



RESOURCES DIRECTORATE

ANNUAL REPORT 2007/08



Director's Foreword

This is the second time we have produced an annual report highlighting the Directorate's achievements for the year just ended and our priorities for the one ahead of us. Our first annual report was well received and proved to be very useful in describing the important role resources has to play in the Council's overall success as an organisation.

In the foreword to our first annual report, I reflected on a period of significant change. In this second annual report, it is very pleasing to note that the change really is supporting continued improvement across all services.

That's good news for our customers, our staff and our track record on delivering improved value for money.

The successes over the last 12 months have been many, but here are some of the highlights:

- Professional support to a large and varied capital programme.
- Delivering high quality audit reviews.
- Improving our benefit service assessment to good.
- Improving our financial management and reporting arrangements.
- Delivering significant procurement savings.

The year ahead will be challenging but exciting as a new range of opportunities for further improvement in services and value for money open up as closer working relationships with the Primary Care Trust develop. Our role is to support this and other corporate priorities. Working with you, we have developed a Directorate Service Plan for 2008 – 2011 which does just that:

CORPORATE PLAN THEME	Organisational improvement and greater efficiency
CORPORATE PLAN PRIORITY	Better services, quality of life and improved value for money
SUPPORTING DIRECTORATE PRIORITIES	Our customers, our staff and delivering improved value for money
OUR CUSTOMERS	<p>Getting things right for our customers</p> <ul style="list-style-type: none"> • Improving communication with internal and external stakeholders and acting on feedback • Completing our equality impact assessments and implementing the findings • Meeting agreed service performance targets • Working more closely with the PCT to provide improved outcomes for service users

<p>OUR STAFF</p>	<p>Making our staff feel valued and involved</p> <ul style="list-style-type: none"> • Meeting corporate HR targets • Preparing for Investor in People accreditation • Responding positively to the 2007 Employee Opinion Survey • Preparing for the end of the current Single Status JE pay protection arrangements • Recruiting, retaining, motivating and developing high quality staff
<p>VALUE FOR MONEY</p>	<p>Providing excellent, value for money services</p> <ul style="list-style-type: none"> • Improving the Council's Use of Resources • Preparing for the new Benefits assessment • Preparing for the new Comprehensive Area Assessment arrangements • Working more closely with the PCT to improve outcomes for people and value for money • Improving ICT audit and corporate procurement capacity (the Crookall Review refers) • Continuing to improve performance management in line with the corporate framework • Continuing to improve financial management and reporting across the Council • Demonstrating improvements in value for money including use of benchmarking techniques • Beginning a revised accommodation strategy to rationalise the Council and PCT estate • Monitoring and supporting the Council's efficiency programme

It will be important that we regularly refer to our objectives through the year to check we're on course to deliver what we promised. The Directorate Management Team has devised a new way of monitoring Directorate and Service performance and we'll be reporting progress to all staff in the monthly Team Talk.

I want to thank everyone for their contribution to a very successful year. I look forward to another exciting year as we continue to work together to support corporate priorities.

With thanks.

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Director of Resources

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Asset Management and Property Services

Key Contacts



Role of the Service

- Architecture and building design, asset management, building maintenance and estate management, facilities management and custodian services.
- To manage all aspects of the Council's property holdings including schools, office and administrative buildings, training centres, farms, woodlands, industrial estates, libraries, public toilets, listed buildings, market halls and monuments.
- Projects are managed for external clients including colleges of further education and aided schools.
- Facilities management for major administrative buildings and schools, including grounds maintenance, catering and cleaning.
- All aspects of asset management and property information, including the development of the Council's asset management process and preparation of the annual Asset Management Plan, the major review of office accommodation and wider review of property assets across the Council and PCT.

Achievements in 2007/08

Restructuring

After some false starts, the posts of Design and Maintenance Manager, Estates & Valuation Manager and the Facilities & Premises Manager have been filled.

The strategic asset management team is beginning to take shape. The new Property Review and Contracts Commissioning Manager has been appointed and efforts continue to appoint the Strategic Asset Manager, who will have responsibility for that team. The PA to the Head of Service has also been appointed.

