

Title of report: Q1 Budget and Performance Report

Meeting: Cabinet

Meeting date: Thursday 28 September 2023

Cabinet member: Peter Stoddart, Finance and Corporate Services

Report by: Section 151 Officer

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Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To review performance for Quarter 1 2023/24 and to report the forecast position for 2023/24, including explanation and analysis of the drivers for the material budget variances, and 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 or potential under-performance are understood and are being addressed to the cabinet's satisfaction.

The forecast 2023/24 outturn shows a net overspend of £13.5 million.

Recommendation(s)

That: Cabinet

- a) Review performance and financial forecast for year 2023/24, as set out in the appendices A-E, and identifies any additional actions to be considered to achieve future improvements;**

- b) Note the forecast revenue outturn position at Quarter 1 2023/24 of a £13.5 million overspend, before management action, and the potential impact of this overspend on the council's reserves;
- c) Note the management action already identified to reduce the forecast outturn position for 2023/24 to £9.5 million;
- d) Note the impact of the 2023/24 forecast outturn on the 2024/25 budget requirement and the future financial sustainability of the council;
- e) Agree to receive a monthly update to monitor the forecast revenue outturn position and actions being taken to address it;
- f) Request that Scrutiny Management Board reviews the budget monitoring position and that relevant Cabinet Members provide explanation for key variances and actions identified to address key pressures; and
- g) Agree the continuation and strengthening of management actions to reduce the forecast overspend as identified in this report.

Alternative options

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

Key considerations

Revenue Forecast Outturn

2. This report presents the first revenue forecast outturn position for 2023/24 and highlights the continuing impact of increasing demand for adult and children's social care and the challenging national and global economic environment.
3. Detailed explanations for variances from budget are set out in this report by Service area. These variances should be considered in the context of broader conditions which impact adversely on the council's outturn position for 2023/24 including:
 - Extraordinary inflation
 - Increasing complexity and cost of care
 - Impact of National Living Wages increases on labour market and recruitment and retention
 - Sufficiency of local residential placements
 - Unprecedented growth in social care demand
4. The council's approved net revenue budget for 2023/24 is £193.3 million which includes planned savings of £20.0 million comprising £14.1 million of Directorate savings and £5.9 million of Central budget savings.
5. **The first revenue outturn forecast for 2023/24 shows an overspend of £13.5 million** before management action, including £7.8m of savings assessed as at risk at Quarter 1. This represents a variance of 7.0% against budget with the most significant forecast overspend in Children & Young People (£10.6 million).
6. The Medium Term Financial Strategy (MTFS) approved by Council in February 2023 highlighted an estimated cumulative funding gap of £15.8 million over the three year period 2024/25 to

2026/27. This estimated funding gap, alongside the national and local factors resulting in financial pressures in 2023/24, presents a significant challenge in setting a balanced budget for 2024/25.

7. The council has maintained its General Fund Reserve balance at a prudent level of £9.6 million which represents 5% of the net budget requirement, in line with the council's agreed policy to maintain this strategic reserve at a level of 3-5% of net revenue budget. Specific Earmarked Reserves total £81.8 million at 1 April 2023 comprising: school balances, amounts set aside for risk, unspent grant monies committed for future expenditure and other smaller reserve balances as shown in Table 1 below.
8. Any overspend in 2023/24 must be funded using the council's available reserves; furthermore any overspend not managed in 2023/24 will be carried forward, creating additional pressure on the level of reserves and increasing the requirement to identify savings in 2024/25 and future years.
9. If no recovery action is taken in 2023/24, the overspend will require full utilisation of the Financial Risk Reserve and a review of 'Other Reserve' balances will be required to fund the additional balance. This will reduce the reserves available to manage risk in future years.

Table 1: Reserve balances at 1 April 2023.

