

# Herefordshire Council

Auditor's Annual Report for the  
year ended 31 March 2024

Final – 10 September 2024



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Introduction



## Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for Herefordshire Council (the Council) during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements.

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

## Responsibilities of the appointed auditor

### Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

### Value for money

We report our judgements on whether the Council has proper arrangements in place regarding arrangements under the three specified criteria:

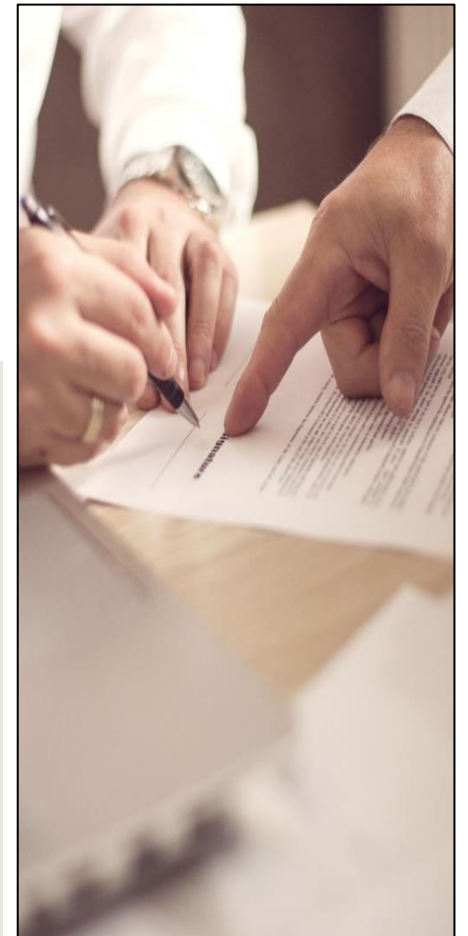
- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

### Auditor powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 10 with a commentary on whether any of these powers have been used during this audit period.



# Executive summary



# Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO, in its consultation of February 2024, has indicated that it will in future require auditors to share a draft Auditors Annual Report ("the Report") with those charged with governance by a nationally set deadline each year and for the audited body to publish the Report thereafter. This is now delayed by the calling of a general election on 4 July 2024 and the outcome will be dependent of the decisions made by the new government. As a firm, we are committed to reporting the results of our local audit work on as timely a basis as possible. We are therefore sharing this report with you in advance of the National Audit Office's new Code being introduced. In the event that any new audit requirements are introduced when the Code is published, we will revisit these before finalising this report. Our summary findings are set out below. Our recommendations and management responses are summarised in the section starting on page 22.

## Financial sustainability



In 2023/24 the Council incurred an overspend of £8.7m on a budget of £193.3m. This had been forecast through the year and robust spending controls were introduced which reduced the forecast overspend by £5.1m in the last quarter. These controls remain in place for 2024/25. The 2023/24 overspend was contained within Children's Services and for 2024/25 the Council has provided additional financial support for this service. However, increasing demand for key services, including Adult Social care, means that the Council is currently forecasting a deficit. The 2024/25 budget is balanced, without the need to use reserves, but with a £19.5m savings target. Testing of nine saving schemes, totalling £14.6m, indicates that arrangements for identifying, developing, monitoring and reporting on savings are appropriate. Based on our areas of focus and evidence considered, we have not identified any significant weaknesses in arrangements to ensure the Council manages risk to its financial sustainability. However, we have identified that the Council needs to ensure arrangements to manage the Dedicated Schools Grant deficit remain robust and have raised an improvement recommendation.

## Governance



The Council has appropriate arrangements in place to ensure that decisions are made with the required information and that there is appropriate challenge and scrutiny. Reports to Cabinet clearly explain when and why key decisions are required, with community, environmental, finance, legal and risk management implications explained.

Based on our areas of focus and evidence considered, we found no evidence of significant weaknesses in the Council's arrangements for ensuring that it makes informed decisions and properly manages its risks. However, we have identified that there is scope to further develop risk management arrangements, and that the Council is seeking to progress this. There is also an opportunity to introduce best both of these two areas.

## Improving economy, efficiency and effectiveness

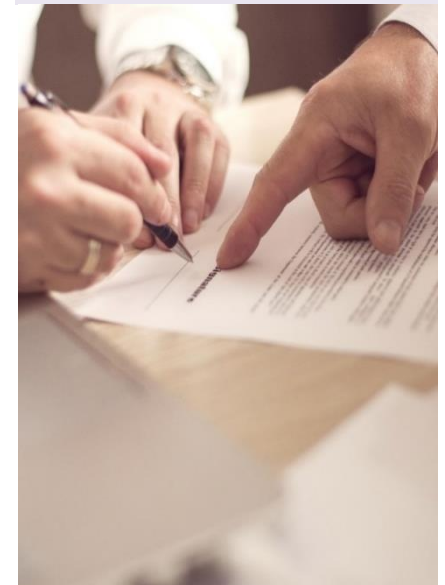


Despite continuing to make progress in Children's Services this is insufficient at this stage for Ofsted to remove the Council's "Inadequate" rating and the significant weakness and key recommendation we have made in our previous two reports remains. Please see page seven for more detail.

