

**Chief Executive's Office**

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**To: All Members of Cabinet:  
R.J. Phillips (Leader)  
G.V. Hyde (Deputy Leader)  
Mrs. L.O. Barnett  
P.J. Edwards  
Mrs. J.P. French  
J.C. Mayson  
D.W. Rule MBE  
R.V. Stockton  
D.B. Wilcox  
R.M. Wilson  
J.W. Edwards (ex-officio)  
A.C.R. Chappell (ex-officio)  
Mrs. P.A. Andrews (ex-officio)  
T.M. James (ex-officio)  
R.I. Matthews (ex-officio)**

17th June, 2005

Dear Councillor,

**MEETING OF CABINET  
THURSDAY, 9TH JUNE, 2005 AT 2.15 P.M.  
THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD**

**AGENDA (05/10)**

**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 this agenda.

**3. ANNUAL EFFICIENCY STATEMENT 2004/05**

To receive the Council's Annual Efficiency Report for 2004/05. *(Pages 1 - 6)*

**4. COMPREHENSIVE PERFORMANCE ASSESSMENT SUBMISSION OF SELF-ASSESSMENTS**



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County of Herefordshire District Council, PO Box 239, HEREFORD, HR1 1ZU

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To agree the arrangements for the submission of the self-assessments relating to the Corporate Assessments (CA) and Joint Area Review (JAR) as the first stages of preparation for the Corporate Performance Assessment (CPA). (Pages 7 - 14)

**Please note that the self-assessment for the Joint Area Review will be circulated prior to the meeting.**

**5. PAY AND WORKFORCE DEVELOPMENT STRATEGY 2005-08**

To consider and approve the Council's Pay and Workforce Development Strategy 2005/08, plus Operating Plan for 2005/06. (Pages 15 - 44)

**6. HOMELESSNESS BUDGET**

To consider virement proposals from within the base budget 2005/06, to meet anticipated additional costs arising from increased demand for homelessness provision. (Pages 45 - 48)

Yours sincerely,



**N.M. PRINGLE  
CHIEF EXECUTIVE**

Copies to: Chairman of the Council  
Chairman of Strategic Monitoring Committee  
Vice-Chairman of Strategic Monitoring Committee  
Chairmen of Scrutiny Committees  
Group Leaders  
Directors  
County Secretary and Solicitor  
County Treasurer



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# **COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL**

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

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# ANNUAL EFFICIENCY STATEMENT – 2004/05

## PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

9TH JUNE 2005

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### Wards Affected

County-wide.

### Purpose

To approve the Council's Annual Efficiency Statement – 2004/05.

### Key Decision

This is not a Key Decision.

### Recommendations

**That the Annual Efficiency Statement – 2004/05 be approved.**

### Reasons

1. The Council is required to complete and submit the first backward look statement (BLAES) for 2004/05 by 15th June 2005. Our statement will be submitted in the template format determined by the ODPM toolkit.
2. Detailed guidance on the completion of this return was issued on 16th May. An important difference with the Forward Looking AES is the requirement to provide quality cross checks. This serves to ensure that there is no diminution of service where cash savings are submitted and that performance gains can be substantiated.
3. The guidance suggests no minimum figure for the BLAES but the technical note sent out in January referred to the fact that councils should include the BLAES in the Value for Money (VFM) self assessment as part of the annual Use of Resources assessment.

### Considerations

4. The Forward Looking statement produced in April concentrated largely on cash releasing savings in order to deliver the Corporate Plan. The BLAES has had to take a more balanced approach between cash savings and performance gains, predominantly because there was no formal corporate savings exercise carried out as part of the 2004/05 budget. The expectation at that time was for services to continue ensuring performance improvement but operating within cash limited budgets and manage resources accordingly.

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Further information on the subject of this report is available from  
Andrew Tanner, Assistant County Treasurer on 014532 260162

5. There is still a shortage of clear and consistent, national guidance over how performance gains are calculated. The Council has developed its own methodology in comparing performance improvement to expenditure and has included those areas of service where performance increases are, therefore, greater than the corresponding net expenditure increase. This system is, of course, subject to significant sensitivities owing to the nature of performance information. For example, it was considered using the basket of performance indicators used for the Local Public Service Agreement's cost effectiveness target within the BLAES. Using currently available and robust performance information, the Council could prove a rise in cost effectiveness of £7,700,000. However this figure could change dramatically on the movement of a single indicator and hence it is meaningless in assessing true cost effectiveness. This demonstrates the difficulty of the task in constructing the BLEAS owing to its subjective nature.
5. The BLAES attached in Appendix 1, therefore, takes a more measured view on those efficiency gains that have been submitted. The overall gain is just under £1,900,000 with just under £1,000,000 being cashable. The BLAES next year will be a key report as it assesses the Council's performance against the Forward Looking Annual Efficiency Statement. It continues to be the Council's view that the real driver behind the Efficiency Agenda is to secure improvement through the better procurement of services and the realisation of operational efficiencies, and this is where the focus will be maintained.

## **Risk Management**

The Annual Efficiency Statement will form a major part of the Council's Use of Resources assessment. Whilst the main focus may be on the Forward Looking Statement, a good performance on the backward looking statement can only help our assessment. Failure to reach level 3 on this assessment will prevent the Council from becoming an 'excellent' authority. The Council currently assesses itself as being at level 2 on the revised criteria.

## **Consultees**

None.

## **Background Papers**

None identified.



## ANNUAL EFFICIENCY STATEMENT - BACKWARD LOOK

### Local authority

Herefordshire Council

### Contact name

Andrew Tanner

### Job title

Assistant County Treasurer

### Email address

[atanner@herefordshire.gov.uk](mailto:atanner@herefordshire.gov.uk)

### Activities undertaken to achieve efficiency gain

Unlike the 2005/06 budget, there was no formal corporate exercise carried out by the Council to identify cash efficiency savings for 2004/05. Services have been expected to operate within their cash limited budgets and secure ongoing performance improvements within those resources available.

Progress was made, however, during the year on putting the building blocks in place for future efficiency gains and these included the onset of property and accommodation reviews and the corporate Service Improvement Programme.

	Quality Cross Check Met?	2004/05 annual efficiency gains (£)	...of which related to capital spend (£)	...of which related to other spend (£)	...of which cashable (£)
	Yes	0			0
Adult Social Services	Activities undertaken to achieve efficiency gain: The proportion of older people living people being helped to live independently fell during 2004/05 thus making it difficult to show efficiency gains within this statement. Considerable work was carried out during the year, however, within the areas of care commissioning and securing operational improvements to achieve significant gains in 2005/06. These are very much evident in the forward looking statement.				
	Quality cross-check notes:				
Children's Services	Yes	1,066,144			523,964

