

*I wish to open my report by welcoming our newest member, Councillor Rebecca Tully, as the elected member for Bishop's Frome and Cradley Ward. I know you will want to join me in offering Cllr Tully our best wishes and support as she takes up her position.*

*Despite it only being a few weeks since the October Council meeting, it has been a busy period of activity. But I don't want to just highlight the work of Cabinet and Cabinet members. I want to recognise and celebrate just some of the brilliant work that the officers of this council undertake in delivering the best for Herefordshire in everything we do.*

*Last week Herefordshire Council won the prestigious Excellence in Governance, Reporting and Assurance Award. We were selected ahead of several other local authorities – a true accolade to be proud of - I offer my warmest congratulation to our Finance and Senior Leadership Team on their achievement.*

*The Council also won the Royal Town Planning Institute for Excellence in Planning for the Natural Environment award. This category celebrates exceptional projects that actively contribute to preserving, improving, or rejuvenating our natural resources and was awarded to Herefordshire for our work on the Luston Wetlands.*

*This follows hot on the heels of the Team of the Year award at the Local Authority Recycling Advisory Committee (LARAC): for excellence in waste management and recycling services nationally.*

*Our Council's Community Protection Team continue to crackdown on fly-tipping in the county. Their role is so essential in keeping our communities safe as well as protecting the environment for all residents. Their work also serves as a key deterrent for those intent on illegally disposing of waste. Offenders need to be aware that they will be actively pursued and prosecuted for their waste related crimes.*

*The number of fly tipping enquiries passed to the Community Protection team since January 2024, stands at 234 plus an additional 109 littering enquiries and complaints. All of these are investigated by the team and where appropriate dealt with by way of a fixed penalty notice or a prosecution. Since January, the team have secured 4 convictions through the courts.*

*Over 2024, Trading Standards enforcement activity saw 23,860 illegal cigarettes and 18kg of illegal hand rolling tobacco seized. Over 100 advisory visits to vape retailers in Herefordshire were undertaken, resulting in 776 illegal vapes seized. The team completed two separate under-age test purchasing operations; this led to 1 criminal prosecution being taken and concluded. Due to the backlog of criminal cases in the court system, 4 other prosecutions relating to illegal tobacco and vapes were initiated and will be concluded in late 2024.*

*The work of our teams is also being noticed further afield with the Association for Public Service Excellence (APSE) announcing that Herefordshire Council is one of the finalists in the Environmental Health best performer category at their [Performance Networks Awards 2024](#).*

*In a similar vein, the council's Corporate Fraud Service, have also been working hard to prevent fraud against the council. Whether this is council tax, business rate or social care fraud - the council is taking measures to prevent it. Crucially, we can't and don't do this without*

*the support and vigilance of our local communities; over the last financial year for instance, heightened fraud awareness locally contributed to a 142% increase in new fraud referrals. It is important to not lose sight of why we do this; money fraudulently taken away from our hard-working tax-payers and businesses is money taken away from vital local services.*

*Our work progresses on the roll-out of more electric vehicle charge-points across Herefordshire. Our core aim is making electric vehicle charging accessible to a wider range of residents within the county, especially to those without access to off-street parking. Charge points will be strategically placed to best serve the needs of local communities and meet growing demand. This is a good step toward achieving the council's pledge to reach net zero carbon emissions by 2030.*

*Continuing with the transport theme, the new Transport Hub for Herefordshire is out for tender. Once complete, the Hub will improve travel experience for all, providing accessible, safe and green transport connections. Located at the station and its surrounding area, the hub will provide a key entry point to the city tying together public transportation, active travel and improved access. Its design will also help to revive the local heritage as well as create an attractive environment for visitors and commuters.*

*Separately, on 21 November we had confirmation of £3.2m to support the Bus Service Improvement Plan. The revenue element of the grant funding, around £1.8m, will be used to extend the services that are currently supported by grant funding. The decision about how the remainder is spent will be made by the Herefordshire Enhanced Partnership, which is an official partnership between the council and the bus operators where decisions about the distribution and investment of Government grants to improve bus travel are made.*

*Members will no doubt be aware of the unacceptably poor rail services within the county. I want to give you my assurance that I and my cabinet colleagues continue to press and challenge the rail operators and government on urgent action to improve this service.*