The Council has sound arrangements in place for performance reporting, which is linked to the four priority areas. Contract management arrangements continue to improve, with new contracts for Public Realm and Waste Collection allowing greater oversight by the Council.



We have substantially completed our audit of your financial statements and intend to issue an unqualified audit opinion following the Audit and Governance Committee meeting on 18 September 2024. Our findings are set out in further detail on pages 9 and 10.



# Executive summary (continued)

## Overall summary of our Value for Money assessment of the Council's arrangements

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below.

Criteria	2022/23 Auditor judgement on arrangements	2023/24 Risk assessment	2023/24 Auditor judgement on arrangements	Direction of travel
Financial sustainability	A No significant weaknesses identified, but two improvement recommendations raised.	The Council's Dedicated Schools Grant (DSG) is becoming increasingly challenging. The 2023/24 draft financial statements show a £6.1m cumulative deficit at 31 March 2024, and this is expected to increase. The in-year deficit of £5.1m is 5% of the grant for Council controlled schools. This, and the direction of travel, represents a risk to the financial sustainability of the Council. To address this risk we will undertake additional work to test the robustness of the Council's plan to address the deficit and the level of engagement from schools.	A One improvement recommendation made around the Dedicated Schools Grant. No other recommendations made	↔
Governance	A Our work did not identify any areas where we considered that key or improvement recommendations were required, but two prior year improvement recommendations remain.	Our initial planning work has not identified any risks of significant weakness.	A One refreshed improvement recommendation around risk management; one new improvement recommendation on reporting tender waivers to Audit and Governance Committee and one prior year improvement recommendation around recommendation tracking remains in progress.	↔
Improving economy, efficiency and effectiveness	R Significant weakness in Children's Services remains. The two contracting significant weaknesses have been addressed, but one improvement recommendation made. Two prior year improvement recommendations remain.	In both 2021/22 and 2022/23 we have raised a significant weakness in regard to the Council's arrangements for delivering Children's Social Care Services. Despite evidence of progress being made, Ofsted has yet to remove the "Inadequate" rating issued in September 2022. This therefore remains a risk of significant weakness for 2023/24.	R Whilst the Council continues to make progress in Children's Services, this has not been sufficient for Ofsted to remove their "Inadequate" rating. This remains a significant weakness and we have repeated our key recommendation. No other recommendations raised.	↔

**G** No significant weaknesses in arrangements identified or improvement recommendation made.

**A** No significant weaknesses in arrangements identified, but improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendations made.

# Executive summary (continued)



## Significant weakness identified in Improving economy, efficiency and effectiveness arrangements

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. We reviewed the Council's arrangements to deliver improving economy, efficiency and effectiveness and have concluded that there remains a significant weakness in arrangements in respects of Children's Services.

### Children's Services

In both 2021/22 and 2022/23 we have raised a significant weakness in regard to the Council's arrangements for delivering Children's Social Care Services. Despite evidence of progress being made, Ofsted has yet to remove the "Inadequate" rating issued in September 2022. The latest Children's Services Commissioner report was presented to Cabinet on 21 December 2023. Ofsted visited the Council on 21 and 22 February 2024, focusing on older young people in care aged 16 and 17 and care leavers aged 18 to 25. Whilst there has been progress in some areas, Ofsted and the Commissioner agree that this is too slow and insufficiently consistent across all areas. Where further improvements are needed these are set out, together with suggestions on how these can be achieved. The Council has increased the Children's Services budget for 2024/25 by £11m to reflect the ongoing cost pressures and overspend in 2023/24. Early indications are that actions taken, for example converting agency staff to permanent and ensuring that Children continue to be placed in the appropriate setting, but with increased focus on cost are beginning to have an impact. From 1 July 2024 the Council has a new Director of Children's Services which has allowed a re-set and an updated Improvement Plan to be developed. This focuses on the nine recommendations originally made by Ofsted and the associated measures. Children's Services is also engaging more with other service areas so that they can also fully contribute to the improvements.

Whilst recognising that the Council continues to make progress in this area, it is insufficient for us to be able to remove the risk of significant weakness. We have refreshed the key recommendation made in previous years.



#### Key recommendation 1

The Council should continue to work with the Department for Education to improve its Children's Social Care Services. This should focus on:

- Ensuring that the refreshed Improvement Plan is delivered, with regular reporting to Members.
- Efficiencies made, for example, through reducing the number of agency staff and increasing permanent staff continue, in order to ensure that costs are contained within the agreed budget.
- Working with other areas of the Council to ensure a holistic and joined up approach to improving services whilst remaining within the agreed financial budget.

# **Opinion on the financial statements and use of auditor's powers**





# Opinion on the financial statements



## Audit opinion on the financial statements

Our audit work is ongoing. To date, we plan to issue an unqualified opinion on the Council's financial statements following the Audit and Governance Committee on 18 September 2024.

