

# AGENDA

## Cabinet

Date: **Thursday 24 September 2009**

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Time: **2.00 pm**

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Place: **The Council Chamber, Brockington, 35 Hafod Road,  
Hereford**

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Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

**Sally Cole, Committee Manager Executive**

Tel: (01432) 260249

Email: [scole@herefordshire.gov.uk](mailto:scole@herefordshire.gov.uk)

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If you would like help to understand this document, or would like it in another format or language, please call Sally Cole, Committee Manager Executive on (01432) 260249 or e-mail [scole@herefordshire.gov.uk](mailto:scole@herefordshire.gov.uk) in advance of the meeting.

# Agenda for the Meeting of the Cabinet

## Membership

**Chairman**                      **Councillor RJ Phillips**

**Councillor LO Barnett**  
**Councillor AJM Blackshaw**  
**Councillor H Bramer**  
**Councillor JP French**  
**Councillor JA Hyde**  
**Councillor JG Jarvis**  
**Councillor PD Price**  
**Councillor DB Wilcox**

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The Council's Members' Code of Conduct requires Councillors to declare against an Agenda item(s) the nature of an interest and whether the interest is personal or prejudicial. Councillors have to decide first whether or not they have a personal interest in the matter under discussion. They will then have to decide whether that personal interest is also prejudicial.

A personal interest is an interest that affects the Councillor more than most other people in the area. People in the area include those who live, work or have property in the area of the Council. Councillors will also have a personal interest if their partner, relative or a close friend, or an organisation that they or the member works for, is affected more than other people in the area. If they do have a personal interest, they must declare it but can stay and take part and vote in the meeting.

Whether an interest is prejudicial is a matter of judgement for each Councillor. What Councillors have to do is ask themselves whether a member of the public – if he or she knew all the facts – would think that the Councillor's interest was so important that their decision would be affected by it. If a Councillor has a prejudicial interest then they must declare what that interest is. A Councillor who has declared a prejudicial interest at a meeting may nevertheless be able to address that meeting, but only in circumstances where an ordinary member of the public would be also allowed to speak. In such circumstances, the Councillor concerned will have the same opportunity to address the meeting and on the same terms. However, a Councillor exercising their ability to speak in these circumstances must leave the meeting immediately after they have spoken.

**AGENDA**

Pages

**HEREFORDSHIRE COUNCIL - NOTICE UNDER REGULATION 15 OF THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS ((ACCESS TO INFORMATION) REGULATIONS 2000 (AS AMENDED)**

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<b>Item No</b>	<b>Title</b>	<b>Portfolio Responsibility</b>	<b>Scrutiny Committee</b>	<b>Included in the Forward Plan Yes/No</b>
7	Livestock Market	Resources	Strategic Monitoring Committee	Yes

**1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

**2. DECLARATIONS OF INTEREST**

To receive any declarations of interest by Members in respect of items on the Agenda.

**3. MINUTES**

To approve and sign the minutes of the meeting held on 10 September 2009. (To follow).

**4. INTEGRATED CORPORATE PERFORMANCE REPORT**

To report performance for the period April-June 2009-10 against the Council's key indicators and associated projects and programmes in its Annual Operating Statement 2009-10.

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**5. SCHOOLS' TASK GROUP UPDATE**

To note the progress made by the Schools' Task Group (STG) and the proposal for the consultation process for the STG paper. (Report to follow).

**6. BUDGET MONITORING REPORT**

To report July's budget monitoring information and provide an indication of estimated outturn.

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**7. LIVESTOCK MARKET**

To agree the procurement and appointment of a contractor to construct a new livestock market and to approve the anticipated expenditure. (Report to follow).



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## **HEREFORDSHIRE COUNCIL**

**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>24 SEPTEMBER 2009</b>
<b>TITLE OF REPORT:</b>	<b>INTEGRATED CORPORATE PERFORMANCE REPORT</b>
<b>PORTFOLIO AREA:</b>	<b>CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To report performance for the period April-June 2009-10 against the Council's key indicators and associated projects and programmes in its Annual Operating Statement 2009-10.

### **Key Decision**

This is not a Key Decision.

### **Recommendations**

**THAT Cabinet considers performance to the end of June 2009 and the measures being taken to address areas of under-performance.**

### **Key Points Summary**

- The recession has impacted negatively in some areas, such as young people not in education, training or employment, affordable housing and households in temporary accommodation.
- Although this threatens the achievement of some targets, good progress is being made in implementing the *Fighting the Downturn* action plan.
- Although timely assessments of vulnerable children and for benefits claims were below target in the first quarter as a whole, both have recovered ground and have encouraging prospects.
- Adult social care is tackling significant challenges arising from increased demand and its impact on expenditure. This is affecting performance against some targets, but there are fewer delayed hospital discharges and many more timely assessments and care packages.
- Although the majority of LAA targets are on track, remedial action is being taken in respect of others, particularly as regards healthier communities and older people.

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Further information on the subject of this report is available from  
Steve Martin, Corporate Policy and Research Manager, on (01432) 261877

## Alternative Options

- 1 The Council's Performance Improvement Framework provides that Cabinet will formally review performance against the Council's Corporate Plan and associated Annual Operating Statement quarterly. There are therefore no alternative options.

## Reasons for Recommendations

- 2 To ensure that progress against the Council's priorities, targets and commitments, as set out in the Corporate Plan 2008-11 and the Annual Operating Statement 2009-10, are understood. Further, to ensure that the reasons for important areas of actual or potential under-performance are understood and addressed.

## Introduction and Background

- 3 This is a new type of report intended to drive improvement in the delivery of the Council's priorities. To this end, it provides a clear overview of performance and what's being done to tackle areas of actual or potential under-performance. It is based on a selection of the most important indicators and the associated key actions set out in the Annual Operating Statement 2009-10. The indicators have been chosen for their ability to tell the story of performance in relation to the themes of the Herefordshire Community Strategy and the associated priorities of the Council:

**children and young people** (Council priority: *The best possible life for every child, safeguarding vulnerable children and improving educational attainment*)

**healthier communities and older people** (Council priority: *Reshaped health and social care*)

**safer communities** (Council priority: *Affordable housing to meet the needs of local people*)

**stronger communities;**

**economic development and enterprise** (Council priority: *The essential infrastructure for a successful economy, enabling sustainable prosperity for all*); and

**environment.**

In addition, indicators have been chosen to measure the most important aspects of performance in relation to the internal priority of

**organisational improvement and greater efficiency.**

- 4 For each of these themes, indicators have been grouped to show performance in relation to four points of focus:
  - citizens;
  - services;
  - partnership; and
  - statutory.
- 5 There are three levels of reporting:

**Level 1** (Appendix 1) is a high-level summary of performance produced by aggregating the



judgements for individual indicators from the lower levels. Four indicators are considered key to the performance of the council in respect of underperformance in these areas may result in external scrutiny and impact on performance in other areas. If any one of these indicators is rated Red or Amber in the more detailed level 2 and 3 reports, the part of the Level 1 report they relate to will be marked with a \* to signify an issue with one of the key indicators.

The four designated indicators are:

NI 59 – initial assessments of children for social care within 7 days

NI 117 – 16-18 year olds not in education, employment or training

NI 136 – people supported to live independently through social services

Local – Average staff sickness (Full Time Equivalent)

**Level 2** (Appendix 2) provides the level of performance for each individual indicator.

**Level 3** (Appendix 3) provides the full detail for each of the indicators. It shows targets, actual performance and trends. It also includes progress against action plans to improve performance, including key projects and programmes. Each indicator has been rated as to its likelihood of achieving target and whether or not it is improving compared with last year (that is, its direction of travel). The primary basis for rating is up to date performance data. Only in the absence of this (and only then if there is a good reason for this) are judgements based on progress in delivering planned actions that are intended to lead to improved performance.

