

# A G E N D A

## Strategic Monitoring Committee

Date: **Monday, 12th February, 2007**

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Time: **10.00 a.m.**

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

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

*For any further information please contact:*

*Tim Brown, Members' Services, tel 01432  
260239*

***e-mail [tbrown@herefordshire.gov.uk](mailto:tbrown@herefordshire.gov.uk)***

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**County of Herefordshire  
District Council**



# AGENDA

## for the Meeting of the Strategic Monitoring Committee

To: Councillor T.M. James (Chairman)  
Councillor Mrs. P.A. Andrews (Vice-Chairman)

Councillors B.F. Ashton, W.L.S. Bowen, H. Bramer, A.C.R. Chappell,  
J.H.R. Goodwin, Mrs. M.D. Lloyd-Hayes, J.P. Thomas and W.J.S. Thomas

	Pages
<b>1. APOLOGIES FOR ABSENCE</b>	
To receive apologies for absence.	
<b>2. DECLARATIONS OF INTEREST</b>	
To receive any declarations of interest by Members in respect of items on this agenda.	
<b>3. MINUTES (TO FOLLOW)</b>	
To approve and sign the Minutes of the meeting held on 15th January, 2007.	
<b>4. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY</b>	
To consider suggestions from members of the public on issues the Committee could scrutinise in the future.	
<b>5. REVENUE BUDGET STRATEGY AND CAPITAL PROGRAMME 2007/08</b>	1 - 28
To ask the Strategic Monitoring Committee to consider and comment on the Cabinet's budget strategy for 2007/08.	
<b>6. ANNUAL OPERATING PLAN</b>	29 - 76
To consider a draft of the Council's Annual Operating Plan (AOP) 2007-08 and offer comments for Cabinet to consider in finalising the Plan.	
<b>7. UNDERSTANDING AND RESPONDING TO THE PUBLIC</b>	77 - 80
To consider the results from recent user satisfaction surveys and determine what further investigation or other action to take in response.	
<b>8. CORPORATE ICT STRATEGY</b>	81 - 84
To seek comments on the proposed Corporate ICT Strategy.	



## **PUBLIC INFORMATION**

### **HEREFORDSHIRE COUNCIL'S SCRUTINY COMMITTEES**

The Council has established Scrutiny Committees for Adult Social Care and Strategic Housing, Childrens' Services, Community Services, Environment, and Health. A Strategic Monitoring Committee scrutinises corporate matters and co-ordinates the work of these Committees.

The purpose of the Committees is to ensure the accountability and transparency of the Council's decision making process.

The principal roles of Scrutiny Committees are to

- Help in developing Council policy
- Probe, investigate, test the options and ask the difficult questions before and after decisions are taken
- Look in more detail at areas of concern which may have been raised by the Cabinet itself, by other Councillors or by members of the public
- "call in" decisions - this is a statutory power which gives Scrutiny Committees the right to place a decision on hold pending further scrutiny.
- Review performance of the Council
- Conduct Best Value reviews
- Undertake external scrutiny work engaging partners and the public

Formal meetings of the Committees are held in public and information on your rights to attend meetings and access to information are set out overleaf

## **PUBLIC INFORMATION**

### **Public Involvement at Scrutiny Committee Meetings**

You can contact Councillors and Officers at any time about Scrutiny Committee matters and issues which you would like the Scrutiny Committees to investigate.

There are also two other ways in which you can directly contribute at Herefordshire Council's Scrutiny Committee meetings.

#### **1. Identifying Areas for Scrutiny**

At the meeting the Chairman will ask the members of the public present if they have any issues which they would like the Scrutiny Committee to investigate, however, there will be no discussion of the issue at the time when the matter is raised. Councillors will research the issue and consider whether it should form part of the Committee's work programme when compared with other competing priorities.

Please note that the Committees can only scrutinise items which fall within their specific remit (see below). If a matter is raised which falls within the remit of another Scrutiny Committee then it will be noted and passed on to the relevant Chairman for their consideration.

#### **2. Questions from Members of the Public for Consideration at Scrutiny Committee Meetings and Participation at Meetings**

You can submit a question for consideration at a Scrutiny Committee meeting so long as the question you are asking is directly related to an item listed on the agenda. If you have a question you would like to ask then please submit it **no later than two working days before the meeting** to the Committee Officer. This will help to ensure that an answer can be provided at the meeting. Contact details for the Committee Officer can be found on the front page of this agenda.

Generally, members of the public will also be able to contribute to the discussion at the meeting. This will be at the Chairman's discretion.

(Please note that the Scrutiny Committees are not able to discuss questions relating to personal or confidential issues.)

## **Remits of Herefordshire Council's Scrutiny Committees**

### **Adult Social Care and Strategic Housing**

*Statutory functions for adult social services including:  
Learning Disabilities  
Strategic Housing  
Supporting People  
Public Health*

### **Children's Services**

*Provision of services relating to the well-being of children including education, health and social care.*

### **Community Services Scrutiny Committee**

*Libraries  
Cultural Services including heritage and tourism  
Leisure Services  
Parks and Countryside  
Community Safety  
Economic Development  
Youth Services*

### **Health**

*Planning, provision and operation of health services affecting the area  
Health Improvement  
Services provided by the NHS*

### **Environment**

*Environmental Issues  
Highways and Transportation*

### **Strategic Monitoring Committee**

*Corporate Strategy and Finance  
Resources  
Corporate and Customer Services  
**Human Resources***

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- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
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## **COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL**

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

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## REVENUE BUDGET STRATEGY AND CAPITAL PROGRAMME 2007/08

Report By: Director of Resources

### Wards Affected

County-wide

### Purpose

1. To ask the Strategic Monitoring Committee to consider and comment on the Cabinet's budget strategy for 2007/08.

### Background

2. Cabinet will be considering what recommendations to make to Council of 9th March, 2007 on the detailed revenue and capital budget proposals for next year for Council Tax setting purposes. The Cabinet will want to take the Strategic Monitoring Committee's views into account when it finalises its recommendations to Council.
3. The Director of Resources' report on the draft revenue budget strategy and proposals for the 2007/08 Capital Programme, a copy of which is appended, is being reviewed by Cabinet on 8th February, 2007. Cabinet's decision will be reported to the Committee at the meeting.
4. The budget strategy is designed to smooth pressure on Council Tax increases over the next three years, correct structural issues within the base budget, target remaining resources at key spending pressures and develop, implement and realise the cash benefits from the Invest to Save/Invest to Mitigate programme. For 2007/08 it also provides financial 'cover' for the £5.8m Herefordshire Connects savings built into the Medium Term Financial Management Strategy.
5. In considering the Strategy the Director of Resources highlights the following key points:
  - Financial stability in the medium term is dependent on the delivery of Herefordshire Connects to release ongoing savings. Doing more of the same is not an option given the national constraints on public spending and Herefordshire's own financial context.
  - The need to fully understand and address the cost pressures for the future resulting from the ageing population in Herefordshire; meanwhile a financial contingency should remain in place to mitigate the risk of further overspending in Social Care due to this factor and pressures faced in Children and Young People's Services.

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Further information on the subject of this report is available from  
Mrs Sonia Rees, Director of Resources, on extension 3519  
or David Powell, Head of Financial Services, on extension 3173

## RECOMMENDATION

**THAT: (a) Strategic Monitoring Committee considers the Director of Resources' report on the draft Budget Strategy and proposals for the Capital Programme for 2007/08 presented to Cabinet on 8th February, 2007;**

**and**

**(b) Strategic Monitoring Committee comments on the Cabinet's budget strategy and Capital Programme for 2007/08 to inform Cabinet's next debate on the detail of next year's budget on 22nd February, 2007.**

## BACKGROUND PAPERS

- Financial Strategy Update Cabinet Report, 18 January 2007 (Appendix A)

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Further information on the subject of this report is available from  
Mrs Sonia Rees, Director of Resources, on extension 3519  
or David Powell, Head of Financial Services, on extension 3173

# DRAFT REVENUE BUDGET AND CAPITAL PROGRAMME 2007/08

## PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

8TH FEBRUARY, 2007

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### Wards Affected

County-wide

### Purpose

To formally propose the revenue budget and capital programme for 2007/08 as a basis for seeking the views of the Strategic Monitoring Committee.

### Key Decision

This is not a Key Decision. Cabinet will confirm its budget proposals for 2007/08 in the light of comments from the Strategic Monitoring Committee on 22nd February, 2007 prior to the Council meeting on 9th March, 2007 to set Council Tax levels for 2007/08.

### Recommendations

THAT

- (a) the review of the national context to the Council's Medium-Term Financial Management Strategy outlined in this report be noted;
- (b) the review of the Herefordshire context to the Council's Medium-Term Financial Management Strategy outlined in this report be noted;
- (c) the Medium-Term Financial Resource Model included as an appendix to this report updated to reflect Cabinet decisions on 18th January 2007 be endorsed;
- (d) the updated forecast outturn for the revenue budget in 2006/07 be noted with a further update to be included in the next Integrated Performance Report to Cabinet in March 2007;
- (e) the draft revenue budget for 2007/08 outlined in this report be endorsed;
- (f) the updated forecast outturn for the capital budget in 2006/07 be noted with a further update to be included in the next Integrated Performance Report to Cabinet in March 2007;
- (g) the Council establishes a corporate strategy on fees and charges as an integral part of the MTFMS when it is updated prior to the start of the next Performance Improvement Cycle;
- (h) the delivery of the benefits resulting from the Invest to Save/Invest to

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Further information on the subject of this report is available from  
Sonia Rees on (01432) 383519 or David Powell on (01432) 383173

**Mitigate proposals is managed using the benefits realisation process developed for Herefordshire Connects;**

- (i) the draft capital programme for 2007/08 outlined in this report be endorsed; and**
- (j) the Strategic Monitoring Committee be invited to consider the content of this report in time for their comments to be incorporated into a further report to Cabinet on 22nd February, 2007.**

## **Reasons**

Cabinet has received a series of reports on the Medium-Term Financial Management Strategy (MTFMS) along side the draft Corporate and Annual Operating Plans since July 2006. At each stage, Cabinet has sought views from the Strategic Monitoring Committee. This report brings both the revenue and capital spending plans up to date reflecting the decisions taken by Cabinet on 18th January, 2007.

## **Considerations**

### **National Context**

1. There has been no news to dispel the view that the policy and financial context for Local Government is looking any less challenging than reflected in the assumptions used last October when Cabinet approved the MTFMS as part of the new Performance Improvement Cycle.
2. Assumptions contained in the MTFMS about the immediate future hold good. The local government finance settlement for 2007/08 was announced at the end of November 2006 and confirmed in the middle of January 2007. The cash increase was in line with the expected 2.4% included in the MTFMS. The headline increase published by the Government was higher at 3.4% because our 2006/07 entitlement was recalculated to reflect the latest data available and this led to a reduction in the level of funding we would have received by way of Formula Grant for the current year.
3. The headline increase in per pupil funding for schools was confirmed at 4.3% in line with expectations. This funding arrives as Dedicated Schools Grant (DSG) and must be fully allocated to the 'Schools Budget'. The allocation is based on pupil numbers and affected by falling rolls. This is a key issue in Herefordshire and forms part of the on-going review of school provision. For 2007/08 each authority has received a minimum cash increase of at least 4% over their 2006/07 DSG allocation and this is in part to provide additional support for falling rolls. This level of increase in financial support is unlikely to be maintained in future years.
4. Looking to the medium-term, the Government's plans for public service reform remain just as ambitious as anticipated when Cabinet agreed the MTFMS last October, although the text of the document needs updating to reflect the most recent developments.
5. The Local Government White Paper (LGWP) published in late October 2006 offers significant opportunity and challenge. Cabinet has already received a report on the LGWP and officers have begun to assess the impact it may have for future plans once enacted. A brief summary of the key issues covered in the LGWP is as follows:

- A new performance framework;
  - An enhanced role for councils as strategic leaders and place-shapers;
  - Development of Local Area Agreements (LAAs);
  - Stronger political leadership;
  - An invitation to consider alternative structures particularly in two-tier areas;
  - A strengthened role for front-line councillors;
  - A wider and stronger role for scrutiny;
  - Devolution of some powers; and
  - Using community strategies to enhance community cohesion.
6. The Queen's Speech followed in November 2006 and included a number of initiatives within the Government's legislative programme for the current session of Parliament with important implications for local government including:
- **Local Government White Paper** – see above;
  - **Further Education & Training Bill** – measures to implement the Skills White Paper;
  - **Offender Management Bill** – proposals to create a regionally based National Offender Management Service;
  - **Criminal justice Bill** – measures around sentencing, anti-social behaviour and probation service reform;
  - **Climate Change Bill** – measures to limit carbon emissions to meet the Government's target of reducing CO<sub>2</sub> emissions by 60% by 2050;
  - **Road Transport Bill (draft)** – measures to reform passenger Transport Authority governance, to provide councils with increased powers over bus provision and measures on road pricing; and
  - **Other proposals** impacting on local government including:
    - Concessionary Bus Travel Bill;
    - Border and Immigration Bill;
    - Energy White Paper;
    - Planning Reform;
    - Local Better Regulation Office Bill;
    - Mental Health Bill;
    - Statistical Reform Bill; and
    - Welfare Reform Bill.
7. Staying with the medium-term, the assumptions about future increases in general grant support from the Government and cashable efficiency targets contained in the

MTFMS still hold good too. However, they do need to be kept under review as further information becomes available.

8. The Chancellor's pre-budget 2007 report in December 2006 noted the progress already made in achieving the Government's Spending Review 2004 (SR04) efficiency targets for the three-year period to 2007/08. Building on this success, the Government's baseline savings ambition for the 2008/09 to 2010/11 period covered by the Spending Review 2007 (SR07) will be at least 3% per year across central and local government with a focus on net cashable savings to free-up resources to meet the challenges ahead.
9. The Government's assumptions on future efficiency gains rely on Sir David Varney's findings in his review entitled '*Service Transformation: a Better Service for citizens and Businesses, a Better Deal for Taxpayers*'. The Chancellor commissioned the Varney Review in March 2006 as part of his last budget and it was published alongside the Chancellors pre-budget 2007 report last month.
10. The Varney Review identifies major opportunities for strengthening public service delivery, making it more accessible, convenient and efficient in meeting changing citizen and business expectations. The report's recommendations include:
  - Developing a change of circumstances service starting with bereavement, birth and change of address by 2010, so that citizens don't have to notify multiple public services;
  - Providing citizens and businesses with single information and transactional websites through Directgov and Businesslink.gov;
  - Improving public sector contact centre performance including reducing operating costs by 25% to release £400 million; and
  - Developing a cross-government identity management system to enable greater personalisation of services and to reduce duplication across Government.
11. Much about the medium-term remains, however, uncertain and cannot yet be reflected in terms of assumptions underpinning the MTFMS. A key issue we will need to continue to monitor is the impact that the final outcome of the Lyons Inquiry might have for the reform of the local government funding system.
12. Sir Michael Lyons was due to make his final report in December 2006. Instead, the Government announced it had given Sir Michael a short extension to give him time to consider the implications for local government of:
  - the Eddington transport study;
  - the Barker review of land use planning; and
  - the Leitch review of skills.
13. Sir Michael plans to publish his final report in March 2007, around the time of the Budget 2007. This will allow time for his report to influence SR07, which is not expected to conclude until the late summer 2007.
14. The national context remains one in which much more will be expected of local government at a time when growth in public spending will slow significantly and a greater proportion is spent on sectors other than local government. An already difficult



scenario could be made even more challenging if a new local government funding system alters the current pattern of general grant distribution, and the Department for Education and Skills (DfES) is also planning to review the way in which Dedicated Schools Grant (DSG) distributed. Whilst these changes could have a positive impact for Herefordshire and help improve the Council's relative funding position, it could make matters worse for both non-school and school services. The provisional local government finance and DSG settlement announcements that will follow on from SR07 in November this year will set out the level of funding we can expect for non-school and school services respectively for 2008/09 to 2010/11. The announcements are likely to generate a lot of debate and last minute changes to budget strategies.