*Last Friday (29th November) I was also very pleased to attend a celebration event for the Hereford Enterprise Zone, known as Skylon Park. Over the last 10 years or so the Enterprise Zone has delivered over 60 acres of land and sold or developed, over 60,000 sqm of new workspace. There has also been investment in land and buildings in excess of £60m. Over 1,100 higher value jobs have been created. In recent years we have also seen the development of the £7.7m Shell Store business incubation space, the £9m Midlands Centre for Cyber Security, and the £7.2 m NMITE Skylon Campus.*

*The celebration event recognised the role played by the Hereford Enterprise Zone Ltd Board in this success and, as the company now comes to a close as we move to a new phase of delivery, I would like to take the opportunity to thank all of my fellow Board members for their time, expertise, and dedication to supporting the growth of our great county.*

*With the recent spell of wintery weather, I am pleased to confirm that, as part of our response to rough sleeping in the county, the Winter Shelter once again reopened on Wednesday 4 December. The shelter will provide overnight accommodation for male and female rough sleepers throughout the winter. As was the case last year, partners on the Homelessness Forum are working together to support the shelter in terms of food, washing provision and Caring for Communities and People (CCP). They will also, once again, provide the general management and staffing of the shelter.*

*Whilst we are on wintery weather, it is timely to acknowledge the essential, often lifesaving work that our local road gritting teams undertake. Their preparations are so important to keeping the county moving and keeping our road users safe. We also have a fleet of 15 newly*

*procured gritters, on standby 24 hours a day, 7 days a week, until the end of March 2025. This gives the council strong capability to deal with even the more severe weather extremes that we can face over the winter period.*

*All too often, however, the most severe weather we receive is in the form of storms that in turn generate significant flooding events in the County. Given the recent adverse weather and the flooding events of the 16<sup>th</sup> October and the 24<sup>th</sup> November we are reviewing how we respond to emergencies and flooding events. This review will focus on accelerating and strengthening our response and we will update members on the actions we are taking in due course.*

*Parish and Town Councils play a huge role in helping us maintain and improve our highways network. To improve this partnership further, members may recall that in July 2024, Town and Parish Councils were invited to provide submissions for the £445k of grant funding for drainage works. The funding was made available for ditching works, drainage surveys, minor drainage schemes, gully clearing and cleansing.*

*Submissions from 67 Town and Parish Councils have been received and approved at this stage, with offers totalling £288,794.00 of works being made. Whilst the grant funding closed to new applications at the end of September, the highways team are continuing to review applications submitted for minor drainage schemes and will be in touch with Parish Councils directly on these.*

*Our additional £5m investment in road resurfacing for 2024/25 has received positive feedback from residents and local businesses across the county. At the end of November 94% of the programme had been completed and plans are currently being drawn up for the next £5m of investment which will be delivered in 2025/26. Alongside the investment in A&B roads, we received further funding from the Department of Transport this year which has been used to deliver a surface dressing programme on our C and U network. I would like to thank our highways team and the contractors involved in delivery for minimising disruption to residents by utilising overnight closures where appropriate.*

*We received notification on Monday, 25 November that Ofsted and the Care Quality Commission (CQC) will be visiting us to look at our arrangements for children and young people with special educational needs and/or disabilities (SEND). Their fieldwork began on Thursday 28 November and inspectors remain on-site until 6 December. This is a major inspection and there was a lot of work to do in advance to prepare. I'd like to offer my thanks to the staff involved in supporting this visit.*

*Staying with children's services, we had a very helpful visit, on Friday 22 November to Coventry to explore their 'Child Friendly Cov' campaign. This is an initiative to make Coventry a child and young person friendly city, a place where children and young people are valued and supported. They work together with local children and young people to create a city where young people have access to opportunities, feel safe, healthy and loved. It is my hope that we can apply similar thinking and practices to make Herefordshire a great place for children and young people to grow, thrive and live.*

*Since my last report, the Government consultation on reforms to the National Planning Policy Framework (NPPF) closed 24 September 2024. The revised NPPF is likely to be in effect by the end of the year. The reforms are part of wider changes the Government is making to achieve its new targets for new homes.*