- 6 Appendix 4 is a key, explaining how judgements have been made for each level of report.
- 7 The financial context for this report is set out in the budget monitoring report elsewhere on your agenda. Financial issues and risks have been taken into account in the performance issues discussed below.

## Key Considerations

- 8 Assessed in terms of each of the themes, the highlights are:

### ***Children and young people***

- The percentage of children subject to a child protection plan for the second or subsequent time has improved compared with 2008-09 and is slightly better than target.
- *NI 59 - 'Initial assessments for children's social carried out within seven working days of referral'*. This indicator was below target for the first quarter as a whole. The underlying position and prospects are, however, very much better. Allocating all referrals immediately led initially to fewer initial assessments being made within seven days. This has been turned around and performance improved substantially as the quarter wore on. The latest data, to the end of July 2009, show a cumulative total for the year of 62.4%, compared to the target for the year of 65%. It is now reasonable to expect that this target will be achieved by the end of Quarter 2.
- *NI 117 - '16-18 year olds not in education, employment or training (NEET)'* is judged Amber. Numbers rose from 5.4% in 2007 to 5.9% in 2008, but remain lower than for England as a whole and the West Midlands. Our target for this year is 5%. Although the post-16 NEET programme has just restarted, the biggest group in the overall NEET group is 18 year olds who have already been through the programme. Connexions is working with Jobcentre Plus with a view to fast-tracking these young people to New Deal provision, whilst delivering the programme to the younger members of the group

- Although robust measures have been taken to mitigate potential risks in relation to the safeguarding of children, this issue continues to require close attention.

### **Health & Well-being**

- Exceptionally good performance in reducing delayed transfers of care from hospitals (NI 131), and the timeliness of social care packages and assessments (NIs 132 and 133).
- Behind target in respect of *clients receiving Self-Directed Support (NI 130)* and *People supported to live independently (NI 136)*:
  - As regards *self-directed support*, numbers have grown. For individualised budgets they are comparable with the national picture. We do, however, lag in respect of direct budgets. Progress depends significantly on the work in hand to develop a resource allocation system (RAS) and to shift the focus to higher dependency individuals. This needs to have regard to the national RAS, the development of which has been delayed.
  - Performance in relation to *People supported to live independently* is expected to perform significantly better in the remainder of the year: as the award-winning Midland Heart development for people with learning disabilities builds to full capacity, but also as a wider range of methods of support are included in the count, as they are already by high-performing authorities.
- The risks to achieving targets in these and other respects are being addressed in the context of the development of a recovery plan to deliver services within budget provision. Joint health and social care commissioning plans and the Older People's Strategy are being developed to manage the risk of failing to achieve improvements in areas identified by the Care Quality Commission.

### **Safer Communities**

- Following the relatively low number of people killed and seriously injured in road accidents (NI 47) in 2008, the first five months of 2009 saw an increase in the rate. The forecast is that this year's target will not be achieved. Fluctuations from year to year, in what are relatively small numbers, are common. This is why the indicator measures the three-year rolling average, for which the trend has been steadily downwards over recent years. The causes of the accidents this year are being analysed in detail to see what further measures may be necessary. In any event, road safety schemes and driver education programmes continue to be delivered and next year's end-of-LAA target is still regarded as achievable.

### **Stronger Communities**

- It is unlikely that the target for the number of affordable homes delivered this year (NI 155) will be achieved. Additional options for delivering new homes are being considered, including leasing arrangements with registered social landlords
- There has been an increase from 98 to 116 in the number of households in temporary accommodation (NI 156) during the first quarter. Despite the Rent Deposit Scheme being re-launched and the preparation of a Youth Homelessness Strategy to take effect during the autumn, there is a risk that the target for the year of 82 will not be met.

### **Economic Development**

- Generally good progress in implementing the *Fighting the Down-turn* action plan includes a new one-stop information service for businesses and individuals; a business growth fund

and training voucher scheme established for September launch; a Rotherwas broadband solution commissioned for delivery in October; improved payment times for businesses; and new schemes for shop-front grants and arts displays in empty shop windows.

- *'Business satisfaction with regulatory services'* (NI 182) has no target or action plan. Steps have been taken to ensure that these are in place in Quarter 2.
- Risks to the Edgar Street Grid (ESG) project are being managed by the ESG Board, overseen by Advantage West Midlands and a senior officer group from the Council.

### **Environment**

- There has been an improvement in the levels of residual waste collected (NI 191), but performance is currently behind target in respect of recycling and composting (NI 192) and municipal waste land-filled (NI 193). The development of a revised Joint Municipal Waste Management Strategy and implementation of the new Waste Collection contract in November are expected to deliver improved performance in the latter part of the year.

### **Organisational Improvement and Greater efficiency**

- Owing to a combination of the increase in the number of claims and changes and earlier IT problems, the average time taken to process housing and council tax benefit claims and changes (NI 181) rose in the first quarter to over 18.68 days. Remedial action has improved the situation, with performance to the end of July averaging 16.83 days. The target for the year is 14 days.
- The local indicator being used to measure customer satisfaction is based on contacts made through Info in Herefordshire. Currently it relates to satisfaction with planning, transportation, highways, culture, leisure, environmental health and trading standards. It is to be extended during this operating year to include other areas of the Council.
- Work is in hand to establish indicators and/or targets for the few areas where, for good reasons, this has not yet been done.
- The Shared Services project will begin to release recurrent savings this year, which are targeted to rise to in excess of £3.5 million in future years. These will help offset the predicted shortfall that a restricted local government settlement would bring.
- The implementation of the data quality action plan, alongside the work of internal audit and the performance improvement network, ensures the quality of data on which decisions can be made.

## **9 The Local Area Agreement**

At the end of the first quarter, of the 35 LAA indicators:

- 21 are judged to be on course to achieve this year's target;
- 7 are marginally behind target; and
- 7 are significantly behind target or have no action plan.

Within the area of *Health & Well-being* all seven indicators are currently behind target. Five are judged Red, of which two have no action plan. In addition to people supported to live independently and self-directed support (mentioned above), the areas in question are mortality rates for circulatory diseases, stopping smoking and support for carers. The responsible managers have been required to put the necessary remedial action in hand.

## **Community Impact**

- 10 Delivering the Corporate Plan is central to achieving the positive impact the Council wishes to make in communities.

## **Financial Implications**

- 11 None.

## **Legal Implications**

- 12 None.

## **Risk Management**

- 13 By highlighting progress against the Council's Corporate Plan and Annual operating Statement, including the major risks to achievement and how they are being mitigated, this report is an essential component of the Council's management of risks. Where identified, risks have been included within paragraph 8 against the relevant theme.

## **Consultees**

- 14 None.

## **Appendices**

Appendix 1 – Level 1 Report

Appendix 2 – Level 2 Report

Appendix 3 – Level 3 Report

Appendix 4 – Key to the reports

## **Background Papers**

- 15 None.