The full opinion is included in the Council's Annual Report for 2023/24, which can be obtained from the Council's website.

## Grant Thornton provides an independent opinion on whether the Councils financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

## Findings from the audit of the financial statements

The Council provided draft accounts in line with the national deadline.

Draft financial statements were of quality and supported by detailed working papers.

## Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report will be presented to the Council's Audit and Governance Committee on 18 September 2024. Requests for this Audit Findings Report should be directed to the Council.

# Use of auditor's powers

We bring the following matters to your attention:

2023/24

## Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly.

We did not make any written recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

## Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public interest report.

## Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make an application to the Court.

## Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notices.

## Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not make an application for judicial review.

# **Value for Money Commentary on arrangements**



# The current local government landscape

It is within this context that we set out our commentary on the Council's value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.



## National context

Local government in England remains a challenged sector. In recent years, generationally significant levels of inflation put pressure on councils' General Fund revenue and capital expenditure. The associated cost of living crisis drove an increase in demand for council services such as social care and homelessness. At the same time, the crisis impacted adversely on key areas of council income that were needed to service the increase in demand, for example fees and charges and the collection rates for council tax, business rates and rents.

In January 2024, the UK government announced an additional £600 million for local government, but the Spring Budget for 2024 brought little in the way of any further support. Rising costs of delivering services, coupled with workforce shortages in key areas, supply chain fragility, and rising interest rates for servicing debt, brought a level of crisis to the local government sector perhaps never experienced before. Current warning signs of difficulty include:

- Seven councils issuing eleven section 114 notices between 2019 and 2023, compared with two councils issuing notices between 2001 and 2018, with an increasing number of other councils publicly warning of a section 114 risk;
- Twenty councils being with government approval for exceptional financial support during 2024/25, totalling approximately £1.5 billion. Only six of these councils had previously issued a section 114 notice.; and
- The Local Government Association warning that councils in England face a funding gap of £4 billion over 2023/24 and 2024/25.

Local government is coming under an increased spotlight in terms of how the sector responds to the financial challenge it faces. Since the start of 2024, the UK government has emphasised the need for increased productivity rather than increased funding. New plans were announced by the Chancellor in March 2024 for public sector productivity to deliver up to £1.8 billion worth of benefits by 2029. Councils have subsequently been asked to submit productivity plans, showing how they will improve service performance and reduce wasteful spend.

Given the general election which took place on 4 July 2024 any changes to government policy relating to the sector are at present uncertain.

## Local context



Herefordshire is a county covering a geographic area of 2,180 km<sup>2</sup>. It is home to nearly 200,000 residents across rural villages and market towns with an economy combining long-standing agriculture and food production industries alongside innovative businesses in cyber and technology, construction, manufacturing and engineering. The County Plan 2020-2024 sets out the Council's vision for the future of Herefordshire: "Respecting our past, shaping our future - we will improve the sustainability, connectivity and wellbeing of our county by strengthening our communities, creating a thriving local economy and protecting and enhancing our environment". The Plan has recently been refreshed and the Herefordshire Council Plan 2024-2028 sets out how the Council will make its contribution to achieving success across the county; delivering the best for Herefordshire in all areas of service delivery and developing a Council that engages with the communities it serves. The Plan sets out the vision for the future, with a focus on key priorities of People, Place, Growth and Transformation, with partnership working at the core of all activity.

The Council has a minority Conservative administration. Members appear to work well together, particularly on large projects. The gross expenditure budget is around £500m, and is used to deliver services to residents. These services include maintenance of over 2,000 miles of roads, collection of over 85,000 residential bins, safeguarding around 1,000 children (including around 350 who are in its care) and providing care and support to 2,500 vulnerable adults. The Council employs approximately 1,300 staff (excluding staff in schools). Like many other councils, Herefordshire is seeing increasing demand for Children's and Adult Social Care, which is causing financial pressures.

The Council enjoys a comparatively stable financial position, but is seeing ongoing pressures in Children's Services as it continues to invest in order to secure the improvements required following the Ofsted "Inadequate" rating.