### **Herefordshire Context**

15. The new Performance Improvement Cycle has helped establish a more efficient process for assessing the overall financial envelope within which corporate and service plans are developed. The framework in place ensures that resources follow identified and agreed priorities, removing the adversarial feel of more traditional approaches to strategic financial planning and budget setting. The Audit Commission has commented on positive progress in this area in recent reports.
16. Directors have worked more corporately in the past twelve months on strategic financial issues than has formerly been the case. The Corporate Management Board (CMB) continues to support the key assumptions in the MTFMS including that on no inflation on non-pay budgets. CMB recognises that this time last year it had identified £4.8m of budget pressures it said would be difficult to manage in 2006/07 but is now on course to under spend – the fourth year in a row - suggesting there is still some 'slack' in the base budget. Annual under spending of around £3m - £4m equates in approximate terms to allowing for inflation on non-pay budgets.
17. The evidence suggests therefore that the challenge for CMB is not the amount of money that is available in the base budget for 2007/08 to fund planned levels of service. The challenge is to ensure even closer alignment between the budget and established spending patterns. CMB needs to continue to work corporately to identify any 'hot spots' the inflation policy included in the MTFMS might produce and seek appropriate approval when necessary to adjust the base budget across Directorates. To date, no 'hot spots' that cannot be managed in 2007/08 using the flexibility of existing financial policies and procedures have been identified. All inflation assumptions contained in the MTFMS need to be reviewed annually at the start of the annual Performance Improvement Cycle to ensure they reflect changes in the economic climate.

### **Medium Term Financial Resource Model (MTFRM)**

18. The MTFRM appended to this report reflects the changes included in the Financial Strategy Update report agreed by Cabinet on 18th January 2006 (Section 1 of that report refers), plus the Cabinet's announcement at that meeting to change the planning assumption for the proposed Council Tax increase for 2007/08.
19. One of the changes agreed by Cabinet is that the financial risk of not achieving the £5.8m cashable efficiency gain target within the 2007/08 financial year be covered in full until such times there is a detailed benefits realisation plan for Herefordshire Connects in place that allows the overall figure to be allocated to specific budgets. Sections 25 to 29 of the Local Government Act 2003 impose a duty on local authorities to ensure they make prudent allowance for risk and uncertainties in their budgets. Given that final selection of the preferred partner will not take place until the end of February 2007, this information will not be available in time for the budget setting

process. The level of saving deliverable in 2007/08 is therefore uncertain, as the programme will entail upfront investment. Cash set aside to cover this risk has not been taken from Directorate budgets or top-sliced from resources earmarked for investment in priority services; it can be released for further investment once the benefits realisation programme has been agreed.

20. Cabinet has now firmed up on the previous planning assumption for the proposed Council Tax increase for 2007/08, proposing a Council Tax increase of 3.8% compared to the provisional figure used of 4.7%. Whilst this is not inconsistent with the emerging national picture, it will lead to a reduction in income from Council Tax to support the Council's corporate plan for 2007 – 2010 of some £560k per annum over the next three years, a sum that will be difficult to replace given planned Council Tax increases for subsequent years of 4.7% are close to the 5% capping limit expected to remain in force. With schools funding now ring-fenced via the Dedicated Schools Grant, Council Tax income now represents approximately 60% of the Council's budget requirement.
21. Given the national context outlined in the beginning of this report, a lower than originally planned Council Tax increase this year could have implications for the future if the three-year settlement for 2008/09 to 2010/11 is as difficult as all the current indications suggest. It would impact on the Council's ability to meet the challenges identified in this report that cannot yet be quantified and reflected in the MTFRM, and limit the extent of future Invest to Save / Mitigate investment plans for priority service areas (Section 3 of the Financial Strategy Update report agreed by Cabinet on 18th January, 2007 refers).
22. One further issue that needs to be reflected in the MTFRM emerged as the capital programme for 2007/08 was drafted and the financing arrangements finalised. The Financing Transactions budget needs to reflect the opportunity cost of the Council providing funding whilst waiting for external contributions to capital projects such as Rotherwas Futures and the Edgar Street Grid redevelopment to arrive. It is difficult to assess the impact of the latter in particular with any degree of accuracy as a detailed financial model is not yet available. It is felt prudent to allow £500k a year for 'bank-rolling' of capital projects in the Financing Transactions budget.

### **Forecast Outturn for Revenue Budget 2006/07**

23. Cabinet reviewed the latest Integrated Performance Report (IPR) covering the first 8 months to the end of November on 18<sup>th</sup> January, 2007. The report included information detailing the projected outturn for the current financial year. The Head of Financial Services updated Cabinet on emerging financial pressures areas of further potential under spend as he presented the report. It is now possible to revise the outturn projection based on financial information to the end of December 2006.
24. The following table compares the latest outturn forecast with that to the end of Month 8 included in the last IPR:

	<b>December 2006 Net over (+) or under (-) spend</b>	<b>November 2006 Net over (+) or under (-) spend</b>
	<b>£000</b>	<b>£000</b>
Adult & Community Services	+1,039	+1,424
Children & Young People's	+214	+214
Customer & Corporate Services	+1	+1
Environment	-459	+25
Resources	+19	+19
<b>Gross projected outturn</b>	<b>+814</b>	<b>+1,683</b>
<b>Less:</b>		
Local Authority Business Growth Incentive Scheme Grant (LABGI)	-1,000	-
Social Care Contingency	-1,302	-1,302
Financing Transactions surplus	-1,000	-750
<b>Net projected outturn</b>	<b>-2,488</b>	<b>-369</b>

25. The above table indicates that there is likely to be an under spend in the region of £2.5m in overall terms on the revenue account based on the financial information available at the end of December. The improved financial position is due to changes indicated to Cabinet on 18<sup>th</sup> January, 2007 in the IPR and Financial Strategy Update reports as follows:

- A further reduction in the over spend forecast for adult social care services;
- An under spend on waste collection services;
- An increase in the surplus on Financing Transaction due mainly to further slippage in the capital programme; and
- Inclusion of £1m LABGI grant.

26. However, there are two further factors known at the present time that could alter the forecast outturn again in the Month 10 IPR that will be presented to Cabinet in March 2007. As previously reported to Cabinet, the Government will not be announcing LABGI grant figures for each council until February 2007. Herefordshire's grant is not expected to be less than £1m but could be more based on the information currently

available. The other issue relates to ICT Services. As indicated to Cabinet on 18<sup>th</sup> January, 2007, work to assess the likely outturn for ICT budgets was ongoing. This work will be complete by the time of the next IPR. Work to date indicates that the gross projected outturn position is likely to be an over spend and that there may be ongoing budget issues to resolve.

27. The outturn remains a projection until the accounts are closed but the figures suggest that there will be a significant net under spend on the revenue account in 2006/07. This is despite the fact that CMB were anticipating a tough task in managing spending within budget for the year. It reinforces the view that there is sufficient capacity within the base budget to manage without inflation on non-pay budgets for at least 2007/08.

### **Draft Revenue Budget 2007/08**

28. Cabinet agreed the Financial Strategy Update on the 18th January, 2007. The Strategic Monitoring Committee considered this report at its meeting on 15th January, 2007.
29. The emerging financial 'hotspots' for 2007/08 and proposed 'remedies' identified in the Financial Strategy Update report have been included in the draft revenue budget for 2007/08, along with the agreed Directorate base budgets and Invest to Save/Invest to Mitigate proposals. For convenience, the key points are summarised in the following paragraphs.

### **'Hotspots' and 'Remedies'**

30. The 'hotspots' are as follows:
  - Reduction in proposed Council Tax increase for 2007/08 only (£560k in 2007/08 and subsequent years);
  - Providing temporary cover until the benefits realisation programme for Herefordshire Connects has been established and is delivering cashable efficiency gains for reinvestment in priority services (£5.8m in 2007/08);
  - Reduction in the assumed rate of growth in the Council Tax base (£500k in 2007/08 and subsequent years) to be reviewed on an annual basis;
  - Adjusting the base budget to reflect the initial investment needed to implement the Customer Services Strategy (£500k in 2007/08 and 2008/09 only); and
  - Addressing capacity issues in the corporate Directorates (£400k in 2007/08 and subsequent years).
31. The 'remedies' were identified as follows:
  - Use of existing Herefordshire Connects reserve (£1.5m);
  - Use of Budget Management Reserve (£1.1m);
  - Use of excess Social Care Contingency (£1.3m);
  - LABGI grant increase (£1m in 2006/07 and 2007/08);
  - Financing Transactions (£950k); and

- Procurement & efficiency savings (£250k).

### Directorate Base Budgets for 2007/08

32. The base budgets for 2007/08 have been increased by amounts previously agreed by Cabinet in order to correct more minor anomalies in the existing base budget. The list of agreed changes is repeated below:

- **Queenswood Park** - £25k to restore the base budget;
- **Procurement & Efficiency Review** - £55k increase in the staffing budget to generate procurement savings and an enhance level of West Mercia Supplies (WMS) dividend;
- **Herefordshire Matters** - £50k to correct a base budget omission;
- **Corporate Development Fund** - £150k to pay for corporate subscriptions and corporate organisational development initiatives;
- **Housing Benefit & Council Tax Benefit (HB/CTN) Administration Subsidy** - £150k reduction in expected grant income from the Department of Work and Pensions (DWP);
- **Service Level Agreements** - £100k a year in the event a planned review reveals budget pressures;
- **Edgar Street Grid (Herefordshire) Ltd** – increase in base budget provision of £225k for the period 2007/08 to 2009/10.

33. The above base budget changes total £755k for 2007/08 and subsequent years.

34. The base budget for 2007/08 also includes provision for inflation on income and expenditure budgets in line with the MTFMS as follows:

Budget Heading	Inflation Assumption
Employees	2%
Employers' pension contributions	0.6%
Income budgets (see below)	2.5%
Other expenditure	0%

35. The total for pay inflation allowed for in the draft budget for 2007/08 is £1.196m. After allowing for income inflation of £578k, the net increase is £618k. The figure for income inflation is lower than reported to Cabinet on 18<sup>th</sup> January, 2007 as the calculation has been updated to exclude some income budgets that are reducing or cannot be inflated. In line with the MTFMS, inflation has not been applied to the income budgets for services such car parking or planning because there are no plans to increase the fees and charges. The budgets are however regularly reviewed to reflect changes in demand.

36. The following table summarises the draft base budget position for 2007/08 after taking

into account previously agreed changes and inflation provision:

	<b>Base Budget 2006/07 £000</b>	<b>Base Budget 2007/08 £000</b>
Adult & Community Services	44,404	44,485
Children & Young Peoples	22,030	22,694
Corporate & Customer Services	7,546	7,688
Environment	24,361	25,246
Human Resources	1,379	1,401
Resources	5,712	6,122
<b>Sub Total Directorate Budgets</b>	<b>105,432</b>	<b>107,636</b>
<b>Plus:</b>		
Financing Transactions	8,530	10,242
Social Care Contingency	1,302	1,302
Central Services	3,021	3,191
<b>Total Base Budget</b>	<b>118,285</b>	<b>122,371</b>

### **Invest to Save/Invest to Mitigate Proposals**

37. An integral part of the 2007/08 budget process has been the emphasis on three-year strategic investment proposals to support the draft Corporate Plan 2007 – 10. Cabinet received a report on 26<sup>th</sup> October, 2006 confirming that the 2007/08 budget would be framed within the context of these three-year strategic decisions.
38. The updated MTFRM indicates capacity for increased spending over the period covered by the draft Corporate Plan as follows:
  - 2007/08 - £3.5m
  - 2008/09 - £3.9m; and
  - 2009/10 - £4.7m.
39. The 2007/08 figures allows for setting aside £1.5m to enhance financial capacity in 2008/09 to the level indicated above and £1.5m to cover delays in the Herefordshire Connects benefits realisation programme.
40. The Cabinet has approved Invest to Save/Invest to Mitigate proposals requiring

£3.447m of investment in corporate priorities using current charging policies for social care services. For ease of reference, a summary of the proposals is provided in the appendices to this report. The level of investment required using current charging policies can be accommodated in 2007/08. However, charging policies for social care and other services will need to be reviewed as an integral part of the MTFMS update at the start of the next Performance Improvement Cycle given the financial outlook for 2008/09 and beyond. The cashable benefits of each investment proposal need to be managed using the benefits realisation process that has been developed for the Herefordshire Connects programme.

### Draft Revenue Budget Summary for 2007/08

41. The draft net budget for 2007/08 excluding schools funding is £122.371m. The Dedicated Schools Grant (DSG) will be £78.151m. The following table details the funding sources for non-school services:

	£000	%
Draft net budget for 2007/08	122,371	
<b>Funded by:</b>		
Central government grant	47,648	38.9
Collection Fund Surplus	256	0.2
Council Tax	74,467	60.9

42. The above is based on a Council Tax base of 68,730, representing a 0.7% rise in the equivalent figure for the current financial year. It assumes an increase in Council Tax of 3.8%, increasing the Band D Council Tax by £39.64 a year from £1,043.80 to £1,083.44.