	Citizen Focus		Service Focus		Partnership Focus & Organisational Health		Statutory Focus	
	Perf.	Direction of Travel	Perf.	Direction of Travel	Perf.	Direction of Travel	Perf.	Direction of Travel
Children & Young People	3		2 *	Δ	2 *	Δ	2	▽
Healthier Communities and Older People	2 *	▽	3	Δ	2	▽	4	Δ
Safer Communities	2	▽	3		3			
Stronger Communities	1	▽	3		3		2	▽
Economic Development and Enterprise	3		1		3			
Environment	4	Δ	2	▽			2	Δ
Organisational Improvement	2	▽	2	Δ	2 *		1	

Within the judgement for Children & Young People - service focus - the key indicator of 'initial assessments for social care done within 7 days (NI 59)' is currently judged Red.

Within the judgement for Children & Young People - partnership focus - the key indicator of '16-18 year olds not in education, employment or training (NI 117)' is currently judged Amber.

Within the judgement for Healthier Communities and Older People - citizen focus - the key indicator of 'people supported to live independently through social services (NI 136)' is currently judged Red.

For explanation, see the covering Cabinet report and the Level 3 Report (Appendix 3).



	Citizen Focus	Perf.	DoT	Service Focus	Perf.	DoT	Partnership Focus & Organisational Health	Perf.	DoT	Statutory Focus	Perf.	DoT
Children & Young People	NI 110 – participation in positive activities (LAA)	3		<b>NI 59 – initial assessments for social care done within 7 days</b>	1	Δ	<b>NI 117 – 16-18 year olds not in education, employment or training (LAA)</b>	2		NI 72 – achievement of 78+ points across Early Years Foundation Stage	1	Δ
	PAF / CF 63 – participation of looked after children in their reviews	2		NI 65 - % of children becoming the subject of a Child Protection Plan for a second or subsequent time	3	Δ	Local – % of actions implemented arising from quality audits programme	3		NI 73 – achievement in English & Maths at Key Stage 2 Level 4	1	▽
							Local – permanent school exclusions, including looked after children	1	Δ	NI 75 – 5 or more GCSEs at A*-C including English & Maths	2	
							Local – number of Common Assessment Framework assessments completed across agencies	3		Local – achievement at Key Stage 1	2	▽
Healthier Communities and Older people										Local – looked after children attainment: NI 99; NI 100; NI 101	2	
	NI 39 – alcohol harm related admission rates (LAA)	2	▽	NI 132 – timeliness of social care assessments	3	Δ	NI 40 – drug users in effective treatment (LAA)	3		Local – % of adult safeguarding referrals with a multi-agency plan within 7 days	4	Δ
	NI 130 – social care clients receiving Self Directed Support (LAA)	1		NI 133 – timeliness of social care packages	3	Δ	NI 125 – achieving independence for older people through rehabilitation / intermediate care	1	▽			
	<b>NI 136 – people supported to live independently through social services (LAA)</b>	1	▽				NI 131 – delayed transfers of care from hospitals	4				
	NI 138 – satisfaction of people over 65 with both home and neighbourhood	1					NI 142 – number of vulnerable people who are supported to maintain independent living (LAA)	1				
NI 57 - Children and young people's participation in high-quality PE and sport	3											

	Citizen Focus	Perf.	DoT	Service Focus	Perf.	DoT	Partnership Focus & Organisational Health	Perf.	DoT	Statutory Focus	Perf.	DoT
Safer Communities	NI 21 – dealing with concerns about anti-social behaviour (LAA)	3		NI 168 – condition of principal roads (LAA)	3		NI 30 – priority & prolific offenders (LAA)	3				
	NI 47 – people killed or seriously injured in road traffic accidents (LAA)	1	▽	NI 169 – condition of non-principal roads (LAA)	3							
	NI 3 – civic participation	1		NI 9 – use of libraries (LAA)	3		NI 4 – influencing decisions in the locality (LAA)	3		NI 1 – % of people who believe people from different backgrounds get on well together (LAA)	3	
Stronger Communities	NI 6 – participation in regular volunteering	2		NI 11 – engagement in the arts (LAA)	3		NI 197 – improved biodiversity (LAA)	3		NI 156 – households in temporary accommodation (LAA)	1	▽
	NI 155 – number of affordable homes delivered (LAA)	1	▽							NI 157 – processing of planning applications	3	
	NI 195 – improved street cleanliness and environmental cleanliness (litter, detritus, graffiti and fly posting)	2								Local – access to services (LAA)	2	
	NI 196 – improved street cleanliness and environmental cleanliness – fly tipping	1										
Economic Development and Enterprise	NI 171 – VAT registration rate (LAA)	3		NI 182 – business satisfaction with regulatory services	1		NI 152 – working age people on out of work benefits (LAA)	3				
							NI 163 – working age people qualified to Level 2 or higher (LAA)	3				
							NI 178 – bus services running on time (LAA)	3				
Environment	NI 191 – residual household waste per household (LAA)	4	△	NI 192 – % of household waste sent for reuse, recycling and composting	2	▽				NI 186 – CO <sub>2</sub> emissions (LAA)	2	
										NI 193 – % of municipal waste landfilled	1	△



	Citizen Focus	Perf.	DoT	Service Focus	Perf.	DoT	Partnership Focus & Organisational Health	Perf.	DoT	Statutory Focus	Perf.	DoT	
Organisational Improvement	Local - customer satisfaction	2	Δ	NI 14 – avoidable contact	1		NI 179 – Value for Money	2		Local – relevant diversity indicator from Workforce Strategy	1		
				NI 180 - the number of changes of circumstances which affect customers' Housing Benefit / Council Tax Benefit entitlement within the year.	4	Δ	<b>Local – average sickness (full-time equivalent) (3 month average)</b>	3					
				NI 181 – time taken to process Housing Benefit / Council Tax Benefit claims and change events	2	Δ	Local – staff turnover	1					
				Local - % of Council Tax collected (BVPI 9)	2	Δ	Local – vacancies	1					
				Local - % of non-domestic rates collected (BVPI 10)	2	Δ	Local - Use of Resources	2					
							Local - % of key performance indicators improving on last year	2	▽				



Indicator	Tolerance	Performance		Target	Latest Performance	Judgement	Direction of Travel	
		2007-08	2008-09					2009-10
<b>Citizen</b>								
NI 21 – dealing with concerns about anti-social behaviour (proxy – incidents of anti-social behaviour – including speeding - criminal damage, alcohol-related disorder, alcohol-related violent crime) (LAA)	Bigger is better		25.40%	30.4% (2010-11)		3	n/a	Discussions with Registered Social Landlords (RSLs) have occurred and data sharing is now underway. Intermediate action plan now in place with the Children's Trust and membership of sub-groups strengthened. Links between the Community Protection Team and HCSDP still to take place.
NI 47 – people killed or seriously injured in road traffic accidents (calendar year) (LAA)	Smaller is better	133 (3 year average)	115 (3 year average)	114 (3 year average)	53 to May	1	▽	The Planning and Transportation's Road Safety and Accident Investigation and Prevention teams lead on a wide range of education, training and publicity and engineering measures to address road traffic accidents. More detailed commentary on this activity is set out in the Local Transport Plan Road Safety Strategy and is reported on in an annual progress report. Driver education programmes are being provided throughout the county to try and reduce the outturns.
<b>Service</b>								
NI 168 – condition of principal roads (proxy: delivery against highway maintenance plan) (LAA)	Smaller is better	6%	4%	5%		3	n/a	Highway Maintenance Plan reviewed and developed using latest condition data to prioritise investment. Programme being delivered.
NI 169 – condition of non-principal roads (proxy: delivery against highway maintenance plan) (LAA)	Smaller is better	11%	11%	9%		3	n/a	Highway Maintenance Plan reviewed and developed using latest condition data to prioritise investment. Programme being delivered.
<b>Partnership</b>								
NI 30 – priority & prolific offenders (LAA)	??			21% (79)		3	n/a	Target has just been confirmed by Home Office. Evaluation report prepared for the PPO Management Group in respect of the potential contribution of the alcohol arrest referral scheme. PPO Scheme being delivered. Drug Conditional Cautioning developed and in place. Benchmarking to take place between September and December.
<b>Statutory</b>								
No indicators								