*The planning reforms will reinstate the mandatory housing targets for local planning authorities (LPAs). The new standard method for calculating housing need means an estimated requirement for 27.5k of additional homes for Herefordshire.*

*Locally, we also have some positive developments. The council's newly revamped Planning Advice Service provides a faster response to any planning-related questions. The planning team have developed the new service as part of the ongoing transformation of Planning and Building Control. It is an excellent new service and a major step forward in delivering our commitment to offer the best possible service for the public.*

*In November, we held a successful 2<sup>nd</sup> rivers conference. Its focus was on arable farming and healthy soils. It was well attended by farmers, environmentalists and wider sectors including agronomy, food supply chain and academics. The Cabinet Member for Environment has met with the Wye Catchment Partnership and Minister Hardy and Huw Irranca Davies. We continue to press for urgent action to be taken and to ensure the restoration of our local rivers remains a top priority.*

*We have written to the Secretary of State for Transport to seek clarification about funding for capital projects, requesting confirmation that £106m for roads maintenance (£3.66m of which has already been received) and £102m for Local Transport (LTF) type schemes, are to be received by Herefordshire. Also that the £35m, can be released to support construction of the Hereford Western Bypass. We are yet to receive a response.*

*I continue to keep up to date with the latest views of ministers and other local authorities through my attendance at the recent Local Government Association and County Council Networks held in November.*

*The Chancellor announced the Autumn Budget on 30 October 2024; a one-year spending review for 2025/26 with a multi-year spending review for subsequent years expected in Spring 2025. A Local Government Finance Policy Statement is expected in November which will set out further details on 25/26 and the multi-year settlement from 26/27 with the provisional Settlement in mid-December. We await further details, as to how the budget applies to Herefordshire, but some of the key headlines are:*

- Changes to the Fiscal Rules, net financial debt must decrease as a proportion of GDP (by third year of forecast or 2029-30); the core spending power will increase in real terms by approximately 3.2% (including council tax and retained business rates).*
- A new financial commitment to supporting Special Educational Needs and Disability (SEND) of £1bn,*
- National Insurance Contributions increased to 15% with the threshold being reduced to £5,000 – allowance made for impact on public sector organisations.*
- Extended Producer Responsibility – expected to be £1.1bn for 2025-26, first year guaranteed by HMT. Allocations to follow in the Autumn.*
- Consumer Price Index close to 2% target but remaining above 2% until 2029.*
- Household Support Fund continues for 2025-26, and*
- A white paper on English Devolution is expected later this year.*

*It is of course that time where the Cabinet is turning its attention to our own budgetary matters. We are asking residents and businesses about how Herefordshire Council's budget should be prioritised. Residents can also try our online interactive budget simulator tool. It's a really useful way to demonstrate how changes in income and expenditure can impact on the delivery of services. The consultation remains open until 15 December - please encourage as many of your constituents as possible to share their views via: <https://www.herefordshire.gov.uk/budgetconsultation>*

*Finally, as we approach the festive period please let your constituents know that Herefordshire is welcoming residents and visitors to come and enjoy community events and late night shopping with free parking funded by Herefordshire Council. I hope this will provide a very*

welcome boost for the many hard-working businesses who make such a significant contribution to our local economy.

And on that theme, and as this is our last Council meeting of 2024, may I take this opportunity to wish you all, and the residents of Herefordshire, a very happy Christmas and a prosperous New Year!

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## **My Report to Council:**

**Herefordshire Council Plan – 2024 to 2028.** Through the development of the Herefordshire Council Plan, four corporate priorities have been identified. These are:

- I. **People** – We will enable residents to realise their potential, to be healthy and to be part of great communities who support each other. We want all children to have the best start in life.
- II. **Place** – We will protect and enhance our environment and ensure that Herefordshire is a great place to live. We will support the right housing in the right place, we will support access to green spaces and we will do everything we can to recover the health of our rivers.
- III. **Growth** – We will create the conditions to deliver sustainable growth across the county; attracting inward investment, building business confidence, creating jobs, enabling housing development along with providing the right infrastructure, and
- IV. **Transformation** – We will be an efficient council that embraces best practice, delivers innovation through technology and demonstrates value for money.

