

AGENDA

Cabinet

Date: **Thursday 26 November 2009**

Time: **2.00 pm**

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

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

For any further information please contact:

Sally Cole, Committee Manager Executive

Tel: (01432) 260249

Email: scole@herefordshire.gov.uk

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

Agenda for the Meeting of the Cabinet

Membership

Chairman Councillor RJ Phillips

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

GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS

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

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

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

AGENDA

Pages

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

Notice is hereby given that the following report contains a key decision. When the decision has been made, Members of the relevant Scrutiny Committee will be sent a copy of the decision notice and given the opportunity to call-in the decision.

Item No	Title	Portfolio Responsibility	Scrutiny Committee	Included in the Forward Plan Yes/No
10	Herefordshire Schools Task Group Consultation	ICT, Education & Achievement	Children's Services	No

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

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

3. MINUTES

To approve and sign the minutes of the meeting held on 29 October 2009.

1 - 4

4. INTEGRATED CORPORATE PERFORMANCE REPORT

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

5 - 54

5. CUSTOMER STRATEGY

To inform Cabinet of the rationale behind and the contents of the joint Herefordshire Council & NHS Herefordshire Customer Strategy, so that regard can be had to it in future planning and commissioning of services and budget decisions.

55 - 78

6. RISK MANAGEMENT AND ASSURANCE

To approve the revised joint Risk Management and Assurance Policy and Guidance documents.

79 - 128

7. RESPONSE TO SCRUTINY REVIEW OF ECONOMIC DEVELOPMENT STRATEGY

To respond to the Community Services Scrutiny Committee review of the Economic Development Strategy.

129 - 146

8. RESPONSE TO COMMUNITY SERVICES COMMITTEE SCRUTINY REVIEW OF TOURISM

To respond to the Community Services Scrutiny Committee review of

147 - 182

tourism.

- | | |
|--|------------------|
| <p>9. LOCAL DEVELOPMENT FRAMEWORK, CONSULTATION ON THE CORE STRATEGY</p> <p>To approve the "Place Shaping Paper" as a consultation document on the emerging Core Strategy, and to agree an outline of the consultation arrangements.</p> <p>Note: The consultation document will be forwarded separately to the agenda.</p> | <p>183 - 188</p> |
| <p>10. HEREFORDSHIRE SCHOOLS TASK GROUP CONSULTATION</p> <p>To note the feedback from the Herefordshire Schools Task Group (HSTG) formal consultation, and to consider the recommendations of the Herefordshire Schools Task Group.</p> | <p>189 - 214</p> |
| <p>11. BUDGET MONITORING REPORT</p> <p>To report September's budget monitoring information and provide an indication of estimated outturn for both revenue and capital. To report on treasury management activities in the first six months of 2009/10.</p> | <p>215 - 248</p> |

The Public's Rights to Information and Attendance at Meetings

YOU HAVE A RIGHT TO: -

- Attend all Council, Cabinet, Committee and Sub-Committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- 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.
- Access to a public Register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees.
- 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.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, Committees and Sub-Committees and to inspect and copy documents.

Public Transport Links

- Public transport access can be gained to Brockington via the service runs approximately every 20 minutes from the City bus station at the Tesco store in Bewell Street (next to the roundabout junction of Blueschool Street / Victoria Street / Edgar Street).
- The nearest bus stop to Brockington is located in Vineyard Road near to its junction with Old Eign Hill. The return journey can be made from the same bus stop.

HEREFORDSHIRE COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

FIRE AND EMERGENCY EVACUATION PROCEDURE

In the event of a fire or emergency the alarm bell will ring continuously.

You should vacate the building in an orderly manner through the nearest available fire exit.

You should then proceed to Assembly Point J which is located at the southern entrance to the car park. A check will be undertaken to ensure that those recorded as present have vacated the building following which further instructions will be given.

Please do not allow any items of clothing, etc. to obstruct any of the exits.

Do not delay your vacation of the building by stopping or returning to collect coats or other personal belongings.



Where possible this agenda is printed on paper made from 100% Post-Consumer waste. De-inked without bleaching and free from optical brightening agents (OBA). Awarded the Nordic Swan for low emissions during production and the Blue Angel environmental label

HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 29 October 2009 at 2.00 pm

Present: Councillor JP French (Chairman)

Councillors: AJM Blackshaw, JG Jarvis, PD Price and DB Wilcox

In attendance: Councillors WLS Bowen, TM James and RI Matthews

31. APOLOGIES FOR ABSENCE

Apologies were received from Councillors: RJ Phillips, Leader of the Council, LO Barnet, Cabinet Member Older People Social Care Adults, H Bramer, Cabinet Member Resources and JA Hyde, Cabinet Member Children's Services.

Apologies were also received from Councillor PJ Edwards, Chairman Strategic Monitoring Committee.

32. DECLARATIONS OF INTEREST

There were no declarations of interest received.

33. MINUTES

RESOLVED: That the Minutes of the meeting held on 24 September and 1 October 2009 be approved as a correct record and signed by the Chairman.

34. COMPREHENSIVE EQUALITY POLICY AND DISABILITY EQUALITY SCHEME

The Equality and Diversity Manager presented the report. She advised Cabinet of the following:

- The Council's commitment to equality and diversity was key to working in partnership with the Primary Care Trust (PCT) and Hereford Hospitals Trust (HHT).
- Herefordshire had reached Level 3 of The Equality Standard in Local Government but that this was now moving up to Level 5;
- The target date for achieving Level 5 was now set for 2011;

In answering a Member's question, the Chief Executive advised that although there was not an equivalent equality and diversity team in the PCT and HHT, the NHS organisations were in the process of agreeing the same single equality policy and were working with the Council's diversity team to achieve this.

Cabinet was advised that since April 2009, 16 racial incidents had been reported which was deemed to be a low level and that none had been referred to the criminal prosecutor.

A discussion was held on the measurement on achievements in relation to equality standards, how diversity standards were measured and whether standards were measured

against achievement rather than just against the process and additionally the need to promote the work of the Equalities and Diversity team.

RESOLVED: That

- (i) **the progress and work that has been achieved through the Comprehensive Equality Policy be acknowledged;**
- (ii) **the development of a single equality policy for the Council be agreed; and**
- (iii) **the progress to date in developing the Disability Equality Scheme and the timescale for publication be acknowledged.**

35. RISK MANAGEMENT AND ASSURANCE

Cabinet was informed that the report was deferred until the next meeting of Cabinet.

RESOLVED: That consideration of the report be deferred until the next meeting of Cabinet to be held on Thursday 26 November 2009.

36. RESPONSE TO ENVIRONMENT SCRUTINY COMMITTEE REPORT ON ITS REVIEW OF ON STREET PARKING

The Chairman of Environment Scrutiny Committee presented the report and informed Cabinet of the Review Group Chairman's comments that:

- The current Local Transport Plan had not achieved the reduction of traffic needed in Hereford City;
- There was a need to find a workable alternative to the existing two vehicle residents scheme whereby residents could park more easily;
- Adequate parking should be found for community groups based in residential areas.