### Forecast Outturn for Capital Budget 2006/07

43. The revised capital outturn forecast for 2006/07 as at 29th January totals £47,902,000, which is a decrease of £3,899,000 from the November forecast. The main reason for this decrease is a reduction in Herefordshire Connects forecast of £4,000,000. A contractor is expected to be appointed shortly with capital spend of £19,356,000 expected in 2007/08.
44. The expected use of Prudential Borrowing has decreased by £4,850,000 in total. This represents slippage on Herefordshire Connects, as mentioned above, and on the following capital schemes:
- Friar St museum resource and learning centre of £150,000. Scheme works have been delayed by seven weeks due to substation problems.
  - Capital adaptation works of £50,000. Waiting for confirmation of requests for funding from Registered Social Landlords.
  - Crematorium Hereford of £650,000. Land acquisition delays have resulted in projected scheme slippage.

This will result in slippage on capital financing costs incurred in the revenue budget this year.

### Capital Receipts Reserves Position as at 29th January, 2007

45. The capital receipts reserve totals £14,945,000, £8,693,000 of which is ring fenced to fund affordable housing schemes following LSVT. The remaining balance will be used to fund the capital schemes in the following three financial years.

### Children and Young People's Directorate Summary as at 29th January, 2007

46. There have been no forecast changes. There is a predicted shortfall in future years in funding Sutton St Nicholas primary school replacement, the provision of children's centres and Riverside Junior and Infants amalgamation. These schemes are under review.

### Resources Directorate Summary as at 29th January, 2007

Budget Reported as at 30 <sup>th</sup> November 2006	£2,960,000
Capital Budget Increases	
• Purchase of Cattle Market Site (new budget)	£739,000
Other budget revisions (<£100k)	£12,000
Revised Budget	£3,711,000

47. The purchase of the new livestock market site is being funded through capital receipts reserve pending capital receipt income generated by redevelopment of the Edgar Street Grid.

### Corporate and Customer Services Directorate as at 29th January, 2007

Budget Reported as at 30th November, 2006	£7,742,000
Capital Budget Decreases	
• Herefordshire Connects (no spend)	(£4,000,000)
Revised Budget	£3,742,000

### Environment Directorate Summary as at 29th January, 2007

Budget Reported as at 30th November, 2006	£13,387,000
Capital Budget Decreases	
• Crematorium (slippage)	(£650,000)
Revised Budget	£12,737,000

### Adult and Community Services Directorate Summary as at 29th January, 2007



Budget Reported as at 30th November, 2006	£16,120,000
Capital Budget Decreases	
• Capital adaptations (slippage)	(£150,000)
Other budget revisions (<£100k)	£30,000
Revised Budget	£16,000,000

48. There is a potential budget shortfall on the Crematorium project. Discussions with the preferred contractor to reduce costs to budget are ongoing. Inflation in the construction industry is in the region of 15% due to increased energy costs and new building regulations on energy efficiency.

### Draft Capital Programme 2007/08

49. CMB's capital programme proposals for 2007/08 were less in number than in previous years. This was mainly due to concerns about the capacity of the revenue account to absorb the financial implications arising from prudential borrowing. Cabinet has approved the following schemes for inclusion in next year's capital programme:
- **Stretton Sugwas Closed Landfill Site** – replacing gas wells and gas extraction system pipe work;
  - **Stretton Sugwas Closed Landfill Site** – new gas flare to meet environmental and legal requirements;
  - **Strangford Closed Landfill Site** – installation of leachate wells and gas monitoring boreholes to detect and monitor any adverse environmental effects;
  - **Hereford CCTV** – new links to provide high quality images, potentially part funded by West Mercia constabulary;
  - **Hereford Library & Info Centre** – feasibility work on a replacement library (this would have to be charged back to revenue if the project failed to proceed);
  - **Ross Library & Info Centre** – outline budget to extend the existing library so the Info facility in Swan House can be relocated.
50. The draft capital programme includes the sum required as a contribution towards a bid for lottery funding of £2m for the Ledbury Library & Info Centre (a report elsewhere on this agenda refers).
51. The draft capital programme also includes a spending proposal relating to the Integrated Community Equipment Service approved by Cabinet at its meeting on 14<sup>th</sup> December, 2006.
52. The estimated capital financing costs for the above schemes totals £61k in 2007/08, £168k in 2008/09 and £175k in 2009/10 with annual reductions in repayments thereafter.
53. The Council is involved in either facilitating or delivering a number of capital schemes funded from external sources. In some cases these schemes have cash flow

implications that may have an impact in 2007/08. The opportunity cost to the Council of temporarily funding £1m of capital expenditure for 1 year pending receipt of the anticipated external funding contribution is approximately £50k in terms of lost investment income. This potential cost has been built into the MTFRM. Schemes where this may apply are as follows:

- Rotherwas Futures;
- Edgar Street Grid; and
- Grant funded schemes such as the Ross Flood Alleviation Scheme and the Building Schools for the Future programme.

54. Summary of the draft capital programme for 2007/08 is provided in an appendix to this report.

## **Conclusions**

55. Herefordshire can demonstrate a sound track record on providing value for money services. The recent changes in corporate planning processes will help underpin further improvements for the future as resources follow priorities more closely than has previously been the case.

56. The renewed commitment to using resources more corporately also makes sure the Council is best positioned to tackle the significant service and financial challenges that lie ahead. The MTFMS provides a mechanism for making best use of available resources to pump-prime a business transformation programme that will deliver cashable efficiency gains that can be recycled for investment in corporate priorities such as protecting the vulnerable in our communities.

57. The MTFMS provides the financial context for corporate and service planning and ensures that resources are allocated efficiently in line with the agreed strategy. The Council needs to continue to closely monitor service and financial performance alongside one another, embedding the recent developments in the quality of our Integrated Performance Reports. The benefits realisation programme for Herefordshire Connects and other Invest to Save initiatives will also need to be closely monitored to ensure that the benefits are released by Directorates to support investment in corporate priorities.

## **Alternative Options**

Alternative options have been considered at each stage of the Performance Improvement Cycle.

## **Risk Management**

The Medium-Term Financial Management Strategy identifies and proposes mitigating action for the key corporate financial risks. It includes a detailed description of each of the key variables in the Medium-Term Financial Resource Model and assesses the impact of a change in each of them assuming the others remain constant (sensitivity analysis).

## **Consultees**

The public via the October 2006 Community Forum meetings, business rate payers via consultation meeting, Strategic Monitoring Committee, Unison, Corporate Management

Board, Senior Management Team, Leadership Forum and members via a seminar.

**Background Papers**

None identified.



i) Spend to Save Proposals

Proposals under this section are those that require non-recurrent budget provision. Proposals that came forward aim to improve services for vulnerable children and older people.

- **Safeguarding and assessment – commissioning professional foster support for children.**

To purchase professional foster care within Herefordshire to halve the number of children, from 14 to 17, in 2008/09 who will be placed in independent foster care outside the county.

Expenditure Required			Expected Income/Benefits		
2007/08 £000	2008/09 £000	2009/10 £000	2007/08 £000	2008/09 £000	2009/10 £000
135	100	50	Cashable 0	Cashable 200	Cashable 200
			Non cash 682	Non cash 426	Non cash 0

- **Community Development Workers for adult social care [This was to be subsumed in the overall programme of improvements to adult social care – and now should be, since those were approved by Cabinet in December]**

Population projections indicate an increase in numbers and in the proportion of older people in the population as a whole. A needs analysis carried out in 2006, indicates that, by 2011, there will be a 42.9% increase in the number of people aged 85 and over in Herefordshire. These significant demographic changes will place increasing pressure on health and social care to develop new models of care. The Community Development Workers will work within the community with local organisations to develop and promote a range of low-level support services. The workers will explore opportunities for the use of community facilities such as libraries, clubs, pubs, leisure facilities. These services would reduce the need for admission to hospital and residential care and intensive domiciliary packages.

Expenditure Required			Expected Income/Benefits		
2007/08 £000	2008/9 £000	2009/10 £000	2007/08 £000	2008/09 £000	2009/10 £000
45	46	47	109	127	182

- **Independent Living Fund (ILF) worker (Adult Social Care)**

The ILF is a Government funded charity, which provides funding to severely disabled people to enable them to live independently. Individuals have to be in receipt of high rate Disability Living Allowance and receive care services from the LA of a weekly value of over £210. Any amount provided by ILF reduces the LA financial commitment by the equivalent amount. The maximum provided by ILF is £475 per week. Currently not all eligible service

users are accessing ILF and alterations in care arrangements are not routinely reported to ILF. Employment of a specialist worker would maximise income against ILF by:

- increasing the number of people applying for and receiving ILF contribution;
- ensuring that any increases in care packages are shared by ILF;
- ensuring notification to ILF of decreases in care packages is timely.

Expenditure Required			Expected Income/Benefits		
2007/08 £000	2008/09 £000	2009/10 £000	2007/08 £000	2008/09 £000	2009/10 £000
25	25	25	35	35	35

ii) Spend to Mitigate Proposals

Proposals under this section will need recurrent budget provision. As with the previous proposals these are to improve services for vulnerable children and older people. The most significant and largest programme to ensure the Council can meet unavoidable future demand from older people and adults with learning difficulties.

• **Modernised, high performing social care and community services for older people**

Following a major review of older people's future social care needs in Herefordshire it has been confirmed that needs are increasing because of year-on-year increases in numbers of older people. Without changes being made it would cost nearly twice as much extra a year to provide relatively poor services than it would to provide high-quality, more efficient services to the larger number of people who will need them. The proposal also identifies the need for parallel investment to increase voluntary sector led community services. The investment in the overall proposal will substantially reduce the level of increased funding required if current patterns of service delivery continue. The proposal is also linked to a review leading to increased charges for those who can afford to pay. The following indicates two levels of investment required, one has an increase in charges and the other (higher) one assumes current charging policies remain.

	Expenditure Required		
Cost to the Council:	2007/08 £000	2008/09 £000	2009/10 £000
Additional costs if no increases in charges	2,040	1,894	1,894
Cumulative position	2,040	3,934	5,828
Additional costs with increase in charges	1,189	(245)	1,769
Cumulative position	1,189	944	2,713
Cumulative net cost of not increasing charges	851	2,990	3,115

- **Modernised, high performing social care and community services for adults with learning difficulties (AWLD)**

A major review of AWLD's future social care needs has been undertaken. With increasing life expectancy there has been an effect on the level of needs to be met. If no changes are made to the current approach and levels of charges to those who can afford to pay it would cost over five times as much extra a year to provide relatively poor services than it would to provide high-quality, more efficient services. As with the previous proposal a parallel investment is needed, but this time in general community services. The following information indicates two levels of investment required, one has an increase in charges and the other (higher) one assumes current charging policies remain.

	Expenditure Required		
	2007/08 £000	2008/09 £000	2009/10 £000
Cost to the Council:			
Additional costs if no increases in charges	601	576	576
Cumulative position	601	1,177	1,753
Additional costs with increase in charges	469	125	562
Cumulative position	469	594	1,156
Cumulative net cost of not increasing charges	132	583	597

- **Integrated services and inclusion for young people**

This proposal intends to enable better outcomes for young people with disabilities who are leaving school and require ongoing support. The JAR said that present arrangements were deficient: this is therefore part of the JAR Improvement Plan. It provides for co-coordinating resources and creates more options for those young people thus reducing their support needs. The proposal requires the following investment and produces some non cashable benefits:

Expenditure Required			Expected Income/Benefits		
2007/08 £000	2008/09 £000	2009/10 £000	2007/08 £000	2008/09 £000	2009/10 £000
18	20	20	Cashable 0	Cashable 0	Cashable 0
			Non cash 15	Non cash 10	Non cash 5

- **Commissioning and Improvement in services for Children and Young People**

This investment is required to establish a Data & Performance Unit within the directorate, as a prerequisite to gaining improved service and higher standards, including through more effective scrutiny.

Expenditure Required			Expected Income/Benefits		
2007/08 £000	2008/09 £000	2009/10 £000	2007/08 £000	2008/09 £000	2009/10 £000
100	0	0	Cashable 0	Cashable 0	Cashable 0
			Non cash 0	Non cash 1,190	Non cash 238

- **Safeguarding and Assessment for children**

To fund additional social workers to bring provision in line with recommended standards, thereby ensuring improvements in quality of provision and reducing reputational risk. Number of assessments to be increased from 220 per 10,000 to 350 per 10,000 leading to a reduction of children on looked after register. Cashable saving from reduced need to use agency staff to carry out assessments.

Expenditure Required			Expected Income/Benefits		
2007/08 £000	2008/09 £000	2009/10 £000	2007/08 £000	2008/09 £000	2009/10 £000
300	300	0	Cashable 0	Cashable 375	Cashable 185
			Non cash 408	Non cash 408	Non cash 0

- **Integrated services and inclusion – increasing family support**

Increased family support to address issues at an early stage before they escalate into crises which require expensive intervention. 10% reduction in number of children having to be looked after. Additionally, proposal would help looked after children to lose fewer days' schooling, as well as achieving a 2% increase in the proportion of those gaining 1 or more GCSEs.