The Herefordshire Council Plan, alongside the Medium Term Financial Strategy, provides the overarching policy framework within which decisions will be taken and resources allocated over the next 4 years.

## **Delivery Plan 2024 to 2025 – turning the strategic vision into delivery**

Central to the realisation of the Council Plan is the Delivery Plan 2024-25, which sets out the milestones and progress against our priorities of People, Place, Growth and Transformation. As members of this council you will be able to mark our progress through quarterly reporting into Cabinet and routine financial monitoring against the approved revenue budget and capital programme. Alongside this we are developing annual service plans within each of the directorates which will be reporting progress monthly to the corporate leadership team.

In my report below, I have outlined where the cabinet and cabinet member's decisions begin the delivery of those stated objectives.

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**Theme 1 - People:** We will enable residents to realise their potential, to be healthy and to be part of great communities that support each other. We want all children to have the best start in life.

### **1: Community Spaces Capital Grant Scheme**

**Stated Delivery Plan Objective:** Work with partners and residents to build connected and resilient communities

**This year we will:** Implement the findings of the Talk Community strategic review, to help deliver this we will launch the community capital grants scheme

Following the approval of the outline business case for this scheme the decision was taken to approve the drawdown of the £2m allocated within the capital budget. The aims of the scheme are to transform and improve unused buildings for community benefit. It will increase opportunities for people to access integrated services in their community and to provide healthcare for all ages.

This community led approach will identify and enable solutions to meet locally understood needs. The scheme will also help reduce pressures on statutory services by working toward the development of community hubs that focus on understanding and addressing health and care needs. An outcomes framework is being developed to understand the impact of this investment in the community.

### **2: Support all children to have the best start in life**

**Stated Delivery Plan Objective:** Increase capacity of specialist Special Educational Needs (SEND) school places so that children and young people can attend a local provision that meets their needs

The Council's Special Educational Needs and Disability, 2020-2030 strategy, will ensure high quality sustainable specialist educational accommodation for children and young people with SEND, including those who require Alternative Provision (AP), in Herefordshire. It will work in combination with the refreshed Education Strategy agreed in the summer of 2024.

The additional Department for Education funding of £4.23m will be targeted toward the education of children with special educational needs and disabilities. The Department for Education High Needs Provision Capital Grant will create additional special and mainstream school places to meet growing demand across Herefordshire. This investment will allow for the much needed refurbishment of the Ryefield Centre, Ross-on Wye, to create a small special school for children with SEND; expand the council's inclusion offer at Aylestone, Leominster and Trinity Primary Schools and the relocation of the Herefordshire Pupil Referral Unit provision on a single site.

This investment builds on £2.67m investment into the expansion of the Language and Communication Centre (LCC) at Hampton Dene Primary School and improvements at Barrs Court School.

High quality alternative provision, including for social, emotional and mental health needs, will create additional capacity for mainstream school leaders and staff to address challenging behaviour earlier and re-engage pupils in education. Interventions will be based on a three-tier model with a focus on targeted support whilst children are in mainstream school, to deal with needs early and reduce preventable exclusion.

Time-limited or transitional placements into an alternative provision setting will provide more intensive intervention or longer-term support where it is needed, before these young people return to a new mainstream setting or progress to a sustainable post-16 destination.

**3: Accommodation based support service for 16-25 year old children in care and care leavers.**

**Contributes to Delivery Plan Objective:** Tackle inequality and facilitate social mobility by focussing on early intervention and prevention activities that enable people to live independent and fulfilling lives.

**This year we will:** Develop support for young adults up to 25 years who may be at risk of exploitation and a transition pathway.

Young people in our care can have multiple vulnerabilities including chaotic lifestyles including substance misuse, mental health needs, antisocial or challenging behaviour, offending history and vulnerability to criminal or sexual exploitation.

This decision makes provision to begin the commissioning of an accommodation based support service up to 31 March 2030. Young people living in this accommodation will be children in care and care leavers aged 16-25 who may have experienced trauma, or adverse childhood experiences. This decision also ensures that the council's duty to children in our care and our care leavers is being delivered by providing appropriate and safe accommodation.

