

ANNUAL REPORT

Report By: Cabinet Member for Resources

APPENDIX

PERFORMANCE IN 2008/09 AND CHALLENGES FOR 2009 AND BEYOND

1.0 BACKGROUND TO THE RESOURCES DIRECTORATE

1.1 The aim of the Resources Directorate is to plan and manage financial and property assets to meet corporate objectives and hence our customers' needs. The Resources Directorate also provides assurance that Herefordshire Council conducts its business in a way that supports and enhances the local community.

1.2 We provide these services to ensure that:

- Use of resources and Value for Money is maximised for the benefit of everyone who lives, works or visits Herefordshire.
- Corporate and service planning is done in the context of available cash and property resources.
- Cash and property resources are allocated in line with Herefordshire's priorities.

1.3 The 2009/10 Resources Directorate budget is £7,802,034:

- Asset Management & Property Services
- Audit Services
- Benefits & Exchequer
- Financial Services

Total Resources budget for £7,789,034

Audit	£414,909
Asset Management & Property Services	£3,454,880
Financial Services	£1,930,907
Benefit & Exchequer	£1,820,208
Director	£181,130

The above figures are net of any income, including central government grants. In the case of Council Tax and Housing Benefit, this is considerable, with the total claim being £42m in 2008/09.

2.0 Summary of Performance Against Various Plans in 2008-2009

DIRECTORATE PLAN 2008-2009	
Action	PROGRESS
<p>Protecting the Environment</p> <ul style="list-style-type: none"> • Implement the Carbon Management plan. • Prioritise property maintenance programmes to reduce energy consumption and carbon emissions. • Incorporate energy efficient solutions into building design. 	<ul style="list-style-type: none"> • Carbon footprints and DEC certificates have been produced for all Council buildings over 1000m² in 2009. In accordance with the European Energy Directive energy rating certificates will be produced for all Council properties by April 2010 • AMPS will evaluate all its designs and processes to establish an environmental profile. Harmful materials and chemicals will be omitted. Recycling of materials will be used where possible and high level of energy conservation/efficiency will be achieved. When specifying work, AMPS include the need for contractors to comply with the Council's GEM policies and for design and build tenders to achieve a BREEAM standard of Very Good, aspiring to Excellent. The most recent tender documentation for the Minster and Hereford Academy specified the design to meet the BREEAM very good standard and a 60% reduction in CO² emissions. Both contracts will exceed the 60% reduction target and are on track to meet if not exceed the BREEAM very good target. • Recent audit of energy consumption within AMPS showed no areas of significant concern.
<p>PROMOTING DIVERSITY Implementing the disability equality scheme action plan 2006 – 2009.</p>	<ul style="list-style-type: none"> • The directorate management team continued to receive feedback from its representatives on the corporate equality working groups during the year. The equality impact assessments for key services will be reviewed during 2008/09 in line with the timetable set out in the disability equality scheme action plan for 2006 – 2009. • BVPI 156 (Disabled Access to Public Buildings) The percentage of buildings accessible to people with disabilities has increased from 66.6% to 80%. The target for 2009/10 is 85% and for 10/11 is 90%. Improving beyond 90% will be more challenging and potentially very costly. The remaining public access buildings are older and in some cases listed