	£m
General Fund Balance	9.6
Earmarked Reserves:	
Financial Resilience Reserve	1.2
Business Rates Reserve	13.1
Schools' Balances	9.3
Waste Reserve	9.4
Unused grants carried forward	17.6
Other Reserves	31.2
Total Earmarked Reserves	81.8
Total Reserves	91.4

10. The forecast revenue outturn position at Quarter 1 by Corporate Director portfolio is shown in Table 2 below.

Table 2: Forecast revenue position 2023/24 before management recovery action

2023/24 Forecast Revenue Outturn at Quarter 1 (June 2023)			
	Revenue Budget £m	Forecast Outturn £m	Forecast Variance £m
Community Wellbeing	68.4	71.7	3.3
Children & Young People	52.0	62.6	10.6
Economy & Environment	27.7	28.3	0.6
Corporate Services	25.9	28.3	2.4
All Ages Social Care	2.6	-	(2.6)
Directorate Total	176.6	190.9	14.3
Central	16.7	15.9	(0.8)
Total	193.3	206.8	13.5

Management Activity and Further Recovery Actions

11. Initial management activity already underway is expected to reduce this forecast overspend to £9.5 million, as set out in Table 3 below, and detailed in the Directorate analysis below, however **further recovery action must now be identified** to respond to the significant financial challenges the council is facing and ensure recurrent spending is sustainable within the resources available.
12. Corporate Directors will continue to develop Directorate recovery plans to manage in year delivery of services within the approved budget.

Table 3: Updated forecast revenue position 2023/24

Updated 2023/24 Forecast Revenue Outturn at Quarter 1 (June 2023)					
	Revenue Budget £m	Forecast Outturn £m	Forecast Variance £m	Management Action £m	Revised Forecast £m
Community Wellbeing	68.4	71.7	3.3	(1.8)	1.5
Children & Young People	52.0	62.6	10.6	-	10.6
Economy & Environment	27.7	28.3	0.6	(0.6)	0.0
Corporate Services	25.9	28.3	2.4	(1.6)	0.8
All Ages Social Care	2.6	-	(2.6)	-	(2.6)
Directorate Total	176.6	190.9	14.3	(4.0)	10.3
Central	16.7	15.9	(0.8)	-	(0.8)
Total	193.3	206.8	13.5	(4.0)	9.5

13. The **timely delivery of further actions recommended in this report is critical** in order to achieve maximum impact on the outturn position for 2023/24, reduce the impact on reserve balances and minimise the risk to the council's financial resilience and sustainability.
14. **Recommended management actions** to contain income and expenditure within approved budgets for 2023/24 include, but are not limited to:
 - a) With immediate effect, **restrictions on procurement and purchase of non-essential items**. In this context, non-essential expenditure comprises all expenditure **with the exception of that which relates to:**
 - i. delivery of a statutory service;
 - ii. maintaining health and safety of staff, service users, residents, businesses and other stakeholders;
 - iii. fulfilling a contractual obligation already in existence (except where it is possible to renegotiate);
 - iv. prevention of further non-budgeted costs; and
 - v. generation of income (where income exceeds the costs to achieve it).
 - b) Continued review of essential expenditure to ensure all expenditure and future re-procurement of goods and services, is at best overall value to meet the service need.
 - c) Restrictions on permanent recruitment activity, a sustained reduction in the use of agency and high-cost interim staff and a review of the resources and skills required to deliver strategic priorities.

- d) Review of savings targets assessed as achievable or delivered in 2023/24 to identify opportunities to stretch further and maximise in year benefits.
 - e) Identification of alternative savings to mitigate the non-delivery of savings identified as at risk.
 - f) Continuing to explore opportunities to maximise income from discretionary fees and charges for services to third parties to ensure full cost recovery.
 - g) Reviewing local schemes of delegation to managers for spending decisions, e.g. for adult and children social care packages.
 - h) Setting target reductions for third party spend to ensure the council achieves maximum value for money.
 - i) Undertaking a review of the council's Capital Programme to consider deferral of capital schemes to reduce debt costs and minimise the impact on the revenue budget.
 - j) Budget housekeeping: to delete or reduce low value or low priority budgets.
 - k) Transfer of Directorate underspends in 2023/24 to the council's Financial Resilience Reserve.
 - l) Identifying potential reserve balances which could be transferred to increase the council's Financial Resilience Reserve to maintain financial sustainability.
 - m) All future use of the council's earmarked reserves will be subject to approval by the Section 151 Officer to safeguard the adequacy of reserves for future risks and uncertainties.
15. The financial impact of identified recovery actions will be monitored and formally reported to Cabinet in the next budget monitoring report. The impact of recurrent overspends in 2023/24 will need to be reflected in the 2024/25 budget and Medium Term Financial Strategy.

