews at key stages and more specialised targeted support and referral, as appropriate. In general terms, the service covers health promotion, health protection and health improvement for all children and their families. Maximising this specialist public health nursing service will contribute to improved outcomes and reduce health inequalities. Key areas of focus for PH Nursing include working with Children's Centre Services and Early Years settings to ensure children are ready to learn at 2 and ready for school at 4/5. Promoting immunisation uptake and recording and following up missed immunisations helps to ensure herd immunity against disease and helps to reduce child absence from school due to infectious illness.
26. We are supporting the development and wider understanding of perinatal mental health by working with partners to cascade across the county a specialist evidence-based parenting programme for professionals and parents in managing good mental wellbeing and attachment, through behaviour management, reciprocity and containment. We will train across a range of professional groups and use a multi-agency train the trainer model for ensuring a sustainable rolling programme for the future. We are aiming to establish this

programme as something that every parent should expect/want to participate in, either with a worker or online. Positive parenting contributes to positive mental health development of babies and children, as well more developing more confident and able parents, with positive impact on the outcomes and health and wellbeing of children.

27. Addaction, who provide our externally commissioned alcohol and substance misuse service, is currently in communication with the maternity services to establish an effective working partnership to support pregnant service users within Addaction premises. Working with midwives, appropriate packages of care are being developed to support healthy pregnancy outcomes.

*Helping all children and young people succeed*

28. Provisional outcomes at all key assessment points in the primary phase 2018 indicate that pupils in Herefordshire are achieving standards that are higher than national average. Outcomes for pupils in Year R have placed Herefordshire in the top quartile (i.e. top 25%) of all local authorities overall several years. This is likely to continue as 74.1% were identified as having met a 'good level of development' (GLD) in Year R this summer.
29. Herefordshire's performance in Year 1 phonics testing improved markedly last year. This improvement was sustained in 2018 with 84.2% achieving the required standard. This means that Herefordshire is again ranked above the national average. Key Stage 1 outcomes for pupils in reading, writing and mathematics further improved on the previous year's performance when pupils achieved outcomes which placed the county in the top quartile of all local authorities.
30. The most significant improvement was in the outcomes achieved by pupils in Year 6 at the end of the primary phase. Although outcomes for this cohort have been steadily improving over a number of years, achievement in 2017 was broadly in line with the national average. In 2018 some 67.6% of pupils met the expected standard in reading, writing and mathematics, well above the national figure of 64% and the 62% West Midlands average.
31. Arrangements to bring the St David's and Aconbury centres (PRUs), the behaviour support service and the hospital school under the direction of the local authority from 1 September 2018 are progressing following the decision to terminate the contract with Hereford Integrated Behaviour Outreach Service.
32. School and college leaders, early years settings and local authority staff have been engaged in developing the draft strategy for Education, Development and Skills over the summer term. Feedback from stakeholders has been largely positive. The draft strategy is scheduled for discussion at children's scrutiny in autumn 2018.
33. The schools forum has been actively engaged in considering spending for the high needs block. This is a national issue with examples of some local authorities who are already overspent in this area by some millions. This is not the case in Herefordshire but all school leaders are clear that there is more to be done to ensure that the county remains within budget in the next academic year. This will be an important factor in the review of SEN provision in Herefordshire which is set to begin in autumn 2018.
34. Although at an early stage in its development, the capital project to expand Marlbrook School is progressing well.
35. The learning and achievement service is working closely with representatives from the Department for Education on the closure of the Robert Owen Academy from 31 August 2018. Pupils have been found alternative education options.

36. Leadership within the learning and achievement service has been strengthened with the appointment of an interim Head of service (HoS). The new HoS brings extensive experience in education as a serving Ofsted inspector and a senior leader in one of Herefordshire's highest performing academies.
37. Performance of Herefordshire's primary schools has been exceptionally strong this year. The challenge is to ensure that this is matched by secondary schools through appropriate support, challenge and intervention by the council. This is more difficult in the secondary phase as the majority of secondary schools are academies. As a result, the council is working closely both with the Regional Schools Commissioner's office and Ofsted.