Expenditure Required			Expected Income/Benefits		
2007/08 £000	2008/09 £000	2009/10 £000	2007/08 £000	2008/09 £000	2009/10 £000
228	0	0	Cashable 0	Cashable 117.5	Cashable 59
			Non cash 187	Non cash 277	Non cash 0



## FINANCIAL PROFILE OF SPEND TO SAVE AND SPEND TO MITIGATE PROPOSALS

	Expenditure Required			Expected Income/Benefits		
	2007/08 £000	2008/09 £000	2009/10 £000	2007/08 £000	2008/09 £000	2009/10 £000
i) Spend to Save Safeguarding and assessment – commissioning professional foster support for children.	135	100	50	0	200	200
Independent Living Fund (ILF) worker	25	25	25	35	35	35
ii) Spend to Mitigate Modernised, high performing Social Care and Community Services for older people						
• Additional costs if no increases in charges	2,040	1,894	1,894	-	-	-
• Additional costs with increases in charges	1,189	(245)	1,769	-	-	-
Modernised, high performing social care and community services for adults with learning difficulties						
• Additional costs if no increases in charges	601	576	576	-	-	-
• Additional costs with increases in charges	469	125	562	-	-	-
Integrated Services and inclusion for young people	18	20	20	0	0	0
Commissioning and Improvement in services for Children and Young People	100	0	0	0	0	0
Safeguarding and Assessment for children	300	300	0	0	375	185
Integrated services and inclusion – increasing family support	228	0	0	0	117.5	59
<b>Total without increases in charges</b>	<b>3,447</b>	<b>2,915</b>	<b>2,565</b>			
<b>Total with increases in charges</b>	<b>2,464</b>	<b>325</b>	<b>2,426</b>			
<b>Total Income</b>				<b>35</b>	<b>727.5</b>	<b>479</b>



## 2007/08 Bids for Prudential Borrowing

Schemes	Amount Requested					Life (Yrs)	Estimated Capital financing costs							
	07/08	08/09	09/10	10/11	Total		07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
	£'000	£'000	£'000	£'000	£'000		£	£	£	£	£	£	£	£
1 <b>Stretton Sugwas Closed Landfill Site</b> - Replacing gas wells & pipe work of gas extraction system.	70	40	40	40	190	10	3	12	17	23	26	25	24	24
2 <b>Strangford Closed Landfill Site</b> - Installation of leachate wells & gas monitoring boreholes to detect and monitor any adverse environmental effects.	18				18	10	1	3	3	2	2	2	2	2
3 <b>Stretton Sugwas Closed Landfill Site</b> - New gas flare needed to replace poorly designed current flare. This bid has specific legal and environmental requirements.	70				70	10	3	10	10	10	9	9	9	8
4 <b>Herefordshire CCTV</b> - New links to ensure images are of highest standard to reduce crime and disorder. Possibility of funding from West Mercia Constabulary.	90	50			140	10	4	15	20	19	19	18	17	17
5 <b>Hereford Library</b> - Consultancy on service provision, financial appraisal with funding opportunities. Feasibility work.	35				35	25	2	3	3	3	3	3	3	3
6 <b>Ledbury Library</b> - Sum required as contribution to support the submission of a bid for lottery funding of £2m.	375				375	25	5	32	31	31	30	29	29	28
7 <b>Community Equipment Store development.</b> A building programme to develop the premises currently used by the Integrated Community Equipment Service in line with local and national initiatives, so that a wider range of services can be provided, along with assessment, demonstration and training facilities.	300				300	25	7	26	25	24	24	23	23	22
8 <b>Ross Info &amp; Library</b> - Extension & Refurbishment. This bid involves the relocation from rented property to a single owned accommodation site. Costs are currently estimated and subject to a more detailed bid.	800				800	25	36	67	66	65	64	62	62	62
	<b>1,758</b>	<b>90</b>	<b>40</b>	<b>40</b>	<b>1,928</b>		<b>61</b>	<b>168</b>	<b>175</b>	<b>177</b>	<b>177</b>	<b>171</b>	<b>169</b>	<b>166</b>

## Schemes for future consideration

9 <b>Leominster Closed Landfill Site</b> - Additional to original restoration bid as a requirement under the Waste Management Licence. The detailed scheme is to be developed. There would be expected annual revenue costs of around £100,000.		1,600			1,600	25			72	136	133	130	127	124
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## Notes

Capital bids have been requested from directorates and the above bids have received initial endorsement from directors and Cabinet members. A more detailed business case for each bid is currently being considered in order to rank these as appropriate.



Financial Resource Model	2007/2008	2008/2009	2009/2010	2010/2011
	Budget £'000	Budget £'000	Budget £'000	Budget £'000
<b>Base Budget</b>	<b>118,285</b>	<b>122,371</b>	<b>126,695</b>	<b>131,220</b>
<b>Inflation</b>	618	635	608	661
	<b>118,903</b>	<b>123,006</b>	<b>127,303</b>	<b>131,881</b>
<b>Other Items</b>				
- Waste management - PFI Contract (net of £2m reserve)* <i>*additional £850k required in 2011/12 to restore net budget</i>	550	450	500	500
- Whitecross PFI requirement (net of schools contribution)	451	0	0	0
- Part transfer of Preserved Rights grant into FSS	0	1,891	0	0
<b>MTFMS changes per para 7.3.8</b>				
- Queenswood Park	25	0	0	0
- Procurement & Efficiency Staff	55	0	0	0
- Herefordshire Matters	50	0	0	0
- Chief Executives Development Fund	150	0	0	0
- HB & CT Benefit Administration	150	0	0	0
- Support Services Review	100	0	0	0
- ESG	225	0	0	(225)
<b>MTFMS changes per para 7.4.2</b>				
- Herefordshire Connects - Revenue Costs	0	1,866	(566)	(280)
- Herefordshire Connects - Revenue Savings	(5,800)	(4,800)	(800)	(350)
- Accommodation Strategy	0	0	0	0
- LPSA 2 Reward grant - 75% of Revenue element	0	(823)	0	823
<b>Capital Financing Costs</b>				
- Herefordshire Connects	460	2,111	(82)	(82)
- Accommodation Strategy	0	146	254	492
- Repayment of LGR SCA	0	(453)	(334)	(230)
- Rotherwas Futures	0	0	0	0
- Existing SCE(R) & Prudential Borrowing	210	(192)	638	(422)
- New Prudential Borrowing Bids	68	162	109	112
- Cash flow implications of externally funded projects	500	0	0	0
<b>Funding Sources</b>				
- Use of existing Herefordshire Connects Reserve	(1,500)	1,500	0	0
- Transfer of Part of Social Care Contingency Reserve	(1,300)	1,300	0	0
- Transfer of Budget Management Reserve	(1,100)	1,100	0	0
- LABGI Grant	(2,000)	2,000	0	0
- Increased Cash Transactions Income	(500)	500	0	0
- Accommodation Capital Financing Cost	0	0	0	0
- Balance Sheet Review	(300)	300	0	0
- Procurement & Efficiency	(250)	0	0	0
<b>Emerging Pressures</b>				
- Cover for Herefordshire Connects Savings	5,800	(5,800)	0	0
- Reduced level of Council Tax Income	0	0	0	0
- Customer Services Division	500	0	(500)	0
- Corporate Capacity	400	0	0	0
<b>Capacity to achieve desired Tax increase</b>	<b>6,524</b>	<b>2,431</b>	<b>4,698</b>	<b>3,786</b>
<b>TOTAL BUDGET</b>	<b>122,371</b>	<b>126,695</b>	<b>131,220</b>	<b>136,005</b>
<b>Council Tax increase</b>	3.80%	4.70%	4.70%	4.70%
<b>Dedicated Schools Grant b/fwd</b>	78,151	81,511	83,142	84,805
Increase	3,360	1,630	1,663	1,696
<b>Dedicated Schools Grant</b>	<b>81,511</b>	<b>83,142</b>	<b>84,805</b>	<b>86,501</b>
DSG % increase	4.3%	2.0%	2.0%	2.0%



**ANNUAL OPERATING PLAN 2007-08****Report By: Director of Corporate and Customer Services****Wards Affected**

County-wide

**Purpose**

1. To consider a draft of the Council's Annual Operating Plan (AOP) 2007-08 and offer comments for Cabinet to consider in finalising the Plan.

**Background**

2. At its meeting on 15 January 2007, the Committee deferred discussion of the AOP 2007-08 to this meeting so that it could consider it alongside the Budget proposals.
3. The full background is set out in the attached paper from that earlier meeting.
4. Cabinet considered the current draft at its meeting on 18 January 2007, agreeing that the crucial issues had been identified on page 4 of the Plan. It will consider the proposed final AOP at its meeting on 22 February, alongside the Budget proposals.

**RECOMMENDATION**

**THAT the Committee considers the draft Annual Operating Plan 2007-08 and agrees any comments it wishes to make for Cabinet to consider in finalising the Plan.**

**Background Papers**

- None





## ANNUAL OPERATING PLAN 2007-08

**Report By: Director of Corporate and Customer Services**

### Wards Affected

County-wide

### Purpose

1. To consider a draft of the Council's Annual Operating Plan (AOP) 2007-08 and offer comments for Cabinet to consider in finalising the Plan.

### Financial Implications

2. The AOP has been designed to be affordable within the terms of the agreed Medium-Term Financial Strategy (MTFMS), an up-date of which is an earlier agenda item at this meeting of the Committee (*Financial Strategy Update*). This consideration will continue to govern the content of the Plan as detailed budgets are set for 2007-08 and the AOP is finalised.

### Background

3. Following this Committee's consideration, in October 2006, Cabinet approved a draft of the Corporate Plan 2007-10 and gave in principle approval to associated three-year investment proposals.
4. This draft of the AOP (Appendix 1) sets out what the Council would intend to do and achieve in year one of the new Corporate Plan to begin to deliver it. It has been developed in the light of the subsequent changes in the MTFMS reported earlier at this meeting and the associated budget implications, together with detailed work in directorates and services. It will be finalised to reflect the agreed Budget for 2007-08 and presented to Council for approval in March alongside that budget and the finalised Corporate Plan.
5. The Committee may wish to give particular attention to the crucial issues identified on page 4 of the draft AOP.
6. A significant number of targets and other details have still to be completed. These are indicated on the text. Some of the most important cannot be settled until negotiations have been concluded with Government Office For the West Midlands on the reviewed and refreshed Local Area Agreement and approved by the Government Minister. This should happen in early February. Others are subject to continuing detailed consideration. In particular, the final AOP will need to include any changes that result from an urgent review that is being carried out of the Council's performance against Best Value Performance Indicators and other indicators that would need to be improved to raise the Council's Comprehensive Performance Assessment score and Direction of Travel Assessment.

7. Cabinet will consider this draft AOP at its meeting on 18 January, and then the proposed final version in late February, alongside the proposed Budget.

## RECOMMENDATION

**THAT the Committee considers the draft Annual Operating Plan 2007-08 and agrees any comments it wishes to make for Cabinet to consider in finalising the Plan.**

## BACKGROUND PAPERS

- The draft Corporate Plan 2007-10
- The paper *Financial Strategy Update* being considered at this meeting of the Committee

Appendix

# HEREFORDSHIRE COUNCIL

## **OPERATING PLAN 2007 – 08**

### Action for a better Herefordshire

“ A place where people, business and an outstanding natural environment will together bring about sustainable prosperity and well-being for all”.

- ...Putting people first
  - ...Promoting our county
  - ...Providing for our communities
  - ...Protecting our future
- Quality life in a quality county*

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## **Foreword**

*[To be added for the final version]*

**Neil Pringle**

**Chief Executive**

**Introduction**

This Plan set out what the Council intends to do between 1 April 2007 and 31 March 2008. The crucial issues are:

- ✓ raising our performance significantly across a range of national performance indicators so that we are judged to be improving well, instead of only adequately
- ✓ to the same end, striving to reach the harder standard for the Use of Resources Assessment, with the aim of reaching the highest level (4) during the period of the Corporate Plan 2009-10
- ✓ delivering the first phase of our comprehensive *Transformation Programme*, particularly through *Herefordshire Connects*, so that we both improve customer services and can make the multi-million pounds of efficiency savings needed to deliver the Council's priorities
- ✓ establishing a strong, effective and efficient Public Service Trust that unites, in one organisation, the executive functions of the Council and the commissioning arm of the Herefordshire Primary Care Trust
- ✓ further improving our now good performance in safeguarding children and young people; in particular ensuring that all assessments of children in need are carried out promptly
- ✓ implementing, with our partners, the first phase in the radical improvement of preventative and social care services to maximise the independence, well-being and choice of older people and adults with learning disabilities
- ✓ making good progress with our key infrastructure projects for a successful economy: *Rotherwas Futures* and *The Edgar Street Grid*
- ✓ securing a consistently high standard of planning and performance management across the Council to drive continuous improvement in services
- ✓ putting in place, with our partner organisations in *The Herefordshire Partnership*, the arrangements needed to capitalise fully on the opportunities provided by the Local Government White Paper, *Strong and prosperous communities*
- ✓ continuing to strengthen the scrutiny function's contribution to the continuous improvement in services

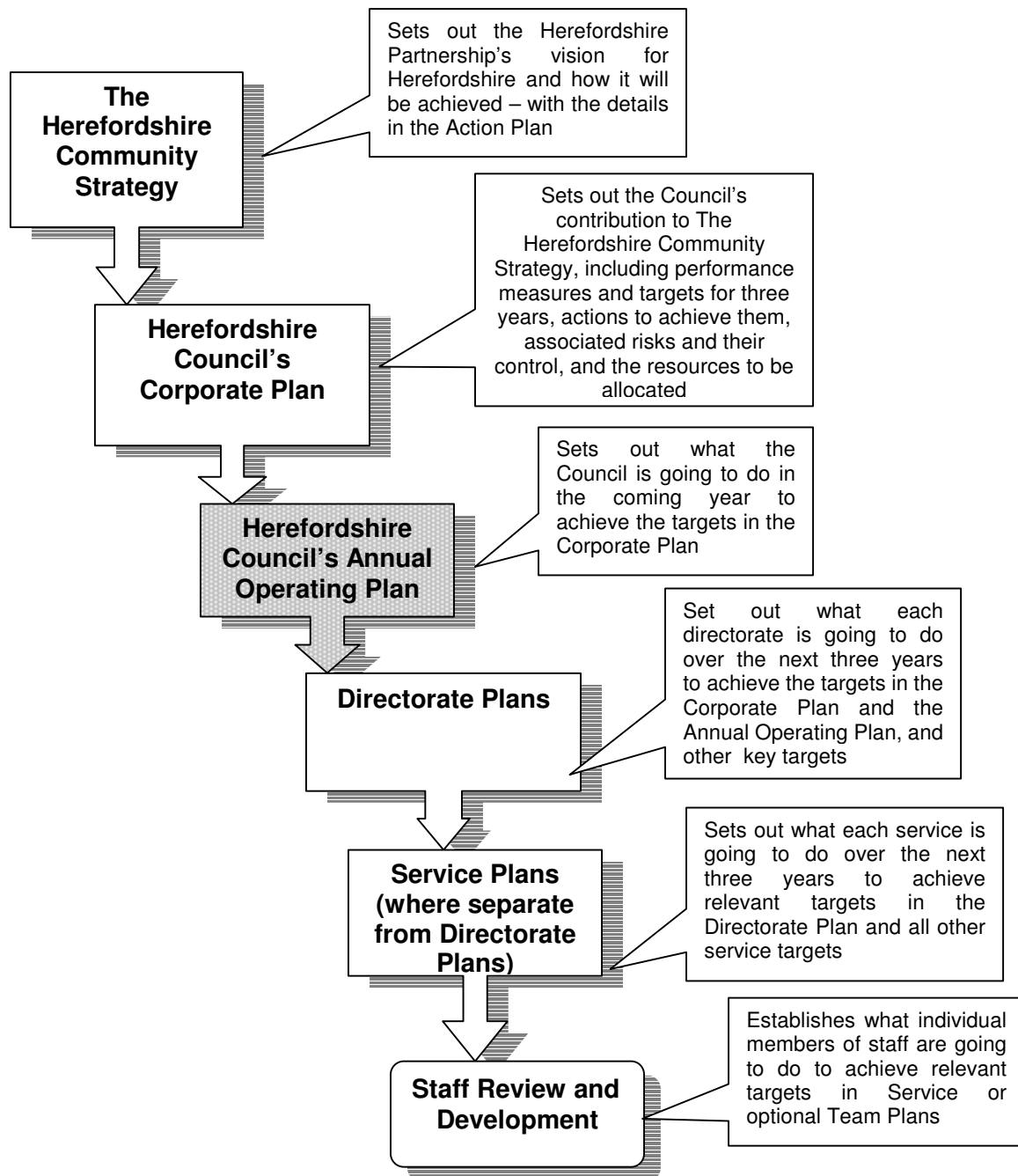
The Council's Corporate Plan 2007-10 describes the demographic, social and economic characteristics of Herefordshire; it identifies the main challenges facing the county and the Council; and it shows what the Council can do to respond to those challenges. On the basis of that analysis and the results of public consultation, it sets out the Council's objectives, priorities and targets for the next three years.