# Financial sustainability - commentary on arrangements



We considered how the Council:	Commentary on arrangements	Assessment
<p>ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>For 2023/24 the Council incurred an overspend of £8.7m on a £193.3m budget (4.5%). This had been forecast during the year and robust expenditure controls were introduced to manage the outturn position. These had the effect of reducing the forecast overspend by £5.1m in the last quarter of the year. These controls remain in place for 2024/25. The Council is aware of the key financial pressures which are consistent with those seen nationally - demand for Adults Social Care, Children's Services (particularly high cost placements), Special Educational Needs (SEN) transport to schools and homelessness. The 2024/25 budget reflected these challenges, with £43.3m invested covering inflation and forecast increases in demand. The budget was also based on realistic assumptions in key areas such as inflation (6.8%) and pay growth (£4.0m). Despite this the Council is currently forecasting an overspend - caused by increasing demand for key services. The current Medium Term Financial Strategy, agreed in January 2024, shows a balanced budget in 2024/25, but with £24.9m savings and mitigations, a £1.9m surplus in 2025/26, with no savings included, and a £1.9m deficit in 2026/27 and 2027/28. Officers anticipate that additional savings may be needed in the latter years.</p> <p>The Council also has an increasing Dedicated Schools Grant deficit. Whilst the Council is taking steps to address the deficit, the worsening position means that this is an area for improvement, and we have made an improvement recommendation. Please see page 16 for further details.</p>	<p><b>A</b></p>
<p>plans to bridge its funding gaps and identifies achievable savings</p>	<p>The 2023/24 outturn report states that 79% of planned savings of £20.0m have been delivered (£15.8m). The shortfall is all in the Children and Young People Directorate, with £0.3m out of a £4.5m target achieved. The 2024/25 budget setting report includes saving schemes totalling £19.5m across the Council. We selected nine savings schemes, covering each Directorate and Council-wide savings, totalling £14.6m (75% of the total). Officers have provided supporting working papers that include detailed calculations supporting the figures and evidence that budget holders and service managers are central to developing the proposed savings. In August many of the schemes had either delivered in full or were in progress. Where savings are assessed as "At risk" mitigating actions are in place. Arrangements for identifying, developing, monitoring and reporting on savings are appropriate.</p>	<p><b>G</b></p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

# Financial sustainability - commentary on arrangements



We considered how the Council:	Commentary on arrangements	Assessment
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>The Council Plan 2024-28 has four corporate priorities - People, Place, Growth and Transformation, with six or seven objectives for each priority. In our prior year report, we made an improvement recommendation "The Council should further enhance the budget setting report by linking planned revenue and capital investments to the Council Plan to show how they contribute to achieving the Council's vision and aims. As part of this process the Council should set out those areas that are statutory and those discretionary areas of spend where Council priorities can be delivered." The Council response concluded "Management note the improvement recommendation but consider that the budget report, and supporting financial and performance information, provides significant and valuable information for residents." The budget setting report for 2024/25 does not include any references to the Council's objectives or priorities. We have therefore closed our recommendation.</p> <p>The Council understands the cost of delivering services and these are reflected in financial planning. Examples include significant increases in the budget in respect of Children's Services and Adult Social Care to meet rising demand and cost.</p>	G

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

# Financial sustainability – commentary on arrangements (continued)



We considered how the Council:	Commentary on arrangements	Assessment
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	<p>The Council's Medium Term Financial Strategy (MTFS) is linked to other key corporate strategies including workforce, treasury management, asset management, Digital and net zero. For example, the MTFS recognises that some of the planned savings will require a review of the size and shape of the workforce, and the capital programme includes schemes to reduce carbon emissions to support achieving the Council's ambition of a net zero County by 2030.</p> <p>The Capital Outturn report show that the initial budget for 2023/24 was £147.8m, of which £78.9m has been reprofiled across the next three years, and this is clearly shown. The revised budget was £68.4m. The outturn was £47.3m. The bulk of the £21.1m underspend is a further £15.3m carried forward into 2024/25. In our Prior Year report, we made an improvement recommendation - "The Council should review its arrangements for setting its annual capital programme to ensure it is realistic and deliverable having regard to prior year performance." The Council response concluded "Management note the improvement recommendation but consider that current arrangements for setting its capital programme are appropriate and informed by relevant information to estimate planned delivery." There is no evidence of capital schemes being cancelled without sound rationale. However, the prior year issue around forecasting capital expenditure more accurately continues, although we note that the Council did not accept the need for improvement and have therefore closed our recommendation.</p>	G
identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans	<p>When developing its 2024/25 budget the Council used appropriate key assumptions and reported these, together with sensitivity analysis. Key financial risks, their likelihood and potential impact, and any mitigating actions are included in the budget setting report, but not quantified.</p> <p>During 2023/24 the Council was consistently forecasting an overspend and responded to this by introducing spending controls requiring all expenditure on non statutory services over £500 to be supported by a business case and approved by an Expenditure Review Panel.</p>	G

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

# Financial sustainability (continued)



## Area for improvement

### Dedicated Schools Grant

On page six we identify a risk of significant weakness in the Council's arrangements to manage its Dedicated Schools Grant (DSG). Currently councils are able to carry DSG deficits as negative reserves. However, this arrangement is due to end on 31 March 2026. If it is not extended there is a risk that councils will have to fund future DSG deficits in year. To address this risk, we have undertaken additional work to test the robustness of the Council's plan to address the deficit and the level of engagement from schools.