	<p>Activities undertaken to achieve efficiency gain: The focus on generating efficiency gains within the looked after children area has been on increasing performance in three core areas being:</p> <p>Increasing stability of placements, improving KS4 attainment and increasing the proportion of care leavers in education employment or training.</p> <p>The LEA has been able to make some significant cash releasing savings through a rigorous review of school transport with subsequent improvements in routing and scheduling.</p> <p>Quality cross-check notes: For Looked after Children improvements on Performance Assessment Framework (PAF) indicators 1,2 and 4 have been compared to the financial outturn in these specific areas.</p> <p>For school transport weighted average reduction in costs per rider have been calculated and these on average are £83.</p>			
Culture and Sport	Yes	60,000		60,000
Environmental Services	<p>Activities undertaken to achieve efficiency gain: Reduction in management fee to leisure contractor (Halo). This has been achieved with no diminution in service through the investment at the outset of the contract in 'leisure professionals' to ensure operational efficiencies and business growth.</p> <p>Quality cross-check notes: User number figures from Halo internal management information systems increased by 9% from 2003/04 to 2004/05. 2003/04 - 1,080,550 2004/05 - 1,177,930</p> <p>Significant performance gains have been achieved within the Waste service mainly as a result of the ongoing policy to increase domestic waste recycling through house collections of recyclables. Although there has been a sizeable increase in net expenditure within street cleansing appreciable performance gains have resulted from the new service delivery arrangements with Jarvis.</p>			
	Yes	356,730		0

	Quality cross-check notes: BVPI 82a - percentage of the total tonnage of household waste arising which have been recycled. BVPI 199a - proportion of land and highways having litter and detritus below an acceptable level.				
	Yes	0	0	0	0
Local transport	Activities undertaken to achieve efficiency gain: Efficiency gains have been gained within local transport, specifically within highways maintenance following the signing of the joint venture contract with Jarvis. They can only be estimated, however at this time owing to the changes in methodology on measuring road condition. The contract was very much in its infancy during 2004/05 and the operational efficiencies will not be fully realised until the current year and these have been reflected in the forward looking statement.				
	Quality cross-check notes:				
	Yes	13,300	0	13,300	13,300
LA social housing	Activities undertaken to achieve efficiency gain: The focus on efficiency gains has been within the administration of renovation and improvement grants and other private sector renewal.				
	Quality cross-check notes: Improvement in BVPI 62 for percentage of private sector dwellings made fit or demolished. Reduction in net expenditure within this area of Strategic Housing.				
Non-school educational services	Yes	0			0
	Activities undertaken to achieve efficiency gain:				
	Quality cross-check notes:				
Supporting people	Yes	0			0
	Activities undertaken to achieve efficiency gain:				
	Quality cross-check notes:				
Homelessness	Yes	0			0
	Activities undertaken to achieve efficiency gain:				
	Quality cross-check notes:				
<b>Other cross-cutting efficiencies not covered above</b>					
	Yes	366,000			366,000
Corporate services	Activities undertaken to achieve efficiency gain: Active treasury management has resulted in a major rescheduling of long-term debt by taking advantage of new borrowing instruments, in particular Lender Option Borrower Options (LOBOs).				
	Quality cross-check notes: Reduction in revenue outturn for financing transaction expenditure				
Procurement	Yes	0			0

	Activities undertaken to achieve efficiency gain:				
	Quality cross-check notes:				
Productive time	Yes	0			0
	Activities undertaken to achieve efficiency gain:				
	Quality cross-check notes:				
Transactions	Yes	33,500			33,500
	Activities undertaken to achieve efficiency gain: Introduction of e-recruitment and e-payments.				
	Quality cross-check notes: Reduction in specific ICT Services budget.				
Miscellaneous efficiencies	Yes	0			0
	Activities undertaken to achieve efficiency gain:				
	Quality cross-check notes:				
<b>TOTAL</b>		<b>1,895,674</b>	<b>0</b>	<b>13,300</b>	<b>996,764</b>

## **CORPORATE PERFORMANCE ASSESSMENT - SUBMISSION OF SELF ASSESSMENTS**

### **PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE AND CHILDREN'S SERVICES**

**CABINET**

**9TH JUNE, 2005**

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### **Wards Affected**

No Wards are affected

### **Purpose**

To agree the arrangements for the submission of the self assessments relating to the Corporate Assessments (CA) and Joint Area Review (JAR) as the first stage of preparation for the Corporate Performance Assessment (CPA).

### **Key Decision**

This is not a Key Decision

### **Recommendations**

**THAT (a) Progress on the Corporate Self Assessment and the arrangements for its completion by the due date of the 18th July, taking account of the necessity to link closely Corporate and JAR preparation, be noted.**

**and**

**(b) submission of the JAR Self Assessment and the Youth Service Self Assessment including scores, subject to any changes arising from the planned external challenge, be approved.**

### **Reasons**

Self Assessments are the initial requirement in preparation for the Corporate Performance Assessment

### **Considerations**

1. As Cabinet will be aware Herefordshire will be one of the first eight Authorities to undergo a revised Corporate Performance Assessment during the Autumn of 2005. The Corporate Performance score will arise out of the Corporate Assessment and the Joint Area Review. Whilst the Corporate Assessment focuses on the corporate capacity of the authority the Joint Area Review is an inspection of Children's Services in Herefordshire, whether they be delivered by the Council or not. Additionally because there has been no OFSTED of the Youth Service, this will receive particular attention and a separate self assessment needs to be prepared. The guidance for

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Further information on the subject of this report is available from  
Jane Jones, Director of Policy and Community on 01432 260042

this was confirmed at the beginning of May.

2. Various elements of both inspections are being piloted and the authority is learning as much as possible about the process from these sources. However, the first 'whole' pilots will only take place in June of this year and therefore our ability to learn from these will be limited.
3. The Corporate Assessment will provide the context for many of the judgements relating to the JAR, and in turn the JAR will provide, in particular, field work and conclusions on the shared priorities in relation to Children and Young People in the Corporate assessment. The interrelationship of the two inspections is explored more fully in the diagram attached as appendix 1.
4. The Authority has taken the view that the preparation for the inspection should be integrated in a single project. Contained within the project plan are a number of actions relating to the Council's journey to improvement for example, reviewing the Performance Management Framework, developing the Use of Resources statement, categorisation of partnership and projects. It is consistent with Prince 2 methodology and coordinated by the Director of Policy and Community reporting regularly to the Chief Executive and Leader. Over the course of the next few months there will be regular reports to Cabinet.
5. The first stage in preparation for both inspections is the submission of self assessment documents. In the case of the JAR the date for submission is 13th June: the corporate assessment must be completed by the 18th July. Both self assessments need to ensure partnership support. For the JAR this is secured through the Children and Young People's Partnership Board which considered an earlier draft on Monday 23rd May and for the Corporate Assessment the Herefordshire Partnership Board which will meet during the course of June. An additional requirement this time is that self-assessments need to be scored.
6. Clearly given the interdependence of the two inspections the documents must be consistent in terms of background, prioritisation and style. This is not easy to achieve since the requirements for the JAR have been prescribed since the middle of March but the outline of the Corporate Assessment has only been available since the end of April.
7. The Team Leader for the JAR, John Cordwell has already visited Herefordshire. The Team Leader for the Corporate Assessment was announced at the end of last week. He is Gary Stevens who is currently the Relationship Manager for the Audit Commission for Coventry, Dudley and Solihull. He is likely to make initial contact with Herefordshire shortly and planning will begin in earnest for the inspection which will take place from the 26th September to 7th October. However, for the JAR there will be an additional analysis week, fieldwork and a consultation with users of the services prior to the actual inspection. The timetable for the CPA is attached as Appendix 2.

## **Alternative Options**

None

## **Risk Management**

Dates for submission of the documents are clearly set out in the timetable published by the Audit Commission.

