

Minutes of the meeting of Scrutiny Management Board held at Conference Room 1 - Herefordshire Council, Plough Lane Offices, Hereford, HR4 0LE on Tuesday 1 July 2025 at 2.00 pm

Present: Councillor Ben Proctor (chairperson)
Councillor Louis Stark (vice-chairperson)

Councillors: Jenny Bartlett, Frank Cornthwaite, Pauline Crockett,
Dave Davies, Toni Fagan, Liz Harvey, Ed O'Driscoll and Richard Thomas

In attendance: Councillors: Carole Gandy (Cabinet Member Adults, Health and Wellbeing), Peter Stoddart (Cabinet Member Finance and Corporate Services) and Elissa Swinglehurst (Deputy Leader of the Council/Cabinet Member Environment).

Officers: Simon Cann (Democratic Services Officer), Ross Cook (Corporate Director Economy and Environment), Liz Farr (Service Director Education Skills and Learning), Hilary Hall (Corporate Director Community Wellbeing), (Alfie Rees-Glinos (Governance Support Assistant), Rachael Sanders (Director of Finance), Danial Webb (Statutory Scrutiny Officer).

131. APOLOGIES FOR ABSENCE

No apologies for absence had been received.

132. NAMED SUBSTITUTES

There had been no named substitutes.

133. DECLARATIONS OF INTEREST

There were no declarations of interest.

134. MINUTES

The minutes of the previous meeting were received.

Resolved: That the minutes of the meeting held on 26 March 2025 be confirmed as a correct record and be signed by the Chairperson.

135. QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions had been received from members of the public.

136. QUESTIONS FROM COUNCILLORS

No questions had been received from councillors.

137. Q4 2024/25 BUDGET REPORT

The Chair opened the discussion by expressing disappointment that the planned agenda item on Hoople Ltd and its value-for-money assessment had been removed without

committee agreement. The Cabinet Member Finance and Corporate Services explained that the item had been discussed at the shareholder committee and apologised on behalf of the Executive -- assuring members that such an occurrence would not happen again. The principal points of the subsequent discussion are summarised below:

Central and Corporate Services

1. In response to concerns raised over £5.7million in transformation savings not being achieved, the Director of Finance acknowledged that of the £7.9million savings target only £2.2 million had been delivered. The shortfall was attributed to: staff retention pressures in critical services, a challenging supplier environment hampering contract cost reductions and the fact that transformation had taken time to implement. The Cabinet Member Finance and Corporate Services highlighted a planned 2% reduction across all directorate budgets in 2025/26 to offset the shortfall whilst transformation work continued.
2. In response to criticism around the lack of detailed savings delivery plans, the Cabinet Member Finance and Corporate Services confirmed that an actionable plan existed, and the 2025/26 budget would assume full delivery of undelivered savings. The committee warned against overestimating potential savings from Hoople and urged early engagement with partners.
3. Replying to a question about the £1million underspend in the IT and Transformation capital budget, the Director of Finance confirmed this had no direct link to missed savings, but that future digital investment would support efficiency and income generation. The Cabinet Member Finance added that capital prioritisation was based on delivering services and ensuring projects were revenue-neutral or revenue-positive, not solely on savings potential.

Community Wellbeing

4. Regarding a request asking for clarity on key pressures on community wellbeing, the Corporate Director Community Wellbeing highlighted substantial increases in service demand for domiciliary care, extra care housing, home first users, residential respite care and temporary accommodation. The Cabinet Member Adults, Health and Wellbeing commented that despite overspends, cutting services was not an option, particularly for vulnerable residents.
5. In response to a question about service redesign and demand management, the Corporate Director Community Wellbeing outlined several initiatives underway including: in-depth data analysis to understand demand drivers, potential redesign of expiring domiciliary care contracts, increased emphasis on reablement incentives, the expansion of 'Shared Lives' and additional focus on hospital admission avoidance. Preparations were also being made for the new neighbourhood health model guidance.
6. In relation to concerns over hidden homelessness, housing affordability and Section 21 evictions, the Corporate Director Community Wellbeing acknowledged there were gaps in data on sofa-surfing and overcrowded household figures. However, the council had invested in projects such as the Buttercross flats development - in a bid to reduce annual bed and breakfast costs of £4.4 million. The Cabinet Member Adults, Health and Wellbeing added that a business case was in development for complex care residential provision.
7. The committee stated the need for greater use of council borrowing powers and criticised the removal of a £100 million housing development line from the capital programme, in response the Cabinet Member Finance stated the removed figure was £20million (of which only £220k was spent) and that the £5million currently allocated was delivering tangible outcomes.