The Cabinet Member for Highways and Transportation advised on the following points:

- that consultation should be carried out on any material changes to on street car parking policies prior to any final decision being taken;
- that any changes to the current residents parking permit scheme to eliminate any possible permit misuse could result in Traffic Orders needing to be revised;
- that the emphasis should be on enforcement of the current permit scheme to eliminate misuse of permits;
- that there would be no addition to the cycle rack provision in High Town, Hereford and any additional racks be situated on the periphery;
- that a trial on car park exit charges to commence in 2010.

RESOLVED: That

- (i) **the responses set out in Appendix 1 to the Report be agreed in principle subject to recommendation 9(a) in the Appendix being amended to include any increase to the current cycle racks on the periphery of High Town, Hereford; and**

- (ii) **public consultation be undertaken on any proposed material changes to the car parking policies prior to any final decision being taken on the review of On Street Parking and that the final decision be delegated to the Chief Executive in consultation with the Cabinet Member for Highways and Transportation.**

37. DATA QUALITY - SIX MONTH PROGRESS REPORT

The Head of Policy and Performance Management presented the report and Cabinet noted the progress being made against the data quality action plan. In noting the progress Members were pleased to note that major tasks had been completed and significant milestones had been passed.

The Deputy Leader reminded Members that the Audit and Corporate Governance Committee shares the Cabinet's aim in keeping data quality high on the priority list.

RESOLVED: That the progress now being made against the data quality action plan be noted.

The meeting ended at 2.40 pm

CHAIRMAN

MEETING:	CABINET
DATE:	26 NOVEMBER 2009
TITLE OF REPORT:	INTEGRATED CORPORATE PERFORMANCE REPORT
PORTFOLIO AREA:	CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

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

Key Decision

This is not a Key Decision.

Recommendations

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

Key Points Summary

- The recession threatens the achievement of some targets, such as young people not in education, training or employment, but good progress continues to be made in implementing the *Fighting the Downturn* action plan, and the outlook for affordable housing and households in temporary accommodation, although still challenging, is better than it was in Quarter 1.
- *'Initial assessments for children's social care carried out within seven working days of referral' (NI59)* has improved significantly, and is now ahead of target.
- Street cleanliness targets are not on track, or improving on last year, but remedial action is in hand.
- Waste collection, recycling and composting are ahead of target, and improved performance is expected on land-fill.
- The majority of LAA indicators are on track, and remedial action is being taken in respect of others, particularly as regards healthier communities and older people, for which action plans are now in place or being developed.

Alternative Options

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

Reasons for Recommendations

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

Introduction and Background

- 3 The report is based on the most important indicators and the associated key actions set out in the Annual Operating Statement 2009-10. The indicators have been chosen for their ability to tell the story of performance in relation to the themes of the Herefordshire Community Strategy and the associated priorities of the Council:

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

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

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

stronger communities;

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

environment.

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

organisational improvement and greater efficiency.

- 4 For each of these themes, indicators have been grouped to show performance in relation to four points of focus:
 - citizens;
 - services;
 - partnership; and
 - statutory.
- 5 There are three levels of reporting. Appendix 1 explains how judgements have been made for each level of report.

Level 1 (Appendix 2) is a high-level summary of performance produced by aggregating the judgements for individual indicators from the lower levels. The following four indicators are considered to be of particular importance:

NI 59 – initial assessments of children for social care within 7 days
NI 117 – 16-18 year olds not in education, employment or training
NI 136 – people supported to live independently through social services
Local – Average staff sickness (Full Time Equivalent)

If any one of these is rated **Red** or **Amber** in the more detailed level 2 and 3 reports, the part of the Level 1 report they relate to will be marked with a * to signify there is an issue.

Level 2 (Appendix 3) provides the level of performance for each individual indicator.

Level 3 (Appendices 4 A (i) – G (ii)) provides the full detail for each of the indicators. It shows targets, actual performance and trends. It also includes progress against action plans to improve performance. Each indicator has been rated in two ways:

its likelihood of achieving target; and

whether or not it is improving compared with last year (that is, its direction of travel).

The primary basis for rating is up to date performance data. Only in the absence of this (and only then if there is a good reason) are judgements based on progress in delivering planned actions that are intended to lead to improved performance.

- 6 The financial context for this report is set out in the budget monitoring report elsewhere on your agenda. Financial issues and risks have been taken into account in the performance issues discussed below.

Key Considerations

- 7 Assessed for each of the themes, the highlights are:

Children and young people

- *'Initial assessments for children's social carried out within seven working days of referral' (NI59) is now judged **Blue** – on track to achieve target - (having been **Red** at Quarter 1) reflecting extensive and successful action to improve the process.*
- A major area of concern continues to be the increasing pressures across most aspects of safeguarding children. Since the Baby Peter case there has been a substantial national increase in child protection referrals, which is reflected in Herefordshire. The risks to achieving targets in these and other respects are being addressed in the context of the development of recovery plans to deliver services within budget provision (see *accompanying Budget Monitoring Report*).
- The 2009 examination results show a mixed picture. The majority are below what are mainly nationally determined targets, but three show better performance than last year. Actions in place to improve results next year include:
 - A wide-ranging programme to improve early years performance.
 - At Key Stage 2, a literacy package for years 4 and 6; and one-to-one tuition to support pupils who may not otherwise be able to attain the desired progress.
 - Enhanced analysis of looked after children's key stage results, with dedicated support, funding and monitoring for targeted individuals.

Health & Well-being

- Reducing delayed transfers of care from hospitals (NI131) has improved slightly since the first quarter, but remains behind target. However, agreed changes to the way performance is measured have yet to feed through into the figures and the reconfiguration of delayed discharge management at community hospitals is expected to lead to significant improvement in the next quarter.
- Still behind target in respect of *clients receiving Self-Directed Support (NI 130)* and *People supported to live independently (NI 136)*. Timeliness of social care assessments (NI132) and social care packages (NI 133) are also now behind target as a result of an increase in safeguarding work. This has been caused by the need to address the consequences of home closures, with the result that less resource has been available for routine social care activities.
- The risks to achieving targets in these and other respects are being addressed in the context of the development of a recovery plan to deliver services within budget provision, which include the draft World Class Commissioning submission, and the updating of the Older People's Strategy. A new Older People's Strategy, which has clear synergy with the work of the Health and Well-being Partnership, is on target to be approved by February 2010
- Budgetary pressures arising in relation to people with learning disabilities and older people are being alleviated, but not eliminated, by expected efficiency savings from Herefordshire Connects and an increase in the Social Care Reform Grant.

Safer Communities

- Following the significant increase in the number of people killed and seriously injured in road accidents (NI 47) reported for the first quarter, there's been a fall in the second. This has been to the extent that we are now on track to achieve this year's target.

Stronger Communities

- Although still judged **Red**, there has been a slight improvement in the number of affordable homes delivered this year (NI 155). A number of schemes are due to be completed during Quarter 3 which will lead to improved performance, and external funding is being maximised to ensure that further units are delivered during the year, although achievement of the target remains challenging.
- There has been a further increase in the number of households in temporary accommodation (NI 156). Additional staffing resources are being directed towards administering and processing enquiries in response to increased interest in the National Mortgage Rescue Scheme. A proposal is being prepared to focus loan support to 20 households who are currently being blocked from re-housing on account of former landlord rent arrears. This should free-up temporary accommodation and enable reductions in bed and breakfast use as households are moved into more suitable accommodation.
- Performance in processing planning applications (NI157) continues to be ahead of target, and better than last year for two of the three indicators.