## **Consultees**

Children and Young People's Partnership Board, Herefordshire Partnership Board

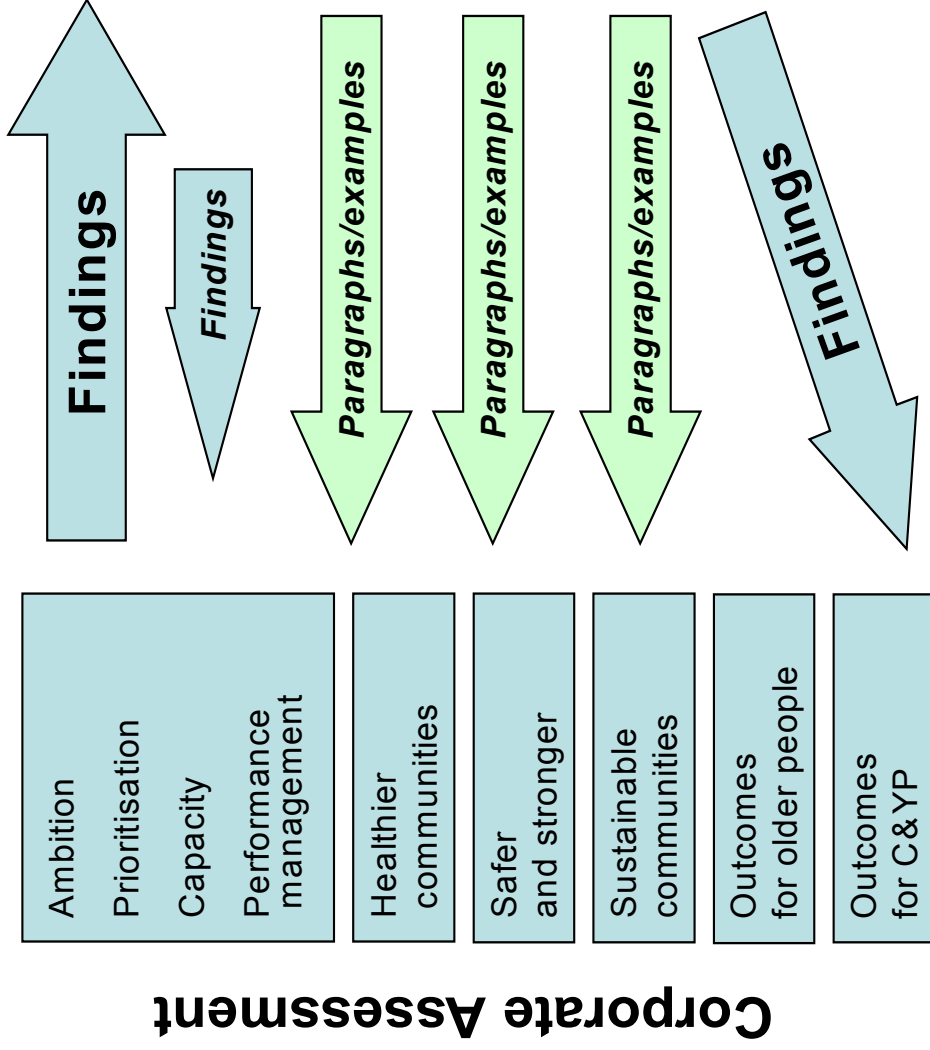
## **Background Papers**

None identified.

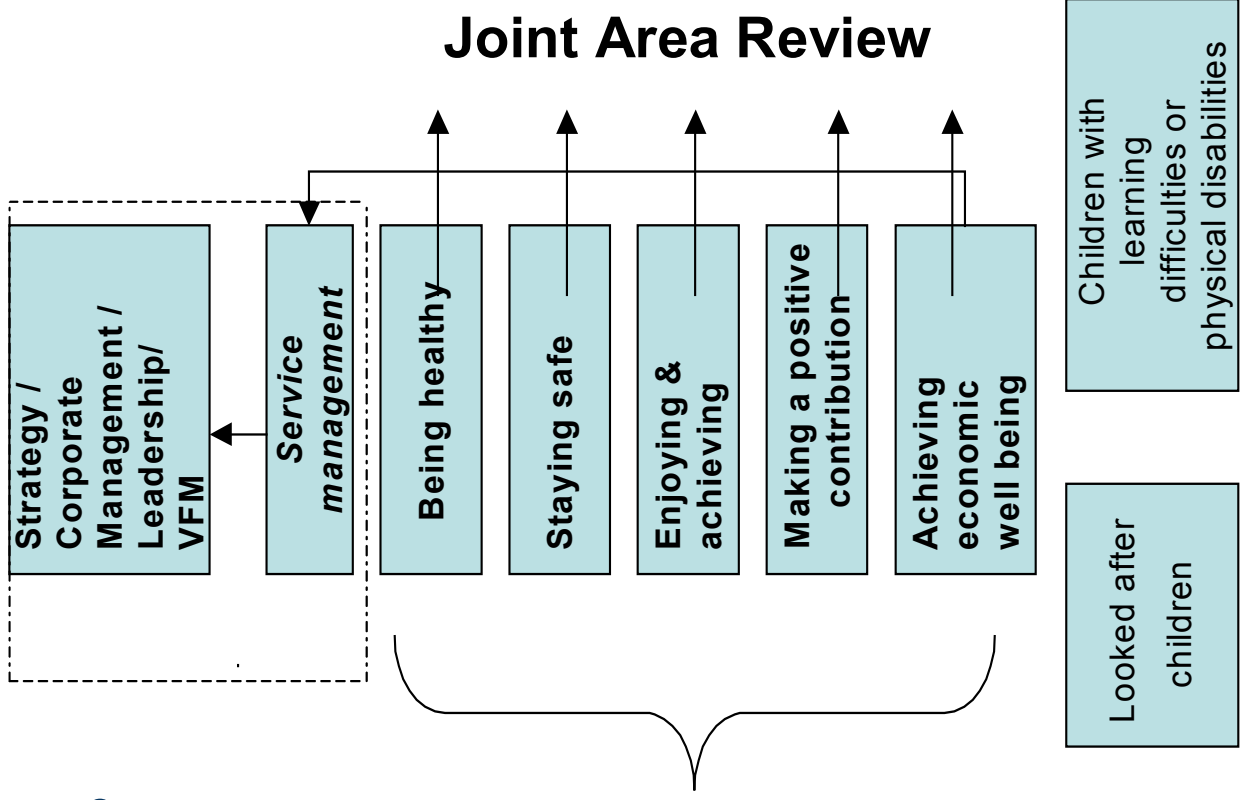




# Mapping the judgements



## Joint Area Review





## CPA TIMETABLE

## Timelines for the Joint Corporate Assessment-Joint Area Review

<b>Stage</b>	<b>September 2005</b>
<b>First meeting/conference</b>	21 March 2005
<b>Self Assessment returned (JAR)</b>	13 June 2005
<b>Set up meeting (joint)</b>	From: 6 June 2005
<b>Self assessment returned (CA)</b>	By: 18 July 2005
<b>Analysis week (JAR)</b>	5 September 2005 to 9 September 2005
<b>Challenge meeting (CA)</b>	9 September 2005
<b>Fieldwork</b>	26 September 2005 to 7 October 2005
<b>Report writing</b>	10 October 2005 to 21 October 2005
<b>Draft report sent to council/partners for comment</b>	4 November 2005
<b>Comment received by inspectorates</b>	By: 18 November 2005
<b>Feedback meeting</b>	2 December 2005
<b>Publication</b>	15th December 2005



# PAY AND WORKFORCE DEVELOPMENT STRATEGY 2005-8

## PROGRAMME AREA RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

9TH JUNE, 2005

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### Wards Affected

None

### Purpose

To consider and approve the Council's Pay and Workforce Development Strategy 2005-8, plus operating plan for 2005-6.