Design and Maintenance

The team has been working on a large number of capital projects some of which continue into the new financial year. These include:

- New livestock market
- Edgar Street Grid
- New crematorium
- Rotherwas Futures
- Northolme Community Centre
- Ledbury Children's Centre
- Sutton Primary School

Asset Management and Property Services Cont.

- Riverside Primary School
- Weobley High Sports hall
- New Minster School
- Wyebriidge Academy.

In accordance with the Performance Indicators, 70% of the maintenance programme was committed by 30th September, 2007.

Upgrading work to bring the Council's public buildings up to the requirements of the Disability Discrimination Act has continued and by 31st March, 2007 in excess of 66% of the Council's buildings with public access conformed to this requirement.

Energy conservation work with funding from Salix continues.

The team coped superbly during the floods in July 2007 ensuring a swift initial response and the completion of works in school premises to allow re-opening at the start of the new school year.

Estates and Valuation

There have been two major advances in the expansion of the Rotherwas Industrial Estate in Hereford. The Rotherwas Futures Plan

with Advantage West Midlands has seen work start on the provision of a new Enterprise Hub by Evans Easyspace and work has almost completed on the construction of a new Rotherwas access road.

The smallholdings estate has had another successful year with capital receipts for disposals just under the target of £1 million. Rent arrears continue to be monitored closely.

The industrial estate continues to perform well and there are only a few void units.

The annual revaluation of 20% of the Council's property assets has once more been successfully achieved.

The team is working closely with colleagues in Economic Regeneration, AWM and ESG (Hereford) Ltd to manage the potential relocation of a number of businesses, including Council tenants, within the ESG area.

The team has enabled two major projects to proceed through acquisition of key sites:

- Acquisition of the new livestock market site.

- Property acquisitions to enable the ESG project include Blueschool House, 32 Coningsby Street, 5 Blackfriars Street and Franklin House.

Facilities Management

Monitoring of grounds, catering and cleaning contracts have continued throughout the year and all targets have been met. The Catering Officer is involved in a number of major catering initiatives, including nutritional standards, Food Miles and Healthy Schools.

Accommodation moves are a major part of the Facilities & Premises Manager's responsibility and a number of moves, large and small, have been undertaken.

Custodians

The custodians continue to provide support at all the main administration buildings. There have been improvements in both the security arrangements at a number of buildings and health & safety issues.

The Town Hall Council Chamber and Assembly Room have hosted a number of weddings over the last year.

Asset Management and Property Services Cont.

Land and Property Information

This section now comes within the remit of Strategic Asset Management and has an important role to ensure the quality and suitability of property data. A review of current data provision has been instigated and will continue into 2008/09.

The 2008/09 Asset Management Plan was agreed by Cabinet in April 2008.

Key Priorities for 2008/09

OUR CUSTOMERS

- Ensuring that corporate land and property assets are in the right condition for the long term, cost-effective delivery of services.
- Providing efficient and effective property services on capital and regeneration projects.
- Providing efficient and effective facilities management services.

OUR STAFF

- Completing the restructure of the team in order to support further development of the strategic and facilities management functions.

DELIVERING IMPROVED VALUE FOR MONEY

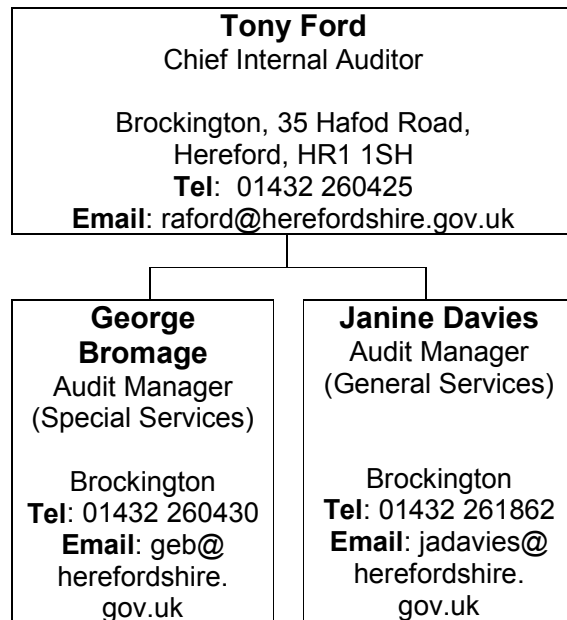
- Working with the PCT to develop and implement:
 - An interim office accommodation strategy for the Council and PCT.
 - A long term HQ & back office accommodation strategy.
- Developing service based asset management plans, including schools.
- Reviewing existing management information systems and developing proposals for a corporate approach to managing asset related information.
- Contributing to the strategic service delivery review by improving contract management arrangements and developing proposals for future service delivery arrangements based on an

assessment of need given the proposals to work ever more closely with the PCT.