The Council's Sufficiency Strategy for Children and Young People 2023-2028 highlights the need to take multiple approaches to build capacity across all placements. In light of the continuing growth, particularly for 16-17 years entering care, there is a need for additional local accommodation. Due to these levels of demand, a number of young people continue to be accommodated out of county in placements which are often spot purchased at significant cost. This new contract will deliver a minimum of 15 homes for young people with different levels of need.

Alongside this, the service will work in partnership to develop and implement a personalised support plan for each person, identifying how they can manage their own needs, mitigate risks and take up opportunities.

The Council has also recently secured funding from the government to deliver a Single Homelessness Accommodation Programme (SHAP). SHAP funding can be utilised to provide supported housing for young people over the age of 18 who are at risk of or experiencing homelessness or rough sleeping. This funding has allowed the Council to purchase 10 additional properties offering homes to 10 single young people. All properties used under this contract will be owned by Herefordshire Council. Each young person has their own private space (kitchen, bathroom, bedroom and living area) but the property also offers communal and shared spaces.

The service will also provide housing management to promote all young people's capacity to manage their own tenancies in the future, delivering floating support for 12 months for those young people who have secured a move into independent tenancies in the community. This tailored support will encourage independence and supports the development of life skills to move on or towards independent living, and encourage all young people to access education, training, work experience and employment.

#### 4: Household Support Fund Grant 6

**Stated Delivery Plan Objective:** Tackle inequality and facilitate social mobility by focussing on early intervention and prevention activities that enable people to live independent and fulfilling lives.

**This year we will:** Deliver schemes to tackle inequality and support our most vulnerable residents and deliver the Household Support Fund (HSF) to those affected by cost of living

The Household Support Fund (HSF) is designed to support vulnerable households most affected by rising living costs. It is available to County Councils and Unitary Authorities across England. In a grant determination letter dated 24 September 2024, the Department for Work and Pensions (DWP) confirmed that Herefordshire Council has been allocated £1,329,601.78 for this six-month period.

The expectation for this next round of the HSF covering October 2024 to March 2025, is that it will provide crisis support to vulnerable households with the cost of essentials. This will particularly target those who may not be eligible for other recent government support but are still struggling due to the increased cost of living.

Local authorities have discretion on how the HSF is used within the parameters set out in the grant determination letter and guidance. The fund is intended to cover a wide range of low-income households in need, including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people, larger families, single-person households and those struggling with one-off shocks or unforeseen circumstances.

The HSF can be used to support these households with the cost of food, essential expenses related to energy, food and water, and other necessities. In exceptional cases of genuine emergency, it can also be used to support housing costs where existing housing support schemes do not meet this need.

While the guidance for this new HSF period is largely similar to the previous round (April 2024 to September 2024), a portion of the funding may be used for supplementary advice services. A notable addition to the new guidance allows funding to be used for preventative support, which aims to prevent poverty, build community resilience, and help residents avoid falling into crisis or worsening financial hardship.

**Theme: Growth** - We will create the conditions to deliver sustainable growth across the county; attracting inward investment, building business confidence, creating jobs, enabling housing development along with providing the right infrastructure.



## 5: Draw down of the Acquisition Fund for Housing Provision

**Stated Delivery Plan Objective:** Work with partners to provide high quality and affordable housing to meet all needs

**This year we will:** Enable the delivery of affordable properties in the county, including council owned land, through registered providers and developers

The council faces an increasing demand for social housing alongside a lack of local provision to meet this need. As such, people are being placed in temporary accommodation which isn't fit for purpose and has significant additional costs.

In July 2024, full council approved an outline business case to add £5m to the capital programme to enable the critical housing provision we need in the county.

The council's Herefordshire Homelessness Prevention and Rough Sleeping Strategy 2020-2025, aligns with the central government policy in the Homelessness Reduction Act (HRA). These statutory obligations impose a resource implication on the council that has increased by almost 100% over the last two years. In March 2022 the council housed 74 families, in May 2024 this rose to 141.

In 2023/24, Housing Solutions, our own council run service, spent £3,415,832.27 on accommodation solutions, which comprised £3,030,030.55 on budget hotel style accommodation and £385,801.72 on private sector rental accommodation. Due to the relatively limited supply of this type of accommodation and increasing demand, the costs of securing these places continues to rise.