Economic Development

- Generally good progress in implementing the *Fighting the Down-turn* action plan. Although 100% higher than the same period last year, job-seeker claimant figures have now stabilised, and with support from external funding new programmes have been started to

address unemployment. An updated action plan will be produced in November for consideration by the Herefordshire Partnership Board.

- *'Business satisfaction with regulatory services'* (NI 182) now has a target and action plan intended to address the under-performance reported thus far.

Environment

- Levels of residual waste collected (NI 191) continue to be ahead of target. In respect of recycling and composting (NI 192), performance is now ahead of target, having been slightly behind during Quarter 1. Municipal waste land-filled (NI 193) is still behind target, although the development of a revised Joint Municipal Waste Management Strategy and implementation of the new Waste Collection contract in November are expected to deliver improved performance later in the year.
- The results of the first of the three annual results of street cleanliness (NI195) show that levels of litter, detritus and graffiti are behind target and failing to improve on last year. Remedial action in hand includes working with Amey to repeat the Watchman Initiative, under which letters are sent to residents where access problems are being caused by parked cars; working with the Highways Agency to tackle cleanliness issues on all highways; formulating a long-term plan to tackle kerbside vegetation; implementing a 'See it – clear it' policy for graffiti; and looking into the availability of funding to reinstate the previously successful 'Graffiti Amnesty'.
- An action plan is being delivered to reduce CO₂ emissions in the county. JMT will consider in November further measures.

Organisational Improvement and Greater efficiency

- Although behind target and despite the substantial increase in numbers of claims and changes, there continues to be an improvement in the average time taken to process housing and council tax benefits (NI 181), from 18.68 days at the end of June to 15.47 days at the end of September (the target is 14 days).
- Of the indicators in this report where data is available and comparisons can be made with last year, 43% are improving. This compares with a target of 60%. In previous years, as more data becomes available, it has been usual for the rate of improvement to increase in the last two quarters.
- The Shared Services programme will begin to release recurrent savings this year, which are targeted to rise to in excess of £3.5 million in future years. These will help offset the predicted shortfall that a restricted local government settlement would bring. The current value for money training programme is intended to lead to significant further improvements across the Council.

8 The Local Area Agreement

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

- 24 are judged to be on course to achieve target (20 at quarter one*);
- 3 are marginally behind target (6 at quarter one*); and

* Incorrect figures of 21 on course, 7 marginally behind, and 7 significantly behind were reported at Quarter One.

- 8 are significantly behind target or have no action plan (9 at quarter one*).

All seven indicators for *Health & Well-being* remain behind target but for the five that have an action plan significant improvements in performance are forecast during the final six months of the year. For the remaining two - 'mortality rate from all circulatory diseases at ages under 75' (NI 121), and 'stopping smoking' (NI 123) - work is underway to develop action plans in quarter three.

Community Impact

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

Financial Implications

- 10 None.

Legal Implications

- 11 None.

Risk Management

- 12 By highlighting progress against the Council's Corporate Plan and Annual operating Statement, including the major risks to achievement and how they are being mitigated, this report is an essential component of the Council's management of risks.

Consultees

- 13 None.

Appendices

Appendix 1	Key to the reports
Appendix 2	Level 1 Report
Appendix 3	Level 2 Report
Appendices 4 A (i) – G (ii)	Level 3 Report and progress against commitments
Appendix 5	Local Area Agreement (LAA)




Background Papers

- 14 None.

KEY TO PERFORMANCE REPORTS




LEVEL 1

PERFORMANCE AGAINST TARGETS AND ACTION PLANS	
4	Overall, performance is significantly better than target(s)
3	On track to achieve target(s)
2	Slightly behind target(s)
1	Significantly behind target(s)

DIRECTION OF TRAVEL	
	Overall, performance is better than for the same period last year
	Overall, performance is the same as for the same period last year
	Overall, performance is behind that for the same period last year

Areas that are shaded  signify that no information is required for this report

LEVELS 2 & 3

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

	Citizen Focus		Service Focus		Partnership Focus & Organisational Health		Statutory Focus	
	Perf.	Direction of Travel	Perf.	Direction of Travel	Perf.	Direction of Travel	Perf.	Direction of Travel
Children & Young People	3	▲	3 (2 last quarter)	◄►	3 (2 last quarter)	▲	1 (2 last quarter)	▼
Healthier Communities and Older People	2		1 (3 last quarter)	▼	2	▲	4	▲
Safer Communities	3 (2 last quarter)	▼	3	◄►	3			
Stronger Communities	2 (1 last quarter)		3		3		3 (2 last quarter)	
Economic Development and Enterprise	3		1		3			
Environment	2 (4 last quarter)	▲	3 (2 last quarter)	▲	3		2	▲
Organisational Improvement	1 (2 last Quarter)	▼	3 (2 last Quarter)	▲	2	▼	2 (1 last quarter)	

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

Within the judgement for Organisational Improvement - statutory focus - the key indicator of 'average sickness (full-time equivalent) (3 month average)' is currently judged **Amber**.

For explanation, see the covering Cabinet report and the Level 3 Report (Appendix 4).

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

	Citizen Focus	Perf.	DoT	Service Focus	Perf.	DoT	Partnership Focus & Organisational Health	Perf.	DoT	Statutory Focus	Perf.	DoT
Safer Communities	NI 21 – dealing with concerns about anti-social behaviour (LAA)	3		NI 168 – condition of principal roads (LAA)	3	▶	NI 30 – priority & prolific offenders (LAA)	3				
	NI 47 – people killed or seriously injured in road traffic accidents (LAA)	3	▶	NI 169 – condition of non-principal roads (LAA)	3	▶						
	NI 3 – civic participation	3		NI 9 – use of libraries (LAA)	3		NI 4 – influencing decisions in the locality (LAA)	3		NI 1 – % of people who believe people from different backgrounds get on well together (LAA)	3	
	NI 6 – participation in regular volunteering	3		NI 11 – engagement in the arts (LAA)	3					NI 156 – households in temporary accommodation (LAA)	1	▶
	NI 155 – number of affordable homes delivered (LAA)	1	▶							a) Major	4	▶
Stronger Communities										NI 157 – processing of planning applications	4	▶
										b) Minor	4	▶
										c) Other	3	▶
										a) Local shop	3	
										b) Advice provision	3	
Economic Development and Enterprise										Local – access to services (LAA)	3	
	NI 171 – VAT registration rate (LAA)	3		NI 182 – business satisfaction with regulatory services	1		NI 152 – working age people on out of work benefits (LAA)	3				
							NI 163 – working age people qualified to Level 2 or higher (LAA)	3				
							NI 178 – bus services running on time (LAA)	3				