The Operating Plan has been prepared to begin to make a reality of those intentions in the coming year.

The actions, targets and milestones described in this Operating Plan flow directly from the Corporate Plan and the ambitions we share with our partners, which are embodied in the *Herefordshire Community Strategy 2006 – 2020* and the associated *Local Area Agreement* with the Government. In turn, all the Council's plans for individual

directorates, departments and services in 2006-07 will give effect to this overall Operating Plan.

The relationship between the *Herefordshire Community Strategy* and these various plans is shown on the following page.



- Aims**
- Performance indicators**
- Targets**
- Actions**
- Risks & their control**
- Resources**



## The Council's priorities

As set out in the Corporate Plan 2007-10, the Council's **top priorities** are:

- ✓ to **maximise the health, safety, economic well-being, achievements and contribution of every child**, with special emphasis on sound arrangements for safeguarding vulnerable children and sustained improvements in educational attainment
- ✓ to **enable vulnerable adults to live independently and, in particular, to enable many more older people to continue to live in their own homes**
- ✓ to **secure the essential infrastructure for a successful economy**
- ✓ to **sustain thriving communities, including by securing more efficient, effective and customer-focused services, clean streets, tackling homelessness and effective emergency planning**
- ✓ to **protect the environment**, including by **producing much less waste, recycling much more of what remains** and significantly **reducing carbon emissions**
- ✓ to **improve transport and the safety of roads**, including further reductions in the numbers of people killed or seriously injured
- ✓ to **promote diversity and community harmony** and **strive for equal opportunities** for all the people of Herefordshire, regardless of race, religion, disability, sex, sexual orientation, geographical location, income or age
- ✓ to **give effective community leadership**, working with partners to deliver the Herefordshire Community Strategy, including the *Local Area Agreement*

To make these things possible, the Council's **organisational priorities** are:

- ✓ to streamline its processes, assets and management structures, and **secure significant efficiency savings**, so as to keep down Council Tax increases and invest in priority service improvements
- ✓ to **ensure that its essential assets**, including schools, other buildings, roads and ICT, **are in the right condition for the long-term cost-effective delivery of services, and ensure business continuity** in the face of emergencies
- ✓ better to **understand the needs and preferences of service users and Council Tax-payers**, and to tailor services accordingly
- ✓ to **recruit, retain and motivate high quality staff**, ensuring that they are trained and developed so as to maximise their ability and performance
- ✓ to **embed corporate planning, performance management and project management systems** so as to continue to drive up service standards and efficiency

The rest of the Plan shows, for each of these priorities, what the Council aims to achieve in 2007-08, and the key actions it intends to take to do so. Many of the actions contribute to more than one of the priorities. Where they are of particular significance to more than one priority they are repeated, but mostly they are described in relation to the priority to which they contribute most.

# Challenges and responses: the action plan for 2007-08

## Part One: Making a reality of the Herefordshire Community Strategy

***Maximise the health, safety, economic well-being, achievements and contribution of every child, with special emphasis on sound arrangements for safeguarding vulnerable children and sustained improvements in educational attainment***

### The challenge

The overall challenge is to deliver, with our partners and across the whole of the Council's activities, fully integrated and coherent services for children and young people, as required by *Every Child Matters* and the *Children Act 2004*.

Within that framework, we must give the highest priority to ensuring that:

- services are provided on the basis of a sound understanding of the needs and wishes of children, young people and their families
- all children and young people are safeguarded, and enjoy and achieve to their maximum potential
- there is enhanced provision of appropriate family support and early intervention through children's centres, extended services around schools and support for parents
- there are effective services and support that meet the needs of children and young people with disabilities, learning difficulties or who are looked after
- the Council continues to work successfully with schools to raise the already impressive overall achievement of pupils across the county to even higher levels; and ensures that this extends to all Council maintained schools and all groups of pupils, with a particular emphasis on improving the achievements and life-chances of those with additional needs
- services promote healthy living for children and young people and families, and reduce health inequalities
- there is adequate housing for vulnerable young people (including those leaving care) and families
- that sound arrangements for children and young people are established, linked with the proposed Public Service Trust

## The Council's response

The full strategic response of the Council, with its partners, is set out in the statutory *Children and Young People's Plan 2006-09*. A selection of those targets, milestones and actions where the Council is in the lead are in this section. Those led by other partners are included in the section below - *Giving effective community leadership*.

### BE HEALTHY

We aim to increase the number of **schools accredited as Healthy Schools from 81 to 91**

We aim to **increase the percentages of babies who are breast-fed at six weeks old:**

**in the South Wye area from 33% *[subject to confirmation]* to 40%**

**amongst teenage mothers across the county from 25% *[subject to confirmation]* to 30%**

**overall from 82% *[subject to confirmation]* to 85%**

We aim for 11-14 year olds to have healthier lifestyles. *[Targets for reductions in smoking, obesity, alcohol consumption and drug use; for increases in participation in sport, physical activity and recreation, the percentage of children eating five portions of vegetables and fruit a day; and for better mental health will be decided after a teenage lifestyle survey has been carried out in February 2007]*

We aim to **reduce sexually transmitted infections amongst young people by 1%**

### STAY SAFE

We aim to increase children in need referrals to *[target to be set following service workshops in early February]*

We aim to complete *[x%]* of initial assessments of children in need within... *[target to be set following service workshops in early February]*

We aim to complete core assessments of children in need within....*[target to be set following service workshops in early February]*

We aim to reduce the percentage of children on the child protection register that are re-registrations by *[target to be set following service workshops in early February]*

By working closely with schools, requiring the recording of incidents and action to deal with bullying, we aim to **reduce from x to y the percentage of 11-15 year-olds who say**

they have been bullied in the last twelve months *[target to be added after the Teenage Lifestyle Survey - Feb 07]*

## ENJOY and ACHIEVE

- We will continue to ensure that at least 85% of three year-olds have access to good quality early years education
- We will work with schools to raise to even higher levels performance in the top GCSE grades, in particular **increasing from *[61.8% to 67% - subject to confirmation]* the proportion of pupils in schools maintained by the Council achieving 5 A\* - C GCSEs, or the equivalent, including English and Maths**
- By working in partnership with schools to tackle disaffection by means of the Behaviour Support Plan and the Behaviour Support Policy produced by each school, we aim to **reduce school absences:**
  - **in secondary schools maintained by the Council, from 7.4% to 6% of half-day sessions**
  - **in primary schools maintained by the Council, from 4.9% to 4% of half-day sessions**
  - **the number of children looked after by the Council continuously for at least 12 months, who missed at least 25 days of schooling during the previous school year, to fall from 14 to no more than 8**
  - We aim to **reduce the conception rate of under 18s by 24% from a baseline of 37.2 per 1000**

## POSITIVE CONTRIBUTION

- By encouraging Duke of Edinburgh Awards and other initiatives we aim to **increase from x to y the number of 11-15 year-olds volunteering *[Baseline and target to be established in light of the Lifestyle survey in Feb 07]***
- Through the implementation of our *Community Involvement Action Plan for Young People* and by progressively embedding the Hear by Rights Standards by 2010, we will develop and maintain a good understanding of the needs and wishes of children and young people. The key measures of our success will be to **increase from 19% to 28% the percentage of young people who feel that they can influence decisions affecting important local services**

## ECONOMIC WELL-BEING

- Working with schools and the Learning and Skills Council (LSC), we aim to **reduce to less than 4.9% of 16-18 year-olds those not in education, employment or training**
- We aim to **increase from 12 to 46 the number of young people who had been looked after by the Council in their 17<sup>th</sup> year who are engaged in education, training or employment at the age of 19**
- By working with schools, the LSC and further education colleges to broaden the range and flexibility of the curriculum and available qualifications, including increased vocational options, we aim to **increase from 88% to 96% the proportion of pupils in schools maintained by the Council achieving 5 or more 5A\* - G grades at GCSE, or the equivalent**
- By implementing our *Homelessness Strategy* and by securing, with partners, an increase in the supply of both temporary and settled housing, we aim to **remove the need for the use of bed and breakfast accommodation for households with children**

## **SERVICE MANAGEMENT**

- Building on the work of the *Children and Young People's Partnership Board*, we will **establish [by – target date] Children's trust arrangements** with all the relevant local partners, linked to the proposed Public Service Trust between the Primary Care Trust and Herefordshire Council
- We will complete, with partners, the development and **implementation of the *Herefordshire Common Assessment Framework (CAF)*, with targets set by June 2007**, to identify children with additional needs and ensure that early intervention services are put in place
- We aim to **increase by at least 5% the number of families receiving support**
- Fully involving parents, carers and children, we will develop and implement a joint commissioning strategy with Health, the voluntary sector and other partners to **deliver service improvements for children with learning difficulties and disabilities. Implementation of the strategy will commence in April 2007, when targets will be set.**
- We aim to increase by 30 the number of schools with an approved school travel plan, giving cumulative coverage of 82% of schools

## ***Enabling vulnerable adults to live independently and, in particular, enabling many more older people to continue to live in their own homes***

### **The challenge**

The principal challenges for the year are to:

- implement major improvements in the pattern and quality of services so as to meet future needs as efficiently and effectively as possible. Key elements in this will be -
  - (i) working with communities and partners to develop to the full the opportunities for the rapidly growing numbers of older people to have fulfilled lives and contribute to society
  - (ii) implementing, with our partners, the first phase of our programmes of radical improvement in preventative and social care services to maximise the independence, well-being and independence of older people and adults with learning disabilities
  - (iii) establishing the future needs of 18-65 year-olds with mental health problems or physical disabilities and developing programmes to meet them efficiently and effectively so as to maximise their independence, well-being and choice
  
- continue to tackle homelessness successfully

### **The Council's response**

**We aim to increase the number of people of 65 or over helped to live at home per 1,000 population from 79.8 to x *[to be proposed]*** by working with partners to begin the implementation of our four-year service transformation programme, including:

- reduced waiting times for assessment and care packages
- co-ordinating and develop a range of rehabilitation, prevention and independent living services;
- establishing community wardens across the county
- expanding the *Signposting Scheme*;
- piloting a local care sitter service
- expanding the provision of Supporting People services
- targeting further sites with Fire Service outreach workers
- continuing the Trading Standards *Doorstep Crime Campaign*

- increasing significantly the number of older people receiving direct payments to purchase social care

By the same means, we aim to:

- **reduce from 34,691 to 31,222 the number of emergency unscheduled acute hospital bed-days in NHS hospitals occupied by a person aged 75 or more commissioned by Herefordshire Primary Care Trust [Revised target due mid Jan]**
- **increase the satisfaction of people over 65 using home care services provided through Herefordshire Social Care or directly purchasing services using direct payments (measured as a reduction of at least 10% in the gap between the proportion satisfied in 2006 and 100%, and the gap in 2009) [Revised target due mid Jan]**

By working with our partners, and through extensive consultation with older people and other interests, we intend to **have in place by [date to be confirmed] a comprehensive Older People's Strategy, with clear targets and actions to achieve them**

Through the Joint Team with the Department of Work and Pensions (DWP) and implementation of the agreed plan to identify potential claimants, we aim to:

- **increase the number of people in receipt of Pension Credit from 7,980 to 8,138**
- **increase the number of people aged 60 or over in receipt of Council Tax benefit from 7,117 to 8,061**
- **increase the number of people in receipt Attendance Allowance from 6,470 to 6,702**

Working with partners to begin the implementation of our four-year service transformation programme, using improved assessment tools, providing improved advice and support, and supporting more people to move into their own homes from registered care, we aim to **increase the number of people with learning disabilities per 1,000 population aged 18-64 helped to live at home from 2.5 to x [target to be confirmed]**

Working with partners to implement the *Physical Disability and Sensory Impairment Best Value Review Action Plan* and through the development of a new deaf-blind service, we aim to **increase the number of people with**



**physical disabilities per 1,000 population aged 18-64 helped to live at home from 4.8 to 5.1**

Working with our partners in a co-located joint service, with expanded early intervention, deliberate self-harm and carers' support services, we aim to **increase the number of people with mental health problems per 1,000 population aged 18-64 helped to live at home from 3.7 to 4.4**

Working with partners, and in consultation with service users and their representatives, we intend **before the end of 2007 to establish the future needs of 18-65 year-olds with mental health problems or physical disabilities; and to have a clear understanding of the services and support programmes that will be needed to meet them cost-effectively**

By implementing with our partners our *Homelessness Strategy Action Plan* and developing more affordable housing, we aim to **decrease from 416 to 160 the number of people accepted as homeless during a year in respect of whom the Council has a full statutory duty**

We intend to deliver the priorities set out in the Herefordshire Supporting People Strategy Annual Review *[measurable targets(s)/milestones to be added]*

## ***Securing the essential infrastructure for a successful economy***

### **The challenges**

It's crucial over the coming years to ensure that Herefordshire has the right infrastructure to strengthen the competitiveness of its economy and so to secure better paid, higher value-added jobs. This requires:

- a flexible, skilled workforce
- good transport infrastructure
- a good supply of industrial and commercial sites
- incentives to help new businesses prosper and grow
- a focus on attracting and retaining knowledge and high-technology industries

Over the next twelve months, the Council has to work with its partners in taking the decisive next steps to deliver that infrastructure and the rest of the *Herefordshire Economic Development Strategy 2005 to 2025*.

### **The Council's response**

***[Seeing if there are other key items of transport infrastructure that could be added]***

We intend to **tender for the development partner for the retail element of the Edgar Street Grid** ***[target date? Any other major milestones?]***

We aim for **the Rotherwas access road to be mostly completed by March 2008**, with a view to its opening in June.

We intend to **start phase two of Rotherwas Futures, tendering for construction by January 2008**.