Directorate Key Variances and Management Recovery Actions

Community Wellbeing

16. There is a forecast overspend of £3.3 million at June 2023 representing key pressures due to increased client need and growth in demand for services, savings plans at risk, staffing cost pressures and the impact of inflation on day care provision. The main reasons for the variances are detailed below:
- a) Learning Disabilities +£0.5 million overspend: arising due to changes in the needs of clients resulting in increased weekly provider costs. Residential and nursing placements continue to be a pressure for the service due the impact of inflation and costs of living increases on unit costs.
 - b) Care Operations +£0.7 million overspend: as a result of agency and interim staff cost pressures and savings assessed as to be at risk of delivery in 2023/24.
 - c) Directorate & Management +£2.3 million overspend: including savings targets to deliver process efficiencies and transformation of service delivery assessed to be at risk of delivery in 2023/24.
17. Costs incurred by the council in respect of Discharge to Assess packages of care are included in the forecast with allocations from agreed funding sources. Management continue to review expenditure incurred as part of the current hospital discharge process, working with partners as part of recovery action to ensure that costs are shared appropriately.
18. A detailed management action plan is underway to reduce the forecast overspend, maximise the delivery of the in-year savings plan and identify mitigations in the following areas:

- a) Review of recruitment and retention activity to ensure we maintain a highly skilled and effective workforce, and reduce reliance on agency/interim staff, with particular focus on roles in Commissioning, Adult Social Care Operations, Occupational Therapy and Housing.
 - b) Revised Occupational Therapy Delivery Model to be implemented from October 2023.
 - c) Transformation of current respite provision to redefine offer which is expected to deliver savings in 2024/25.
 - d) Review of income to ensure timely collection of all client contributions due to the council.
 - e) Implementation of a new framework to manage void properties to reduce repair and maintenance work required and associated costs incurred by the council.
 - f) Review of brokerage services to self-funding clients to deliver savings in 2024/25.
 - g) Maximised utilisation of commissioned services to deliver savings in 2024/25.
 - h) Increased focus on Client reviews to manage pressures in high cost care packages to meet Learning Disability needs.
 - i) Enhanced recruitment controls to include: Corporate Director approval for all agency and interim staffing requests and business case requirement for recruitment to permanent vacancies.
 - j) Exit plans to be determined for all current agency staff aligned to absence management of permanent staff.
 - k) Working collaboratively with NHS colleagues to ensure the most appropriate and cost-effective pathways are in place for those people being discharged from hospital settings and ensuring that the necessary joint funding arrangements are in place as necessary.
19. It is estimated that the actions outlined above will reduce the £3.3 million forecast overspend by £1.8 million. The operational and financial impact of the actions planned to reduce the overspend will continue to be monitored and reported in the next budget monitoring report to Cabinet with further actions to be identified.

Children & Young People

20. Services for children and young people continue to face significant pressures with growing demand, greater complexity, national challenges in workforce recruitment and retention and increased financial constraints. An overspend of £9.6m was reported in 2022/23 with significant pressures in unit cost prices, inflation and rising demand for placements and transport services continuing into 2023/24.
21. Delivery of the Children's Services Improvement Plan is a key priority for the service and the use of agency and interim staff to provide additional capacity to support transformation represents a key pressure in 2023/24. Focused recruitment and retention activity to increase the number of permanent frontline social workers is expected to reduce the reliance on agency staff, over a three year period, to develop a stable and resilient workforce to make a positive and sustainable difference to the lives of children and families across the county.
22. A lack of sufficiency within suitable local children's social care placements is a key driver in the above- inflation increases in residential placement costs with many children placed out of county to ensure their needs are met. There are also continued challenges in the recruitment of in-house foster carer resulting in higher cost alternatives including independent fostering agencies, residential and unregistered placements.