**KEY TO PERFORMANCE REPORTS****LEVEL 1**

PERFORMANCE AGAINST TARGETS AND ACTION PLANS	
<b>4</b>	Overall, performance is significantly better than target(s)
<b>3</b>	On track to achieve target(s)
<b>2</b>	Slightly behind target(s)
<b>1</b>	Significantly behind target(s)
DIRECTION OF TRAVEL	
△	Overall, performance is better than the same period last year
◁▷	Overall, performance is the same as for this period last year
▽	Overall, performance is behind the same period last year

**LEVELS 2 & 3**

PERFORMANCE AGAINST TARGETS AND ACTION PLANS	
<b>4</b>	Outturn is 10% or more above target
<b>3</b>	Outturn is above target by up to 10%  <b>or</b> , where up to date performance data against target is not available for good reason, the action plan shows satisfactory progress
<b>2</b>	Outturn is below target, but within 5%  <b>or</b> where up to date performance data against target is not available for good reason, the action plan shows inadequate progress
<b>1</b>	Outturn is 5% or more below target  <b>or</b> no target has been set without good reason  <b>or</b> there is no action plan
<b>N.B.</b> Where data is available this determines the judgment made for each indicator. Action plans are used to judge performance only where data is unavailable.	
DIRECTION OF TRAVEL	
△	Performance is better than the same period last year
◁▷	Performance is the same as for this period last year
▽	Performance is behind the same period last year

<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>24 SEPTEMBER 2009</b>
<b>TITLE OF REPORT:</b>	<b>BUDGET MONITORING REPORT 2009</b>
<b>PORTFOLIO AREA:</b>	<b>Resources</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To report July's budget monitoring information and provide an indication of estimated outturn.

The report also includes the numbers and amounts written off for individual debts exceeding £1,000 for the period 1st April 2008 to 31st March 2009.

### **Key Decision**

This is not a Key Decision.

### **Recommendation(s)**

**THAT the report be noted, subject to any comments Cabinet wishes to make.**

- (a) the forecast outturn for 2009/10 agreed with Directors based on service and financial performance outlined in this report is noted;**
- (b) the continuing efforts of all Directors to ensure service targets are met within the approved budget are endorsed;**

### **Key Points Summary**

- The overall position on the revenue budget shows a projected overspend of £1.34m. This total is 1% of the council's £137.718m net revenue budget (excluding Dedicated Schools Grant).
- The overall position on the capital programme is a forecast expenditure of £84.4m after allowing for additional funding and slippage brought forward.

### **Alternative Options**

- 1 There are no Alternative Options.

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Further information on the subject of this report is available from, on (01432) 261877  
Heather Foster Acting Head of Financial Services on 01432 383173

## **Reasons for Recommendations**

- 2 To ensure Cabinet is informed of the forecast outturn for 2009/10.

## **Introduction and Background**

- 3 The Council's revenue and capital position is reported to Cabinet regularly throughout the year. The information provides an indication of the Council's performance against budgets.

## **Key Considerations**

- 4 Details of the forecast of revenue and capital outturn for 2009/10 based on service and financial performance information as at 31 July are attached in summary and then further detail is given by directorate.
- 5 Appendix A includes the detailed revenue budget report. The overall projected outturn is 31.34m. The key areas of concern are Integrated Commissioning Directorate, with a projected £2.62m overspend and the Children and Young People's Directorate, with a £755k projected overspend.
- 6 Where a directorate is projecting an overspend the Chief Executive has instructed Directors to produce recovery plans to bring their spending within budget.
- 7 The council's overall financial performance has a direct bearing on the level of general fund balance at year end as any overspend on the account must be funded. The report at Appendix A indicates that general balances could reduce to £4.053m by the end of the financial year based on current projections.
- 8 The capital programme budget monitoring is at Appendix B. The increase from the original budget is fully funded and includes all sources of finance including grants.
- 9 Appendix C provides details of write offs in excess of £1,000 for 2008/09.

## **Community Impact**

- 10 Not applicable.

## **Financial Implications**

- 11 These are contained in the report.

## **Legal Implications**

- 12 None.

## **Risk Management**

- 13 Effective financial reports and their follow up are an essential element in the management of risks and the delivery of the Council's and Herefordshire Partnership's priorities.

## **Consultees**

- 14 None.



## **Appendices**

- 15    Appendix A – 2009/10 Revenue Budget Monitoring  
      Appendix B – Capital  
      Appendix C – Write off Report

## **Background Papers**

None identified.



## 2009/10 REVENUE BUDGET MONITORING

### Summary

- The following table summarises the 2009/10 projected outturn as at the end of July 2009.

Area	2009/10 Budget £000	July 2009 Projected net over or under (-) spend £000
Integrated Commissioning	38,486	2,620
Children & Young People	23,999	755
Deputy Chief Executive	15,220	183
Environment and Culture	28,528	-477
Regeneration	10,026	132
Central Services	2,455	0
Resources	7,901	105
<b>Directorate Position</b>	<b>126,615</b>	<b>3,318</b>
Borrowing	13,346	-440
Investments	-249	0
LABGI	0	-75
Pay Award savings	0	-540
Social Care contingency	0	-926
WMS Profit Share	-546	0
Transfer from Reserves	-1,448	0
<b>Total Budget</b>	<b><u>137,718</u></b>	<b><u>1,337</u></b>

- The overall revenue budget position for 2009/10 shows a projected £1.34 million overspend. This is approximately 1% of the council's £137.7 million revenue budget (excluding Dedicated Schools Grant funding).
- The projected overspend in the Directorates is mitigated by use of the social care contingency reserve and savings on corporate budgets.

4. The anticipated outturn on the council's borrowing is an underspend of £440k, which is due to slippage on the 2008/09 capital programme, resulting in a reduced minimum revenue provision (MRP) for debt repayment in 2009/10. Also, external borrowing was slipped from 2008/09 resulting in less external interest payable in the year.
5. The government has announced proposals for Local Authority Business Growth Incentives (LABGI) scheme for 2009/10 and the provisional figure for Herefordshire is £75k.
6. The latest pay offer for the 2009/10 pay award is 1%, which if agreed would result in an overall saving of £540k against the budgeted pay award of 2%. The budget capacity allocated to Directorates will be pulled back centrally to offset the overall overspend position.
7. Savings of £700k arising from Hereford Connects are included in the budget. Specific savings targets within directorates have been identified and the appropriate level of budget will be transferred from directorates to match the savings that will be driven out.