- Carrying out a value for money review of the smallholdings estate.

Audit Services

Key Contacts



Role of the Service

- The role of the Audit Services Team is to understand the key risks to which the Council is exposed and to contribute to the improvement of the internal control environment – it is not a substitute for it. The Audit Services Team is therefore not

directly responsible for ensuring that adequate and effective internal controls are established to manage the key risks: that responsibility lies with senior management.

- Audit Services ensure that their plans and activities are co-ordinated with those priorities of the Joint Management Team in the form of reviewing and approving the audit plan. JMT can request ad-hoc reviews depending on risks identified by them.
- The relationship with the Primary Care Trust internal auditors continues to be developed, with joint working arrangements being agreed on projects to be completed during the year.

Achievements in 2007/08

- Audit Services is a member of the Chartered Institute of Public Finance Accountants Audit Benchmarking Club.
- **Diversity and Equality**
 - All members of Audit Services attended diversity training.

- The Chief Internal Auditor (CIA) is a Young Enterprise Adviser and attends the Royal National College for the Blind on a weekly basis to give advice as part of this programme.
- A work station has been set up on the ground floor of Brockington to take on work placements from the RNCB.
- All reports to the Audit and Corporate Governance Committee can be made available in large print, Braille or on tape on request.
- Audit Services have implemented an action plan and a diversity and equality impact assessment.
- **Pay and Workforce Strategy**
 - 100% completion of Staff Review and Development interviews by the deadline date.
 - 100% completion rate for the Staff Opinion Survey.
 - Achieved 100% performance in back to work interviews.
 - Achieved 100% performance in conducting exit interviews.

Audit Services Cont.

Summary of Performance 2007/08

- In the Annual Audit and Inspection letter dated February 2008 the Audit Commission commented that “The Audit and Corporate Governance Committee has shown real signs of improvement, there is positive interaction with Chief Internal Auditor and challenge is good”.
- The Audit Commission was also able to rely on the work of the Audit Service as part of their review of the Council’s Statement of Accounts.
- Audit Services has 31 local indicators used to assess annual performance against planned outturn figures. These indicators are linked to the Corporate Plan, CIPFA Code of Practice for Internal Audit, and the Use of Resources Key Lines of Enquiry.
- Operational indicators have been affected by the special investigation carried out and the additional Audit and Corporate Governance Committee meetings called to monitor the follow up actions by the Council:
 - % of audits completed within 10% of target times was only 33% compared to a target of 80% – CIA will be reviewing this area with team members;
 - 16% of assignment briefs were signed off by clients compared to a target of 100% – CIA will be making this a joint obligation in the joint protocol with Directors;
 - answering telephone calls was at 81.24% compared to the Council target of 95%. CIA liaising with ICT to improve this bearing in mind auditors are not always at their desks;
 - sickness absence is running at 9.6 days per fte compared to Council target of 9;
 - only 8 of the 12 planned team meetings took place, but was supplemented by regular 1-2-1 meetings with the CIA and News & Views being circulated to all team members. For 2008/09 all team meetings will be booked well in advance.

Key Priorities for 2008/09

OUR CUSTOMERS

- Continue to analyse client feedback requested following the completion of each audit assignment, taking positive action to improve the service if appropriate.

OUR STAFF

- Complete the team restructure in the light of the Crookall recommendation to increase the capacity for ICT and corporate governance audit review.

DELIVERING IMPROVED VALUE FOR MONEY

- Continue to support the development of the Audit & Corporate Governance Committee by implementing the agreed training plan.
- Develop the CIA’s routine assurance report to Audit & Corporate Governance Committee so that it follows the format of the new Annual Governance Statement.
- Complete ad hoc reviews.
- Complete fundamental systems review to timescales.