The Council's Dedicated Schools Grant deficit is growing. It was £0.3m at 31 March 2022; £1.0m at 31 March 2023 and £6.1m at 31 March 2024. In August 2024 the Council is forecasting that the cumulative deficit at 31 March 2025 could be £12-13m. The Council is engaging with the Department for Education (DfE), but is not one of their priority cases. The Council has a plan to tackle the deficit and is strengthening its internal oversight and engagement with schools to ensure that schools' budgets are subject to increased challenge and rigour. The DfE indicates that the deficit will continue to grow in the short term. The Council plan is clear that future reduction of the deficit will depend on increases in DfE funding and increasing in-county provision in order to reduce the need for more expensive out of county and independent sector school places. The Council is reviewing options for these additional places to support a reduction in cost pressures in 2024/25. The plan is realistic in its expectations, but remains challenging. Whilst the Council is taking steps to address the deficit, and has been engaging with the Schools Forum, the worsening position means that this is an area of increasing risk, and we have made an improvement recommendation.

## Area of focus

### Children's Service finances

Whilst our initial planning and risk assessment did not identify a risk of significant weakness in the Council's arrangements to ensure financial sustainability, given the overspend in 2023/24 in Children's Services we have undertaken additional work to better understand the drivers of the overspend in Children's Services and whether expenditure assumptions are realistic.

The Children and Young People Directorate incurred a significant overspend in 2023/24, with £63.5m expenditure on a £51.8m budget meaning an £11.7m overspend. The Directorate, in addition to underdelivering on savings by £4.2m (only £0.3m delivered), also incurred overspends in agency staff (£2.1m), SEN transport (£2.2m) and Agency Fostering (£0.8m), amongst others. The Council recognises the financial pressures in Children's Services and has included an additional £11m in the 2024/25 budget. The Council is also taking steps to reduce costs whilst ensuring placements are safe and appropriate. This will take time to achieve and the Council, like others, is subject to unexpected high cost placement cases at any time. Assumptions used are realistic, for example, converting agency staff to permanent and using framework contracts to identify appropriate placements.

We have not made an improvement recommendation.

#### Improvement recommendation 1:

In order to reduce the forecast Dedicated Schools Grant deficit, the Council needs to work with schools and other stakeholders and partners to ensure that expenditure is reduced.



# Governance – commentary on arrangements



**We considered how the Council:** **Commentary on arrangements** **Assessment**

<p>monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>Risk Management is overseen by the Audit and Governance Committee with quarterly reporting of the Corporate Risk Register. Whilst the register includes the risks we would expect to see and covers some basic information, as in previous years there is scope to enhance reporting by including further information such as when the risk was last reviewed or updated, and direction of travel. The register should also be reported report quarterly to Cabinet. We have made a new improvement recommendation on page 19.</p> <p>The Council has an effective internal audit service with the scope of work covering key aspects of the Council's functions. An annual report is presented to Audit and Governance Committee and there are appropriate arrangements to discuss issues at within the management team and escalate to Members as required. Whilst we have not raised an improvement recommendation, the Council could consider more frequent formal reporting to Audit and Governance Committee.</p> <p>The Council has strengthened its whistleblowing arrangements in year and also has appropriate arrangements in place to manage and learn from complaints.</p>	<p><b>A</b></p>
<p>approaches and carries out its annual budget setting process</p>	<p>The Council has robust budget setting arrangements. A draft budget was presented to Cabinet in December 2023 for consultation, with updates included in the January 2024 version. The starting point for the budget is the 2023/24 base budget, updated for cost pressures, mitigations, savings and new items. This is all clearly set out. Extensive public consultation takes place, with results included in the Cabinet report. 12 local events were held with 652 participants. An online survey was completed by 326 residents, plus nine by email. Scrutiny Management Board considered the planned budget twice, and their recommendations were included in the Cabinet papers.</p>	<p><b>G</b></p>
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>Quarterly finance reports to Cabinet present a clear picture of the Council's revenue and capital position. Prior quarter forecasts are included so that the direction of travel and impact of any mitigating actions taken is clear.</p> <p>Our work on the Council's financial statements has not identified any concerns regarding financial reporting arrangements.</p>	<p><b>G</b></p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

# Governance – commentary on arrangements (continued)



We considered how the Council:	Commentary on arrangements	Assessment
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	<p>The Council has appropriate arrangements in place to ensure that decisions are made with the required information and that there is appropriate challenge and scrutiny. Reports to Cabinet clearly explain when and why key decisions are required, with community, environmental, finance, legal and risk management implications explained.</p> <p>The Council operates a Leader and Cabinet model. The Council has a number of Overview and Scrutiny Committees - Audit and Governance, Children and Young People, Connected Communities, Environment and Sustainability and Health, Care and Wellbeing. A Forward Plan is available on the Council website. Overview and Scrutiny reports and recommendations are reported to Cabinet.</p>	<b>G</b>
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services	<p>The Audit and Governance Committee prepares an annual report which includes the findings of the Local Government Ombudsman. This is good practice. The Council has sound arrangements in place to monitor complaints, including those made against Members. The Council also ensures that it complies with relevant legislation when procuring services, including obtaining legal advice. Where Officers feel it is necessary to waive normal tender requirements there is a process for this to be recorded and available for review by senior officers. However, in many councils we see such waivers being retrospectively reported to Audit Committees, which we consider good practice, and we have identified this as an improvement opportunity on page 19.</p>	<b>A</b>

**G** No significant weaknesses in arrangements identified or improvement recommendation made.

**A** No significant weaknesses in arrangements identified, but improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendations made.