#### **Revenue Reserves Position as at 31st July 2009**

##### **General Reserves**

8. As at 1 April 2008 the balance on the general reserve was £6.4 million. The council's Medium Term Financial Management Strategy (MTFMS) sets out the council's approach to managing general fund balances and specific reserves and ensuring a balanced budget. A key message is a move away from a higher level of general fund balances to specific reserves to deal with identified key corporate financial risks.
9. The projected balance on the general reserve for the end of 2009/10 financial year is as follows:

	<b>£m</b>
Balance brought forward	6.390
Meeting the projected overspend	(1.337)
Budgeted transfer	(1.000)
Projected year end balance	4.053

##### **Earmarked Reserves**

10. At 1st April 2009 the council held £16.064 million of earmarked reserves. This includes ring-fenced school balances reserves of £5.476m. The following table summarises the earmarked reserves held:

<b>Reserve</b>	<b>£000</b>
Commuted sums	78
Schools balance in hand	5,476
Industrial Estates – maintenance	333
Support Services & Equipment renewals	80
Schools Balance of Risk	85
Winter maintenance	500
Planning	24
College Hill Community Centre	180
Waste Disposal	2,774
LSC	32
Wye Valley ANOB (AONB)	104
Invest to Save/Initiatives fund	1,079
Contingent liabilities	300
Social care contingency	926
Modernisation plans	454
Edgar Street Grid	150
Whitecross School PFI	202
LPSA 2 reward grant	1,482
Carbon Reserve	30
Schools Redundancies	294
Service Delivery Review	112
Schools Rates Reserve	869
Economic Development	346
Herefordshire Safeguarding Children Board	21
Accommodation	133
<b>Total</b>	<b><u>16,064</u></b>

11. A summary of the key variations between projected outturn and budget for each directorate is provided in the following paragraphs.

## INTEGRATED COMMISSIONING DIRECTORATE

### Directorate Summary as at 31st July 2009

	<b>Total Budget for 2009/10 £000</b>	<b>July Net over or (-) underspending £000</b>
Adult Social Care	38,291	2,891
Supporting People	32	0
Modernisation	163	-271
<b>Total</b>	<b>38,486</b>	<b>2,620</b>

12. The forecast position is based on existing commitments projected forward to year end assuming no action is taken.
13. The final outturn position for Integrated Commissioning for 2008/09 was £713k overspent. This included a number of non-recurrent income adjustments. The true value of on-going commitments brought forward was approximately £930k.
14. No budget allowance was provided for inflationary increases for contracts. The forecast above reflects an average increase of 1.7% over the previous year costs. This represents an additional cost of approximately £700k across all services.
15. The key area of overspend is Learning Disabilities where an overspend of £1.344m is projected. This is mainly due to 21 new clients coming through transition from children's services.
16. The forecast for the new transition clients are based on the costs previously incurred by Children's Services. These new clients will be re-assessed. The evidence so far is that costs have reduced following re-assessment. Future forecasts will be revised as further re-assessments occur.
17. Other cost increases within Learning Disabilities are due to re-assessments of existing client packages, an increase in temporary respite placements and the closure of a care home which has resulted in clients being transferred to more costly residential places.
18. Older People is forecast to overspend by £946k. This relates to the existing client commitments and an additional 11 residential placements and 2 nursing packages agreed in 2009/10.
19. Mental Health is projected to overspend by £552k. This is due to the existing commitments and 11 additional residential packages agreed in 2009/10.

20. Physical Disabilities is forecast to overspend by £283k. This is due to existing commitments and 2 additional residential packages agreed in 2009/10.
21. There are likely to be one-off staff savings due to vacancies whilst the restructure of the Integrated Commissioning Directorate is implemented. Planned slippage in modernisation schemes is projected to generate savings of £271k.
22. There are budget risks around the re-assessment of existing clients, particularly within older people, and new client packages coming through panel. Re-assessments of Continuing Healthcare (CHC) clients are being undertaken which, to date has resulted in one client being assessed as not meeting the criteria for NHS continuing care and annual costs of £109k have transferred to Adult Social Care.

### **Recovery Plan**

23. The Director of Integrated Commissioning recently chaired a budget recovery plan working group where a number of actions to reduce the overspend were discussed and further work agreed. These include:
  - a. A review of costly Learning Disability packages where opportunities exist to transfer clients into supported living.
  - b. Review all expensive out of county placements.
  - c. Review the level of voids in existing contracts to ensure maximum value is being achieved.
  - d. Consider the flexibility within supporting people grant and carried forward underspend where opportunities exist to fund social care costs.
  - e. Review Individual budgets where costs exceed previous client packages.
  - f. Review procedures for agreeing client top-up payments to reduce the current level of cost.
24. An action plan to implement, monitor and review the recovery actions is currently being developed.

## CHILDREN AND YOUNG PEOPLE'S SERVICES DIRECTORATE

### Directorate Summary as at 31st July 2009

	<b>Total Budget for 2009/10 £000</b>	<b>July Net over or(-) Underspending £'000</b>
Inclusion & Improvement	4,949	-36
Safeguarding and Assessment	11,898	694
Planning, Performance & Development	6,537	-49
Community Operations	103	17
Central Directorate - budget savings to be agreed	512	129
<b>Total</b>	<b>23,999</b>	<b>755</b>

25. This projected outturn reflects the latest estimate as at the end of July.
26. Excluding the Corporate pressures the primary area of overspend is within the Safeguarding Vulnerable Children area, although there are other pressures both within the central directorate costs and other service areas, some of which are not apparent from the top level projections in the table above.
27. Within the Safeguarding area the projected over spend relates largely to the agency costs for looked after children and is not surprising following a national increase in the number of children being taken into care after the baby P case. In addition, increased costs have been incurred to attract better quality fosterers able to deal with more challenging children and strengthen support to families and children in the county. In the medium term this should help reduce the reliance on external agency foster carers and help to reduce costs. There have also been increases in court costs as expected in this area resulting in an overspend.
28. Within the Safeguarding area much of the expenditure is demand led, can arise at short notice and is difficult to predict. This projection assumes that the current levels of looked after children will remain in care until the end of the financial year without either further increase or decrease. Changes in numbers would result in a corresponding increase or decrease in the forecast outturn.
29. The new Assistant Director for Safeguarding and Children joined the team in July and will be focusing on reducing the over spend in the coming months. There are also several new senior service managers now in post and they will be supporting the Assistant Director in a rigorous review of the service. However, full account will have to be taken of the statutory obligations of the authority in relation to the safeguarding



and care of Herefordshire's children and young people.

30. The central directorate costs include an unidentified budget saving of £152k for efficiencies. Work is underway to identify where these savings will be found across the directorate. A Directorate Leadership Team (DLT) away day is scheduled for September to undertake a detailed review of the services delivered and the establishment structure. More details of potential efficiencies will emerge as a result of this work, but is likely to result in reduction in service delivery and staff
31. There are a number of budget pressures elsewhere within CYPD, which are being subsidised from within Planning, Performance and Development. Also the potential national pay restructuring for Educational Psychologists all which need to be managed during the remainder of the year. The estimated impact of changes to the Soulbury structure is estimated at approximately £18k which is a pressure currently assumed to be managed internally.
32. Other budget pressures have yet to be quantified such as changes resulting in income targets that are no longer achievable (INSET training).
33. All managers are actively controlling these pressures through the management of vacancies and other methods appropriate to the service area. However it is apparent that some of the potential measures to reduce the over spend will be effective for one year only and will not reduce the growing pressure on the Children and Young People's budget to deliver increasing services in a time of mounting budget pressures.

### **Recovery Plan**

34. A recovery plan has been drafted to address the issues and will be informed by the outcomes of the detailed review scheduled for September. It is important that the recovery plan not only addresses the short term issue of the current over spend but the longer term underlying budget pressures.
35. From work that has been undertaken so far it is apparent that we can identify savings in the region of £50-£100k, however this will not address the underlying revenue issues.
36. To achieve savings of this magnitude it will be necessary to reduce the number of posts within the directorate. To achieve savings of approximately £800k would require in the region of 25-30 posts to be cut. The away day scheduled for September will be considering these options.