Benefit and Exchequer Services

Key Contacts



Role of the Service

- Administering council tax, business rates, commercial rent, sundry debtors, mortgages, recurring income.
- Administering the Housing and Council Tax Benefit schemes.
- Enforcement of parking penalty notices.

- Back office cashiering services and support activities for the Info Shop cash offices.
- Paying Councillors' allowances, staff salaries and paying suppliers for goods and services.

Achievements in 2007/08

Improving our Benefits CPA rating

We achieved an improved CPA rating moving from 'Fair' to 'Good'. This reflected the general improvement across a range of the benefit performance measures.

Benefit and Exchequer Services Cont.

Increasing collection levels for council tax and other income:

- Council tax collected – 98.62% (98.34% in 2006/7)
- Debtors accounts – 96.4% (95% in 2006/7)
- Recurring billing – 99.1% (93% in 2006/7)

Improved processing times for benefits:

- New claims 27 days (30 days in 2006/7)
- Changes 13.48 days (16 days in 2006/7)

Maintained accuracy levels for benefits:

- 98.4% for 2007/8

Improving the way our customers can contact us

We implemented the Academy self-service software, which enables customers to access details of their benefit record, council tax or business rates on-line. Landlords can also use the facility to check payment information where the claimant has opted for direct payment.

Implementing Local Housing Allowance (LHA) in April 2008

LHA was introduced from 7th April 2008 for new tenants and is a new way of paying housing benefit, removing the need to refer rents to the Rent Service. It does not apply to tenants of social landlords. For the majority of claimants the allowance will be paid direct rather than to their landlord.

Changes to the Local Government Pension Scheme

Major changes to the way the pension scheme operates were implemented. All staff have been advised of the impact these changes will have on them.

Benefit Fraud has continued to achieve an excellent performance rating for the security element of the benefit performance standards.

Upgrading our On-line payments website

In order to comply with the new security standards for the payment card industry we implemented a new on-line payment facility using Alliance and Leicester's Billpay software.

Key Priorities For 2008/09

OUR CUSTOMERS

- Providing better local payment options for customers.
- Improving communication with customers and providing electronic billing and benefits claims/changes.

OUR STAFF

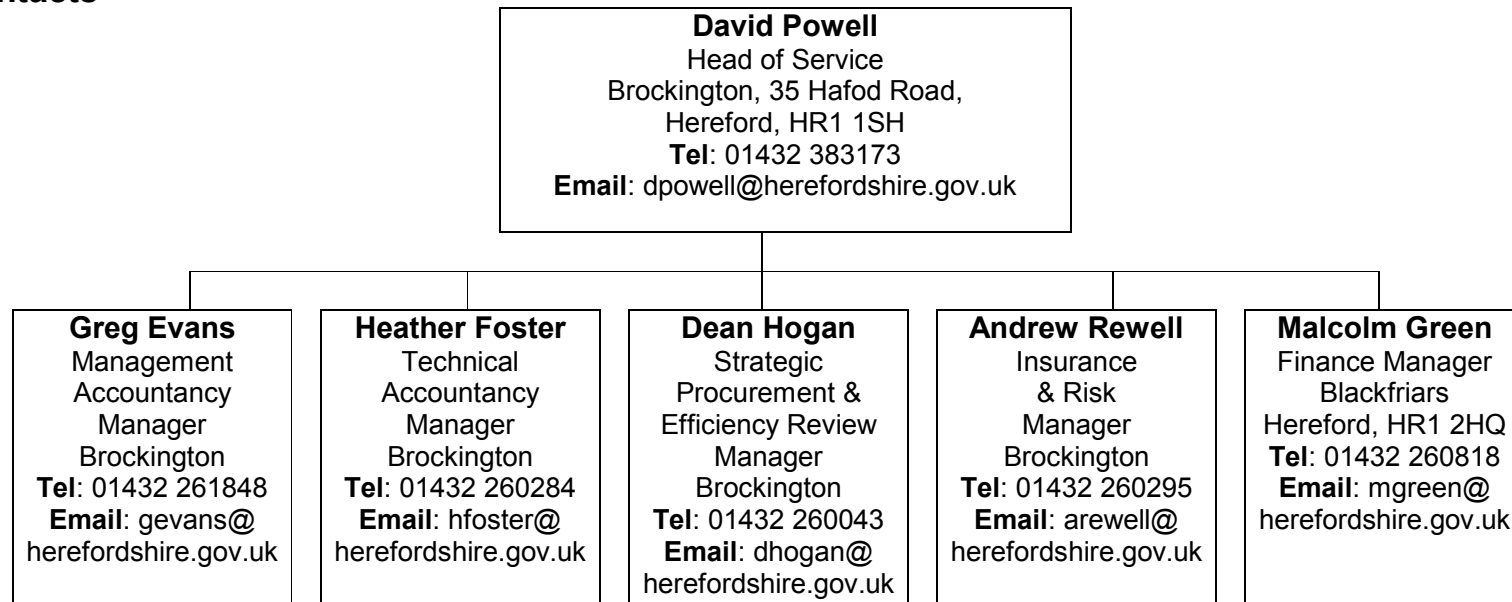
- Improving communication with staff and completing individual performance monitoring plans.