	Citizen Focus	Perf.	DoT	Service Focus	Perf.	DoT	Partnership Focus & Organisational Health	Perf.	DoT	Statutory Focus	Perf.	DoT	
Environment	NI 191 – residual household waste per household (LAA)	3	▲	NI 192 – % of household waste sent for reuse, recycling and composting	3	▲	NI 197 – improved biodiversity (LAA)	3		NI 186 – CO ₂ emissions (LAA)	3		
	NI 195 – improved street cleanliness and environmental cleanliness	a) Litter	1	◀▶							NI 193 - % of municipal waste landfilled	1	▲
		b) Detritus	1	▶									
		c) Graffiti	1	▶									
		d) Fly-posting	3	▶									
NI 196 – improved street cleanliness and environmental cleanliness – fly tipping	1	◀▶											
Organisational Improvement	Local - customer satisfaction	1	▶	NI 14 – avoidable contact	1		NI 179 – Value for Money	2		Local – the % of Local Authority employees with a disability	2		
				NI 180 - the number of changes of circumstances which affect customers' Housing Benefit / Council Tax Benefit entitlement within the year	4		Local – average sickness (full-time equivalent) (3 month average)	2		Local - the % of Local Authority employees from ethnic minority communities	2		
				NI 181 – time taken to process Housing Benefit / Council Tax Benefit claims and change events	2	▲	Local - number of vacant posts as a proportion of the approved establishment	2					
				Local - % of Council Tax collected (BVPI 9)	3	▲	Local - Use of Resources	2					
				Local - % of non-domestic rates collected (BVPI 10)	3	▲	Local - % of key performance indicators improving on last year	1	▶				

Indicator	Tolerance		Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis
	2006-07	2007-08	2008-09	June		September	June	September	June	September	June	
Citizen												
NI 110 – participation in positive activities (LAA) Bigger is better			86.20%	91.00%	91.00%				3	3	n/a	No Data - Collected as part of the Tellus Survey. The Tellus Survey is currently underway in schools and early results will be available in January 2010. All tasks are on target. Additional promotion of summer activities took place to raise the take up.
PAF / CF 63 – participation of looked after children in their reviews Bigger is better	95%	98%	93%	100%	100%	94.40%	96.60%	2	2	▲	▲	90.6% at the same period last year. Participation of Looked After Children in their reviews remains a top priority for the directorate and all efforts are made to ensure that children & young people feel able to participate. There is a wide programme of participation events held to increase the confidence of looked after children. All tasks are on target. Training has been undertaken by some looked after young people to enable them to chair their own reviews and thus increase participation.
Service												
NI 59 – initial assessments for social care done within 7 days Bigger is better	58.7	57.4	37.4	65%	65%	56.90%	67.90%	1	3	▲	▲	50.6% at the same period last year. As anticipated, the Q2 Outturn has achieved, and slightly exceeded, the target set for the year. This has been the result of targeted improvement work with the team focusing on managing timeliness & quality. The target will now be reviewed in light of this outturn. All tasks are on target.
NI 65 - % of children becoming the subject of a Child Protection Plan for a second or subsequent time Smaller is better	15	14	15	13%	13%	12.60%	12.70%	3	3	▲	▲	This is good performance in line with the target set for the year and an improvement on the 2008/2009 outturn. Managers continue to monitor the situation. All tasks are on target.
Partnership												
NI 117 – 16-18 year olds not in education, employment or training (NEET) (LAA) Smaller is better	5.5	5.4	5.9	5%	5%			2	3	n/a	n/a	Annual return of outturn data will be available in January 2010. The percentage of 16-18 NEETs continues to rise. The post-16 NEET programme has just started up again which should help. However, the biggest group in the overall NEET group is 18 year olds who have already been through post-16 provision. Connexions is liaising with Jobcentre Plus about fast-tracking these young people to New Deal provision. All tasks are on target although this remains an area for concern as a result of the continuing recession.

Indicator	Tolerance		Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis
	2006-07	2007-08	2008-09	2007-08		2008-09	June	September	June	September	June	
Local – % of actions implemented arising from quality audits programme					50% (to September) 70% (to December) 80% (year-end)		50%	3	3	n/a	n/a	The programme of quality audits has commenced and the Quality Assurance Panel is in place and operating. Learning and actions are being implemented as a result of audit work. All tasks are on target. The audit programme is continuing to be implemented in line with the agreed programme. The Quality Assurance Panel next meets in December 2009.
Local – permanent school exclusions including looked after children			18		14		0	1	4	▲	▲	There have been no permanent exclusions in the first month of the new academic year. All tasks are on target.
Local – number of Common Assessment Framework (CAF) assessments completed across agencies					300		55 (cumulative)	3	2	n/a	n/a	The number of CAF's is increasing. More people are being trained and more support is available through the CAF support team (Vanguard team). We anticipate further increases as the process embeds. All tasks are on target.
Statutory												
NI 72 – achievement of 78+ points across Early Years Foundation Stage (EYFS)		47.9% (2006-07 academic year)	42% (2007-08 academic year)		53% (2008-09 academic year)		45.8% (2008-09 academic year)	1	1	▲	▲	Although not achieving target, this return represents a significant improvement on the 2008 return which was 42%. The predominance of boys in the EYFS continues to impact on results with 37% of boys achieving the improvement target compared with 54.9% of girls. All tasks are on target. Work is focused on maintaining the improvement in performance evidenced in the 2009 results.
NI 73 – achievement in English & Maths at Key Stage 2 Level 4			72% (2007-08 academic year)		78% (2008-09 academic year)		70.8% (2008-09 academic year)	1	1	▼	▼	This unvalidated return for 2009 has not achieved target and is 2% below the 2008 return. Results in Key Stage 2 have shown a continuing downward trend over the last three years and targeted work is underway in schools. All tasks are on target. The current round of target setting in schools is a particular focus to address performance in this area. Results will be validated in January 2010. All tasks are on target.
NI 75 – 5 or more GCSEs at A*-C including English & Maths		51.7% (2006-07 academic year)	53% (2007-08 academic year)		60% (2008-09 academic year)		52.9% (2008-09 academic year)	2	1	n/a	▼	
Local – achievement at Key Stage 1:												
Reading at Level 2B+			69.90%		59%		68.90%	4	4	▼	▼	
Maths at level 2B+			70.80%		79%		71.80%	1	1	▲	▲	Activity in the coming year to improve results include the use of "Teaching Talking" beyond the Foundations Stage to improve oracy, delivery and monitoring of training in phases 5 and 6 of Letters and Sounds to ensure early foundations are built on; and implementing the Year of Reading
Writing at level 2B+			53.90%		54%		52.90%	2	2	▼	▼	
Local – looked after children attainment (2008-09 academic years):												
NI 99 - reaching level 4 in English at Key Stage 2		77.8%	25.0%		50%		28.60%	2	1	n/a	▲	Two children out of the total cohort of seven achieved Level 4 in English at Key Stage 2, which means that the target has not been achieved. However, with such small cohorts, care must be taken because one child not achieving the required level will have a disproportionate effect on the overall percentage. It should also be noted that the cohort had a large number of children with special educational needs. All tasks are on target.
NI 100 - reaching level 4 in maths at Key Stage 2		66.7%	50.0%		50%		42.90%	2	1	n/a	▼	Three children out of the total cohort of seven achieved Level 4 in Maths at Key Stage 2, which means that the target has not been achieved. However, with such small cohorts, care must be taken because one child not achieving the required level will have a disproportionate effect on the overall percentage. It should also be noted that the cohort had a large number of children with special educational needs. All tasks are on target.