# Governance (continued)



## Areas for improvement

In our 2022/23 Auditor's Annual Report we reported "In our prior year Auditor's Annual Report we made an improvement recommendation "The corporate risk register should be updated to map each corporate risk to the relevant corporate objective." This has not been completed and remains an area for improvement." Review of the latest risk register indicates that the suggested improvement has yet to be made, although we note that the Council continues to review arrangements, including with external support. There is also scope to include further information such as when the risk was last reviewed or updated and the direction of travel. We would also recommend that the risk register is reported to Cabinet on a quarterly basis, after review by the Audit and Governance Committee.

### Improvement recommendation 2:

The Council should improve its risk reporting arrangements by:

- Enhancing the Corporate Risk Register to include the corporate objective it relates to, when the risk was last reviewed or updated and the direction of travel.
- Reporting to Cabinet on a quarterly basis, after review by the Audit and Governance Committee.

The Council has reasonable arrangements in place to record instances where Officers feel it is appropriate to waive normal tendering arrangements. This includes the opportunity for review by senior officers in the legal and finance teams. However, based on best practice that we have seen at other councils the arrangements could be further enhanced by retrospectively reporting to Audit and Governance Committee. This should include information such as the contractor, why a waiver was required, the value and authorising officer. This will support the Committee in obtaining assurance that any waivers are appropriate and that arrangements are working as intended..

### Improvement recommendation 3:

In order to enhance arrangements where it is necessary to waive normal tendering arrangements, and to implement best practice, the Council should report tender waivers to Audit and Governance Committee on a quarterly basis. The report should include sufficient details for the Committee to form a view on the reasonableness of the waiver.



# Improving economy, efficiency and effectiveness – commentary on arrangements



**We considered how the Council:**

**Commentary on arrangements**

**Assessment**

<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>Cabinet receives quarterly performance reports which include a summary of performance in each of the Council's priority areas - Economy, Environment, Community &amp; Corporate. For each priority the report shows the relevant ambitions with actions, lead officer, progress and quarterly risk rating. The report provides appropriate detail to understand the key issues and further action being taken where necessary. Performance measures and relevant corporate risks are also included. The report therefore provides a comprehensive picture for each priority. The report also includes, for each priority, the relevant ambitions and actions from the 2023/24 Delivery Plan. The Council uses a suite of indicators and information to oversee performance in care homes it has contracts with.</p> <p>The Council uses benchmarking to identify improvement opportunities. The Council has appropriate arrangements in place to satisfy itself that data used in performance reporting is accurate. This includes internal checks and reconciliations and use of independent reviews by, for example, Ofsted and internal audit.</p>	<p><b>G</b></p>
<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>In both 2021/22 and 2022/23 we have raised a significant weakness in regard to the Council's arrangements for delivering Children's Social Care Services. Despite evidence of progress being made, Ofsted has yet to remove the "Inadequate" rating issued in September 2022. The latest Children's Services Commissioner report was presented to Cabinet on 21 December 2023. Ofsted visited the Council on 21 and 22 February 2024, focusing on older young people in care aged 16 and 17 and care leavers aged 18 to 25. Whilst there has been progress in some areas, Ofsted and the Commissioner agree that this is too slow and insufficiently consistent across all areas. Where further improvements are needed these are set out, together with suggestions on how these can be achieved. From 1 July 2023 the Council has a new Director of Children's Services. The significant weakness remains in place. Please see page seven.</p> <p>The Council has appropriate arrangements in place for reviewing the cost effectiveness of services. For example, waste collection and the public realm contract.</p>	<p><b>R</b></p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

# Improving economy, efficiency and effectiveness – commentary on arrangements (continued)



## We considered how the Council: Commentary on arrangements

## Assessment

ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives

The "Herefordshire Council Plan 2024-28" presented to May 2024 Cabinet explains that the Plan has been developed following public consultation and engagement with Cabinet Members and staff with 600 people attending in person events and 390 responses received online. Over 20 events were held between December 2023 and February 2024, including targeted events for young people, people with disabilities, environmental groups and low-income families. Common themes were pulled together into four Corporate priorities - People, Place, Growth and Transformation. The Plan underlines the importance of working in partnership with residents, communities, businesses and partners. The Plan has been reviewed by Scrutiny Management Board and all Member briefings were held in December 2023 and March 2024.

The Council has significant partnerships with Balfour Beatty Living Places (BBLP) through the Public Realm Contract and with Hoople which provides various services to the Council. The contract with BBLP is not being renewed and is being re-tendered as a new contract. The Council is ensuring that it has more capacity to manage the new contract, with around 60 mostly technical roles reverting to the Council. In our prior year report we made an improvement recommendation - "The Council should ensure that major contracts allow for performance measures to be revisited and updated as appropriate in order that contractors can be more easily held to account." The new contract will allow for this. We have therefore closed the recommendation.