Creation of *The Learning Village* in Hereford City ***[major milestone(s)?]***

*The Market Towns Initiative* ***[major milestone(s)?]***

By establishing a new grant scheme to encourage employers and by running a support programme of seminars and events, we aim to **increase the number of people employed in technology and knowledge intensive industries from 9,900 to 10,286**

We also aim to **restrict to no more than 0.72% the decline in the total number of VAT-registered businesses** *[to be tested]*

Through these and other measures, we aim to **reduce the gap in average wage levels between Herefordshire and the rest of the West Midlands from 0.87:1 in 2005** *[-06?]* to 0.88:1

## ***Sustaining vibrant and prosperous communities, including by providing more efficient, effective and customer-focused services, clean streets, tackling homelessness and effective emergency planning***

### **The challenge**

We must continue action across a wide range of complementary areas vital to the future of communities across the county:

- tackling the continuing problems of affordable housing and continuing successfully to combat homelessness
- building on success in reducing the overall level of crime, with a particular drive to reduce the number of violent offences, crime related to the misuse of drugs and alcohol, and anti-social behaviour
- working in even more effective and focused partnerships across all sectors to maintain and improve community services, including the full modernisation of those provided directly by the Council to make them more cost-effective and user-friendly
- the fuller engagement of people of all ages, backgrounds and abilities in the life and development of their communities
- maintaining our successful partnerships to ensure that all people are safeguarded at times of emergency

### ***The Council's response***

By implementing with our partners our *Homelessness Strategy Action Plan* and developing more affordable housing, we aim to **decrease from 416 to 160** ***[subject to confirmation]*** **the number of people accepted as homeless during a year in respect of whom the Council has a full statutory duty**

By implementing our Community Involvement and Communication Action Plan, enabling more communities to draw up their community/parish plans, making the best possible use of the county's Community Fora, capacity-building and training for community volunteers and agencies, and support for activities that enable communities to come together more, we aim to:

- increase the proportion of adult residents who feel they can influence decisions affecting their local community from 35% in 2005 to 40% in 2007
- increase the proportion of adult residents reporting that they have engaged in formal volunteering of an average of two or more hours a week from 17% in 2005 to 22% in 2007.

***[baseline to be checked – shown as different in the draft CP]***

By working in partnership with other agencies and voluntary and community groups (including the provision of cleansing equipment for them to use), and by a targeted programme of deep cleansing and enforcement action, we aim to:

- **reduce from 18% in 2005-06 to 17% the proportion of relevant land and highways that fall below an acceptable level**
- **reduce from 3% to 2% the proportion of relevant land and highways from which unacceptable levels of graffiti are visible**
- **reduce from 2% to 1% the proportion of land and highways from which unacceptable levels of fly-posting are visible**
- **maintain our current grade of 1 (very effective) in the year-on-year reduction in the total number of incidents and increase in total number of enforcement actions taken to deal with 'fly-tipping'**
- **increase the percentage of people satisfied with the cleanliness standard in their area**

*[there will be a three-year target in the Corporate Plan but no annual target in the AOP, although we will report annually on the basis of the Annual Satisfaction Survey]*

- **increase from 90% in 2005-06 to 95% the percentage of abandoned vehicles removed within 24 hours from the point where the Council is legally entitled to remove the vehicle**

Through the implementation of the Herefordshire Community Safety and Drugs Partnership Strategy, the Hereford Against Night-Time Disorder Scheme, and the work of the Community Alcohol Service, including the Alcohol Referral Scheme, we aim by March 2008:

- for the number of violent crimes to have fallen by 11% against the 2003 figure
- for the number of criminal damage incidents to have fallen by 20% against the 2003 figure
- for there to have been a 5% fall, compared with the 2003 figure, in the proportion of people who think that the following things are a problem:
  - o speeding traffic
  - o vandalism, graffiti and other deliberate damage to property or vehicles
  - o people using drugs
  - o people dealing drugs
  - o people being drunk or rowdy in public places

We aim for the proportions of survey respondents who find it easy to access key local services to be as follows (the 2005 baseline figures are shown in brackets) *[baseline figures to be added]*:

- a library: 72%
- a sports or leisure centre: 71%
- a cultural or recreational facility: 57%
- a local shop: 91%
- a post office: *[under review in light of the Post Office's recent announcement of major reductions in the network]*
- a shop selling fruit and vegetables: 82%
- a green space: 80%

We aim to increase the percentage of adults who use:

- sports and leisure facilities once a month from 25% in 2005 to x% in 2007
- parks, open spaces, play areas and other recreational facilities at least once a month from 41% in 2005 to x% in 2007
- libraries at least once a month from 32% in 2005 to x% in 2007
- museums or galleries at least once every six months from 19% in 2005 to x% in 2007
- theatres or concert halls at least once every six months from 32% in 2005 to x% in 2007

We also aim to increase the adult public's perceptions of improvement in the quality of life in terms of each of the following:

- access to nature
- activities for teenagers
- affordable decent housing
- clean streets
- community activities
- cultural facilities
- education provision
- facilities for young children
- health services
- job prospects
- parks and open spaces
- public transport
- race relations
- road and pavement repairs
- shopping facilities
- sports and leisure facilities
- the level of crime
- the level of pollution
- the level of traffic congestion
- wage levels and the local cost of living

*[Baselines to be added from the autumn 2006 General Survey, the results of which will be available at the end of January. There will three-year targets in the Corporate Plan. Although there will not be annual targets, there will be annual reporting of how perceptions are changing on the basis of the Annual Satisfaction Survey]*

We aim to **increase the satisfaction of adult residents with their local community as a place to live from 80% in 2005 to 87% in 2007.**

Working with our partners to deliver our annual programme of risk assessment, emergency planning and exercising, business continuity management within the Council , advice to business and other organisations, and effective communications with the community, **we will comply fully with the Civil Contingencies Act 2004.**

## ***Protecting the environment, including by producing much less waste, recycling much more of what remains and significantly reducing carbon emissions***

### **The challenge**

Building on the strong foundations we have laid in recent years, over the next year we must further improve our performance in respect of:

- safeguarding Herefordshire's beautiful countryside as a place where people can live, work and enjoy, and which continues to be a magnet for responsible tourism
  - reducing waste and pollution across the county
  - our direct contribution from the way we conduct our operations
- and do so within tightly constrained resources.

### **The Council's response**

We intend to **adopt the Unitary Development Plan**, providing consistent county-wide policies for environmental protection and sustainable development.

Through our maintenance of highway verges, school grounds, cemeteries, smallholdings, parks, open spaces and other landholdings, we aim to **increase from 2.59% in 2005-06 to *[target to be set]* the proportion of Council-owned or managed land, without a nature conservation designation, that is managed for biodiversity.**

We aim to **increase from *x to y [baseline being established, then target to be set]* the proportion of land designated as a Site of Special Scientific Interest within the local authority area that is in favourable condition.**

We aim to **increase the numbers for key species *[HCS indicator; baseline being established, then target to be set]***

By increasing participation in the kerbside collection of recyclables, supporting new facilities for waste diversion and recycling and improving the performance of household waste sites, we aim to:

- **reduce the amount of household waste collected per head in a year from 521.7 kilograms in 2005-06 to 515 kilograms**
- **reduce from 75.93 % to 75.4% the proportion of household waste that is landfilled**
- **increase the proportion of household waste recycled from 17.46% in 2005-06 to 18%**



Through the implementation of *The Herefordshire Partnership's Carbon Management Action Plan*, we aspire to see a **reduction in carbon emissions per head of the population**

*[Indicator and target under consideration; an additional indicator relating directly to the Council's reduction of carbon emissions may be proposed]*

## ***Improving transport and the safety of roads, including further reductions in the numbers of people killed or seriously injured***

### **The challenge**

Over the coming year we must:

- improve the condition of the roads for which the Council is responsible, at a time when recurrent Government financial support for highways is set to fall
- build on our achievements by cutting road casualties even more
- continue to do all we can to promote sustainable transport that serves all the people of the county, including those who don't have a car

### **The Council's response**

By means of Local Transport Plan safety schemes, improving the condition of roads more generally and through road safety training in schools, we aim to:

- **reduce from 141 to x *[target to be set]* the number of people killed or seriously injured in road traffic collisions**
- **reduce from x to y the number of people slightly injured in roads traffic collisions**

We aim to **reduce the percentage of adult residents in Herefordshire who usually travel to work for their main job by driving a car or van on their own. *[Baseline currently being established through the General Survey; then target to be set].***

Primarily by means of targeted bus subsidies, the provision of bus lanes and other public transport infrastructure, and by introducing park and ride facilities, we aim to:

- **control the increase of annual average traffic volumes to no more than 8% compared with 2003-04**
- **increase from 3,248,935 in 2005-06 to 3,948,000 the number of passenger bus journeys a year**

We will measure people's perceptions of traffic congestion ***[HCS and LAA indicator; three-year target to be set; no annual target but annual reporting on the basis of the Annual Satisfaction Survey]***

By providing improved cycleways, traffic and road safety schemes, the safer routes to schools programme, and highway and footway maintenance, we aim to increase the

number of cyclists using public cycle parking facilities by 5% every two years and **increase by *x* [target to be set] the number of cycling trips in a year compared with 2003-04.**

***Promoting diversity and community harmony and striving for equal opportunities for all the people of Herefordshire, regardless of race, religion, disability, sex, sexual orientation, geographical location, income, or age***

## **The challenge**

Over the coming year we must:

- accelerate our progress against the *Local Authority Equality Standard*
- meet existing and new statutory requirements to promote equality and eliminate unfair and unlawful discrimination in respect of race, disability, sex, age, religion or belief, and sexual orientation
- continue the sound equal opportunities policies and practices the Council has established for the selection and development of its staff, and further increase the diversity of our workforce
- develop our plans in response to the community cohesion requirements in the Local Government White Paper, *Strong and prosperous communities*

## **The Council's response**

Working with *The Herefordshire Equality Partnership Board*, we will **complete by March 2008 our *Comprehensive Equality Policy Action Plan*** and continue a comprehensive programme of awareness training, information sharing and networking with elected member, staff and community organisations **so as to attain Level 3 of the *Local Authority Equality Standard*.**

We will **review and reprioritise our programme of equality impact assessments.**  
***[add target dates]***

We will **ensure that all Directorates and Human Resources have equality impact action plans that are realistic and achievable, and are monitored and reported against every six months *[add target dates]*.**

We will keep up-to-date our statutory *Race Equality Scheme*, which will be reviewed by April 2008, and our *Disability Equality Scheme*

In doing all this, **we will take account of the equalities implications of the results of our surveys that ask the public about ease of access to key services and factors affecting the quality of life, setting targets and actions accordingly.**

By reviewing the effectiveness of our recruitment and selection activities, and changing them where necessary, we aim to:

- increase from 0.89% *[figure to be confirmed]* in 2005-06 to **X** the percentage of employees from black and ethnic minority backgrounds
- increase from 1.89% *[figure to be confirmed]* in 2005-06 to **X** the percentage of employees from black and ethnic minority backgrounds who are amongst the top 5% of wage earners
- increase from 0.39% in 2005-06 to **X** the percentage of employees declaring a disability

We intend **by September 2007** to have developed our response to the **community cohesion requirements** in the Local Government White Paper, ***Strong and prosperous communities***

***Giving effective leadership, working with partners to deliver the Herefordshire Community Strategy, including the Local Area Agreement***

**The challenge**

The new *Herefordshire Community Strategy* to 2020 provides the foundations for an even more successful *Herefordshire Partnership*. This is buttressed by the LAA, which provides the core of the *Partnership Action Plan*, with clear targets and performance management arrangements to ensure delivery.

The Local Government White Paper, *Strong and prosperous communities* puts an even greater emphasis on local authorities leading effective partnerships in their areas to improve their communities and the quality of life. The Government proposes new legislation to give effect to this.

At the same time, the Council and the Herefordshire Primary Care Trust have proposed a trail-blazing Public Service Trust.

The challenge is to take full advantage of these unprecedented opportunities to improve significantly the quality of life of the county’s whole population.

At the same time, the Council must continue to maintain confidence in local democracy.

**The Council’s response**

***[Add key milestones when identified for implementation of the Local Government White Paper]***

***[Add target timetable for establishing the Public Service Trust]***

Fuller details are set out in *The Herefordshire Community Strategy 2006 to 2020*, and many of the key targets and actions are described in the earlier parts of this Action Plan. This section includes those where organisations other than the Council have the lead responsibility, albeit that in many cases the Council makes an important contribution.

***[Format to conform to rest of the action plan in the final version]***

<b>Lead Organisation</b>	<b>Targets</b>
Herefordshire Community Safety and Drugs Partnership	<b>Through the implementation of the <i>Herefordshire Crime, Disorder and Drugs Reduction Strategy 2005- 8 and LPSA targets</i>, we aim by 2007-08 to: (2004-5 data as baseline, unless otherwise specified)</b>
<b>HCS 45</b>	- reduce violent crimes in Herefordshire by 11% (LPSA target so baseline 03/04)
<b>HCS 42b</b>	- reduce the incidence of criminal damage in Herefordshire by 20% (LPSA target so baseline 03/04)
<b>HCS 43</b>	- decrease by 5% the proportion of people who think that the following are a

<b>Lead Organisation</b>	<b>Targets</b>
	problem: speeding traffic vandalism, graffiti and other deliberate damage to property or vehicles people using drugs people dealing drugs people being drunk or rowdy in public places
<b>HCS 42c</b>	Reduce all recorded crime by 15%
<b>HCS 25</b>	Reduce the number of young people (under 25) who are victims of crime in Herefordshire by 6%
<b>HCS 36</b>	Reduce re-offending by young people in Herefordshire by a further 5% by 2006 (measured in calendar years)
<b>HCS 48</b>	[Measure of Priority and Prolific Offenders Scheme – LAA PI]
<b>HCS 42a</b>	Reduce British Crime Survey comparator crimes by 15%, using 03/04 baseline– LAA PI
<b>HCS 49a</b>	To record no more than 600 domestic burglaries per year in Herefordshire
<b>HCS49b</b>	To record no more than 1,086 vehicle crimes per year in Herefordshire
<b>HCS 50</b>	To increase the number of Class A drug supply offences brought to justice in Herefordshire by 25%– LAA PI
<b>HCS 46</b>	Increase the numbers of drug users in treatment to 720
<b>HCS 47</b>	[Measure of Drugs Intervention Programme – LAA PI]
<b>HCS 51a</b>	To increase the number of calls to the Herefordshire Women’s Aid helpline by 10%
<b>HCS 51b</b>	To increase the number of domestic violence incidents reported to the police in Herefordshire by 10%
<b>HCS 51c</b>	To increase the number of arrests for domestic violence by 10% in Herefordshire
<b>HCS 51d</b>	To increase the number of sanction detections in Herefordshire for domestic violence incidents by 5%
<b>HCS</b>	[Increase in the percentage of people who feel informed about what is being done to tackle anti-social behaviour in the local area – new mandatory LAA PI]
<b>HCS</b>	[Increase in the percentage of people who feel that parents in their local area are made to take responsibility for the behaviour of their children – new mandatory LAA PI]
<b>HCS 44</b>	Fear of Crime new mandatory LAA PI