Level 3 Report
Children and Young People

Appendix 4 A (i)

Indicator	Tolerance	Performance			Target	Latest Performance		Judgement		Direction of Travel		Analysis
		2006-07	2007-08	2008-09		June	September	June	September	June	September	
NI 101 - achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4 (including English and maths)	Bigger is better	23.1%	15.0%	28.6%	20%	June	September	June	September	June	September	September
							21.40%	2	3	n/a	▶	Three children out of the total cohort of 14 achieved 5 A*-C GCSEs including English and Maths. A further three children in the cohort achieved 5 A*-C without English and Maths. All tasks are on target.

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Cabinet lead	Strategic lead	Progress
Maintain and enhance educational standards at all Key Stages	Implement Primary Strategy	Mar-11	ICT, Education and Achievement	Director of Children's Services	Ongoing implementation of Primary and Secondary Strategies. School Improvement Partners are now working with schools to assist and challenge with target setting for individual pupils. Targeted support continues to be provided to those schools causing concern, with regular updates to the Cabinet Member and Directorate Leadership Team
	Implement Secondary Strategy				
	Analyse and interpret individual school and pupil related performance data				
	Identify and provide targeted support for schools with low or declining performance				
Implement the Primary Capital Strategy, Building Schools for the Future (BSF) and the Academy	Implement vision and strategy for primary capital build, including bidding fund for Develop resources and strategy for change and begin to implement BSF	Mar-11	ICT, Education and Achievement	Director of Children's Services	Herefordshire's Primary Strategy for change has been approved by the DCSF. The directorate is now working with Leominster Infants and Juniors on the new build and potential amalgamation of the two schools. Consultation with the public is now underway. Herefordshire Academy has received planning permission. The new build of the Minster is progressing to budget and timescale. BSF preparation will involve a presentation by Partnership for Schools to JMT and Cabinet, scheduled for November 2009
	Complete major rebuilds				
	Implement Children's Centres roll-out plan				
Conclude Children's Centres and Extended Schools roll out plans	Implement Extended Schools roll-out plan	Mar-10	Children's Services	Director of Children's Services	10 of 12 children's centres have now been designated. Of the remaining two centres, the first, in North Hereford City, has been identified and is awaiting Cabinet Member approval. The second centre, in the north of the county, has still to be confirmed. Given the geographic sparsity of service users, it is unlikely to be a new build but services are likely to be delivered from several existing buildings. The current estimate of schools providing the full core offer of extended services is 89% (the Training Development Agency (TDA) target is 90% by September 2009).

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Cabinet lead	Strategic lead	Progress
Embed Children's Trust arrangements, including commissioning and contract monitoring arrangements	Establish working arrangements with the joint commissioning unit as part of the arrangements with the PCT	Dec-09	Children's Services	Director of Children's Services	Now that appointments have been made to the integrated commissioning directorate, CYPD is working with it to develop specific ways of working, including the role of the Children's Trust. The CYP Plan is being managed through the regular work of the Children's Trust and CYPD
	Deliver and monitor implementation of Children and Young People's Delivery Plan	Mar-11			
Continue to work with schools and communities to secure the best possible sustainable school education for the future	Development and implementation of strategy to continue providing the county's children with high educational standards	Mar-11	ICT, Education and Achievement	Director of Children's Services	The Schools Task Force has developed a draft framework for developing future educational provision in Herefordshire. This has been consulted upon with head teachers and is now out for wider consultation, with will end in November 2009.

Indicator	Tolerance	Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis
		2007-08	2008-09		June	September	June	September	June	September	
Citizen NI 39 – alcohol harm related admission rates (LAA)	Smaller is better	1,199		1,237	326.4 (cumulative)		2	2	▶		Quarter 2 data not yet available. Expected November 2009.
NI 130 – social care clients receiving Self Directed Support (LAA)	Bigger is better			21%	6.32%	6.12%	1	1	n/a	n/a	Our current performance is in line with other West Midlands authorities, our performance suffers from historical performance. A Project Manager has been appointed to drive forward the uptake of services associated with this indicator.
NI 136 – people supported to live independently through social services (LAA)	Bigger is better		3,635	3,090 (to September) 3,763 (year-end)	2,102	2,643.54	1	1	▶	▶	Data currently reported provides only a partial view. This will be rectified over the next 2 quarters as activity associated with external agencies becomes available. This NI has yet to include the Grant Funded Services data for this year which will be available in December.
NI 138 – satisfaction of people over 65 with both home and neighbourhood	Bigger is better		89				1	1	n/a	n/a	This is a new indicator measured by the place survey which is carried out bi-annually. The target will be set in the next quarter. England average for this indicator is 84. The Older People strategy has been updated and delivery on track. Development of new strategy has been delayed to ensure it has clear synergy with work of Health and Well-being partnership. Strategy is still on target to be developed by February 2010.
NI 57 - Children and young people's participation in high-quality PE and sport (LAA)	Bigger is better		95%	95%			3	3	n/a	n/a	No Data – Annual data collection – Data available in March 2010. The figures from Sport Unlimited (3 hours - part of the target) are based on the activity in term 1 which is April to July. All tasks are on target.
Service											
NI 132 – timeliness of social care assessments	Bigger is better		86.80%	91%	98.90%	74.80%	3	1	▶	▶	90% at same period last year. Decline in performance is due to increase in safeguarding work. Frontline resources have been engaged in ensuring vulnerable clients are receiving appropriate protection to ensure that they are safe. The consequence of this has been less resource available for routine social care activities.
NI 133 – timeliness of social care packages	Bigger is better		88.20%	92%	100%	56.11%	3	1	▶	▶	84% at same period last year. Decline in performance is due to increase in safeguarding work. Frontline resources have been engaged in ensuring vulnerable clients are receiving appropriate protection to ensure that they are safe. The consequence of this has been less resource available for routine social care activities.
Partnership											
NI 40 – drug users in effective treatment (LAA)	Bigger is better			541		528 (to June)	3	2	n/a	n/a	Harm Reduction Strategy almost complete with Hidden Harm Conference to be held 01/12/09. Merca Net training commences 30/10/09. Review of drug treatment services underway and due for completion 31/12/09.
NI 125 – achieving independence for older people through rehabilitation / intermediate care	Bigger is better		71.8	75	68.7	89.01 (to August)	1	4	▶	▶	The figures presented in this report are the preliminary findings to August 2009 and require further validation. The figures are based on those patients, discharged from the acute hospital into the 3 intermediate care units – Hillside, Kington and Ledbury.
NI 131 – delayed transfers of care from hospitals	Smaller is better		41	27	12 amended to 36	34.8	4	1	n/a	n/a	Reconfiguration of delayed discharge management in community hospitals is expected to give rise to a significant improvement in this indicator in the next quarter.