	<p>buildings. This limits the ability to physically adapt the building to permit access e.g. Old House in High Town, Hereford.</p> <ul style="list-style-type: none"> The Strategic Asset Manager and Operational Property Manager both support the work of the Corporate Disability Working Group. The Strategic Asset Manager is currently the chair of the group which meets quarterly. As part of the service's commitment to diversity, service specific training for divisional staff will take place in the new financial year EIA training was undertaken by three members of staff in 2008.
<p>ENSURING THAT ASSETS ARE IN THE RIGHT CONDITION</p> <ul style="list-style-type: none"> Disposing of dilapidated properties and ensuring 90% of buildings fall within category A or B of the CLG's condition standards. Integrating asset planning into the Corporate planning cycle. Review the accommodation strategy in the light of future needs for office accommodation. Maintaining top score for the Asset Management Plan. Needs updating 	<ul style="list-style-type: none"> A review of the asset management process has resulted in amendments to the survey process, which will result in more comprehensive assessment of property assets. Even so, 95% + of buildings are currently in Category A/B. The actual condition surveys undertaken in the last financial year were 19.5% compared with the target of 20%. Corporate officer working groups dealing with strategic asset management issues have operated since 2008. An integrated office accommodation strategy for the Council and PCT is being developed for both organisations to consider during 2009. Asset Management Planning arrangements are now judged externally as part of the Use of Resources assessment. The periodic questionnaires to customers give feedback on the services provided. In general the results obtained indicate a good level of satisfaction and a high quality service. For Estates the overall satisfaction remained at 95% whilst Maintenance the overall satisfaction was in excess of 80%, and showed a marked improvement from the previous year
<p>Use of Resources Score</p> <ul style="list-style-type: none"> Improve the Use of Resources assessment. Achieving at least 3* in the Benefits CPA. 	<ul style="list-style-type: none"> The overall rating for the council went up to 3 stars with Financial Reporting being rated as 4 stars (Excellent). Benefits CPA score improved from 3 stars in 2007 to 4 stars in 2008 and the service was classified as "Excellent"
<p>Enabling vulnerable adults to live independently</p>	<ul style="list-style-type: none"> The Resources Directorate has a role to

<ul style="list-style-type: none"> Increasing the number of people aged 60 or over in receipt of Council Tax benefit. 	<p>play in promoting benefit take-up. Publicity campaigns have been run to try to increase take-up of benefits.</p> <ul style="list-style-type: none"> Needs to be updated
<p>Streamlining processes, assets & structures</p> <ul style="list-style-type: none"> Improving the value for money we get from procuring goods and services. 	<ul style="list-style-type: none"> <i>There have been a number of successful improvements regarding value for money through better, more efficient procurement. Highlights include:</i> <ul style="list-style-type: none"> A better system for procuring temporary staff, which has produced savings of £200,000. Better value from West Mercia Supplies, which has increased the contract dividend by £70,000 In June, 2009, the refreshed Procurement Strategy was agreed. It stresses sustainability and also makes it mandatory to put all contractors for goods and services in excess of £5,000 on the local business portal.
<p>Corporate planning</p> <ul style="list-style-type: none"> Continue to work with policy & performance to refine the new integrated corporate, service & financial planning framework – the overall improvement cycle. Continue to work with Policy & Performance to improve the accessibility of performance reports. Continue to review and update the Medium-Term Financial Management Strategy. Continue to support implementation of Herefordshire's revised Risk Management Policy with a view to ensuring full integration with service planning and performance management. 	<ul style="list-style-type: none"> Progress has been made in integrating the financial and performance elements of the IPR. The third MTMFS was completed in February 2009. The Corporate Risk Manager has continued to implement improved monitoring and reporting systems, in addition to revising the Corporate Risk Strategy. Better integration of risk and performance management was also achieved.

3.0 What's Changing in 2009-2011

3.1 New Corporate and Directorate Priorities

3.1.1 The Financial Services team will:

- a) Lead on updating the Medium Term Financial Management Strategy in 2009/10 and ensure it is a joint document with NHS Herefordshire.
- b) Support the Council's Procurement Strategy and deliver training to local businesses about tendering for council work.
- c) Co-ordinate the Council's preparations for the new Use of Resources

Assessment.

3.1.2 The Asset Management & Property Services team will:

- a) Working with the PCT, lead on the development of an office accommodation strategy for the Council and PCT. This will be delivered by the end of 2009.
- b) Working with the PCT, lead on the development of a long-term strategy that includes all local assets.

3.1.3 The Benefit & Exchequer Services team will lead on preparations for the new Benefit Service assessment arrangements that form part of the Comprehensive Area Assessment. It will include a "mock" inspection and develop an action plan to deal with the new harder test.

3.1.4 Audit Services will work more closely with NHS Herefordshire's auditors and deliver a joint protocol.

3.1.5 As a Directorate we will focus on closer working with the PCT in line with the Corporate Plan priorities for 2008 – 2011. Preparing for the new Comprehensive Area Assessment will also be a key activity for the Directorate.