<b>Lead Organisation</b>	<b>Targets</b>
Primary Health Care Trust	the new public health agenda Choosing Health
Primary Health Care Trust	- [mortality rate from cancer for people under 75 – HCS PI]
Primary Health Care Trust	- [mortality rate from circulatory diseases for people under 75 – HCS PI]
Primary Health Care Trust	- [no. of deaths per annum from chronic diseases – HCS and LAA PI]
Primary Health Care	- [mortality rate from accidents – HCS PI]

<b>Lead Organisation</b>	<b>Targets</b>
Trust	
Primary Health Care Trust	- [all causes standardised mortality rate for deprived areas of Herefordshire – HCS PI]
Primary Health Care Trust	- [percentage of adults who smoke – HCS PI]
Primary Health Care Trust	- [percentage of adults who consume more than the recommended intake of alcohol per week – HCS PI]
Primary Health Care Trust	- [percentage of adults eating fewer than five portions of fruit and vegetables on a typical day – HCS PI]
Primary Health Care Trust	- [percentage of adults undertaking thirty minutes or more of moderate physical activity at least five days per week – HCS PI]
Primary Health Care Trust	Working with our partners, particularly in the NHS and the community sector, to ensure that parents get the advice and support they need, we aim to:
Primary Health Care Trust	- increase from 25.4% to 40% by 2008 the proportion of babies born in the South Wye area who are breastfeeding at six weeks [CP, LAA and LPSA2G target]
Primary Health Care Trust	- increase from 15.1 % to 30% by 2008 the proportion of babies born to teenage mothers in the county who are breastfeeding at six weeks [CP, LAA and LPSA2G target]
Primary Health Care Trust	- increase from 41.7% to [target to be agreed] by [time to be agreed] the percentage of all babies in the county breastfeeding at six weeks [HCS PI]
Primary Health Care Trust	[Healthier lifestyles of 11-14 year-olds: - reduction in percentage smoking
Primary Health Care Trust	- increase in percentage participating in sport or other physical activities
Primary Health Care Trust	- increase percentage of children walking or cycling to school – new mandatory LAA PI (check description and who leads)
Primary Health Care Trust	- increase in percentage eating five portions of fruit and vegetables a day
Primary Health Care Trust	- reduction in percentage obese
Primary Health Care Trust	- reduction in alcohol consumption
Primary Health Care Trust	- reduction in drug use] [HCS and LAA PIs]
Primary Health Care Trust	[Measure of sexually transmitted infections in young people – HCS PI]

<b>Lead Organisation</b>	<b>Targets</b>
Through the implementation of the Herefordshire and Worcestershire Learning and Skills Council Local Strategic Plan, we aim by 2007-08 to increase the number of Herefordshire residents aged 19 and over achieving:	
Learning and Skills Council	- a Level 2 qualification, excluding manufacturing and engineering, from 1,738 to 1,872
Learning and Skills Council	- a Level 2 qualification in manufacturing and engineering from 35 to 57



Lead Organisation	Targets
Learning and Skills Council	- a Level 3 qualification, excluding manufacturing and engineering, from 825 to 878
Learning and Skills Council	- a Level 3 qualification in manufacturing and engineering from 26 to 44
Learning and Skills Council	[Measure of basic skills – HCS PI]
Learning and Skills Council	[% of working age population qualified to at least Level 3 – HCS PI]
Learning and Skills Council	[% of working age population qualified to at least Level 4 – HCS PI]

To maintain high-levels of public confidence in open government and local democracy, **the Council will:**

- overseen by its independently chaired *Standards Committee* and through the work of this committee and the *Monitoring Officer*, **uphold in its affairs the highest standards of corporate governance, propriety, integrity and impartiality** *[SMART target to be proposed, e.g. adverse Standards Committee findings]*
- through the work of the Audit and Corporate Governance Committee and the Finance Officer, **uphold its financial and audit duties to ensure good financial management and governance** *[SMART target to be proposed, e.g. satisfactory Annual Audit Letter in this respect]*
- **review its complaints and compliments process by** *[target date]* to ensure it is accessible and responsive and to **avoid findings of maladministration against the Council being issued by the Local Government Ombudsman**
- **provide for all new Council members full induction training on the responsibilities of being a councillor, Cabinet member, committee member and of scrutiny more generally**

Working with the *Herefordshire Association of Local Councils*, we will **provide training and support to enable the county's town and parish councils to demonstrate best practice and be at the forefront of national developments**

*[SMART target to be proposed]*

## Part Two: Organisational improvement

***Streamlining processes, assets and structures, and securing significant efficiency savings, so as to keep down Council Tax increases and invest in priority service improvements***

### The challenge

Over the next year we must:

- make the first tranche of recurrent and cumulative cash-releasing savings under the *Herefordshire Connects* programme
- achieve these savings without detriment to our customers
- continue to modernise and improve the quality, accessibility and positive impact of our services on people's quality of life

### The Council's response

We will **implement the *Herefordshire Connects* programme**  
***[confirmation of the level of savings and key milestones to be added]***

As part of this, we will **rationalise our front and back office functions**  
***[key deliverables/milestones to be added]***

Through e-procurement, benchmarking against other organisations, streamlining procedures and other initiatives, we will **continue to improve the value for money we get from procuring goods and services.**  
***[key deliverables/milestones to be added]***

We will **review our *Accommodation Strategy***, including the disposal of properties, the cessation of leases and the relocation of staff in the light of future needs for office accommodation.  
***[key deliverables/milestones to be added]***

We will invest in order to maximise recurrent savings; in particular, we will continue our comprehensive programme of investment in ICT and **meet the following targets for e-government:**  
***[key deliverables/milestones to be added]***

***Ensuring that essential assets, including schools, other buildings, roads and ICT are in the right condition for the long-term cost-effective delivery of services, and ensure business continuity in the face of emergencies***

### **The challenge**

The Council must ensure that:

despite the need for overall reduction in expenditure, it maintains a prudent programme for the renewal and maintenance of its key assets

it has in place tried and tested plans and systems to maintain services in the event of disaster or other crises

we continue to raise our performance as the use of resources to meet the much more demanding standards required under the new framework for Comprehensive Performance Assessment (CPA)

### **The Council's response**

We will complete our new **ICT network** to make our operations more efficient and effective, with the network **available for at least 98.5% of the time**

By disposing of some dilapidated property and bringing up to standard the buildings we retain following the completion of our *Accommodation Strategy*, we will **raise the proportion of the gross internal floor space in ODPM categories A and B to at least X [target to be proposed]**

By embedding our business continuity plans for all parts of the Council's activities and services through an annual programme of risk assessment and business continuity management, we will ensure that we **comply with the *Civil Contingencies Act 2004*, in particular so as to safeguard the most vulnerable people in the county**

We will embed risk management across all aspects of the Council's work and take all other measures necessary to **maintain our *Use of Resources* score at 3.**

## ***Understanding the needs and preferences of service users and Council Tax-payers, and tailoring services accordingly***

### **The challenge**

As the Council strives to achieve more with less and concentrates available resources on priority areas, it must be more than ever careful to ensure that it roots all that it does in a solid understanding of what customers and the public need and want.

### **The Council's response**

Through our network of local *Info Shops*, the state-of-the-art *Info by phone* service and the full implementation of e-government, we will provide **better, faster and more responsive services to individual customers, with full corporate implementation by late 2007** [*Spell out measurable key deliverables/milestones*]

By means of an action plan to define customer standards for individual services where they don't already exist, the embedding of our new customer relations management and complaints handling systems, a programme to continue encouraging customer feedback, and a rolling programme of training for complaints officers and other staff, we aim to **increase from 29 % to 50% the proportion of those making complaints who are satisfied with how their complaint has been handled**

By implementing our *Community Involvement* and *Communications Strategy* action plans, giving effect to agreed parish plan aspirations, the implementation of changes following a review of the *Community Fora* and conducting annual customer satisfaction surveys, we aim to **increase the proportion of adult residents who feel they can influence decisions affecting their local community from 35% in 2005 to 40% in 2007**

Through these means and the service improvements described elsewhere in this Plan, and also by enabling more communities to draw up town and parish plans, building community and voluntary sector capacity and enabling more opportunities for people in communities to come together, we aim to **increase from 80% to 87% the proportion of adults satisfied with their community as a place to live.**

Through the implementation of our *Community Involvement Action Plan for Young People*, including the establishment of the *Herefordshire Youth Council* and the operation of the *Community Fora*, we will maintain an up-to-date understanding of the needs and wishes of children and young people. A key measure of our success will be to **increase from 19% to 28% the percentage of young people who feel that they can influence decisions affecting important local services.**

Working with partners, and in consultation with service users and their representatives, we intend **before the end of 2007 to establish the future needs of 18-65 year-olds with mental health problems or physical disabilities; and to have a clear understanding of the services and support programmes that will be needed to meet them cost-effectively.**

We will continue to operate robust procedures so as to **comply with the *Freedom of Information Act* and data protection legislation, aiming for 100% compliance with the 20-day time-limit for responding to FOI requests and the 40-day target for data protection requests. *n 40 days***



***Recruiting, retaining and motivating high quality staff, ensuring that they are trained and developed so as to maximise their ability and performance***

## **The challenge**

The Council has loyal and dedicated employees , committed to excellence in serving the people of Herefordshire. But the ever-rising expectations of the public and Government, the fresh challenges of a fast-moving world and the need to work in new ways with our partners to achieve more with less, can only be met if we continue to have the right managers and front-line employees with the right understanding, skills and motivation. These must, therefore, be continually updated and renewed.

Specific challenges are:

- re-skilling for the new business process and behaviours required to deliver the *Herefordshire Connects* programme successfully
- dealing successfully with the proposed executive merger with the PCT to form the Public Service Trust
- as part of these, developing key skills in respect of effective planning and performance management to drive continuous improvement in standards of services across the Council
- completing and rolling-out the workforce strategy for social care to secure adequate recruitment and retention
- developing and implementing the workforce changes needed to deliver modernised, high-performing adult social care services
- to maximise productivity and contribute to the drive for big efficiency savings, we must reduce sickness absence and strike the right balance in employee turnover
- even more effective two-way communications between employees at all levels

## **The Council's response**

**Our *Pay and Workforce Strategy*** will continue to be the comprehensive response to these challenges; it will reflect changing and future envisaged needs through **monthly reviews, beginning in April 2007, by the Pay and Workforce Strategy Board**

Part of the *Strategy* is our commitment to ***Investor in People* accreditation**, which we aim to **achieve for the whole Council by October 2007**

We will **continue our comprehensive programme of employee training and development**, basing it on a sound understanding of current skills and future skills needs, identifying the need for NVQs and other formally accredited training, and linking core skills to pay and grading. Success will be measured by setting targets for

attainment and for monitoring progress against these targets. *[Confirm performance targets in final version from agreed Pay and Workforce Strategy.]*

In particular, we will deepen and extend our programmes to **ensure that all managers are well-equipped to plan their services and manage performance effectively to deliver the Council's priorities.** Success will be measured by evaluating the impact of the revised management development provision. *[Confirm performance targets in final version from agreed Pay and Workforce Strategy.]*

We will **raise completion rates of SRDs from 94% to 95%, requiring directors and heads of service to have in place auditable systems to ensure that all SRDs are completed to a satisfactory and consistent standard.** We aim for an assessment that the systems employed are satisfactory when they are audited in *[add date]*

By improved management of attendance, provision of timely management information, and the active engagement of Human Resources in recommending interventions and improvement, we aim to **reduce sickness absence from an average of 10.5 days per FTE in 2005-06 to 9 days per FTE in 2007-08.**

Through better workforce planning, including the analysis of skills shortages and national trends, by promoting careers at the Council in schools, colleges, universities, and at national events, and by improving our recruitment and retention procedures, we aim to **maintain annual employee turnover at no more than 9%. and to aim for minimum acceptable levels of turnover**

we will pay **special attention to the recruitment and retention of employees to ensure effective service delivery, with priority given to the Children's and Adult's social care workforce, through the development and delivery of workforce plans. We will measure success against the delivery of those plans, which will be developed by April 2007, and their impact on service delivery.**

We will continue to improve understanding and motivation throughout the organisation by **implementing our *Communications Strategy Action Plan.*** We aim to:

- maintain a robust and measurable team briefing system that provides positive and effective dialogue between managers and their teams, **achieving 150 team briefs by Sept 2007.**
- establish an employee news package that is guaranteed to reach everyone across the council - **achieving high scores for readability, relevance and credibility, aiming for a 70 per cent score in Nov 2007 benchmarking**
- develop relevant and useful content for the intranet – starting with **an online induction for new employees by June 2007**



## ***Embedding corporate planning, performance management and project management systems so as to continue to drive up service standards and efficiency***

### **The challenge**

The Audit Commission assessed the Council in late 2005 to be improving only adequately. Effective planning and performance and project management are crucial to accelerating the rate of improvement.

In the 2005 Corporate Assessment the Audit Commission confirmed that the Council had sound frameworks for planning and performance management but identified as the principal weakness that they were not operating to a consistently high standard across all departments. In particular, this had contributed to the shortcomings in respect of the safeguarding arrangements for children identified in the Joint Area Review, which have now been remedied.

The Commission reviewed the operation of the Council's performance management arrangements again in autumn 2006. Its overall conclusion was that, "The Council is making steady progress in strengthening its...arrangements and in embedding a performance culture."

It went on, however, to say that the improvements were not yet sufficient to meet the standard to which the Council aspires and not yet embedded across all parts of the organisation. It made a number of recommendations about how the Council could complete the job.

The systematic use of project management is more important than ever, particularly to ensure the delivery of the *Transformation Programme* and the full realisation of its benefits, in terms of both efficiency savings and improved customer services.

### **The Council's response**

The Council aims to be **judged by the Audit Commission to be improving well by 2007 and to be improving strongly by 2008.**

We will:

**develop a clearer set of priorities – each with a basket of indicators and measures designed to provide a high-level picture of progress, beginning with a strategic public consultation in June 07;**

**by April 2007, construct and communicate a high-level model that clearly identifies how the Council intends to assess and measure its level of performance and rate of improvement;**

**from April 2007, develop and begin to implement a more consistent, strategic approach to embedding a performance management culture across the Council;**

**ensure the fullest possible integration between the Council's planning and performance management arrangements and those of the Herefordshire Partnership; with a detailed implementation plan to be in place by December 2007 and the new arrangements operating from April 2008**

**ensure that members are integrated into the Council's performance management arrangements, measured by an annual review of the operation of the performance management framework in October**

**produce regular, high-level strategic assessments of performance trends for senior management, Cabinet and scrutiny, identifying barriers and levers to raising performance and delivering the Council's priorities. A format for this will be agreed by CMB and Cabinet in April, and operational by June 2007.**

**improve the quality of the staff review and development (SRD) process to ensure that all individuals' targets are linked to corporate and service targets**

**Starting in 2007-08, we will begin the performance improvement cycle in April, so as to provide a sound basis for systematically achieving value for money across all services**

We will **embed the performance management improvements being developed for Children's Services and for adult social care** *[add SMART targets, agreed with C&YPS and ASC, e.g. dates for full operation]*; we will also consider their potential value for the Council more generally

We will put in place, as part of the *Herefordshire Connects* programme, **a corporate ICT-based system to make much easier and faster the collection and analysis of all performance information for the Council and its strategic partners** *[add target date]*

**Directors and Heads of Service will continue to be required to ensure that the Council's cross-cutting priorities** (see paragraph x above) **are delivered successfully in their areas**

By means of our action plan to ensure robust auditable data, we aim to **retain the unqualified status of our Best Value Performance Plan and ensure that none of our individual performance indicators is qualified**

The operation of **the whole Performance Management Framework will be audited as part of Internal Audit's annual review of the Council's key processes**, providing a sound basis for continuous improvement

**Appendix 1 – Net revenue budget in 2007-08 by directorate**

*[to be added once the budgets are approved]*

## Appendix 2 – Capital programme 2007-08

*[to be added when the programme is approved]*

## Glossary

## Appendix 3

### ***The Herefordshire Community Strategy***

The Community Strategy for Herefordshire. It sets out the vision, agreed by the Council and its partners following consultation with the public, for what the county should aspire to be by 2020, together with the objectives and targets to achieve it.