Level 3 Report
Healthier Communities and Older People

Indicator	Tolerance	Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis
		2007-08	2008-09		June	September	June	September	June	September	
NI 142 – number of vulnerable people who are supported to maintain independent living (LAA)	Bigger is better		90.5	97.41%			1	1	n/a	n/a	<p>Awaiting data from Communities and Local Government. The previous regime for this indicator nationally is coming to an end and a new set up is being developed and implemented. Now entering into a period of change and development of new projects.</p> <p>A business plan is currently being developed to make recommendations on the supporting people programme. Four pilots are currently being delivered that will cease between March-July 2010. A supporting people commissioning plan is also being undertaken to guide the future commissioning of supporting people services; these include learning disability - move on and transitional worker, older people and vulnerable disabled adult pilot, and a wrap around floating support service for offenders and people who are at risk of offending.</p>
Statutory											
Local – % of adult safeguarding referrals with a multi-agency plan within 7 days	Bigger is better		26%	>26%	32%	49%	4	4	▲	▲	

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Cabinet lead	Strategic lead	Progress
Implementation of the joint health and social care commissioning plans to secure modern, more effective services for people with mental health problems, learning	Joint Commissioning Strategy	Dec-09	Older People & Social Care Adults	Director of Integrated Commissioning	September Commissioning strategies for mental health, Older people, Dementia and Intermediate care nearing completion, World Class Commissioning work is on track. This year strong emphasis on ensuring health and social care priorities are linked
	Agree with providers how to re-model services to promote independence and personalised care	Mar-10			
Ensure information, advice and advocacy is available to all	Ensure all promotional materials are available in easy-read formats	Jun-09	Older People & Social Care Adults	Director of Integrated Commissioning	Contract extended to cover period up to April 1st 2010, tendering exercise for service from April 1st is underway.
	Extend advocacy services to all users and carers	Sep-09			
Ensure self-directed care and personalised services are offered to the majority of service users	Raise awareness of the self-directed care option and sustain support	Apr-09	Older People & Social Care Adults	Director of Integrated Commissioning	Event held in May in Hereford City centre, Outcomes yet to be analysed.
	Establish programme board for the "Putting People First" programme	From April 2009			
Increase range and availability of support to carers	Implement the seven stream of the "Putting People First" programme	Continuing to 2011	Older People & Social Care Adults	Director of Integrated Commissioning	Programme Manager appointed and Board established. All workstreams have begun.
	Re-commission support services for carers	Jun-09			
All services enable people to be treated with dignity and respect	Extend individual budgets to carers	Mar-10	Older People & Social Care Adults	Director of Integrated Commissioning	Completed.
	To ensure appropriate training is delivered to all social care and health staff and is included within safeguarding training	Apr-09			
Integrate health and social care across front-line services / Extend integration of health	Ensure minimum standards in relation to dignity and respect included within contracts - Covered within QAF standards, with plans to include within future contracting arrangements	Apr-09	Older People & Social Care Adults	Director of Integrated Commissioning	Review completed in April, new training programme to be launched on November. Providers have been contacted outlining the minimum standards to be expected.
	Roll-out integrated health and social care model to all localities	Sep-09			

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Cabinet lead	Strategic lead	Progress
and social care across front-line services Develop and implement Older People's Strategy	Roll-out of integrated intermediate care service	Apr-09			September
	Consultation document issued	Aug-09	Older People & Social Care Adults	Director of Integrated Commissioning	Work on track – work begun in April and is moving forward.
	Strategy approved	Feb-10			Previous strategy has been updated and delivery on track. Development of new strategy has been delayed to ensure it has clear synergy with the work of the Health and Well-being partnership. Strategy is still on target to be approved by Feb-2010.

Indicator	Tolerance	Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis	
		2007-08	2008-09		2009-10	June	September	June	September	June		September
Citizen												
NI 21 – dealing with concerns about anti-social behaviour (proxy – incidents of anti-social behaviour – including speeding - criminal damage, alcohol-related disorder, alcohol-related violent crime) (LAA)	Bigger is better		25.40%	30.4% (2010-11)				3	3	n/a	n/a	Data available from the Herefordshire QoL survey. Next due Autumn 2010, therefore no data for 2009/10. Good progress being made against the action plan. The Reassurance Group no longer meets. Await decision on whether it is fit for purpose.
NI 47 – people killed or seriously injured in road traffic accidents (calendar year) (LAA)	Smaller is better	133 (3 year average)	115 (3 year average)	87 (to September) 116 (year-end) (3 year average of 114)	53 to May	86	1	3	3	▶	▶	There is a time delay in obtaining this data of approximately 3-4 weeks. All tasks in Transportation have either been completed or are underway. Good performance against tasks identified in Safer Herefordshire Action Plans. HRSG continue to meet bi-monthly.
Service												
NI 168 – condition of principal roads (proxy: delivery against highway maintenance plan) (LAA)	Smaller is better	6%	4%	5%		5%	3	3	n/a	▶	▶	Unaudited data. Current tasks have commenced on time and a revised action plan to achieve the LAA target has been agreed with Ainey Wye Valley.
NI 169 – condition of non-principal roads (proxy: delivery against highway maintenance plan) (LAA)	Smaller is better	11%	11%	9%		9%	3	3	n/a	▶	▶	Unaudited data. Current tasks have commenced on time and a revised action plan to achieve the LAA target has been agreed with Ainey Wye Valley.
Partnership												
NI 30 – priority & prolific offenders (PPOs) (LAA)	??			21% (79)			3	3	n/a	n/a	n/a	Quarter 1 data not yet available. Expected November 2009. There are currently 20 multi-agency PPOs identified in Herefordshire, six of which are serving custodial sentence, 14 are in the community.
Statutory												
No indicators												

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Cabinet lead	Strategic lead	Progress	
						September
Continue to work with our partners through the implementation of <i>Herefordshire Community Safety and Drugs Partnership (HCSDP)</i> strategy 2008-11 to reduce the impact of crime, drugs and anti-social behaviour on the people who live work and visit Herefordshire	Action plans with targets to be produced annually	Plan for 2009 by June 2009.	Environment and Strategic Housing	Director of Environment & Culture	The 2009-10 action plan has been agreed and is being implemented	
		Strategy to be fully implemented by 2011				
The number of adults killed or seriously injured in road accidents to be reduced	Delivery of programme of road safety schemes, education, training and publicity in accordance with the Local Transport Plan (LTP) strategy	Mar-11	Highways & Transportation	Director of Regeneration	The Planning and Transportation's Road Safety and Accident Investigation and Prevention teams lead on a wide range of education, training and publicity and engineering measures to address road traffic accidents. More detailed commentary on this activity is set out in the Local Transport Plan Road Safety Strategy and is reported on in an annual progress report. We have exceeded our target of 135 for 2008/09 for KSIs and our target of 13 for Child KSIs and are therefore on track. Delivery Plan progress: List of high priority sites produced and from this we have now carried out the majority of the investigations and the implementation of works (as covered by the other two supporting actions) and as such all actions are on target / have been met.	
	Work in partnership with Highways Agency to ensure they contribute to meeting Herefordshire casualty reduction targets by action on trunk roads Working with the Safer Roads Partnership to review speed camera sites and ensure focused speed enforcement campaign in the County					
Complete and publish draft <i>Hidden harm</i> strategy.	Draft Hidden Harm Strategy to be completed	Sep-09	Economic Development & Community Services	Director of Regeneration	The Strategy is due to be completed in October.	
	Launch of strategy	Nov-09				