The council has a statutory duty to hold a waiting list, currently there are 2097 households registered for rental accommodation. Approving the spend of this £5M will enable the council to respond more quickly to and acquire and develop further housing stock to meet this demand. It will also decrease the council's costs on temporary accommodation.

Each proposed acquisition and development will be subject to the completion of a due diligence business case review, detailing the specific need/ demand in the location of each project, and how investment recovery costs will be met.

## Requested Update: Strategic Housing Provision

**Stated Delivery Plan Objective:** Work with partners to provide high quality and affordable housing to meet all needs

**This year we will:** Enable the delivery of affordable properties in the county, including council owned land, through registered providers and developers

Members will recall that at full Council on 8 December 2023, we agreed that cabinet would develop a programme to deliver an ambitious number of units of social housing, market-rent lifetime tenancies, affordable home ownership and market sale properties, funded through the prudent use of borrowing, capital receipts and the management of council assets. This would be in time for this to be agreed by Council as part of next year's capital programme.

Council also requested that – as part of my Leader's report – I provide an update on housing delivery at each ordinary meeting of the Council.

Members will be aware that the Connected Communities Scrutiny Committee (CCSC) considered the 'Best Practice: Review of approaches to developing & delivering affordable/ social housing' report from the Three Dragon's Consultancy team. We will be considering CCSC's well-reasoned, measured and sensible recommendations carefully.

The Three Dragons report will go on to be considered by the cross party housing working group. They have outlined the current estimated need for affordable housing in Herefordshire. Drawn from the Housing Market Area Needs assessment data (2021) it suggests that 597 affordable, 422 social/affordable rented, and 175 affordable home ownership homes are required across the county, with around 65% being required in Hereford and Ross on Wye.

Three Dragon's go on to report that Herefordshire Council owns a number of sites that are capable of delivering policy compliant affordable and market homes. There are over 2,000 units on 18 sites worthy of further investigation, 10 sites have potential capacity for up to 75 units.

There is clearly capacity to unlock further opportunities to increase supply of affordable housing within the county. For example, working with registered providers who have stock holding in Herefordshire but is not currently in development. Exploring the potential to do more to increase housing supply on those sites and how we can be more creative in using the council's own funds (e.g. collected from commuted sums (money received from housing developers)) to support delivery of the right housing types to meet the demand.

#### **Housing delivery update**

As at the point of drafting, £1,298,294.52 (up by £109,920.00 since my last report in October) in phosphate income has been received. To date these actions have released planning permissions for 751 dwellings (an increase of 12 dwellings since October).

#### **7: Hereford Business Improvement District Third Term Ballot**

**Stated Delivery Plan Objective:** Work with our partners and businesses to facilitate growth across the county.

**This year we will:** Support the growth of the tourism industry across Herefordshire, working closely with the Herefordshire County Business Improvement District (BID) and other key stakeholders

In September, the Cabinet Member for Economy and Growth agreed to vote 'yes' to the third term of the Hereford Business Improvement District (HBID) at its ballot in October, 2024. The HBID will raise a five year budget of £1.769 m, via levy contributions, to deliver a programme of projects in Hereford city centre. These projects and improvements are additional to any services funded by the local authority.

There are over 335 BIDs in UK and they continue to grow in number each year. Herefordshire supports two BIDs, the Hereford Business Improvement District and Herefordshire Destination Business Improvement District, currently in its first, five year term. BIDs are managed by national legislation and this gives Herefordshire Council the right to challenge the BID at any time during its term if the BID does not deliver against the proposed Business Plan.

BIDs are an excellent way for businesses to invest in their own futures, by making an additional contribution (in the form of a levy) on top of business rates. The BID is proposing a 1.99% levy on rateable value and has identified 585 hereditaments within the BID boundary. This will result in a total levy income of £1.769m. In addition, the BID is looking to raise other

income from grant sources and voluntary contributions - this will provide an overall budget of £1.911m (2025-2030).

Proposals within the Business Plan have been developed in consultation with levy paying businesses and other stakeholders, including Herefordshire Council. The projects provide value added services and do not duplicate existing activity, they increase footfall and expand our cultural experience, and enhance the city's overall offer.

## 8: Hereford Public Art Strategy

**Stated Delivery Plan Objective:** Support market towns and Hereford City to be vibrant hubs through working with residents, grassroots organisations and businesses.