### Key Decision

This is not a key decision.

### Recommendations

**That the Council's Pay and Workforce Development Strategy 2005-8 and the Operating Plan for 2005-6 be approved.**

### Reasons

The Council has put in place a corporate planning process linked directly to its performance management framework that enables it to be clear about its priorities and how they will be achieved. An important element to achieving these priorities is the implementation of the Pay and Workforce Development Strategy which sets out the Human Resource themes and actions to be addressed.

### Considerations

1. In order to meet the public service targets over the next few years, the Employers Organisation, in conjunction with the Office of the Deputy Prime Minister has set out a challenging agenda for local government in the shape of a national Pay and Workforce Strategy for Local Government focusing on five key priority areas. This Strategy challenged local authorities to develop local workforce development plans to be in place by March 2005. The national Strategy's five key themes are:
  - Developing leadership capacity – *among both officers and members, including attracting effective leaders from outside the sector;*
  - Developing the skills and capacity of the workforce – *across the corporate centre of authorities, specific services, management and front line workforce;*
  - Developing the organisation, including equality and diversity issues – *to achieve*

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Further information on the subject of this report is available from Human Resources  
on 01432 383055

*excellence in people and performance management, partnership working, and efficient delivery of services;*

- Resourcing local government – *ensuring authorities recruit, train and retain the employees they need;*
  - Pay and Rewards – *having pay and reward structures that attract, retain and develop a skilled and flexible workforce, while achieving value for money in service delivery.*
2. The Council's Pay and Workforce Development Strategy 2005-8 adopts the EO's themes as key areas that Council needs to address. There is an added emphasis in the Council's Strategy on ensuring workable pay, reward and recognition structures to help recruit, motivate, and retain the employees the Council needs to deliver its services in the aftermath of Job Evaluation and Single Status implementation. This is likely to remain a key focus for several years.
  3. The Strategy has been developed in conjunction with the development of the Council's Corporate Plan. Activities within each key theme are interlinked and have been designed to help support delivery of the Corporate Plan. The Strategy aims to ensure the Council:
    - has the right people in the right places, with the right skills, to deliver the agenda and priorities set out in the Corporate Plan – improved services with greater efficiency and better customer focus;
    - is well-placed to respond to environmental and societal changes, and emerging technology;
    - meets its statutory obligations as an employer, and where possible exceeds those to demonstrate best and leading edge practice as the largest local employer;
    - becomes an employer of choice amongst those seeking employment and career opportunities.
  4. This Strategy replaces the former Strategy for Developing and Improving Human Resources 2002-5 which set the human resources agenda for the past three years. 79% of planned actions were completed, with 10% no longer relevant, 11% to be carried forward as part of the Pay and Workforce Development Strategy for 2005-8 (including development of career pathways). Highlights from that Strategy include:
    - Job Evaluation and Single Status implemented;
    - Reduced levels of sickness absence – 7.16 days per annum per FTE in 2004 compared with 9.32 in 2001;
    - Improved numbers of females in top 5% of wage earners – 42.4% in 2004 against 22.7% in 2001;
    - Reduced turnover – 10.6% in 2004 against 13% in 2001;
    - Improved Staff Review and Development completion – 71% in 2004 against 52% in 2001;

- Improved attendance at induction – 73% in 2004 against 21% in 2001;
- Establishment of a graduate trainee scheme;
- Management competencies developed and implementation begun with an e-enabled 360 degree assessment process for the Council's Key Managers.

## **Risk Management**

The risks are contained in the Pay and Workforce Development Strategy.

## **Consultees**

Senior Managers, Employees (via Staff Opinion Survey), Recognised Trades Unions, Race Equality Staff Group.

## **Background Papers**

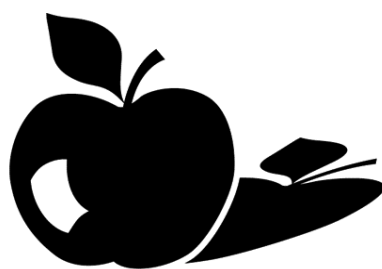
None identified

## **Appendices**

Pay and Workforce Development Strategy 2005-8







HEREFORDSHIRE  
COUNCIL

# Pay and Workforce Development Strategy 2005-2008

## **Action for a better Herefordshire**

- ...Putting** people first
- ...Preserving** our heritage
- ...Promoting** our county
- ...Providing** for our communities
- ...Protecting** our future

***Quality life in a quality county***



HEREFORDSHIRE  
COUNCIL

# Pay and Workforce Development Strategy

## Contents

Foreword by the Cabinet Member for Human Resources

1. Introduction
2. Setting the Scene
3. The Challenges
4. Risks and Mitigation
5. Key Partners
6. Resourcing the Strategy
7. Equality Impact Assessment
8. Monitoring and Review

## Appendices

Appendix 1 – Workforce profile information

Appendix 2 – Detailed 3 Year Strategic Plan, and 1 Year Action (Operational) Plan

## Foreword

As Cabinet Member for Human Resources, I pay tribute to the hard work and achievements of the past years. It has been a challenging time. The next three years are set to be no different.

This Pay and Workforce Development Strategy aims to ensure that the priorities for human resources across the Council combine together to support and deliver the Corporate Plan. This means that it is vital that the Council has employees with the right skills, knowledge and abilities. It makes the link between investing in people and improved services to the community. As the County's largest employer, it exemplifies the value and wisdom of this investment.

I believe that the improvements delivered as a result of having this Strategy in place will make a real, positive, and lasting difference. I am confident that each and every one of us will play a part in making this happen.

COUNCILLOR Mrs J. P. FRENCH  
CABINET MEMBER (CORPORATE AND CUSTOMER SERVICES AND HUMAN  
RESOURCES)  
May 2005

## 1. Introduction

- 1.1 The Council has set out a Corporate Plan that says what the Council will do over the next three years to play its full part in continuing to turn the Herefordshire Plan into a reality.
- 1.2 This Pay and Workforce Development Strategy is designed to support delivery of the Council's Corporate Plan commitments and organisational priorities, including the Council's diversity agenda, and Statement of Style, Direction and Values. It is the basis for testing the Council's performance in relation to the effective strategic management of human resources.
- 1.3 This Pay and Workforce Development Strategy sets out what the Council will do with its resource development in order to tackle priorities that have arisen as a result of implementing national agreements, and responding to wider environmental and legislative changes e.g. equal pay, employment legislation, central government requirements of local government.
- 1.4 The Strategy itself is set out in two parts. Part One shows the broad intentions over a three-year time frame. Part Two provides a detailed plan of action for the first year of the lifetime of the Strategy. Any emerging changes will be reflected in a revised annual operating plan to be published at the start of the 2006-7 financial year.