Level 3 Report
Stronger Communities

Indicator	Tolerance	Performance		Target 2009-10	Latest Performance		Judgement		Direction of Travel		Analysis
		2007-08	2008-09		June	September	June	September	June	September	
Citizen											
NI 3 – civic participation	Bigger is better		16%	17.5% (2010-11)			1	3	n/a		Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 17.5%. Work is progressing in line with the action plan.
NI 6 – participation in regular volunteering (LAA)	Bigger is better		29%	32.5% (2010-11)			2	3	n/a		Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 32.5%. Work is progressing in line with the action plan.
NI 155 – number of affordable homes delivered (LAA)	Bigger is better	141	208	110 (to September) 220 (year-end)	44 (cumulative)	96	1	1	▶	▶	96 at the same period last year. Overall indicator is just below target, although there are schemes due to complete during the 3rd Quarter. There are some concerns that the target will not be met, but funding is being maximised to ensure as many units as possible are delivered during 09/10.
Service											
NI 9 – use of libraries (LAA)	Bigger is better		47.90%	51% (2010-11)			3	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 51%. Work is progressing in line with the action plan.
NI 11 – engagement in the arts (LAA)	Bigger is better		46.40%	49.5% (2010-11)			3	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 49.5%. Work is progressing in line with the action plan.

Indicator	Tolerance		Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis
	2007-08	2008-09	2009-10	June	September	June	September	June	September	June	September	September
Partnership												
NI 4 – influencing decisions in the locality (LAA)		28.80%	32.3% (2010-11)			3	3	n/a	n/a			Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 32.3%. Work is progressing in line with the action plan.
Statutory												
NI 1 - % of people who believe people from different backgrounds get on well together (LAA)		75.90%	79.4% (2010-11)			3	3	n/a	n/a			Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 79.4%. Work is progressing in line with the action plan.
NI 156 – households in temporary accommodation (LAA)	109	98	82	116	118	1	1	▶	▶			111 at the same period last year. Increased interest in the National Mortgage Rescue Scheme means that additional staffing resources are to be directed towards administering and processing enquiries. A proposal is being prepared to focus loan support on 20 households who are currently being blocked from re-housing on account of former landlord rent arrears. This should free-up temporary accommodation and enable reductions in B&B use as households are moved into more suitable accommodation.
NI 157 – processing of planning applications: Major applications within 13 weeks Minor applications within 8 weeks Other applications within 8 weeks												Estimated figure using old software (this figure is not totally accurate as misses the last few days of September). The Integrated Environment and Regeneration System (IERS) is now in place however there are teething problems with the system, which have prevented the end of Quarter figures from being produced from this system. It is unclear at this point when these problems will be resolved.
a) Major applications within 13 weeks		73%	60%	75%	92%	4	4	▶	▶			60% at the same period last year.
b) Minor applications within 8 weeks		73%	65%	80%	72%	4	4	▶	▶			71% at the same period last year.
c) Other applications within 8 weeks		87%	80%	79%	82%	2	3	▶	▶			86% at the same period last year.
Local – % of people who find access to services difficult: Local shop Advice provision Public transport facility Cultural / recreational facility												Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011. Work is progressing in line with the action plan.
a) Local shop		12%	11% (2010-11)			2	3	n/a	n/a			
b) Advice provision		18%	16% (2010-11)			2	3	n/a	n/a			
c) Public transport facility		21%	21% (2010-11)			2	3	n/a	n/a			
d) Cultural / recreational facility		21%	19% (2010-11)			2	3	n/a	n/a			

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Cabinet lead	Strategic lead	Progress	
						September
Ledbury Centre to incorporate a range of services and functions in one facility	Access funding for the scheme	2009	Economic Development & Community Services	Director of Environment & Culture	Action plan proceeding on target.	
	Undertake and complete work	2010				
Relocate the library in Hereford to a new multi-use customer and cultural centre on the Edgar Street Grid	Establish best site for the Centre	2009-12	Economic Development & Community Services	Director of Environment & Culture	Linked to the ESG development.	
	Relocate to new site					
Development of phases 3, 4 & 5 of Aylestone Park	Continue development of Aylestone Park – including playing areas, pitches and bowling green. Timing dependent on approval of planning applications	Throughout 2009-11	Economic Development & Community Services	Director of Environment & Culture	No progress. Funding reliant on section 104 monies.	
	Implement outcomes of review of street cleanliness					
Improve street cleanliness	Review progress and performance regularly, ensuring that planning applications are processed in a timely manner.	Apr-09	Environment & Strategic Housing	Director of Environment & Culture	Although performance for the first tranche of inspections has fallen a revised action plan has been agreed with Amey to achieve the year's target.	
Improve performance on processing major planning applications within 13 weeks	Attract a country / sport team to use Hereford as a pre-game training camp	Monthly	Environment and Strategic Housing	Director of Regeneration	Targets being achieved. Two of the three indicators are performing better than for the same period last year.	
Support Herefordshire's involvement in London 2012 Olympic and Paralympics Games	Promote opportunities for the county, its residents, organisations and businesses to benefit from London 2012	2010-2012	Economic Development & Community Services	Director of Regeneration	A partner working group, led by Cllr. Blackshaw, has developed a programme of activities that is being delivered to target.	
	Support 2010 Blind Football World Championships					
Establish a talent identification programme in preparation for the 2012 Olympic and Paralympics Games	Work with schools and clubs to identify talent leading up to the 2012 Olympic Games in London	Sep-09	Economic Development & Community Services	Director of Regeneration	Work in progress through School Sports Partnerships.	

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Cabinet lead	Strategic lead	Progress
Ensure continuing build of affordable houses	<p>Ensure affordable homes are included within plans and proposals</p> <p>Work with developers to secure affordable homes</p>	To 2011	Environment & Strategic Housing	Director of Regeneration	<p>September</p> <p>Every effort is being made to meet the target despite the economic downturn. At this stage we are not likely to be seeking a further re-negotiation of LAA NI 155 which has a target 09/10 of 220 and 10/11 of 275. We have received confirmation that the targets and outturns are cumulative and over achievement against target in 08/09 can count towards the final LAA outturn for the 3 years.</p>

Level 3 Report
Economic Development and Enterprise

Indicator	Tolerance	Performance		Target 2009-10	Latest Performance		Judgement		Direction of Travel		Analysis September
		2007-08	2008-09		June	September	June	September	June	September	
Citizen											
NI 171 – VAT registration rate (LAA)	Bigger is better		59.2	41.8 (2009)			3	3	n/a	n/a	All activity is on target and taking place as planned.
Service											
NI 182 – business satisfaction with regulatory services	Bigger is better			72%	60%	67%	1	1	n/a	n/a	The action plan is being delivered as planned. This is intended to address the under performance so far this year.
Partnership											
NI 152 – working age people on out of work benefits (LAA)	Smaller is better	8.90%	8.90%	8.4% (2010-11)			3	3	n/a	n/a	Data not available at present. This is dependent on the Department for work and Pensions providing the information, for which there is no agreed timescale. All actions are progressing as planned and are on target.
NI 163 – working age people qualified to Level 2 or higher (LAA)	Bigger is better	69.8% (2007)		74.8% (2009)			3	3	n/a	n/a	Data not available as is to be sent from Learning Skills Council and they have yet to cleanse the data prior to release to the local authority. There is no agreed timescale as to when the data will be available. All planned activity is taking place and on target.
NI 178 – bus services running on time (LAA)	Bigger is better	67%	80%	80%			3	3	n/a	n/a	Annual Data, data next due March 2010. All planned activity has either been achieved or is on target to date.
Statutory											
No indicators											