### ***Local Area Agreement (LAA)***

A three-year agreement with the Government to deliver, with the Council's partners, higher levels of performance than would otherwise have been achieved. This is facilitated by greater freedom and flexibility in the operation of Government rules, including the use of Government grants. It is the core of the action plan for the next three years of *The Herefordshire Community Strategy*.

### ***Local Public Service Agreement (LPSA)***

A three-year agreement with the Government to deliver higher levels of performance than would otherwise have achieved, in return for pump-priming additional finance to help achieve the enhanced targets and some relaxation in regulation. Achievement of the targets attracts substantial reward payments.

It has been subsumed within the LAA (see above).

### ***Comprehensive Performance Assessment (CPA)***

The assessment of a Council's current performance and its capacity to improve. It comprises four main components: self-assessment, corporate assessment by an external team, use of resources assessment by external auditors, and service assessment based on an analysis of recent service inspections, reviews and performance indicator results. It is overseen and managed by the independent Audit Commission.

### ***Corporate Management Board (CMB)***

The strategic management board of the Council, comprising the Chief Executive, Directors and the Head of Human Resources.

### ***The Senior Management Team (SMT)***

The operational management board of the Council, comprising Heads of Services.

### ***Local Transport Plan (LTP)***

A long-term strategy to develop an integrated and sustainable transport system for Herefordshire

### ***Difference between / and – i.e. financial and academic years***



## UNDERSTANDING AND RESPONDING TO THE PUBLIC

Report By: Director of Corporate and Customer Services

### Wards Affected

County-wide

### Purpose

1. To consider the results from recent user satisfaction and Herefordshire Voice surveys, consideration of this item having been deferred by the Committee on 15th January, 2007. To decide if there are emerging themes that would merit further investigation as part of the Committees ongoing work programme or if it wishes to examine how the available data is being used to inform service delivery in a number of services.

### Financial Implications

2. There are no financial implications

### Background

3. As reported to the Committee on 26 June, following consideration of a number of possible themes for the future scrutiny programme, Members expressed an interest in pursuing how well the Council was doing in responding to customers. This report provides some brief information on the available sources of customer views but focuses on some recent results from the authority's research programme. This information is intended to help the Committee decide if there are any emerging themes that merit investigation in future or where it wishes to examine just how customer data are being used.
4. The Council obtains feedback from the public in a variety of ways; through front line services, correspondence and telephone calls, through specific consultations, from elected members, MP's, local media, individual events and, of course from complaints. There is a corporate complaints process and some individual services – most notably social care – have additional statutory obligations relating to complaints. The various complaints processes are currently being reviewed to ensure a consistently high standard across the authority. The Corporate Management Board will consider the matter this month. In addition, the bi-monthly Integrated Performance Report (IPR) will, in future, cover complaints across the authority and supplement the existing, directorate lead, reporting.
5. The planned introduction of a customer relationship management system will be a major step towards bringing together and reporting all the various forms of customer data in a systematic manner. However, in the absence of such an authority wide approach, the annual user satisfaction survey conducted by the Council's research team, is currently one of the few consistent, statistically valid, sources of customer data that is available to establish public opinion and track its changes over time.

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Further information on the subject of this report is available from  
Tony Geeson, Head of Policy and Performance on 01432 261855

6. All Councils are required to conduct a user satisfaction survey every three years to establish inter-authority comparisons as part of the Best Value regime. The last such survey was in 2003 and the 2006 survey returns are being analysed with the results due in the spring. The national survey informs processes like the CPA and provides benchmarks for best value indicators for all local authorities. This survey is tightly specified and subject to quality checks by the Audit Commission. In line with best practice this Council started to conduct additional surveys in both intermediate years, beginning in October 2005. The local surveys allow us to measure and monitor progress much more closely and to ask a number of other questions tailored to Herefordshire. These can form the measures for Local Public Service Agreement and / or Local Area Agreement targets.
7. Key findings **about the Council** from the 2005 survey are as follows:
  - Around half of respondents [49%] are satisfied with the way the Authority runs things overall [a similar proportion to 2003] and 23% are dissatisfied.
  - 54% of respondents felt that they were kept well informed by Herefordshire Council, a slight increase from the 2003 figure
  - Of the 19% of respondents who had complained to the Council in the last 12 months, 31% were satisfied with the way in which it had been handled [similar to 2003] while 53% were not, a slight decrease since 2003
8. Key **general findings** from the 2005 survey are that:
  - 80% of respondents are satisfied with their local community as a place to live
  - With regard to quality of life aspects, most are perceived to have deteriorated. The biggest deterioration in the last three years is perceived to be traffic congestion and wage levels / local cost of living.
  - Anti-social behaviour is now seen as less of a problem than in 2004. In all types of anti-social behaviour listed there has been a marked decrease in the proportion of respondents who think each is a problem in their local area.
  - Perceived ease of access to various local services has stayed at similar levels in most cases since 2003.
9. Amongst the **key findings relating to individual services** are that:
  - Satisfaction with local recycling facilities has increased since 2003 while satisfaction with kerbside recycling collection has decreased.
  - Satisfaction with the provision of public transport information and local bus services have both decreased.
  - Satisfaction with sports and leisure facilities, and parks and open spaces has remained steady while satisfaction with other cultural and recreational services has decreased.
10. Following these individual service results, the 14<sup>th</sup> Herefordshire Voice survey in July 2006 focussed on cultural & recreational services, public transport and included a series of locally important questions on volunteering as part of the LPSA. The object of the follow-up, detailed, survey was to determine in greater detail the reasons and factors leading to the dissatisfaction levels summarised in paragraph 9 above and to obtain specific suggestions for improvement to include in future service planning. Key findings for the services concerned are set out in the sections below.



### Culture

- Respondents thought the aspect of libraries most in need of improvement was the range of books, followed by opening hours, information about the services and the range of films and talking books.
- 61% of respondents were satisfied with libraries and library services overall.
- Respondents thought that the aspect of museums and galleries most in need of improvement was the variety of exhibitions, followed by the frequency with which permanent exhibitions were changed and the space available for displays.
- 40% of respondents were satisfied with museums and galleries overall.

### Sport and Leisure

- Respondents thought the aspect of sport and leisure most in need of improvement was the quality of the facilities, followed by information about the services, availability for use and value for money.
- 43% of respondents were satisfied with sports and leisure facilities overall.

### Parks and Open spaces

- Respondents thought the aspect of parks and open spaces most in need of improvement was accessibility to footpaths, followed by information about the facilities and services and the maintenance of playgrounds.
- 69% of respondents were satisfied with parks and open spaces overall.

### Public Transport information

- Of the various sources of public transport information, the booklets and information at bus stops are most used, the most in need of improvement and most preferred sources.
- Overall around 40% of the panellists are fairly or very satisfied with the provision of public transport information compared with 15% who are fairly or very dissatisfied.

### Local Bus services

- Over half the panellists had not used local buses in the last 12 months.
- Of the respondents who use the bus service, the most common main reasons was when they were unable to use their own transport [33%] followed by avoidance of the need to park [17%] and due to not driving [13%].
- Of the respondents who don't regularly use the bus service, the main reasons for not doing so was that buses are too infrequent or not at the right times [25%]. Next most common was the convenience of – or simply possession of – their own car.
- Frequency of service and being able to rely on arriving on are the most commonly identified high priority improvements needed.
- Overall a third of panellists are fairly or very satisfied with the bus service and 15% fairly or very dissatisfied.
- 60% of users are fairly or very satisfied compared with 15 who are fairly or very dissatisfied.

NB The recent Local Government White Paper indicated that local bus services were one area that might benefit from increased local input in future.

11. More details about these panel findings, or the original 2005 survey can be given at the meeting. When the 2006 survey results are available it will be possible to compare how the Council is regarded by its customers relative to other local authorities. When the access to services information – referred to in paragraph 12 below - has been analysed, this may also be of interest to the Committee.

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Further information on the subject of this report is available from  
Tony Geeson, Head of Policy and Performance on 01432 261855

12. The next Herefordshire Voice survey is already underway and will be completed in early January. This is focussing on a key finding in paragraph 8 - access to services. The intention is to better understand the nature of any difficulties the panellists have in getting to the services they need. This includes dentists, doctors surgeries, local hospitals, chemist, library/mobile library, the Courtyard, a cinema, swimming pool and sports / leisure facilities.
13. In summary, there is a considerable amount of data available should members wish to use it as a starting point in selecting areas of service or public concern for their future scrutiny work programme. Equally the Committee could consider how the available data is currently being used to improve a selected range of services. Finally, given adequate lead in times, future local surveys could also be used to provide information during a piece of scrutiny work.

### RECOMMENDATION

**THAT the Committee consider the range of data available and the recent results and agree what, if any, areas they wish to consider in their future work plan.**

### BACKGROUND PAPERS

- Herefordshire Annual Satisfaction Survey 2005 – 2006 Summary Report Issue 3
- HV0607 The 14<sup>th</sup> Herefordshire Voice Survey report of July 2006.

## CORPORATE ICT STRATEGY

**Report By: DIRECTOR OF CORPORATE AND CUSTOMER SERVICES**

### Wards Affected

County-wide

### Purpose

1. To seek comments on the proposed Corporate ICT Strategy, consideration of this item having been deferred by the Committee on 15th January, 2007.

### Financial Implications

2. These are expected to meet from existing budgets.

### Background

3. The proposed ICT Strategy sets out the key issues for the future provision of an effective ICT service for the authority. It is important to note that the ICT Strategy is essentially a technical document. A copy of the Corporate ICT Strategy has been sent separately to Members and is available to Members of the Public on request.
4. This is the first time a detailed strategy document has been developed to set out the plans for future years on how the service must develop and adapt to meet the business needs of the organisation. Herefordshire Council and its partners are facing a growing demand for and investment in new ICT solutions to both enable and improve the delivery of services.
5. Much improvement has been achieved over the past 2-3 years through securing capital funding for major infrastructure programmes; a key example is the Community Network Upgrade Programme which is delivering a modern network infrastructure without which further improvements could not be made.
6. There is significant work remains to be done. Much of the current hardware / server infrastructure that is in use across the Authority is no longer covered by the manufacturers' warranty and requires consolidation and replacement. This has mostly come about as a consequence of the complex funding model used for ICT Services which operates as a trading account with the rest of the organisation. ICT projects have been commissioned by individual Directorates and the resultant technical infrastructure has been optimised for individual project requirements rather than as a sustainable, longer-term solution for the Council as a whole. The multiplicity of servers, operating systems, database software and applications make the existing technical environment costly, difficult to maintain and difficult to resource due to the wide variety of skills needed.
7. The Council's current and future service requirements dictate that a flexible working solution should be in place as soon as possible. Again the technical infrastructure needs substantial work to achieve this objective. In particular it will be necessary to standardise the desktop computing environment so that hot-desking / home –

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Further information on the subject of this report is available from  
Jane Jones, Director of Corporate and Customer Services on 01432 260042

working models can be introduced. Many of the older IT software applications in use are also not suitable for flexible working models and will restrict the ability to implement flexible working for some staff if they are not replaced.

8. The proposed ICT Strategy is a key building block which enables delivery of many of the business needs of the Herefordshire Connects programme. The delivery and resourcing of the ICT Strategy will need to be closely co-ordinated and aligned with Herefordshire Connects to ensure that its component parts are available when they are needed.
9. The growing importance of disaster recovery in managing the corporate risk and recent inspection and audit recommendations whilst recognising the considerable progress made over the past two years, both mean that progress still needs to be made, only adding to the pressures on the existing infrastructure.
10. Changes in legislation and government policy are adding to the challenge of providing secure, efficient public services electronically.
11. The strategy does not make reference to the continuing work with schools. The Scrutiny review of ICT is likely to propose specific recommendations about the relationship. The Council continues to discuss specific requirements with schools.
12. Cabinet considered the draft document at its meeting on 14<sup>th</sup> December. It noted comments already received from Corporate Management Board in relation to the need for a introduction to set the document in context to reflect its relationship to the medium term financial strategy and to update points of detail. It therefore commended the strategy for further consultation before being confirmed by Cabinet.
13. On the 22<sup>nd</sup> December the Strategic Monitoring Committee met to consider the recommendations arising out of the ICT review. These are attached as appendix 1. It will be important for the strategy to take account of the recommendations which are Implemented.
14. The proposed ICT Strategy is based on a technical infrastructure that employs two data centres for resilience and back-up requirements. Recent developments with the Council's Accommodation Strategy indicate that medium-term availability of the new data centre in Plough Lane may be a challenge. The consequences of this have not yet been assessed or incorporated into the proposed ICT Strategy.
15. ICT Services is heavily dependent for its funding by charging for its services which are delivered as part of commissioned projects managed by the Corporate Programmes department. In the event that Council policy on project management determines in the future that project management services would not form part of the scope of functions performed by the Council, ICT Services ability to offer an effective service to the organisation may be adversely affected if this funding mechanism ceases to exist.
16. Significant risk exists both in operational, financial and reputational terms in the event that the Council does not invest in key ICT projects to provide a suitable and sustainable infrastructure for service delivery and disaster recovery.
17. The proposed ICT Strategy has not yet been issued for consultation either within ICT Services or across the Council. As and when this consultation takes place, changes to the strategy are anticipated to be necessary.

## RECOMMENDATION

**THAT any comments received by Members be taken into account as part of the consultation on the strategy before it returns to Cabinet.**

## BACKGROUND PAPERS

- None identified

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Jane Jones, Director of Corporate and Customer Services on 01432 260042