## 2. Setting the Scene

- 2.1 The Council is the largest local employer in a rural county with a geographically dispersed population of some 176,900 citizens.
- 2.2 The trend on direct employees is downward. There were 5,356 employees in 2004 against 6,263 in 2001. There has been growth in schools (teachers and support workers) with 822 more employees. Planning, Highways and Transportation have also seen an increase. The Council has outsourced some direct services through SHAW Homes, Herefordshire Jarvis Services, HALO (Leisure Trust), and Herefordshire Housing (Housing Company).
- 2.3 Economically active people in the local population aged 18-24 is around 10.8%, against a Council workforce figure of 5.23%. This figure has remained broadly static for several years. Around 85% of school leavers stay in full time education. The remaining age groups broadly reflect the local population. The local population is set to grow, but with an outward migration of younger people, and an inward migration of those with families, and older people. This will inevitably impact on Council services - such as those for older people.
- 2.4 Employed females in the top 5% of employees have risen from 22.7% to 42.4% since 2001. The Council's workforce profile is currently under-represented
  - numbers employed declaring a disability as defined in the DDA;
  - numbers employed from black/ minority ethnic groups.

2.5 The rate of employees leaving is reducing, and is below average for the sector at 9% in 2004, against 16% in 2001. Just over three quarters (76%) of leavers, leave voluntarily. The remainder leave for retirement or other reasons. There are 'hotspots' of hard to fill vacancies in Planning, Development Control, Trading Standards, Environmental Health, Youth Service, Social Care. A recent audit of recruitment processes has shown that improvements leading to significant efficiency gains can be made both in terms of processes and direct and indirect expenditure.

2.6 Sickness absence rates are among the lowest throughout local government and reduced to 7.99 days per full time employee per year in 2004, against 9.32 days in 2001.

2.7 The Council invests on average, around 2% of payroll or £250 per employee per year (gross training expenditure) in formal training and development; the median investment per year for local government ranges between £162 and £328 per employee (*People Skills Scoreboard 2004, Employers Organisation for Local Government [www.lg-employers.gov.uk](http://www.lg-employers.gov.uk)*).

2.8 Staff Opinion Survey response rates are above average for the sector between 38% and 48% annually. Views from the Survey together with Exit Survey information have been used to inform the Strategy.

### 3. The Challenges

The strategic human resource implications for the Council centre on a number of key themes (in tandem with modernising the Human Resource service) to better support effective and improved service delivery:

- o Supporting **organisational development** to take account of the *Children's Act*, and *Every Child Matters*, new ways of working (including e-working, flexible working), working across boundaries, and the associated skills to achieve greater flexibility and efficiency within a context of decreasing resources;
- o Continuing to develop **effective leadership** and management skills (including people and project management);
- o Maintaining and enhancing levels of motivation, developing appropriate **pay, reward and recognition** structures in the challenging transition through equal pay and single status;
- o Ensuring the Council is **effectively resourced** to meet its service delivery challenges, with focussed and well managed activity to tackle under-representation, and to tackle recruitment and retention 'hot spots' in Education, Social Care and Environment;
- o Comprehensive **training and skills development** linked to improved performance and delivery of the Council's objectives.

### 4. Risks and mitigation

The main risks inherent in delivering the Pay and Workforce Development Strategy, and mitigation are summarised as follows:

RISK	MITIGATION	RISK OWNER
level of resources available to deliver	i) forward planning and prioritisation	Head of HR Cabinet

the Strategy	ii) designated Cabinet Member lead for Human Resources (HR) and Support Services	Member for Human Resources
effective and efficient use of resources	i) forecasting necessary resources ii) seeking external funding wherever possible iii) working with partners to maximise output	Head of HR
employee motivation (hence performance) falls	Career, Reward and Recognition processes in place	Head of HR
reputation – as the County's largest local employer	i) make best use of web and advertising and publicity opportunities press/media	Head of HR

## 5. Key Partners

In delivering this Strategy, the Council will seek to work with and engage its partners at both local, regional and national levels, and wherever possible to work collaboratively with partners for greater efficiency. The Council recognises that working with partners can add value, bring greater efficiency and increase capacity to deliver. The Council already delivers some key services through strategic partnerships.

The Council will actively encourage and seek to develop partnerships to bring better value to service users. It will also work with partners (i.e. Learning and Skills Council, education and training providers) to stimulate the local labour market to ensure there are potential employees with the appropriate skills to work in local government. An example of the Council's commitment in this area is the Skills Development Partnership Agreement recently agreed with the local Learning and Skills Council, the Herefordshire Council, and the seven local authorities across Worcestershire.

## 6. Resourcing the Strategy

The main resources to be deployed are collective skills, knowledge and resources of the Human Resources function, together with its supplies and services budget; the Corporate Training budget; government funding for mandatory training (e.g. social care), and external funding for specific projects. In addition, capacity will be built, and value added using training placements where appropriate, and working with key partners. The Year One action plan is ambitious. It will require effective management and rigorous prioritisation if it is to be delivered successfully.

## 7. Equality Impact Assessment

Various elements of the Pay and Workforce Development Strategy are designed to make a direct contribution to the Council's efforts to not unfairly discriminate against individuals or groups. The Strategy seeks to promote good practice and ensure the Council's workforce is representative of the community it serves. Elements such as Resourcing, and Organisational Development make a direct and positive contribution to this agenda. An Equality Impact Assessment has been completed for this Strategy.

## **8. Monitoring and Review**

There will be a consistent approach to the provision and reporting of human resource information to Directorates, Elected Members and Committees. Progress will be monitored via regular reports (in particular against performance indicators), to Chief Executive's Management Team, Cabinet, and Strategic Monitoring Committee.

**Numbers Employed 2001 - 2004**

Appendix 1

EMPLOYEES	2001	%	2004	%
Full time female	1,676	27%	1555	29%
Part time female	3,013	48%	2615	49%
Full time male	1,277	20%	958	18%
Part time male	297	5%	228	4%
	6,263	100%	5,356	100%

**Age Profile of Workforce at 31/12/2004**

Directorate	Total	16-24	25-34	35-44	45-54	55-59	60-64	65+
Chief Executive	24	3	7	4	8	2	0	0
County Secretary & Solicitor	72	2	10	22	21	8	8	1
County Treasurer	152	8	46	55	34	7	2	0
Education	3590	175	531	1071	1142	443	165	63
Environment	440	27	97	108	123	51	27	7
Policy & Community	460	37	87	134	134	45	21	2
Social Care & Strategic Housing	693	32	81	175	220	123	58	4
<b>Total</b>	<b>5431</b>	<b>284</b>	<b>859</b>	<b>1569</b>	<b>1682</b>	<b>679</b>	<b>281</b>	<b>77</b>
		5.23%	15.82%	28.89%	30.97%	12.50%	5.17%	1.42%



## Pay and Workforce Development Strategy 2005-8 (Part One) See Part Two - Action Plan for 2005-6

Cabinet Lead: Cabinet Member Corporate and Customer Services and Human Resources CXMT Lead: Head of Human Resources  
**To 2008**