### **Corporate Savings Targets**

37. In line with Cabinet's decision to agree a budget including Herefordshire Connects Savings, the CYPD Directorate has a savings target of £100k.

**DEPUTY CHIEF EXECUTIVE DIRECTORATE**

**Directorate Summary as at 31st July 2009**

	<b>Total Budget 2009/10 £000</b>	<b>July Net projected over or (-) under spend £000</b>
Herefordshire Connects	1,463	0
Herefordshire Partnership	199	50
Communications	393	0
Director and Administration	271	-18
Legal and Democratic	3,020	356
INFO	1,725	-87
Policy & Performance	740	-26
Information Services	367	0
Corporate ICT Projects	880	0
ICT Services	3,574	-38
Corporate Programmes	55	-54
Community Network Costs	1,030	0
Human Resources	1,503	0
<b>Total</b>	<b>15,220</b>	<b>183</b>

38. The key area of overspend is Legal and Democratic Services where there are several significant budget pressures. These include:
- a. Unbudgeted staff costs within the member's services establishment required to meet increased demands for committee support.
  - b. A reduction in anticipated income from the PCT of £43k in relation to legal support. This follows a review of the anticipated recharges.
  - c. A shortfall in income for land charges of £80k. This is due to external

economic conditions affecting the housing market and competition from the private sector.

d. Interim staff costs.

39. Within the partnership there are budget pressures due to the withdrawal of grant funding and partner contributions which previously contributed towards staff costs. This is projected to result in an overspend of £50k.
40. As part of the initial budget process the Deputy Chief Executive asked Heads of Service to identify budget capacity that could be held back to cover emerging budget pressures. This budget capacity was ring-fenced within service areas and is shown within the directorate summary as underspends within ICT, INFO, Corporate Programmes, Policy and Performance and Administration.
41. The Corporate Programmes budget is funded from generating income through their work on projects. Changes in the demand for corporate programmes involvement will affect the budget outturn.
42. At this point Human Resources is projected to come in within budget.

**Recovery Plan**

43. The new Interim Assistant Chief Executive – Legal and Democratic is working with colleagues corporately to address a range of issues to ensure that Legal and Democratic Services are fit for purpose, including finding ways to address the budget issues and producing a robust recovery plan.

## ENVIRONMENT & CULTURE DIRECTORATE

### Directorate Summary as at 31st July 2009

	<b>Total Budget 2009/10</b>	<b>July Net over or (-) under spending</b>
	<b>£000</b>	<b>£000</b>
Highways	7,362	-102
Environmental Health and Trading Standards	694	0
Waste Management	13,037	-650
Culture & Leisure	7,716	0
Directorate Management & Support	349	-100
Emergency Planning	153	0
Community Safety	117	0
Service Delivery Review savings	-900	375
<b>Total</b>	<b>28,528</b>	<b>-477</b>

44. The overall outturn position for Environment & Culture is a net underspend of £477k.
45. The MTFMS allocated additional funding of £500k per annum for the Waste Management PFI contract budget, pending the finalisation of the renegotiated contract. This was on condition that in the interim period any budget under spend be transferred to a specific reserve to offset future increased costs.

#### Highways

46. A saving of £102k through staff vacancy management is expected to be achieved due to the recruitment freeze pending the service delivery review.

#### Environmental Health & Trading Standards

47. Environmental Health & Trading Standards are expected to match budget. There is a risk that the Car Parking income target may not be met but this is expected to be offset by receipts from the Crematorium which continues to exceed budget.

#### Waste Management

48. Latest estimates from Worcestershire County Council of waste disposal contract costs project an underspend of £650k on Herefordshire's Waste Disposal budget for 2009/10.
49. The cost of the new waste disposal contract will become considerably higher than at

present. In previous years any in-year underspend on the contract has been transferred to reserves to meet these future waste management pressures. This is not yet accounted for in the projected outturn figures.

50. There is a risk that if waste growth/reduction between Herefordshire and Worcestershire vary by more than 1% to the detriment of Herefordshire then an increase of £300k would be incurred by Herefordshire. This will be closely monitored throughout the year.

### **Culture & Leisure**

51. Culture & Leisure expenditure is expected to match budget for the year.
52. There is an expected underspend on Parks and Countryside. This is mainly due to an underspend on grounds maintenance and out of scope work. However, this is reduced by the expected expenditure on dealing with significant tree issues in the County.
53. There is a further £57k underspend on Parks & Countryside and £22k on Public Rights of Way due to the recruitment freeze pending the service delivery review.
54. Further savings are expected on employee costs for Sports Development. This relates to the Exercise Referral development Officer post.
55. The Libraries budget is expected to overspend by £120k. This mainly relates to employee costs and Broad Street Library building running costs and the Self-service booking system ICT Project costs. These costs will be offset by the one-off staff savings identified above.

### **Directorate Management & Support**

56. An underspend of £100k is expected through staff vacancy management

### **Service Delivery Review**

57. Savings achievable through the service delivery review are based on a transfer date of 1<sup>st</sup> September 2009 assuming that they are received pro rata against the guaranteed £1m. Whilst the £900k savings are not expected to be achieved through service delivery review due to delays in contract negotiations, staff savings of £180k are expected to be achieved through vacancy management pending the staff transfer and are included in outturn estimates within the Highways and Culture and Leisure services.

## REGENERATION DIRECTORATE

### Directorate Summary as at 31st July 2009

	<b>Total Budget for 2009/10</b>	<b>July Net over or (-) underspending</b>
	<b>£000</b>	<b>£000</b>
Tourism	485	70
Planning	2,149	310
Transportation	3,359	-250
Community Regeneration	1,606	0
Strategic Housing	1,965	35
Management & Admin	462	-33
<b>Total</b>	<b>10,026</b>	<b>132</b>

58. The overall outturn position for Regeneration is an overspend of £132k.

#### **Tourism**

59. Tourism is currently expected to overspend by £70k. There are projected overspends in staff costs resulting from the disaggregation from Environment & Culture. Planned savings around the re-location of TIC's have not occurred. There may be opportunities to reduce costs and these are considered in the recovery action plan for the Directorate.

#### **Planning**

60. Planning is currently expected to overspend by £310k.

61. The levels of income generated from planning applications and building control charges are closely tied to the external economy and housing market. The Council has recently received several large applications which have improved the income position. Based on the first four months results, shortfalls in income for this coming year are forecast at £71k for Building Control and £126k for Development Control.

62. Monthly costs for scanning of plans continue to be a pressure on budgets until the new IT system is implemented. Based on current levels this is estimated to be £68k over the financial year. A further overspend of £45k is currently forecast for Planning documentation storage. Planning Management is currently looking at ways of mitigating these costs within existing budgets.

## **Transportation**

63. Recent contract negotiations on bus services have made a number of savings that should ease the pressures on budgets. A repayment of a contract payment made last year for £80k has been set aside to mitigate other overspends within the Directorate.
64. Current indications are that the take up for concessionary fares is reducing. Based on the latest figures a prudent estimate would be a saving of £100k. The forecast includes the receipt of £50k from the recent Area Based Grant re-allocation process.

## **Economic and Community Development**

65. At this point the service is anticipated to come in within budget. However, any opportunities to identify savings will be taken where possible.