8. In response to concerns that small-scale schemes would not address systemic housing issues, the Cabinet Member Adults, Health and Wellbeing acknowledged that more provision was needed and that a new housing strategy would be forthcoming.
9. Replying to concern around the reliance on public health reserves being used to plug overspends rather than on prevention initiatives, the Director of Finance explained that all the public health spend was eligible and signed off with the Director of Public Health and Office for Health Improvements and Disparities (OHID). Unspent grant was carried forward and a detailed breakdown of this could be provided on request.
10. In response to a question as to why more capital investment was not invested in prevention - such as assistive care technology and adaptations - given the potential to reduce revenue costs, the Director of Finance highlighted the £3.3 million Disabled Facilities Grant (DFG) spend in 2024/25, which represented near full utilisation of the funds. The Cabinet Member Adults, Health and Wellbeing added that past underspends had been addressed and there would be a commitment to fully spend grants in future. It was noted that technology would be vital for prevention, and that enhanced oversight would be able to link capital decisions with revenue pressures.

Economy and Environment

11. In response to a question about under-delivery of fees and charges, the Corporate Director of Economy and Environment pointed out that a 5% flat-rate increase had been applied across fees in 2024/25, and that the shortfall was due to lower activity and usage levels, not a failure to raise fees and charges.
12. Regarding concerns about unspent S106 funds and delayed projects, the Cabinet Member Finance pointed out that the spend had improved, but accepted that a backlog remained. Project delays were often due to external factors, but ensuring visibility of community benefits would remain a priority. The Director of Finance gave an assurance that the 'borrowing forward' mechanism enabled by the previous administration was still in place through capital guidance notes and could be applied with legal input.
13. In response to a question about changes to the Project Management Office (PMO) reducing delivery capacity, the Corporate Director Economy and Environment explained that the PMO review had aimed to align resources with priorities - dedicated S106 staff remained and delivery was improving. The Corporate Director Economy and Environment stated that the three main priorities for accelerating spend were: strengthening professional capacity in PMO/asset management, working directly with developers for on-site delivery and tackling the backlog with dedicated resource.
14. In response to concerns about the loss of experienced PMO staff stalling progress, the Corporate Director Economy and Environment gave an assurance that an interim professional services partner was being procured immediately, vacant posts would be filled and high-cost interim contractors were being released. Interest on unspent S106 funds would help fund staff capacity. The Cabinet Member Finance added that summer 2025 projects were on track to be delivered as promised.
15. In relation to concerns about the Special Education Needs and Disability (SEND) and school transport budget being moved over to Economy and Environment, the Corporate Director Economy and Environment explained the move had been

made because that team commissioned transport routes. However, the budget would remain separately monitored and was not expected to result in cuts elsewhere within the directorate. The Director of Finance pointed out that SEND transport was a national problem and a 'gold priority project' had been launched to tackle it.