Theme and Definition	Indicator(s)	Target	Action	Risk	Resources
<b>Pay, rewards and recognition</b>	Value for money indicator (VFM) to be established	Authority is able to motivate and recruit staff within the constraints of affordability	Remove structural barriers to school workforce remodelling	Morale and motivation suffer	Human Resources Team
<i>Having pay and reward structures that attract, retain and develop a skilled and flexible workforce while achieving value for money in service delivery</i>	% employees satisfied with Pay, Terms and Conditions	Pay framework supports and facilitates workforce flexibility	Support for those still adversely affected post 4 year protection	Turnover may be affected adversely Time Resources	Human Resources Team
			Review of Pay and Grading Structures	Fail to innovate, recruitment and retention worsen	Human Resources Team Head of Economic Development
		Increasing partnership working	Promote lessons from outcomes of pilot projects in partnership and on barriers between occupations	Fail to make efficiency gains through joint working	Human Resources Team Head of Performance Management Corporate Policy Team

		<b>To 2008</b>			
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>
<b>Resourcing Local Government</b>	% of younger people (under 25) employed in Council	Reduce anticipated skill shortages and provide career opportunities for lower paid employees	Provide guidance and support on setting up career pathways in areas of current or predicted skill shortages	Fail to balance workforce profile	Human Resources Team  Head of Economic Development
<i>Ensure the Council recruits and retains the employees it needs</i>		Reduced Skills shortages & more positive image of Local Government careers	Review effectiveness of recruitment activities ensuring they are relevant and effective	Recruitment and retention issues worsen	Human Resources Team
		Effective Partnership with local providers of training and jobs		Fail to capitalise on efficiency gains through working with partners	Human Resources Team
		Increased numbers of younger people employed in Council		Fail to balance workforce profile	Human Resources Team
		Increased diversity across workforce	Positive action as appropriate to increase workforce diversity and target groups that are under represented	Workforce not representative of community	Human Resources Team

		<b>To 2008</b>			
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>
<b>Developing Leadership Capacity</b>	Improvement in leadership skills via management competency assessment	Improved leadership skills among key managers	Succession planning scheme and a system to identify high fliers in place	Lack of continuity	Managers and HR team HR budget to develop, service budgets
<i>Develop the skills, knowledge and ability of leaders within the Council to inspire, motivate others to achieve Council objectives</i>	Staff Opinion Survey results – key leadership and management questions	Improved approach to management and leadership recruitment in place (to be set after baseline established)		As above Fail to recruit sufficient calibre managers	Managers and HR team HR budget to develop, service budgets
		Certificate in Leadership and Management established as part of leadership development provision for first line and new supervisors/ managers		As above	Managers and HR team HR budget to develop, service budgets

		<b>To 2008</b>			
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>
<b>Developing the Skills and Capacity of the Workforce</b>	No. days training and development investment per FTE	Wider access to relevant training and development	Introduce Investors in People Council-wide	Cost of a skills audit Fail to invest wisely in development	Human Resources Team External resource/software bought in to do skills audit
<i>Ensure employees are effectively trained and developed to meet Council objectives</i>	£ investment in training and development per head	Key skills needed to improve performance are addressed		As above	Human Resources Team
	% of employees who agree training and development needs identified via Staff Review and Development are met	ICT skills needs addressed Tackle residual basic skills needs		Individual performance not linked to objectives	Human Resources Team
	% Staff Review and Development carried out in previous 12 months	100% of SRDs completed annually		As above	Human Resources Team Managers
		All employees are actively engaged in developing their skills to ensure that they are as up to date and effective as possible.		As above	Human Resources Team Managers

		<b>To 2008</b>			
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>
<b>Organisational Development</b>	% days lost to Sickness Absence per FTE	A flexible, healthy, and well-motivated workforce with fewer days lost to sickness absence	Project in place to take Flexible Working forward, realise benefits to the Council and individual	Technology Employee well-being Accommodation	Head of Human Resources Head of Property Services Head of ICT
<i>Develop appropriate systems and structures to deliver services to customers effectively via employees, partnerships and external agencies</i>	% of vacant posts (percentage vacant against all posts)	Skills and capabilities of senior HR leaders are improved.	See 'Resourcing'		Human Resources Team
	Equality and Disability Best Value Performance Indicators – e.g. % of women in top 5% of wage earners, % of employees from ethnic minority backgrounds, % of employees declaring a disability compared with proportion in the local community	Change is managed effectively, negative impact of change reduced  BME employed 1.2% by 2006/7  Disability in employment 1.35% by 2006/7	See 'Resourcing'		Human Resources Team Managers

		<b>To 2008</b>			
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>
<b>Organisational Development (cont.)</b>	% Labour Turnover	Lower Labour turnover	See 'Resourcing'		Human Resources Team
	Council's Performance against the Customer Service Charter (NB impacts on quality of service to Council clients/customers)	Effective project management in place	Develop an improved rolling programme of effective service planning (and impact assessments – see Equality Policy)	Fail to achieve/deliver customer service standards	Head of Performance Management Human Resources Team
		Effective Performance Management Processes in place (Service Planning, Risk, Impact Assessments)	<i>See above</i>		Head of Performance Management Human Resources Team Performance Leads
		Complaints and comments are systematically learned from to generate improvement	<i>See above</i>		Communications Network Group, Public Relations Unit

## Pay and Workforce Development Strategy 2005-8 (Part Two) Action Plan 2005-6

Cabinet Lead: Cabinet Member Corporate and Customer Services and Human Resources CXMT Lead: Head of Human Resources

2005-6						
Theme and Definition	Indicator(s)	Target	Action	Risk	Resources	Performance
<b>Pay, rewards and recognition</b>		Effective Reward and recognition processes in place	Work to a more efficient deployment of resources through action to deal with job evaluation and single status implementation post 1.4.05	Lower morale	Human Resources Team	
<i>Having pay and reward structures that attract, retain and develop a skilled and flexible workforce while achieving value for money in service delivery</i>		Improved responses to staff opinion survey question regarding reward and recognition	Research and devise appropriate Reward and Recognition processes	As above	Human Resources Team Head of Performance Management	
		Pay, Reward and Recognition that supports organisational goals	Review managing people performance processes	As above	Human Resources Team Head of Performance Management	
		An improved Facilities Agreement is in place	Publicise revised/agreed Facilities Agreement (inc. Manager Guidance)	Employee relations worsen	Human Resources Team	

2005-6						
Theme and Definition	Indicator(s)	Target	Action	Risk	Resources	Performance
<b>Pay, rewards and recognition (continued)</b>		A workable VFM indicator has been agreed	Research Value For Money indicator in partnership with Employers Organisation nationally and regionally	Unclear re cost and value of HR	Human Resources Team	
		An effective Pay Policy is in place	Pay policy drafted and agreed with senior team and Trade Unions with wide awareness among employees	Lack of clarity re Pay, increased grievances	Human Resources Team	
		Key policies improved and modernised	Revise and modernise key employment policies and procedures	Legal non-compliance	Human Resources Team	
		Improved Contractual employment documentation	Review contractual employment documentation	As above	Human Resources Team	
		An effective pay framework has been devised	Devise an effective pay framework that enables transition between grades to be understood and used for career movement both upward and between occupational groups (i.e. core skills/competencies)	Morale, motivation and retention will suffer	HR Team External consultancy	
			Create generic job structures and transparent career pathways for progression routes in all jobs	As above		