23. The council continues to support Unaccompanied Asylum Seeking Children (UASC) as the number of children arriving in the UK in 2023/24 increases. This unbudgeted expenditure represents the council's responsibility to support and protect these vulnerable and young people.
24. The forecast overspend of £10.6 million at June 2023 includes key pressures due to reliance on agency and interim staff, savings plans at risk, one-off expenditure to support the Transformation Plan exit strategy, increased residential placement costs and the impact of additional demand for Special Educational Needs (SEN) transport. The main reasons for the variances are detailed below:
- a) SEN Transport +£1.1 million overspend as a result of an increase in the number of new SEN pupils added to the service alongside inflationary pressures and demand for transport services in and out of county in 2023/24.
 - b) Total Improvement (Quality Assurance Team) +£0.5 million overspend representing additional costs forecast to be incurred to the end of March 2024 for Listening to Families.
 - c) Additional Needs (Short Breaks and Respite) +£0.3 million overspend representing increased placement costs and underachievement of chargeable income in the Educational Psychology Service due to reduce staff capacity.
 - d) Agency Fostering +£0.5 million overspend as a result of growth in placements and increased package costs in addition to inflationary uplifts.
 - e) Looked After Children (UASC) +£0.3 million overspend arising due to increases in demand and placement costs whilst Home Office levels of funding remain unchanged.
 - f) Looked After Children (Complex Needs) +£0.3 million overspend as a result of increases in the number of children requiring complex support.
 - g) £3.1 million cost pressures across the Directorate as a result of agency and interim staff cost pressures and challenges of permanent recruitment in 2023/24.
 - h) At Q1, £4.5 million Directorate Savings targets are assessed to be at risk of delivery in 2023/24.
25. A detailed management action plan is underway to contain and reduce the forecast overspend in 2023/24 whilst maintaining the pace and quality of service improvements. Activity is planned in the following areas:
- a) Restrictions on the recruitment of agency staff and focus on recruitment of permanent staff to budgeted posts.
 - b) Launch and promotion of revised recruitment and retention offer to encourage and incentivise individuals to join the permanent workforce.
 - c) Increased controls/review of scheme of delegation in respect of expenditure for high cost placements.
 - d) A critical review of high cost placements to ensure suitability linked to a child's needs and value for money.
 - e) Continued focus on reunification to support the step down of care where it is considered safe and appropriate.
26. The operational and financial impact of these actions will continue to be monitored and reported in the next budget monitoring report to Cabinet.

Economy & Environment

27. There is a forecast overspend of £0.6 million representing reductions in forecast income and savings plans at risk offset by underspends in energy costs and concessionary travel. The main reasons for the variances are detailed below:
- a) Economy & Growth +£1.2 million overspend representing reduced forecast Development Planning income of £0.8 million and an unmet savings target to deliver transformation of Planning & Regulatory Services of £0.4 million.
 - b) Management budget +£0.8 million overspend as a result of staffing cost pressures and Directorate Transformation savings targets assessed as at risk of delivery in 2023/24.
 - c) Energy -£0.5 million underspend as a result of increased gas costs of £0.3 million offset by reduced electricity costs of £0.8 million.
 - d) Concessionary Travel -£0.4 million underspend as a result of reduced service use in 2023/24. Source data which informs the forecast will continue to be monitored throughout the year to identify changes in activity.
 - e) Home to School Transport -£0.3 million underspend representing increased transport contract costs offset by additional income from vacant seats.
28. A detailed management action plan is being developed to reduce the forecast overspend, maximise the delivery of the in-year savings plan and identify mitigations in the following areas:
- a) Restrictions on recruitment activity to reduce pressures in 2023/24 and review of agency staffing arrangements and exit plans for interim filled posts.
 - b) Continue to maximise income and reduce expenditure across all traded services.
 - c) A focused review of Development Planning income and expenditure to inform proposals to ensure increased recovery of costs and maximisation of income for chargeable services in 2023/24.
 - d) The Planning Improvement Board will consider the charging process and fee structure for pre-application advice; it is expected that planned changes will be implemented from 1 October 2023 to improve the forecast income over the remainder of 2023/24.
29. It is estimated that the actions outlined above will reduce the £0.6 million forecast overspend by £0.6 million. The operational and financial impact of the actions planned to reduce the overspend will continue to be monitored and reported in the next budget monitoring report to Cabinet.