## **Strategic Housing**

66. The projections based on income and expenditure recorded to date show a £35k overspend by the year end.
67. Homelessness support through B&B accommodation remains difficult to project. Numbers have remained higher than anticipated but there are indications that a significant number can be re-housed shortly.

## **Management & Admin**

68. Directorate Management shows an estimated underspend on salaries of £33k. This is based on the current staffing structure and the assumption that one post currently on secondment will return to Directorate support in August. If this does not happen or the post is not backfilled then there are further savings of approximately £10k to be made on salary costs.

## **Recovery Plan**

69. A review of staffing arrangements within Planning including freezing current vacancies should generate savings of £35k.
70. A restructure within Tourism is being undertaken. This could lead to in-year savings of £20k.
71. Further savings of £5k could be achieved through the review of opening hours for TIC's.
72. Additional savings within Directorate Support of £10k are anticipated.
73. The balance of the overspend is expected to be covered though a combination of further Directorate vacancies being held, operational savings identified within the Directorate and further anticipated savings from Concessionary Fares.

## CORPORATE BUDGETS

### Summary as at 31st July 2009

	<b>Total Budget 2009/10 £'000</b>	<b>July Net over or (-) underspending £000</b>
Central Services	2,455	0

74. This area is expected to remain with in the annual budget and there are no anticipated problems at this stage.

## RESOURCES DIRECTORATE

### Directorate Summary as at 31st July 2009

	<b>Total Budget 2009/10 £'000</b>	<b>July Net over or (-) underspending £000</b>
Asset Management & Property Services	3,456	0
Financial Services	1,949	125
Audit Services	425	20
Benefits and Exchequer Services	1,690	(40)
Central	381	0
<b>Total</b>	<b>7,901</b>	<b>105</b>

### Asset Management & Property Services

75. Spend currently remains under budget, there are no expected problems and therefore the service should remain within budget. The impact of the accommodation review has yet to be seen and this will be reassessed at a later date.



**Audit**

76. Additional costs for Connects costs are being incurred which will create an over spend.

**Benefit and Exchequer**

77. Benefits subsidy has been reviewed and there is a small anticipated surplus remaining. The service is nearly at full complement and a couple of systems projects are to be under taken this year. This service area is expected to remain within budget.

**Financial Services**

78. The cost of consultants and financial system costs are creating an over spend this is currently under review.

**Central**

79. This area is expected to remain with in the annual budget and there are no anticipated problems.



### 2009/10 JULY CAPITAL PROGRAMME BUDGET MONITORING

#### OVERALL SUMMARY POSITION

1. The capital programme forecast outturn for 2009/10 as at 31<sup>st</sup> July totals £84.443m, which is an increase of £17.005k from the original 2009/10 capital programme. The main reason for this increase follows slippage identified as a result of the 2008/09 closedown plus the inclusion of additional funding allocations following the setting of the original forecast. Slippage from 2008/09 into 2009/10 includes;
  - £3.25m corporate accommodation prudential borrowing funding
  - £2.91m cattle market capital receipts reserve funding
  - Allocation of the 2008/09 unallocated prudential borrowing budget of £2.527m to the 2009/10 successful capital bids.
  - Herefordshire Connects prudential borrowing funding of £2.122m
  - Children's centre grant funding £1.592m.
  - Ross library £560k prudential borrowing fundingNew funding allocations include;
  - Re-instatement of the Primary Strategy DCSF grant funding allocation of £3.0m
  - Wave 2 playbuilder DCSF grant funding allocation of £526k
  - Smallholding works capital receipts reserve funding allocation of £500k
2. A summary of the overall capital programme expenditure forecast and funding thereof for 2009/10 is provided in table B1.
3. Detailed capital programmes for directorates are reported to the relevant scrutiny committee. Details of total capital scheme costs, funding, spend to date and any potential issues for capital schemes with a revised forecast spend for 2009/10 exceeding £500k are provided in table B2.
4. Actual total spend to date is low at £12.426m to the end of July. This is mainly due to the following items;
  - £9.0m expenditure forecast on the new Hereford Academy, for which the contract of main works is yet to be signed.
  - No spend to date against the £6.14m corporate accommodation capital expenditure forecast;
  - Delays on spends on Herefordshire Connects as a result of the Shared Service review;
  - A forecast spend of £2.91m on the new livestock market provision for which the

Council is waiting external confirmation of total scheme cost following which approval will be sought to commence spend;

The effect of this low spend impacts on the revenue account because any borrowing requirements are being delayed, which results in less revenue interest charges in the year.

#### **Prudential Borrowing Position as at 31<sup>st</sup> July 2009**

5. A summary of the Prudential Borrowing position for 2009/10 is set out below.

	<b>£000</b>	<b>£000</b>
2009/10 Original Prudential Borrowing Allocations		14,258
Add: Slippage from 2008/09	10,144	
Plus spend brought forward	<u>338</u>	
		10,482
Less: Slippage into future years		<u>(1,282)</u>
Forecast use of Prudential Borrowing in 2009/10		<u>£23,458</u>

#### **Capital Receipts Reserves Position as at 31<sup>st</sup> July 2009**

6. The capital receipts reserve totalled £17.556m as at 1<sup>st</sup> April 2009. Very few capital receipts are expected during this financial year. £8.126m of this funding source is expected to be spent in 2009/10 with the remaining balance to be used to fund future year's capital programme.

TABLE B1

## FUNDING OF REVISED 2009/10 CAPITAL PROGRAMME

Capital Programme Area	2009/10 Revised Forecast 31/07/09	SCE(R)	Prudential Borrowing	Grant	Revenue Contribution	Capital Receipts Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	36,052	2,372	526	33,154	-	-
Resources	7,343	-	6,654	162	1	526
Deputy Chief Executive	5,992	-	5,923	-	-	69
Adult Social Care	1,039	-	365	444	-	230
Regeneration	12,654	-	2,885	2,543	-	7,226
Environment & Culture	21,363	11,195	7,105	2,988	-	75
<b>Total Revised Forecast</b>	<b>84,443</b>	<b>13,567</b>	<b>23,458</b>	<b>39,291</b>	<b>1</b>	<b>8,126</b>
<i>Original Forecast</i>	<i>67,438</i>	<i>13,567</i>	<i>16,449</i>	<i>34,154</i>	<i>-</i>	<i>3,268</i>
<i>Change from Original Forecast</i>	<i>17,005</i>	<i>-</i>	<i>7,009</i>	<i>5,137</i>	<i>1</i>	<i>4,858</i>