2005-6						
Theme and Definition	Indicator(s)	Target	Action	Risk	Resources	Performance
<b>Resourcing Local Government</b>	% labour turnover	9% A system for workforce planning and development has been developed	Develop a system for analysing skills/workforce shortage areas to include local and national trends to inform workforce planning	Recruitment problems, retention worsens	Human Resources Team - Youth Services, Job Centre Plus, and others as required	
<i>Ensure the Council recruits and retains the employees it needs</i>		Integration of recruitment activity underway to lead to improved recruitment	Scope integration of recruitment activity within the Council to include recommendations for improved use of ICT and feasibility of a recruitment 'Centre' and use of 'pool' recruitment	Fail to make efficiency gains re cost and time to recruit	As above	
			Review recruitment processes and make relevant adjustments for those for whom English is a second language	Fail to be legally compliant	As above	
			Promote careers through Learning at Work Day (May) and National Careers Day (October)		As above	
		Improved supply and retention of talented recruits in areas with acute shortages	Begin implementation of recommendations from project to look at how to recruit and retain young people in local government	Imbalance in workforce profile re employees aged 18-24	Human Resources Team, Youth Services	

<b>2005-6</b>						
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>	<b>Performance</b>
<b>Resourcing Local Government (continued)</b>		Improved links with schools, colleges and community groups, Job Centre Plus and Connexions	Strengthen links with schools and colleges e.g. Royal National College through talks, work experience opportunities, modern apprentice opportunities explore support arrangements that may be needed	Imbalance in workforce profile re numbers younger employees	Human Resources Team	
			Explore how better to publicise jobs and careers, what the Council does	As above		
			Embed New Deal Programmes	As above	Human Resources Team	
			Consider a Traineeship scheme for 16-24 year olds	As above	As above	
			Consider a 'Back to work taster' scheme for the under 30s	As above	As above	
		A review of structure and roles has been held	Review structure and roles of social care support staff, with recommendations for improvement		As above	
	% of black and ethnic minority employees, <i>and</i> % declaring a Disability	0.75% BME 1% Disability	Remove known barriers to employment via a concerted action plan	Imbalance in workforce profile as regards local community	As above	

2005-6						
Theme and Definition	Indicator(s)	Target	Action	Risk	Resources	Performance
<b>Developing Leadership Capacity</b>	% Key Managers assessed against management competency	50% of Key Managers assessed against management competency rising to 75%, and 100%.	Establish baseline for improvement in 360 degree competency assessment, with staged process in place to cover other managers; clarify and communicate what is meant by 'Key Manager'	Management skills and capability worsens	Managers, Chief Executive's Management Team, Human Resources Team	
<i>Develop the skills, knowledge and ability of leaders within the Council to inspire, motivate others to achieve Council objectives</i>		Improved management and leadership	Leadership and Management development approach set out as an easy to understand 'package' with clear links to SRD and development activity, definition of what we mean by Leadership at all levels	As above	As above	
		Improved manager induction	Scope with managers an approach to induction for new/newly appointed managers/ supervisors including guidance on competency assessment	Ineffective investment in manager recruitment	As above	
	% responses to HSE change questions in Staff Opinion Survey	60% agree to the HSE questions	Actions to enable current leaders/managers to effectively manage changing circumstances (also see Organisation Development)	Increased absence levels	As above	

<b>2005-6</b>						
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>	<b>Performance</b>
<b>Developing Leadership Capacity (continued)</b>		Improved manager recruitment	Develop standard approach to recruitment (inc package) for managers – to include time to recruit, where advertise, assessment methods etc.	Ineffective investment in manager recruitment	Managers, Cabinet, Chief Executive's Management Team, Human Resources Team	
		Value of collaborative working assessed	Assess value of LSC funded pilot Leadership development programme	Ineffective leadership	As above, plus Learning and Skills Council	
			Investigate collaborative working with other organisations	Duplication, lack of efficiency gains	As above, plus Strategic Authorities Group	
		Proposal for an 'aspiring manager' programme considered	Consider programme for aspiring managers, and those identified as having potential for management.	Lack of management and leadership continuity	As above	
		Leadership development needs reviewed	Review Leadership development needs for Senior Team arising from diagnostic	As above	As above, plus County Sec. and Solicitor	
		Value of Action Learning set approach assessed	Assess value of implementing action learning	Fail to realise value of cross-organisation learning	As above	

2005-6						
Theme and Definition	Indicator(s)	Target	Action	Risk	Resources	Performance
<b>Developing the Skills and Capacity of the Workforce</b>	% Staff Review and Development carried out	85% Skills Audit completed with recommendations	Conduct a skills audit, identify need for NVQs, make recommendations for addressing gaps	Skills gaps not addressed	Human Resources Team	
<i>Ensure employees are effectively trained and developed to meet Council objectives</i>	% attendance at central induction	85% Improved training, career development and retention of employees	Develop a skills pathway for the Council using core skills for local government linked to new pay and grading (See also the Pay section re <i>generic job structures and transparent career pathways for progression routes in all jobs</i> )	Less flexibility in workforce	Human Resources Team External consultancy	
	£ investment per employee/FTE	Target to be set once baseline established	Establish baseline for minimum training and development investment - days per employee/£ per FTE	Fail to understand value of investment	Human Resources Team	
		Careers and career paths, qualification routes more visible	Run annual Your Career, Your Life, Your Future events.	Morale and motivation suffer	As above	
		Improved awareness and supply of support available for Essential Skills (literacy, numeracy, ICT)	Increase capacity to drive ICT literacy and support drive to achieve e-government (IEG), including promotion of the European Computer Driving License adopted as the Council's standard in 2004.	Unable to deliver modern services due to lack of appropriate skills	As above	

<b>2005-6</b>						
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>	<b>Performance</b>
<b>Developing the Skills and Capacity of the Workforce (continued)</b>		Improved support in place for essential skills development	Publicise, promote and monitor Essential Skills support, including at least one Return to Learn (RTL) Programme	Employees lack basic skills for modern service delivery	Human Resources Team	
		Improved people management practice	Scope development for managers in people management practices	Unnecessary turnover increases	As above	
			Identify trainee placements in key skills shortage areas (Env. Health and TS, Social Care, Youth Service)	Lack of potential supply of skilled recruits	As above	
*Sector average data provided by Opinion Research Company, from 2004 Surveys.	% response rate to Staff Opinion Survey	48%* Improved awareness and understanding of Diversity issues	Commence roll-out of targeted approach to diversity and equality training for members, managers and employees (to include embedding in key processes such as induction, SRD, service planning)	Failure to meet statutory obligations	As above	
		Action on a way forward agreed	Consider and make recommendations on the need to develop procurement skills	Fail to make efficiency gains needed	As above	
		Improved targeting of development activity	Develop and agree a Learning and Development Policy – includes consideration of a process to capture all qualification based training, and how the Council ‘celebrates success’	Development activity not focused on service priorities	As above	

<b>2005-6</b>						
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>	<b>Performance</b>
<b>Developing the Skills and Capacity of the Workforce (continued)</b>		Improved use of capacity for learning	Run a pilot for e-learning (Learning Pool) and make recommendations for further expansion of use	Failure to make efficiency gains	Human Resources Team ICT Service	
		Improved customer service processes/skills	Consider and make recommendations for Customer Service skills development, and delivery of relevant NVQs	Customer Service Standards not achieved	Human Resources Team	
		Improved performance management	Clarify further who should get an SRD when, reference to new starters	Individuals not focused on priorities	As above	
		Service plans carry development needs	Service plans audited re including development needs	Lack of focus to investment in development	As above Head of Performance Management	
		Issues identified and addressed, with improved results	Address Social Care non-completion of SRD issues	As above	Human Resources Team	
		Implications of TOPSS Strategy assessed	Assess implications for the Council of the TOPSS Strategy for Social Care sector and set in place local response measures	Retention & Recruitment worsens	Human Resources Team	