Corporate Services

30. There is a forecast overspend of £2.4 million at June 2023 representing key pressures due to savings plans at risk, agency staff cost pressures and invest to save costs to support corporate transformation.
- a) Transformation and Performance +£1.1 million overspend in respect of costs associated with the council wide transformation programme. Financial benefits of £0.3 million during 2023/24 are expected to be delivered as a direct result of planned transformation with a further £1.0 million in 2024/25.
 - b) Programme Management Office net +£0.6 million overspend as a result of staffing cost pressures to deliver project support across all Directorates.
 - c) Chief Executive's Office +£0.3 million overspend arising due to staffing cost pressures.
 - d) Strategic Assets (Property Services) +£0.3 million overspend which represents savings targets from the exit of inefficient properties which are assessed to be at risk of delivery in 2023/24.

31. A detailed management action plan is in place to reduce the forecast overspend, maximise the delivery of the in-year savings plan and identify mitigations in the following areas:
- Review of capitalisation of eligible expenditure to support transformation and increase in year benefit realisation.
 - Continue to review council properties to identify opportunities to exit/stop use or generate additional third party rental income.
 - Stretch of savings expected to be delivered in year and identification of mitigating savings.
 - Transformation of supplier payment programme to achieve process efficiencies, support commercial negotiations and deliver savings on third party spend.
32. It is estimated that the actions outlined above will reduce the £2.4 million forecast overspend by £1.6 million. The operational and financial impact of the actions planned to reduce the overspend will continue to be monitored and reported in the next budget monitoring report to Cabinet with further actions to be identified.

Savings

33. Council approved a total of £14.1 million Directorate Savings for 2023/24. A review of the delivery and status of the 2023/24 approved savings has been undertaken informed by planned and actual activity in the year to date to determine savings targets at risk of in-year delivery. This initial review **identifies £7.8 million of this target at risk of delivery** at Quarter 1.
34. The **delivery of savings in full and on time is critical** to ensure the 2023/24 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.
35. A breakdown, by Directorate, of the savings at risk of delivery in 2023/24 is shown in Table 4 below.

Table 4: Assessment of Delivery of Savings at Quarter 1

	Target £m	At Risk £m	In Progress £m	On Target £m	Delivered £m
Community & Wellbeing	6.1	2.0	3.0	0.8	0.3
Children & Young People	4.5	4.5	-	-	-
Economy & Environment	2.2	1.0	0.8	0.2	0.2
Corporate Services	1.3	0.3	0.7	0.1	0.2
Total	14.1	7.8	4.5	1.1	0.7

36. Explanations for under/non-delivery and planned mitigations, identified as part of Directorate recovery plans, are set out below:

Savings Target	Approved Savings £'000	Forecast At Risk £'000	Reason for under/non-delivery and planned mitigations
Community Wellbeing			
S1: Stable Engaged Workforce	710	500	A focused review of recruitment and retention activity is underway with particular focus on vacant posts to deliver required savings in 2023/24.
S4: Occupational Therapy Delivery Model	100	100	A review of the current Occupational Therapy delivery model is planned to be