**TABLE B2**

**Schemes with a forecast spend exceeding £500k in 2009-10**

<b>Scheme Detail By Directorate</b>	<b>Whole Scheme Cost £'000</b>	<b>Funded by</b>	<b>2009-10 Expenditure forecast £'000</b>	<b>Actual spend to 31-07-09 £'000</b>	<b>Most relevant Corporate Theme</b>	<b>Comments</b>
<b>Children's Services</b>						
New Hereford Academy	23,924	DCSF Grant	9,000	82	Children and Young People	Preliminary work underway, main contract of works to be signed shortly
Minster Replacement School	20,642	DCSF Grant	7,201	3,200	Children and Young People	Work progressing, no issues
Devolved Capital Programme	n/a	DCSF Grant	4,914	1,473	Children and Young People	Devolved allocation of capital funding to schools, including ICT
Primary Grant	8,378	DCSF Grant	3,000	3	Children and Young People	Capital funding to improve junior and infant provision
Children's Centres	n/a	DCSF Grant	2,187	234	Children and Young People	Various children's centre schemes progressing
Targeted Capital Fund	8,000	DCSF Grant	2,000	-	Children and Young People	Capital funding allocated towards 14 to 19 year olds
Condition property works	n/a	Supported Borrowing	1,591	321	Children and Young People	Annual programme of works at various sites committed on a highest need first basis
Childcare Grant	n/a	DCSF Grant	1,324	260	Children and Young People	Grant funding devolved to nurseries
Riverside Amalgamation	8,505	Grant & receipts	1,188	595	Children and Young People	Appointed contractor in liquidation, new contractor appointed to complete scheme
Intervention Centres	1,734	DCSF Grant	850	2	Children and Young People	To provide an area for excluded pupils at each High School
Wave 2 Playbuilder	1,120	DCSF Grant	526	-	Children and Young People	Funding towards 22 play area provision

<b>Scheme Detail By Directorate</b>	<b>Whole Scheme Cost £'000</b>	<b>Funded by</b>	<b>2009-10 Expenditure forecast £'000</b>	<b>Actual spend to 31-07-09 £'000</b>	<b>Most relevant Corporate Theme</b>	<b>Comments</b>
<b>Resources</b>						
Corporate Accommodation	17,112	Prudential Borrowing & capital receipts	6,140	-	Organisational improvement & greater efficiency	Preferred option hoped to be commenced in the near future with bulk of expenditure expected to be incurred in the summer
Smallholdings	1,500	Capital receipts	500	-	Economic development enterprise &	Improvement works to commence in November
<b>Deputy Chief Executive</b>						
Herefordshire Connects	6,683	Prudential Borrowing & receipts	5,368	650	Organisational improvement & greater efficiency	Slippage expected due to the Shared Service review currently underway
<b>Environment &amp; Culture</b>						
Road & Footway Maintenance	n/a	LTP allocation	7,857	1,488	Sustainable communities	Programme of annual Amey works
Ledbury Library	2,922	Prudential borrowing	2,764	69	Economic development enterprise &	Architect assessment and structural survey under review
Bridgeworks	n/a	LTP allocation	1,500	140	Sustainable communities	Annual programme of works
Ross Library	1,240	Prudential borrowing	1,153	40	Economic development enterprise &	Project hoped to go out to tender before Christmas
City Centre Enhancements	2,751	Prudential borrowing	1,149	18	Sustainable communities	Improvements to be made in line with Edgar Street Grid development
Sustran	1,401	Prudential borrowing	777	51	Economic development enterprise &	Walking and cycling route over River Wye in design stage
Waste Performance & Efficiency	869	Grant	754	-	Economic	Bulk of expenditure to be on purchase of wheelie

					development & enterprise	bins in October
Park & Ride - North	n/a	LTP allocation	500	42	Sustainable communities	Scheme dependent on Cabinet member decision



Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	2009-10 Expenditure forecast £'000	Actual spend to 31-07-09 £'000	Most relevant Corporate Theme	Comments
<b>Regeneration</b>						
Rotherwas Futures Estate Development Work	4,358	Grant & capital receipts	3,021	453	Economic development & enterprise	Refurbishment of site and internal road works planned this year
Cattle Market	5,000	Capital receipts	2,910	17	Economic development & enterprise	Total scheme cost and approval to proceed, to be reported to Cabinet separately
Affordable Housing Grants	n/a	Capital receipts	1,979	518	Safer & stronger communities	Annual allocation of grants to various schemes
Mandatory Disabled Facilities Grant	n/a	Grant & capital receipts	1,301	120	Health & well-being	This budget is under huge demand, a backlog of approximately £1m recorded
Mortgage Rescue	6,602	Prudential Borrowing	900	-	Safer & stronger communities	Over £600k committed to individual schemes helping families remain in their properties
Empty Property	879	Prudential Borrowing	600	-	Health & well-being	Approximately £200k committed to bringing individual properties back into use
<b>Total</b>			<b>72,954</b>	<b>9,776</b>		
<b>Schemes with a forecast spend in 2009/10 of less than £500,000</b>			<b>11,489</b>	<b>2,650</b>		
<b>Total</b>			<b>84,443</b>	<b>12,426</b>		



## WRITE-OFFS 1 APRIL 2008 - 31 MARCH 2009

### PORTFOLIO RESPONSIBILITY: RESOURCES

CABINET

24 SEPTEMBER 2009

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#### Wards Affected

County-wide.

#### Purpose

To report on the numbers and amounts written off for individual debts exceeding £1,000 covering the period 1 April 2008 to 31 March 2009.

#### Key Decision

This is not a Key Decision.

#### Recommendation(s)

THAT

- (a) **The write-offs for cases over £1,000 be noted**

#### Reasons

The Council's Financial Procedure Rules, which were reviewed in March 2008, require that this information is reported to Cabinet twice a year for information purposes.

#### Considerations

1. Write-offs in excess of £1,000 have to be approved by the Director of Resources and where they relate to another Directorate they also require the recommendation of the relevant Director.
2. When the Council Tax base is approved as part of the budget process, a provision is made for non-collection.
3. For National Non-Domestic Rates, irrecoverable amounts are fully reimbursed by Central Government subject to the approval of the Audit Commission; therefore, there is no cost to the Authority.
4. For benefit overpayments, a provision is made for irrecoverable amounts from the budget subsidy which is paid by the Department for Work and Pensions. Irrecoverable amounts for Sundry Debtors are recharged to the originating department.

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Further information on the subject of this report is available from  
Mike Toney, Head of Benefit & Exchequer Services on (01432) 260399

5. In general, debts considered for write-off fall into the following categories:
  - Bankruptcy or liquidation
  - Remitted by Magistrates at a Committal hearing
  - Unable to trace debtors
  - Debtor deceased with no estate
  - No further action possible
6. For bankruptcies and liquidations, a claim is lodged with the Receiver and no further effective action can be taken as, under current legislation, local authority debts are non-preferential.
7. Council Tax and Business Rates cases are, where possible, progressed to the Committal stage of recovery. Although the Magistrates have the power to remit part or all of the debt, the amount remitted is written off.
8. In cases where the debtor has vacated and left no forwarding address, enquiries are made, including accessing other information held by the Council and contacting other local authorities and organisations.
9. After the internal checks are made, cases are passed to external tracing agencies on a no collect, no fee basis. Whilst this has not proved to be particularly successful in terms of the amounts collected, it does provide sound information in order for the debts to be written off.
10. The total amounts written off for the period identified can be found in the attached list with a comparison for the total written off for 2007/08.

## **Financial Implications**

There are identified in the report.

## **Risk Management**

In all cases where it has not been possible to collect income, a full assessment is made before they are passed for approval. This process ensures that proper financial records are maintained where no effective recovery option is available.

## **Alternative Options**

No alternative options.

## **Consultees**

None.

## **Appendices**

List of types and amounts of write-offs.

## **Background Papers**

Financial Procedure Rules

**Write-off Information**

<b>Income Type</b>	<b>2008/09</b>		<b>2007/08</b>	
	<b>No. of cases</b>	<b>Amount</b>	<b>No. of cases</b>	<b>Amount</b>
Council Tax	9	£14,661.12	7	£8,851.12
Business Rates	33	£158,687.53	22	£83,965.92
Benefit Overpayments	8	£18,069.87	13	£25,951.35
Debtors	49	£123,496.52	13	£61,020.45