The Council also works in partnership with local healthcare providers. For example, providing a £15m loan to Wye Valley Trust NHS Trust to enable the building of a new education centre that will increase learning opportunities and play a critical role in supporting the Trust with its recruitment and retention of staff.

G

commissions or procures services, assessing whether it is realising the expected benefits

The Council continues to develop its contract management arrangements. Following legal advice that proposed amendments to the existing contract were too significant, the Public Realm contract (currently provided by Balfour Beatty Living Places (BBLP)) is being re-tendered and the Council is planning to strengthen its in-house arrangements for overseeing the new contract. The waste collection contract has recently been re-tendered. The new contract includes scope for additional services, such as garden or food waste collection, to be added when funding allows. Oversight arrangements are clearly enhanced and focused on issues that matter to residents - for example, missed bulky waste collections which are subject to an additional charge. The new contract also includes a provision for 80 children leaving Council care over the eight year life of the contract to be offered placements with the provider (FCC Environmental). Performance reports to Cabinet include Council performance - not that of external partners or providers. Escalation processes allow for Portfolio Holders and Cabinet to be informed of key risks or poor performance, rather than reporting too many indicators or measures. This allows focus on the key issues.

G

**G** No significant weaknesses in arrangements identified or improvement recommendation made.

**A** No significant weaknesses in arrangements identified, but improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendations made.

**Value for Money  
Recommendations raised in  
2023/24**



# Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>The Council should continue to work with the Department for Education to improve its Children's Social Care Services. This should focus on:</p> <ul style="list-style-type: none"> <li>Ensuring that the refreshed Improvement Plan is delivered, with regular reporting to Members.</li> <li>Efficiencies made, for example, through reducing the number of agency staff and increasing permanent staff continue, in order to ensure that costs are contained within the agreed budget.</li> <li>Working with other areas of the Council to ensure a holistic and joined up approach to improving services whilst remaining within the agreed financial budget.</li> </ul>	Key	Improving economy, efficiency and effectiveness	Review of Ofsted reports and discussions with Officers identifies that progress is being made, but all parties would like this to be quicker.	The Council is working to put Children's Services on a stable financial footing and to be in a position where Ofsted's "Inadequate" rating can be removed.	<p><b>Actions:</b> The Council continues to work with the DfE, the appointed Commissioner for Children's Services and its improvement partner to address required transformation and improvement. The Children's Improvement Board has reviewed its Terms of Reference and Membership and meets every six weeks, chaired by the DfE appointed Commissioner to ensure appropriate governance arrangements are in place. The Phase 2 Children's Service Improvement Plan introduces a Quality Assurance framework of measures to support delivery and enable monitoring and reporting of progress in 2024/25.</p> <p><b>Responsible Officer / Executive Lead:</b> Director of Children &amp; Young People</p> <p><b>Due Date:</b> Delivery of improvements will continue during 2024/25</p>

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR1 In order to reduce the forecast Dedicated Schools Grant deficit, the Council needs to work with schools and other stakeholders and partners to ensure that expenditure is reduced.	Improvement	Financial Sustainability	Review of finance reports indicates that the Dedicated Schools Grant deficit is growing and is likely to increase further.	The Council's Dedicated Schools Grant (DSG) is growing. Whilst this is a national challenge there is a risk that the deficit, could adversely impact the Council's overall financial sustainability.	<p><b>Actions:</b> The Council is working on a revised DSG management plan for submission to DfE and is working closely with schools to support financial management arrangements and expenditure controls. Measures to contain the 2024/25 forecast deficit and manage cost and demand pressures will be monitored as part of the Council's financial and risk management arrangements.</p> <p><b>Responsible Officer / Executive Lead:</b> Director of Children &amp; Young People, Service Director Education Skills &amp; Learning, Director of Finance (S151 Officer)</p> <p><b>Due Date:</b> 31 March 2025</p>
IR2 The Council should improve its risk reporting arrangements by: <ul style="list-style-type: none"> <li>Enhancing the Corporate Risk Register to include the corporate objective it relates to, when the risk was last reviewed or updated and the direction of travel.</li> <li>Reporting to Cabinet on a quarterly basis, after review by the Audit and Governance Committee.</li> </ul>	Improvement	Governance	Review of Audit and Governance Committee papers indicates that there remains scope to improve arrangements. We note that the Council is working on this during 2024/25.	<p>Comprehensive and robust risk management arrangements support the Council in achieving its objectives.</p> <p><b>Actions:</b> The Council's Risk Management Strategy is currently under review and a series of CLT workshops are planned to confirm arrangements to identify, monitor and report risk. The revised strategy will be presented to A&amp;G Committee in Autumn 2024 for feedback and review. Following approval by A&amp;G Committee, the Council will consider formal reporting arrangements to enable appropriate oversight and governance of risk.</p> <p><b>Responsible Officer / Executive Lead:</b> Corporate Leadership Team</p> <p><b>Due Date:</b> 31 March 2025</p>	

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.



# Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR3 In order to enhance arrangements where it is necessary to waive normal tendering arrangements, and to implement best practice, the Council should report tender waivers to Audit and Governance Committee on a quarterly basis. The report should include sufficient details for the Committee to form a view on the reasonableness of the waiver.	Improvement	Governance	Review of Audit and Governance Committee papers indicates that tender waivers are not reported to Members.	Best practice is to report waivers to allow member oversight and also provide a further level of protection to Officers.	<p><b>Actions:</b> The Council will report tender waivers to A&amp;G Committee to provide additional oversight and support existing processes and controls; the frequency of reporting will be considered, as informed by best practice.</p> <p><b>Responsible Officer / Executive Lead:</b> Director of Finance (S151 Officer)</p> <p><b>Due Date:</b> 31 March 2025</p>

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Appendices

# Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

# Appendix B: Value for Money Auditor responsibilities



## Value for Money arrangements work

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

### Financial Sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

### Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.

### Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023/24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

## Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the Council's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period

Information which informs our risk assessment	
Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

## Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

## Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Council's auditors as follows:

- **Statutory recommendations** – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and require discussion at full Council and a public response.
- **Key recommendations** – actions which should be taken by the Council where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Council's arrangements.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
KR1 The Council should continue to work with the Department for Education to improve its Children's Social Care Services.	Key	January 2024	The Council continues to make progress in this area, but not enough for Ofsted to lift their "Inadequate" rating and there is still much to do. The key recommendation remains.	In progress	Yes – we have refreshed the recommendation
IR1 The Council should further enhance the budget setting report by linking planned revenue and capital investments to the Council Plan to show how they contribute to achieving the Council's vision and aims. As part of this process the Council should set out those areas that are statutory and those discretionary areas of spend where Council priorities can be delivered.	Improvement	January 2024	Management noted the improvement recommendation but considered that the budget report, and supporting financial and performance information, provides significant and valuable information for residents. Therefore, recommendation closed.	N/A	No
IR2 The Council should review its arrangements for setting its annual capital programme to ensure it is realistic and deliverable having regard to prior year performance.	Improvement	January 2024	Management noted the improvement recommendation but considered that current arrangements for setting its capital programme are appropriate and informed by relevant information to estimate planned delivery. Therefore, recommendation closed.	N/A	No

\*Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
IR3 The Council should ensure that major contracts allow for performance measures to be revisited and updated as appropriate in order that contractors can be more easily held to account.	Improvement	January 2024	The new Public Realm and Waste Collection contracts will allow for this. The recommendation is therefore closed.	Yes	No
PY The Council needs to make more progress in implementing the change required to bring about the desired improvements in respect of the key recommendations. It should ensure: <ul style="list-style-type: none"> <li>rigorous processes are in place so that recommendations are completed fully and on a timely basis</li> <li>a single record of all external regulator and Internal Audit priority recommendations so that, amongst others, the Audit and Governance Committee can proactively monitor implementation.</li> </ul>	Improvement	June 2023	The Internal Audit Annual report highlights areas where arrangements need to improve further, including "The Councils Corporate Performance team have historically reported an update regarding agreed actions from the audit work completed to the Audit & Governance committee. Due to recent changes at the authority, this process has now ceased. SWAP intend to refresh the follow up process, utilising AuditBoard to provide a live view to key council stakeholders of all outstanding audit actions across the authority." The report explains that Audit and Governance Committee members and senior officers will have access to the Internal Audit tracker. However, for 2023/24 this recommendation remains.	No	Yes

\*Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Appendix C:

## Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
PY The Council should also consider reporting to Cabinet performance inline with key performance indicators as set out in the SLAs. (Hoople).	Improvement	June 2023	Please see page 20 for our commentary on the Council's arrangements for performance reporting. Performance reports are clearly linked to Council priorities. The Council does not report to Cabinet on the performance of external partners or contractors, unless there is an issue that Members need to be aware of. This is Council policy and avoids presenting Members with unnecessary information. The recommendation is closed.	N/A	No
PY The corporate risk register should be updated to map each corporate risk to the relevant corporate objective.	Improvement	June 2023	The Council continues to develop arrangements. We have raised a new improvement recommendation. See page 19.	No	Yes – new improvement recommendation raised.
PY The Council should develop more comprehensive and integrated workforce plans which support its recently developed workforce strategy.	Improvement	June 2023	The new "Workforce Strategy 2024-2028" clearly set out how the Workforce Plan aligns to and supports the Council Plan. This includes the Council Transformation Programme (Thrive). The Strategy has six aims, and for each of these there are a series of actions / outcomes to support them. The recommendation is closed.	Yes	No

\*Explanations of the different types of recommendations which can be made are summarised in Appendix B.