			reported in September with implementation of the revised model from October 2023 to deliver required savings in 2023/24.
S6: Respite Provision	300	300	A review of the current respite provision is underway. Work will be completed over the remainder of 2023/24 with savings expected to be delivered from 1 April 2024.
S10: Process Efficiency - Income Collection & Debt Management	600	600	A review of the timing of income collection is underway to deliver the required savings in 2023/24.
S11: Process Efficiency - Repairs and Maintenance	100	100	A revised framework for repair and maintenance will be in operation from Q2 to minimise remedial work and associated expenditure and deliver the required savings in 2023/24.
S12: Process Efficiency - Brokerage	100	100	Process efficiencies are currently under review. Work will be completed over the remainder of 2023/24 with savings expected to be delivered from 1 April 2024.
S13: All Age Commissioning	300	300	A review to maximise utilisation of existing commissioned services is underway. Work will be completed over the remainder of 2023/24 with savings expected to be delivered from 1 April 2024.
	2,210	2,000	
Children & Young People			
S18: Placement Management	2,500	2,500	A focused review of needs and placement costs is underway as part of practice improvements and service transformation.
S19: Recruitment and Retention	2,000	2,000	A revised recruitment and retention offer will be launched in September 2023 to increase the pace of permanent recruitment and reduce reliance on agency staff, aligned to planned practice improvements and service transformation.
	4,500	4,500	
Economy & Environment			
S21: Waste Collections	80	80	The original change in policy has not been delivered in 2023/24, however an increase in trade related activity will mitigate this target.
S23: Fees & Charges	300	85	Planned fee uplifts have been applied across fees & charges in this service area. Achievement of savings assessed as at risk will be monitored over the remainder of 2023/24 and mitigations identified if the forecast savings cannot be delivered in full.
S24: Fixed Penalty Notices	50	50	Introduction of trial enforcement for littering offences - Cabinet Member does not wish to pursue this activity in 2023/24. It is expected that in year vacant posts in the service will deliver the required savings in 2023/24.
S25: Transformation Planning & Regulatory Services	350	350	This target was based on assumptions re planned national increases to planning charges. These increases will now not be implemented until April 2024. This target remains at risk as fees in the Service are restricted to the government approved

			charging rates. Further opportunities will be investigated by the Planning Improvement Board to identify mitigations in 2023/24.
S28: Directorate Transformation	600	600	A Directorate Transformation Board is in place to review and prioritise transformation proposals which have been identified across the Directorate. A detailed business case for each proposal will be developed with a focus on maximising income generation and savings in 2023/24. Delivery against each specific target will be monitored and risk of delivery reported.
S29: Public Realm Future Operating Model costs	(180)	(180)	Ongoing development of future operating model prior to final recommendation on proposed changes to how the services are delivered. This represents an additional cost expected to be incurred in 23/24.
	1,200	985	
Corporate Services			
S29: Exit from inefficient properties	300	300	The Service will continue to review the use of council assets to determine exit plans or opportunities for additional rental income generation to deliver required savings in 2023/24.
	300	300	
TOTAL	8,210	7,785	

Capital Budget

37. The 2023/24 approved capital budget of £140.3 million has been revised to £168.1 million. The revised capital budget includes £18.8m of unspent project budgets brought forward from 2022/23, approved movements of (£0.6m) and £9.6m of additional grants. A summary breakdown is shown in the Table below.

	2023/24 Budget £'000	2024/25 Budget £'000	2025/26 Budget £'000	2026/27 Budget £'000	Total
February 2023 Council Approved Budget	140,283	103,771	52,177	6,270	302,501
Other approved movements	(573)	(3,000)	(9,000)	(1,400)	(13,973)
22/23 Carry Forwards	18,790	-	-	-	18,790
Additional Grants	9,565	8,385	-	-	17,950
Revised Capital Budget	168,065	109,156	43,177	4,870	325,268

38. The forecast spend position is £85.6 million which represents an under spend of £82.4 million against a budget of £168.1 million. Full details for each project are in Appendix b, Table a. This underspend consists of £2.7 million projects that have delivered below the project budget and a further £79.7 million of budgets to be carried forward to 2024/25. These amounts represent budgets that may not be committed in this financial year for projects which are funded by grants or dependent upon the acquisition of land for housing and therefore budget is retained for delivery in future periods. This forecast under spend position will reduce in Q2 when the budgets are reprofiled to match expected delivery, as per the guidance from external audit to have an updated budget position half way through the year, rather than continuing to report under spends. The full capital programme analysed by project for current and future years can be seen in detail by appendix B.