<b>2005-6</b>						
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>	<b>Performance</b>
<b>Organisational Development</b>	% responses to Staff Opinion Survey	Improved responses to Staff Opinion Survey questions	Actions in place to address bullying and harassment of employees (whether by other employees or by service customers)	Increased absence and turnover levels. Litigation, public image	Human Resources Team	
<i>Develop appropriate systems and structures to deliver services to customers effectively via employees, partnerships and external agencies.</i>	days lost to sickness absence per FTE  % labour turnover  Staff Opinion Survey 'culture' questions	Sustained improvement of Council as an employer, through:  1) 7 days lost to sickness absence per annum per FTE  2) Reduction in bullying and harassment  3) 9% labour turnover	Personnel Officers to pull together information to address with Directorate Management Teams, recommend interventions and monitor improvement	Increase absence levels  Litigation  Public relations and image may suffer	Human Resources Team	
		Improved cross organisational learning	Review lessons learned from projects for cross-organisational learning	Fail to capitalise on organisation learning	As above, and Information Policy Group	



<b>2005-6</b>						
<b>Theme and Definition</b>	<b>Indicator(s)</b>	<b>Target</b>	<b>Action</b>	<b>Risk</b>	<b>Resources</b>	<b>Performance</b>
<b>Organisational Development (continued)</b>		Improved employee satisfaction and retention	Re-run Staff Opinion Survey, and How Are We Doing – managers and focus groups front line employees	Fail to track improvement	As above	
			Establish, agree and embed an approach re use of employee language skills, provide employees involved in translating with relevant diversity training	Fail to capitalise on internal talent	As above	
			Review Employers Organisation guidance. Set in place improved internal communications and involvement mechanisms linked to information and consultation regulations	Employee relations worsen	As above	



## HOMELESSNESS BUDGET

### PROGRAMME AREA RESPONSIBILITY – CORPORATE STRATEGY AND FINANCE SOCIAL CARE ADULTS AND HEALTH

**CABINET**

**9TH JUNE, 2005**

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#### **Wards Affected**

County-wide.

#### **Purpose**

To consider virement proposals from within the base budget 2005/06, to meet anticipated additional costs arising from increased demand for homelessness provision.

#### **Key Decision**

This is not a key decision.

#### **Recommendation**

**That a budget virement from the provision for Waste Disposal to Homelessness be agreed.**

#### **Reasons**

The budget provision for Homelessness is under extreme pressure in terms of meeting statutory provision and will overspend in the event that additional resources are not identified.

#### **Considerations**

1. Cabinet considered a confidential report on Homelessness and Housing Advice at its meeting on 19th May. In addition to determining a basis for the future provision of the service, the report also highlighted the trend of increasing numbers of people requiring support and the consequent pressure on the homelessness budget.
2. The following paragraphs highlight the position and the potential over commitment of the budget in 2005/06 particularly as a result of increase demand in recent months.
3. The ability to manage expenditure within budget has been reported to Cabinet as a risk within budget monitoring reports throughout the 2004/05 year.
4. The expenditure on homelessness in 2004/05 was £821,000 against a budget of £380,000, an overspend of £441,000. The overspend is entirely due to the costs associated with the use of temporary accommodation. This position is clearly unsustainable. The overall overspend within the budget for Strategic Housing was £235,000, an increase of £72,000 from the last reported position almost entirely due

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Further information on the subject of this report is available from  
on Ian Hyson, County Treasurer on 01432 260235

to homelessness pressures.

5. The earlier report to Cabinet highlighted the increase in the number of applicants accepted as homeless. The number of homelessness applications increased by 22% between 2003/04 and 2004/05 from 591 to 722.

6. In April 2004, the Homelessness (Suitability of Accommodation) Order (England) 2003 came into force, which requires that homeless families with children or pregnant women are not placed in B & B accommodation. In any event, these households must not remain in B & B for a period longer than 6 weeks and a breach of this order could result in legal challenge. Since January 2005 there have been particular difficulties. Up to December 2004 the authority had only 1 family in B & B for more than 6 weeks. Since January 2005, the number of families in B & B for more than 6 weeks are as follows:

January 2005	4
February 2005	9
March 2005	8
April 2005	19

7. The total numbers currently (as at 17th May 2005) in B & B accommodation are as follows:

Single People	35
Families	22

8. At an average cost of £35 per night per single person, and £50 per night per family, the total cost based on current demand is £2,325 per night, £16,275 per week or £846,300 over the full year. This represents a shortfall of £457,000 on the current budget of £436,000 for 2005/06. This level of demand cannot be resourced from within the current budget available for Strategic Housing.

9. There may be potential to utilise Supporting People funding to complement homelessness and accommodation agenda, for example, through the provision of prevention services and support services associated with homelessness and care leavers respectively. This may be possible through the utilisation of a reasonably small element of the Supporting People grant efficiency savings, achieved since the commissioning of the Supporting People programme which could be used on a short term basis (1 to 2 year contracts) using interim contracts without the risk to long term Supporting People budget and strategy.

10. There are further alternatives being considered as initiatives to help potentially homeless people. These initiatives cannot be resourced from within the current commitments on the homelessness budget. The "invest to save" initiative proposals will be subject to a separate report to Cabinet at a later date.

11. Cabinet has already agreed to resource a project manager to examine a range of costed options regarding the future of homelessness and housing advice.

12. Notwithstanding the action underway to minimise costs, consideration needs to be given to identifying virement from within the 2005/06 Budget to meet the additional costs. Whilst reserves could be utilised, in view of the likely recurring nature of the additional costs faced such an approach is not recommended. Clearly, the pressures on the Social Care budget, also considered by Cabinet on 19th May,

militate against virement from within that area.

13. An alternative solution would be to vire resources from the budget provision for Waste Disposal. Members will recall that this budget provision, due to its nature, is treated as a corporate budget heading, i.e. not impacting on the Environment budget. Such a proposition has become possible as a consequence of the delays encountered in securing sites for the delivery of waste minimisation processes delivered through the joint Herefordshire and Worcestershire PFI scheme. Budget provision for 2005/06 was made in the expectation that further progress in securing sites, with consequent increases in costs, would be made. The delay will also have a knock on effect into 2006/07 and, quite possibly, 2007/08. A solution for the medium term is therefore possible without significant impact on the Council's Medium Term Financial Strategy.
14. A virement of £300,000 is proposed which whilst not wholly addressing the potential increase in costs does encourage the cost reductions measures as outlined earlier.
15. The position would of course be kept under review and reported within existing performance reporting arrangements and revisited as part of the budget process for 2006/07. In the unlikely event that underspendings occur then these would be returned to corporate funds.

## **Risk Management**

Not addressing the budget for Homelessness will result in overspend in the current financial year.

## **Consultees**

Not applicable.

## **Background Papers**

None identified.