3.2 New legislation/guidance

3.2.1 A full list of new legislation that is expected to impact on the Council and hence the way in which it plans and manages its cash and property resources can be found in the Medium Term Financial Strategy for 2009 – 2012. A brief summary of some key legislation is provided below.

3.3 Local Democracy, Economic Development and Construction Bill:

3.3.1 The Bill underpins policies announced in White Paper "Communities in control: real people, real power". The Bill puts local people at the heart of decision-making affecting their lives. A duty to promote local democracy – improve take up of civic roles.

- A legal duty on Councils to respond to Petitions.
- 'Duty to involve' extended so that Councils ensure government bodies and agencies involve local people in the decision-making process.
- Duty to prepare an assessment of economic conditions in a Council area.
- Match area agreements with statutory duties.

3.4 Health Bill:

3.4.1 Placing duty on providers and commissioners of NHS services to have regard to the new NHS Constitution. The Constitution will be published alongside the Bill and secure the principles of the NHS, setting out the rights and responsibility of patients and staff.

3.4.1 Give patients greater control over health services they receive by involving them directly in the commissioning of health services.

3.4.2 To drive up improvements – information quality for patients.

- 3.4.3 To reduce the impact of tobacco on health and well being.
- 3.4.4 Extend the remit of the Local Government Ombudsman to enable him to consider complaints from people who have arranged their own adult social care.

3.5 Directorate Reorganisations

- 3.5.1 In last year's Directorate Plan, we acknowledged that the Crookall review identified specific issues the Council needed to address in terms of the sufficiency of ICT audit and strategic procurement resource. An Integrated Improvement Plan was developed in response to the Crookall report and other external inspections and assessments that identify common themes.
- 3.5.2 We recognise that we operate in a changing environment and, as a result, may need to review structures as a result of emerging plans to deliver the deep partnership with NHS Herefordshire. It is also clear that the emerging shared services agenda will impact on the Resources Directorate. This has already affected the review of Property Services.

3.6 Directorate training plan

- 3.6.1 Directorate training needs are met at individual level via the SRD process, Performance management arrangements across the Directorate have improved, but we will continue to develop these as we go forward. We continue to support professional development and will work within corporate approach to training and development.

3.7 Performance Management

- 3.7.1 The Local Area Agreement (LAA) presents an opportunity for the council to deliver area-based priorities, in partnership with other groups and bodies in Herefordshire. The Area Based Grant is a key element of the new approach and we will support and advise on its use, so that this non-ring fenced general grant can be put to effective use to deliver the locally determined priorities.
- 3.7.2 In 2009/10, the new Comprehensive Area Assessment (CAA) is in place, replacing the former Comprehensive Performance Assessment. The CAA framework is concerned with those outcomes delivered by councils working alone or in partnership including health and wellbeing; community safety and cohesion; sustainable communities; economic development; housing; and children's and older people's services.
- 3.7.3 The new Use of Resources assessment is known as the "harder test" by the Audit Commission. It will assess if we use performance management to improve outcomes for the community.

4. Some Key Tasks for 2009/10

- 4.1 The new structure in Asset Management and Property Services will continue to be developed to support strategic priorities.
- 4.2 We will bring forward policy proposals for:

- a) A Benefits Strategy
 - b) An Accommodation Strategy that supports the deeper partnership and makes the best use of community assets.
 - c) Community Asset transfers.
 - d) A joint medium term financial management strategy with NHS Herefordshire.
 - e) A Value for Money strategy that includes a "toolkit" for a consistent approach to this important issue.
- 4.3 The directorate will work with the Regeneration directorate to deliver training to the local business community about the process in local government tendering.
- 4.4 Clear working with NMHSD Herefordshire will be increasingly evident, through financial planning, procurement and audit work.
- 4.5 The Resources management team will change the way it conducts its business to meet the challenges of the new Use of Resources assessment. This will require an approval focussed on outcomes and require closer working across the professional disciplines if we are to meet the new "harder test".
- 4.6 Financial training will be received to ensure it stays 'fit for purpose'.
- 4.7 Financial Services will need to work with colleagues in both the council and NHS Herefordshire to support the commissioning agenda.
- 4.8 The increasing development of integrated teams means that new ways of working and new ways of supplying information will be needed.
- 4.9 Meeting the challenge of the recession. We are already seeing a significant increase in the number of benefits claimants.