Performance: Economy

39. All the projects are now being captured in detail on delivery dashboard and progress monitored. Of the 22 activities of the delivery plan, 4 are complete (blue), 11 are on track (green), 5 are at risk (amber) and 2 are paused (violet).
40. Where targets have been set, 79 percent of performance measures within the theme have met, or exceeded targets – there remains some work within the directorates to ensure all measures have targets established.
41. Following the elections in May, there has been a particular focus on a number of new Council priorities, and teams have been supporting sub-groups, that have both been informing Cabinet on the current position, in terms of policy, funding, and decisions, and then aligning these to the new priorities for the administration. These, in the first instance, have focused on – (1) delivering the new waste strategy and appointment of a new service provider, (2) investment in our road network by firstly delivering a package of measures funded from the Government's Pothole funding, as preliminary works as part of a wider capital investment programme, (3) delivering the Southern Link Road and Western Crossing, along with a review of the Eastern Crossing project; and (4) Model Farm Enterprise Park, and the agreement on how best to commence delivery of this key employment land site.
42. Many of these will have either a direct or indirect impact on a number of key policies, such as the evolving Local Plan, Local Transport Plan, City Masterplan and Economic Strategy, and so along with the work of the sub-groups, we have been considering how these changes can be reflected on each of the above, either during their formulation, or any need for redrafting.
43. Another key piece of work carried out during this period, has been the review of the Library project which culminated in a decision being taken by Cabinet on 20 July to complete a full business case that will assess the benefits and viability of re-locating the library to the Shirehall, which has been identified as their preferred location. A final decision will be made by Cabinet in October. It was considered the Shirehall could deliver greater benefit to the city and county whilst breathing new life into and bringing an outstanding heritage asset back into use as a civic building and creating a showpiece library and learning centre within it.
44. Land sales at the Hereford Enterprise Zone remain on track, although private sector businesses reporting significant increases in construction cost inflation since initial interest.
45. Range of UK Shared Prosperity Fund grants being launched. The Festival and Event Grant Fund was the first to launch in June, received a high level of applications and all funds committed in the first round. Cultural grant schemes launched in July.

Performance: Environment

46. Of the 26 activities (Projects) of the delivery plan, 1 is complete (blue), 22 are on track (green), 2 are at risk (amber), and 1 is compromised (red).
47. Where targets have been set, 80 percent of performance measures within the theme have met, or exceeded targets – there remains some work within the directorates to ensure all measures have targets established.
48. Work continues on the Public Realm Future Operating Model programme, and we are actively engaged in discussions with BBLP, to agree the services that would be transferred back to the Council. A final report is due to be presented to Cabinet in November. At the same time, we have commenced a detailed discussion with BBLP with regards to the need to replace all existing Plant and Fleet. This will require a fundamental review of existing fleet, what needs replacing

and when, the options to reshape services as a result, and then the funding arrangements to deliver this.

49. Keep Herefordshire Warm advice service is delivering as expected for this time of year and we have had a successful transition to a new provider YES after an open procurement exercise. The KPI is red because we have doubled our target compared to last year (2,000 instead of 1,000 enquiries) and the Spring tends to see lower levels of enquiries compared to Autumn/Winter.
50. Carbon County Reduction - Marches Energy Grant to commence August.
51. Home Upgrade Grant (HUG) 2 to commence September.