*Keeping children and young people safe, in supportive family environments*

38. Officers have been implementing a revised approach to the use of Section 20 agreements (voluntary agreements between the parent/care and the council). As at 21 May 2018, snapshot data evidences that our practice in relation to the appropriate use of Section 20 has improved, compared to end of year 2016/17 benchmarking data (less is better).

| <b>% children accommodated under Section 20</b> |     |
|---|-----|
| Herefordshire 21 May 2018                       | 14% |
| Herefordshire year end 2016/17                  | 22% |
| West Midlands year end 2016/17                  | 18% |
| All England average year end 2016/17            | 24% |

39. The number of children subject to child protection plans reduced in Q1 to 169 as at 30 June 2018, compared to the latter part of 2017/18, which ended at 201. This has been achieved through providing additional capacity to review current cases and consider how most appropriately to support children and young people.
40. As outlined above, spending in the high needs block needs to remain under close scrutiny during academic year 2018-19.
41. The council needs to ensure that there is robust governance of the PRUs through a suitably qualified and skilled management committee that will drive further improvement.
42. We are still struggling to recruit social workers for some key areas of service and caseloads are too high in some teams. This means we are not able to provide consistent high quality social work – recording work, visits and assessments and consistently completing plans to a good standard. We are strengthening our approach to recruitment for agency and permanent staff and are looking to recruit more family support workers to enable families to be supported appropriately without requiring as much direct social work input. We are also recruiting more business support to remove some tasks from social workers. This is making use of the £1.6m provided by cabinet to support this service. There is further work taking place to set out what more needs to be done, including early help and edge of care approaches and application of thresholds with partners. We have made links with Staffordshire to share best practice and will continue to progress this.
43. Our looked after children numbers have increased overall to 331 as at 30 June 2018. The increase is due to the impact of long term neglect on children and also included some large sibling groups. Work is in progress on achieving permanency for up to 80 looked after children and this is regularly reported to cabinet and children's scrutiny committee.
44. Following the safeguarding peer review conducted by the LGA at the end of 2017/18, a development plan for safeguarding and early help has been established, involving all managers of the service areas. Herefordshire was subject to an inspection by Ofsted of

local authority children's services in June 2018 and the development plan is being updated so that we can continue with our improvements, informed by the latest external scrutiny. The Ofsted inspection report has been published and work is being undertaken to address the areas of improvement highlighted within the report – further detail will be provided in the report that will be presented to the executive in autumn 2018.

## **Support the growth of our economy**

### *Improve the infrastructure*

45. Good progress has been made with the delivery of major infrastructure projects. The South Wye Transport Package is progressing well and the compulsory purchase order and side roads orders for the Southern Link Road were advertised and a public inquiry is scheduled for October. A public procurement process is underway to procure a preferred contractor to deliver the scheme subject to completing the various statutory processes the scheme remains on track to commence construction early 2019. The Corporate Delivery Plan included a milestone to identify the preferred route for the Hereford Bypass as part of the Hereford Transport package. Following public consultation and detailed technical work during Q1, Cabinet confirmed the preferred route at its meeting in July.
46. The council is undertaking a major investment in highway assets. This includes Phase 2 of the £8.5m Challenge Fund roadworks, programmed for August 2018 which will deliver further substantial resurfacing of the A4103 and A438 (west of Hereford) that will help secure a £143m benefit to the county's economy.
47. Furthermore, the council has invested additional £2.8m from revenue reserves and £1.25m secured from the Government's pothole fund into its highways. This funding is being used to: address the damage caused by last winter's severe weather; undertake safety works at sites with accident history and at schools; improve the condition of footways in our market towns; and unblock more drains. Works include: a cross county jet-patching programme, rapidly filling potholes on our c and uc roads; and works to signage, road markings and high friction surfacing's are programmed to sustain the effectiveness of our accident reduction measures, supporting the health and wellbeing of the people of Herefordshire.
48. Fastershire, the joint broadband delivery project between Herefordshire Council and Gloucestershire County Council, won the top prize at the national Connected Britain awards in London, taking the Superfast award, recognising the progress made in Herefordshire towards optimum full fibre provision. Gigaclear are currently delivering full fibre broadband in Herefordshire with first homes connected in June.
49. Consultation on housing and employment sites options for the Hereford Area Plan have taken place, and the draft Minerals and Waste Plan is due to be completed in the autumn. Hearing sessions as part of the Travellers sites Development Plan Document took place in May and the examination is ongoing with further consultation on sites options anticipated in the autumn.
50. A detailed delivery programme is currently under preparation for the delivery of phase 1 employment land at Ross Enterprise Park.