The Hereford Public Art Programme – Art + People + Place is part of the £6 m Hereford City Centre Improvements (HCCI) project. The overall project aims to refurbish the historic core of Hereford through investment in the streetscape, landscaping and public realm and was funded jointly by the council and the now decommissioned Marches Local Enterprise Partnership.

The project was the first formal large-scale public art programme developed by Herefordshire Council. It has presented a unique opportunity to explore public art in the city and understand the opportunities and challenges of developing projects of this kind. It was established to make clear recommendations for the development of the council's strategic approach to public art in the future.

**Theme: Place** - *We will protect and enhance our environment and ensure that Herefordshire is a great place to live. We will support the right housing in the right place, and do everything we can to improve the health of our rivers.*

## 9: The New Public Realm Services

**Stated Delivery Plan Objective:** Develop Herefordshire as a place for growth, prosperity and communities to thrive.

**This year we will:** Deliver the Public Realm Services and agree the Public Realm Services operating model and commence the procurement for a new Public Realm contractor

On 28 November, Cabinet agreed to progress the council's vision to deliver Public Realm Services that are fit for the future. A service that embraces technology, automation, digital innovation and meets our carbon reduction ambitions, investment in people and a service that continually improves.

I am very grateful to the Connected Communities Scrutiny Committee who formed a working group comprising of members and officers to review the model and the findings of the market engagement. It was very reassuring to note their confidence in the approach cabinet have taken in progressing with this significant decision. The model we are proposing is developed around the council's vision, delivering the best for Herefordshire in everything we do, while being attractive to the market to promote a competitive procurement.

Market engagement undertaken during Summer 2024 provided contractors early insight to the council's vision and requirements. Until the new model and new contracting arrangement

come into effect on 1 June 2026, both parties are committed to working together to support a smooth transition to the new arrangements.

**Theme: Transformation** - *We will be an efficient council that embraces best practice, delivers innovation through technology and demonstrates value for money.*

#### **10: Addition of Capital Budget to deliver IT Capital Programme**

**Stated Delivery Plan Objective:** Adopt the digital strategy to embed improved technology across the council

**This year we will:** Review and upgrade our key software systems to be more efficient and fit for the future in order to support our statutory services

The Cabinet are proposing that Council approve the addition of £368,000 in this year's capital programme to deliver the Wide Area Network (WAN) replacement and the Telephony Contact Centre projects, funded from underspends in the capital programme. The 2024/25 Information Technology (IT) capital programme is on track to deliver a projected underspend in the region of £260,000. This underspend, we propose, could be utilised to fund these other IT projects.

Funding for the Wide Area Network Replacement and Telephony Contact Centre projects have been requested in the 2025/26 capital programme to ensure we can move to a new solution which will enable a revenue saving of £18,000 per annum in 2025/26, then £32,000 in subsequent years.

Renewing the contract with the current provider presents a risk of a significant price increase of 23% (approximately £39,500). By supporting our proposed addition to the 2024/25 capital programme it enables the council to implement a new solution prior to the existing contract end date. The existing contract for the Telephony Contact Centre ends on 31 March 2025. By bringing this decision forward it will enable the council to transfer to a new provider and be live with like-for-like functionality before 31 March 2025. This will save £32,000 in licence fees and realise transformation opportunities to support customer service delivery.

#### **Budget and Performance reporting**

**Quarter 2 2024/2025 Budget Report.** Cabinet at our last meeting reviewed the Quarter 2 budget report. The key headline areas are as follows:

- I. **Revenue Outturn** - The council's approved net revenue budget for 2024/25 is £212.8 m. This includes planned savings of £19.5 m comprising £11.6 m of Directorate Savings and £7.9 m of Council wide budget savings. The mid-year forecast outturn position, for 2024/25, highlights continuing in-year cost pressures relating to demand across social care budgets, temporary accommodation and Special Educational Needs (SEN) transport services.