Performance: Community

52. Of the 48 activities of the delivery plan, 14 have been completed (blue), 23 are on track (green), and 7 are at risk (amber), 1 is compromised (red) and 3 are paused (violet).
53. 92 percent of reported performance measures within the theme have met, or exceeded targets – there remains some work to ensure all measures have targets established. 70 percent of measures have shown an improvement on the same point last year where comparison can be made.
54. All performance measures in Community Wellbeing are currently broadly on track this year; however, admissions to residential and nursing care are starting to increase, as was the case in 2022-2023, linked to higher acuity of need. Recruitment across the care sector remains a major challenge and this is particularly evident in the domiciliary care market where challenge continues both for people waiting for new/additional hours in the community, as well as those seeking to move on from the HomeFirst (reablement) service.
55. The work on Hillside to make the dementia friendly adaptations has now been completed, subject to final snagging works and external landscaping. Work is now commencing on the demonstration and assessment unit which is a key strand of the approach to technology enabled living and this is due to open by the end of the calendar year.
56. Work to prepare for the new inspection/assurance framework for local authority adult social care services continues. The Care Quality Commission is undertaking three pilot inspections across the country prior to the first inspections under the framework starting in the autumn. Locally, a self-assessment has been completed which has informed a specific improvement plan as part of the directorate's overall transformation strategy. A readiness review undertaken by West Midlands Association of Directors of Social Services (ADASS) took place in July 2023 and the feedback from this is now being taken forward.
57. Work is underway to review and retender the NHS health checks contract, which is due for renewal in March 2024. Soft market testing is underway and ends on 18 July 2023. Stakeholder engagement, informed by evidence to support the service specification, begins from the end of July.
58. Recurrent funding was secured from the Integrated Care Board for a Suicide Prevention Co-ordinator that will sit within public health and recruitment is now underway.
59. Public Health won the Public Health West Midlands regional award for the best Local Authority project for their work on food sustainability and working with partners. Herefordshire Council's team beat competition from Birmingham, Dudley, Shropshire and Worcestershire to claim first prize. The judges could see that the award-winners took a three-pronged approach to their

sustainable food project. The Herefordshire team's strategy was to bring together partners in related industries to make food systems more accessible. They also part-funded a coordinator's role to manage their new approach. Those strands were brought together to support local activities to help promote a sustainable food system.

60. Finally, our Trading Standards team have been successful with their Maxii illegal tobacco conspiracy investigation, which resulted in 4 guilty pleas - the value of goods seized was circa £150k, 1 of the defendants appears to have been detained by the National Crime Agency (NCA) at Manchester Airport as part of a large scale people smuggling operation originating from France. The other has continued to offend nationally whilst on bail across the UK. This highlights the level of criminality of those we in Trading Standards investigate and prosecute. This is the first successful conspiracy investigation taken by Herefordshire Council.

Performance: Corporate

61. A set of measures of corporate performance, which have been selected as an indication of the overall health of the organisation, are included in Appendix E. For measures which have baselines in 2022/23, 62 per cent are showing an improvement. 61 per cent of measures which have targets set are meeting or exceeding target.
62. The proportion of invoices paid on time improved following a dip in May and is above target for the year to date. The number of invoices received in June was 11,044 compared to 7,044 in April and 9,980 in May.
63. Council tax collection rates remain on a par with last year; business rate collection rates are currently lower than last year, which included the Covid-19 Additional Relief Fund (CARF) making comparisons difficult until later in the year. The gap in performance between years is reducing, however, following the posting of journal payments in June.
64. Processing of housing benefit new claims and change of circumstance are starting to improve following implementation of council tax relief scheme which had caused a backlog.
65. Responding to FOIs and EIRs remains better than target. 253 of the 260 requests received during the first three months have been responded to within timescale.
66. Despite being behind target there has been significant improvement in the response times to complaints across directorates.
67. Continued shift in proportion of parking transactions being made by card or phone. 279,895 / 466,426 transactions have been made by card or phone in the first three months.
68. Improvement in recovery rate of penalty charge notices (PCN) during June, meaning the average amount collected per PCN is only marginally below target.

Community impact

69. 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.

70. 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

71. 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 impact.

Equality duty

72. 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.
73. 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). 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.
74. 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

75. There are no direct legal implications arising from this report.

Risk management

76. 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

Resource Implications

77. 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

78. None in relation to this report.

Appendices

Appendix A - Revenue forecast

Appendix B – Capital forecast

Appendix C - Treasury management forecast

Appendix D - Savings delivery

Appendix E - Delivery Plan dashboards

Background papers

None Identified

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 13/09/2022
Finance	Karen Morris	Date 18/09/2022
Legal	Sean O'Connor	Date 18/09/2023
Communications	Luenne Featherstone	Date 13/09/2023
Equality Duty	Harriet Yellin	Date 18/09/2023
Procurement	Lee Robertson	Date 18/09/2023
Risk	Kevin Lloyd	Date 18/09/2023

Approved by	Rachael Hart	Date 18/09/2023
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