### *Develop the economy*

51. Construction work is underway on two new sites at the Enterprise Zone. The Straight Mile cycleway project has commenced. An increase in funding has been agreed for the Shell Store and the funding agreement with the Marches LEP has been signed, enabling

finalised detailed designs to proceed. Council has also agreed to provide funding to the University of Wolverhampton's Cyber Centre project. A new Skylon Park Travel Plan has been approved by EZ Board and is now being implemented.

52. Work has progressed in relation to a range of regeneration projects. A key milestone achieved is the appointment of Keepmoat Homes Ltd and Engie Regeneration Ltd following a robust procurement process which marks the launch of the Development and Regeneration Partnership. This partnership will enable the council to develop new opportunities for housing and economic growth using council owned and assets.
53. Further work is underway to develop the pipeline of regeneration projects. A planning application has been prepared for new housing at the former depot site in Bromyard and detailed designs prepared for student accommodation in Hereford. An annual programme of development sites is under development for consideration by Cabinet.
54. The council has entered into a lease agreement with the University on council owned property and has identified potential suitable sites for student/teaching accommodation which are subject to feasibility studies.
55. Detailed feasibility work is underway on development proposals for the site at Station Approach, Hereford.

*Ensure access to housing*

56. The council has commenced early stage discussions with the land owners and Government agencies regarding the potential of a number of investment and development opportunities within the county.
57. During Q1, 30 affordable dwellings were delivered against an annual target of 200 dwellings.

**Secure better services, quality of life and value for money**

*Efficient use of resources*

58. During this period, the council has agreed to let two properties to Wye Valley Trust.
59. Preparation for a revised cabinet report to full council in July for the MTFs and Capital budgets to improve transparency and accountability.
60. Feedback from the independent organisation Link Asset Services, following a review of the council's balance sheet, stated that the council's Statement of Accounts are 'probably the best positioned authority's accounts that they'd seen in terms of year on year performance', and that the 'balance sheet is very robust'.
61. The workforce strategy is currently in preparation and is scheduled to be completed and approved by the end of the financial year.
62. The overall trend in workforce costs is upwards for Q1. The data shows a reduction in the use of agency staff and an increase in the number of people the council directly employs. This increase in staff, coupled with the annual pay award, has led to an increase in permanent workforce costs. The increase will be monitored over the next quarter and early data from Q2 shows the recent trend of increasing workforce costs has reversed.

63. At year-end, performance in processing new and change of circumstance of housing benefit claims was highlighted as an issue. Performance has shown improvement in Q1 and the measures have been included in the ECC databook. It is proposed that the two measures are added to the 2018/19 corporate delivery plan so that performance in this area continues to be reported corporately.

#### *New governance*

64. Although we have had an increased number of information requests (Freedom of Information, Subject Access, and Police requests) we have maintained our turnaround times within the statutory time lines and have maintained the target of 95% compliance.

#### *Improved customer service*

65. The council's website has retained an overall 4 star rating – one of only six English unitary authorities to achieve a 4 star Better Connected rating. Better Connected is the annual audit of council websites, with websites being ranked overall 1 to 4 stars, with 4 stars being the best. The [audit](#) highlighted a number of areas for improvement which will be considered over the coming months. There has been an increase in the percentage of visitors to the council's website who reported that they were able to do what they set out to do (up from 64% in June 2017 to 77% in June 2018).

## **Community impact**

66. 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**

67. 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.
68. 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.

## **Resource implications**

69. Included within the report.

## Legal implications

70. None.

## Risk management

71. 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 D.

## Consultees

72. 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                   |
|            | AWB                          |
|            | CWB                          |
|            | ECC                          |
|            | Organisation wide            |

## Background papers

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