This variance represents cost pressures of £11.6 m, reduced by £1.4 m of delivered Children & Young People 2024/25 Savings Targets, consisting of:

- I. +£3.9 m in-year net cost pressures;
- II. +£5.0 m 2024/25 Savings Targets assessed 'at risk';
- III. +£0.4 m 2023/24 Savings Targets assessed 'at risk'; and

IV. +£2.3 m Council wide Savings pending completion of Directorate restructures and vacancy reviews

II. **Management Activity and Recovery Actions** - Initial activity already underway is expected to reduce this forecast overspend to £2.0 m. Each Directorate will continue to identify further recovery action and options to mitigate at risk savings targets and ensure recurrent spending is sustainable within the resources available. Corporate Directors continue to develop Directorate recovery plans to manage in year delivery of services within the approved budget.

Additional expenditure controls implemented during the last financial year remain in place to support recovery activity in 2024/25.

III. **Delivery of Savings** - A review of the delivery and status of the 2024/25 approved savings at Quarter 2 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 review confirms £8.9 m (46%) of the total savings target for the year has been delivered. With a further £5.6 m (28%) assessed as 'on target/in progress' for the year. Savings of £5.0 m (26%) are assessed as 'at risk' with work underway to identify mitigations as a priority.

The budget amendment, approved in February 2024, removed savings of £2.3 m from the Children & Young People Directorate budget. As at September 2024, saving targets S2 (Reduction in Social Worker establishment) and S3 (Reduction in number of agency social workers) totalling £1.4 m are confirmed as delivered in full. Activity to deliver saving target S1 (Reduction in High Cost Placements) of £0.9 m is assessed as 'in progress' but not reflected in the outturn position at Quarter 2.

IV. **Earmarked Reserves** - The council's earmarked reserves represent amounts set aside for future expenditure to support specific corporate priorities or for general contingencies and cash flow management. The overall level of reserves is reported to Cabinet at least annually; the last report to Cabinet in May 2024 noted total audited balances of £82.8 m comprising the general fund balance of £9.6 m and earmarked reserve balances of £73.2 m.

V. **Dedicated Schools Grant (DSG)** - The cumulative DSG deficit is accounted for as an unusable reserve on the council's Balance Sheet, as permitted via statutory instrument, which will remain in place until 31 March 2026. The deficit will have an impact on the council's overall financial position once the override period ends and this risk is being managed alongside the assessment of the adequacy of the council's reserves, as part of the council's medium term financial strategy.

At 1 April 2024, the cumulative deficit brought forward totals £6.1 m. The current in-year forecast is an overspend of £7.6 m within the High Needs block of the DSG; this will increase the cumulative deficit to £13.7 m by 31 March 2025. A focused review to quantify the impact of emerging demand in 2025/26 and future years is underway to inform the council's DSG Deficit Management Plan. Herefordshire, like many other local authorities, continues to experience increases in demand which are not met by corresponding increases in funding.

VI. **Capital Outturn** - The 2024/25 approved capital budget of £160.0 m has been revised to £96.4 m. The revised capital budget includes £15.3 m of unspent project budgets

brought forward from 2023/24, approved movements of £2.8 m, removal of a project £2.6 m and £3.7 m additional grants. In line with external audit advice the capital budgets have been re-profiled at Quarter 2 in line with expected delivery. Therefore £82.8m budget has been re-profiled from 2024/25 to future years. The forecast spend position is £88.8 m which represents an underspend of £7.6 m against a budget of £96.4 m.

## **Q2 Performance Report**

Performance against the Council Plan 2024-2028 and the associated annual Delivery Plan for 2024/25 financial year was presented to Cabinet in November. 152 out of 174 milestones (87%) that were due to be in progress by Q2 under the new Delivery Plan for 2024/25 were completed or are on track to be delivered by the end of the financial year.

Some key highlights:

- I. Schools Capital Maintenance across the County £4.9m. The 2023-26 schools maintenance programme continues at pace, with 19 work packages complete, 2 currently in delivery and a further 22 planned for Easter/ Summer 2025. The forecast expenditure for 2024/25 is £3.3m.
- II. Brookfield School £4.8m Improvements are being made with a new build extension to provide a sports hall, 2 teaching blocks, and internal improvement programme to existing secondary school. Contractors are on site and work is in underway. Due for completion in the Autumn term 2025.
- III. School Improvement Projects across the County £2.2m 18 schemes completed across the County, making significant improvements across our education assets.