DELIVERING IMPROVED VALUE FOR MONEY

- Reducing payment processing costs.
- Better working with Customer Services, reviewing processes and associated letters and forms.
- Upgrading Academy systems to cover the new version of Ingres software and to create server capacity.
- Improving support from software providers and ICT.
- Developing a debt management strategy.
- Preparing for the new assessment framework for Benefit services.

Financial Services

Key Contacts



Role of the Service

- Assist directors, heads of service and budget holders with managing the Council's budget.
- Prepare the Council's statutory accounts and develop and maintain the Cedar financial management system.
- Technical aspects of local government finance, budgetary policies and consultation.
- Co-ordinating the capital programme, VAT advice, borrowing and investment requirements.
- Medium Term financial planning to support the Council's objectives.
- Provision of a corporate procurement function.
- Provision of corporate risk management advice.

Financial Services Cont.

Achievements in 2007/08

Consolidation of Financial Services

As part of the Resources Directorate, Financial Services plays a key role providing advice and helping to ensure our finances are on a sound footing. The structure was put in place for 2007/08 and aligned our work with that of our customers.

Risk Management

A comprehensive risk management programme was delivered in partnership with an external partner. All Directorates received training and the feedback was excellent.

Procurement

We made a considerable contribution to balancing the 2008/09 budget by identifying £750,000 of savings through procurement efficiencies. A review of postal contracts, lease cars and printer/copiers gave considerable financial and performance benefits to the Council.

Improved Financial Information

In 2007/08 Financial Services brought forward a series of improvements in the way we present information:

- A user friendly Annual Review and Summary of Accounts booklet explains the Council's final accounts in everyday language. There was strong demand for the document.
- The council tax leaflet explains our budget and where we get our funding from in 'bite sized chunks'.
- We worked with Policy & Performance to present financial information alongside other information so that a clearer picture of our performance is presented to members in the integrated performance report.
- We reported in a timely manner to Cabinet and Strategic Monitoring Committee about our financial position.

Local Performance Indicators 2007/08

	Target	Actual
No of times aggregate bank balances more than £100,000 in surplus or overdrawn to be no more than once per month	Maximum 12	1
Performance against Prudential Indicators for borrowing are within target	100%	100%
VAT partial exemption is not exceeded	100%	100%
Complete all returns by the due date	100%	100%

Financial Services Cont.

Key Priorities For 2008/09

OUR CUSTOMERS

- Ensuring all finance teams are performing consistently to a high standard.
- Providing advice on a review of fees & charges that conforms with best practice in regard to equality and diversity issues.
- Providing high quality financial management training.

OUR STAFF

- Completing the team restructure in the light of the Crookall recommendation to increase the capacity for corporate procurement advice.

DELIVERING IMPROVED VALUE FOR MONEY

- Overseeing the delivery of a cash releasing efficiency programme of some £3m.
- Ensuring that the new Service Level Agreement arrangements are implemented.
- Reviewing the procurement strategy.
- Resolving disaster recovery issues for key corporate financial systems.
- Working with Policy & Performance colleagues to develop value for money processes.