RESOURCES DIRECTORATE -KEY PRIORITIES 2009-2010

CORPORATE PLAN THEME	Organisational improvement and greater efficiency
CORPORATE PLAN PRIORITY	Better services, quality of life and improved value for money
SUPPORTING DIRECTORATE PRIORITIES	Better Outcomes, Better Services, delivering Value for Money and improving Customer Experience
BETTER OUTCOMES	<p>Working with the PCT to improve outcomes</p> <ul style="list-style-type: none"> • Continuing to improve our performance management to show outcomes. • Supporting the preparation for the new Comprehensive Area Assessment. • Making the links between our services and services to the people of Herefordshire.
BETTER SERVICES	<p>Being the provider of first choice</p> <ul style="list-style-type: none"> • Continuing to improve performance management in line with the corporate framework • Recruiting, retraining, motivating and developing high quality staff. • Meeting our service targets.
DELIVERING VALUE FOR MONEY	<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 • Working more closely with the PCT to improve outcomes value for money • Improving ICT audit and corporate procurement capacity (the Crookall Review refers) • 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

RESOURCES DIRECTORATE - KEY PRIORITIES 2009-2010

SERVICE PRIORITIES	BETTER OUTCOMES	BETTER SERVICES	DELIVERING VALUE FOR MONEY	IMPROVING CUSTOMER EXPERIENCE
<p>ASSET MANAGEMENT & PROPERTY SERVICES</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Completing the restructure of the team in order to support further development of the strategic and facilities management functions. 	<ul style="list-style-type: none"> • Working with the PCT to develop and implement: <ul style="list-style-type: none"> ○ An interim office accommodation strategy for the Council and PCT. ○ A long term HQ & back office accommodation strategy. ○ 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 	<ul style="list-style-type: none"> • Use benchmark data to ensure improving level of customer experience is delivered.

			given the proposals to work ever more closely with the PCT.	
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RESOURCES DIRECTORATE - KEY PRIORITIES 2009-2010

SERVICE PRIORITIES	BETTER OUTCOMES	BETTER SERVICES	DELIVERING VALUE FOR MONEY	IMPROVING CUSTOMER EXPERIENCE
AUDIT SERVICES	<ul style="list-style-type: none"> Continue to analyse client feedback requested following the completion of each audit assignment, taking positive action to improve the service if appropriate. 	<ul style="list-style-type: none"> Complete the team restructure in the light of the Crookall recommendation to increase the capacity for ICT and corporate governance audit review. 	<ul style="list-style-type: none"> Continue to support the development of the Audit & Corporate Governance Committee by implementing the agreed training plan. Develop the Chief Internal Auditor'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 	<ul style="list-style-type: none"> Monitor customer feedback forms to ensure performance continues to improve.

RESOURCES DIRECTORATE -KEY PRIORITIES 2009-2010

SERVICE PRIORITIES	BETTER OUTCOMES	BETTER SERVICES	DELIVERING VALUE FOR MONEY	IMPROVING CUSTOMER EXPERIENCE
<p>BENEFIT & EXCHEQUER SERVICES</p>	<ul style="list-style-type: none"> • Providing better local payment options for customers. • Improving communication with customers and providing electronic billing and benefits claims / changes. 	<ul style="list-style-type: none"> • Improving communication with staff and complete individual performance monitoring plans. 	<ul style="list-style-type: none"> • 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. • Develop a Benefits 	<ul style="list-style-type: none"> • Work more closely with Info Shops and, where appropriate, place staff nearer the customer to speed up processing. • Roll out the "Golden Ticket" so that customers have claims processed more quickly.

			Strategy.	
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RESOURCES DIRECTORATE -KEY PRIORITIES 2009-2010

SERVICE PRIORITIES	BETTER OUTCOMES	BETTER SERVICES	DELIVERING VALUE FOR MONEY	IMPROVING CUSTOMER EXPERIENCE
FINANCIAL SERVICES	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Completing the team restructure in the light of the Crookall recommendation to increase the capacity for corporate procurement advice. 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Providing high quality financial management training. • Complete the procurement training commenced in January 2009 that has developed a broader understanding of an expertise in procurement across directorates.