16. In response to a question about how the overspend would be offset, the Director of Finance explained that a dedicated review was underway involving external consultants. The savings target had been increased from £200k to £500k for 2025/26, which would be achieved through efficiencies and renegotiated contracts. The second phase of the review would assess fleet investment, where a capital spend of £350k had been allocated.
17. In response to concerns that splitting responsibility across directorates would hamper coordination and making the situation worse, the Corporate Director Economy and Environment pointed out that the Chief Executive of Herefordshire Council personally chaired a fortnightly project board focusing on the issue. The Corporate Director of Economy and Environment added that a multi-disciplinary approach had been adopted, with transport, legal, finance and education teams all working together, and committing to producing regular updates.
18. In response to a query about income underachievement from planning, the Corporate Director Economy and Environment stated that this was an historic issue, budget targets had drifted unrealistically high compared to comparable councils, but baselines had been rebalanced. The Corporate Director Economy and Environment pointed out that new planning software would improve efficiency, speed up processing and reduce reliance on agency staff, but the software was not viewed as an invest-to-save project and was aimed at improving service quality.
19. In response to a question about the Ministry of Housing, Communities and Local Government (MHCLG), the Corporate Director could not confirm officer engagement with the MHCLG Open Digital Planning team around innovative solutions.

Children and Young People

20. In response to a question about the dedicated schools grant (DSG) statutory override being extended to March 2028, the Director of Finance pointed out that the DSG deficit stood at £20 million in March 2025 and was forecast to be £40 million by March 2026. This was a national issue and Herefordshire's position was relatively well controlled, but funding was insufficient and demand was rising.
21. In response to a question about consultation with schools around the DSG deficit, the Service Director Education Skills and Learning described how there was termly engagement with primary/secondary/special school headteacher forums in relation to the issue.
22. In response to a query about reducing the number of SEND children placed outside of the county the Service Director Education Skills and Learning stated that several projects – such as school rebuilds - were in place that would bring these children in county and potentially attract pupils from neighbouring counties. Encouraging greater inclusivity from mainstream schools – ahead of anticipated government reform in this area – would also impact figures.
23. The committee questioned the wisdom of the council putting on record that it had sufficient reserves to absorb the DSG deficit, the Cabinet Member Finance and Corporate Services suggested that, whilst this may have previously been the

case, the council's deficit in this area had since increased and by March 2028 it would likely require government intervention to balance the deficit.

24. Regarding a question about whether health partners were stepping up to challenges, especially around autism diagnoses, the Service Director Education Skills and Learning stated that governance boards and partnership groups were committed to delivering on the SEND strategy across Herefordshire, but NHS pressures and potential cuts could worsen waiting times.

At the conclusion of the debate the committee discussed and agreed the following recommendations:

1. **To provide Scrutiny Management Board with the delivery plans for all undelivered 2024-25 savings that have been built into the Council's 2025-26 base budget, and the savings to be delivered in the 2025-26 budget.**
2. **The executive should model the necessary capital investment to increase the supply of affordable housing such that it will significantly reduce the number of people becoming homeless.**
3. **The existing financial facility to enable the council to accelerate the delivery of S106 funded infrastructure be actively used by this administration.**
4. **The executive should ensure there is no further delay in delivering the Planning and Regulatory Services software capital project by urgently appointing a new provider to deliver the necessary software solution.**
5. **The executive provides clarity on the difference between the Financial Resilience Reserve and Budget Resilience Reserve, or the two reserves are combined and the scope and use of the resulting reserve is clearly stated.**

138. WORK PROGRAMME

1. The committee members reviewed the draft terms of reference for the Task and Finish Group and suggested expanding 'background' to 'background and context'. The members also suggested that a 'purpose' section be included, and further clarity be provided around the scope of the group's work.

Resolved: That the inequality task and finish group terms of reference, with suggested amendments, be approved by the committee.

2. The Chair provided an outline of the work programme and suggested that members formally approve it, but also informally work toward establishing working groups on budgetary strategy and two aspects of the transformation programme before the next committee meeting in December. A slot for the outstanding report on Hoople would also need to be identified.
3. The Statutory Scrutiny Officer pointed out that the work programme was quite heavy, potentially creating workload pressures. The officer suggested the committee should informally review the collective workload to ensure the next 12 months were sustainable.

Resolved: That the committee note the changes to and agree the draft work programme for Scrutiny Management Board contained in the work programme report attached as appendix 1.

139. DATE OF THE NEXT MEETING

The date of the next meeting meet is Monday 8 December 2025, 10am

The meeting ended at 17:03

Chairperson