Our key commitments for 2009-11	What are the key actions we will take to achieve these	Completion date	Cabinet lead	Strategic lead	Progress
Increase the number of bus journeys made compared to 2005-06	Secure planning permission for first permanent park and ride site and deliver it	Dec-09	Highways and Transportation	Director of Regeneration	Transportation Team is seeking to optimise the subsidised services to benefit most users, up to a point at which they may become commercially viable. The team is undertaking a comprehensive programme of publicity to ensure that users and potential users have high quality information on the available services.
	Secure continued operation by extension or re-tendering of bus service contracts to provide high quality services, with low floor buses, to attract and retain passengers	March 2010 & 2011			
	Provide comprehensive public transport information	March 2010 & 2011			
Construction of Model Farm employment units commenced and first units completed	Infrastructure servicing completed for first phase	Dec-09	Economic Development & Community Services	Director of Regeneration	The detailed design work has been commissioned and Arup predict that this will be completed in time to submit a planning application by Christmas. The work will give an idea of cost, and the Project Board meeting in November will be dedicated to discussing financing options. Spaceworks, the preferred supplier for the live work element, has been encouraged to submit a package under the Government's Kick Start programme. The outcome of proceeding to the next stage will be known in December. This will mean the bringing forward of the live work element if successful.
Construction of Retail Quarter commenced; on and off-site infrastructure commenced	Flood mitigation construction commenced	Apr-09	Highways & Transportation; Economic Development & Community Services	Director of Regeneration	The Flood Alleviation Scheme initial procurement stages have commenced and work is underway to progress the Link Road Scheme in accordance with the ESG programme, subject to planning permission and funding. A workshop has been held to consider the design solutions required for the down-grading of the Inner Ring Road.
	Delivery of vacant possession to developer	Jan-10			
	Link Road construction commenced	Mar-10			

Our key commitments for 2009-11	What are the key actions we will take to achieve these	Completion date	Cabinet lead	Strategic lead	Progress
	Commencement on site	Mar-10			September
	Flood Mitigation constructed	Apr-10			
	Link Road constructed	Apr-11			
	Retail Quarter open	2012			
Completion of new cattle market	Completion of new livestock market	Dec-10	Resources	Director of Regeneration	Lease agreed with Stanhope and planning permission has been granted. Flood alleviation work has been commissioned and contracts have been issued.
	Closure of old livestock market and transfer of market to new site	Dec-10			
Units on Rotherwas Futures phase 2 completed and site infrastructure in place	First units complete, with phase 2 to be complete by target date.	Apr-10	Economic Development & Community Services	Director of Regeneration	Anticipate Environment Agency sign off of flood management plan for estate in October, which will make Phase 1 Plots available and allow Phase 2 Infrastructure work to start. Planning permission for Phase 2 will hopefully be secured in October 2009.
Implement the inward investment strategy	Strategy Launch	Oct-09	Economic Development & Community Services	Director of Regeneration	[any progress?]
	Marketing Campaign	Dec-09			
	Implementation of new initiatives	Mar-10			
An action plan to combat the effects of the downturn and prepare for recovery	Create interactive web advice service for businesses promoted through local media and business agencies	May-09	Economic Development & Community Services	Director of Regeneration	The claimant figures have stabilised, though still approximately 100% increase compared with the same time last year. Most affected are young people. New programmes have started to address unemployment, with support from external ABG funding. Revised action plan to be produced in November and presented to Herefordshire Partnership Board.
	Instigate a 20 day payment limit for invoices, and work towards a continuous reduction	Jun-09			
	Establish funding programme to support business growth and training voucher scheme	Jul-09			
	Instigate a scheme to address "retail blight" to address empty shops within Hereford and the market towns	Jul-09			

Our key commitments for 2009-11	What are the key actions we will take to achieve these	Completion date	Cabinet lead	Strategic lead	Progress
Extend the refurbishment of Hereford City Centre	Complete the extended refurbishment work in city centre	Jul-09	Economic Development & Community Services	Director of Regeneration	<p>September</p> <p>Widemarsh Street enhancement project is progressing well and on track for commencement on site in January 2010. Consultation has taken place with stakeholders and Cabinet Members regarding the design, which is currently out to tender.</p> <p>The public consultation has been finalised with support for redevelopment of the butter market. The cost for redevelopment range from £6m to £14m depending on the scale of improvement to the building. No funding is currently identified. However, some EU funds allocated to urban / city projects is currently underspending by 70% so there is potential that this funding stream will become available to second tier cities like Hereford. This should be confirmed by the end of the calendar year (50% match funding required).</p>

Indicator	Tolerance	Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis
		2007-08	2008-09		2009-10	June	September	June	September	June	
Citizen											
NI 191 – residual household waste per household (LAA)	Smaller is better	852kg	690.01kg	720kg (LAA: 759kg) (year-end) 300kg (to August)	114.33kg to May (cumulative)	292.14kg to August	4	3	▲	▲	312.59kg at same period last year. The action plan to deliver this target is being delivered according to programme.
NI 195 – improved street cleanliness and environmental cleanliness:											The data is from the first of three surveys. This data is being analysed to inform future activity. A detailed action plan to improve performance has been developed with Arney Wye Valley and is being implemented.
a) Litter	Smaller is better		5%	5%		10%	2	1	◆	◆	10% at the same period last year.
b) Debris			13%	9%		15%	2	1	◆	◆	1% at the same period last year.
c) Graffiti			1%	1%		4%	2	1	◆	◆	2% at the same period last year.
d) Fly-posting			1%	1%		1%	2	3	◆	◆	0% at the same period last year.
NI 196 – improved street cleanliness and environmental cleanliness – fly tipping	Smaller is better			Grade 1		Grade 2	1	1	◆	◆	There has been no improvement in performance for the year to date. The action plan is intended to ensure that the year end target is achieved.
Service											
NI 192 – % of household waste sent for reuse, recycling and composting	Bigger is better		33.24%	35%	34.75% to May	35.96%	2	3	▲	▲	32.68% at same period last year. The action plan to deliver this target is being delivered to programme.
Partnership											
NI 197 – improved biodiversity (LAA)	Bigger is better	29%		38.30%			3	3	n/a	n/a	Annual Data, data next due March 2010. All planned activity on target.
Statutory											
NI 186 – CO ₂ emissions (LAA)	Smaller is better			13.1% (2010)			2	3	n/a	n/a	The action plan to deliver this target is being delivered to programme.
NI 193 - % of municipal waste landfilled	Smaller is better		64.61%	55.44%	61.59% to May	61.08%	1	1	▲	▲	64.37% at same period last year. Although the action plan to deliver this target is on programme and waste is being reduced, the Council is currently able to trade LATS allowances with Worcestershire. The two authorities are effectively sharing LATS targets and because of the savings in logistics, it is cheaper for Herefordshire to landfill its waste, whilst Worcestershire is sending waste to facilities in Coventry and Wolverhampton.

Environment Commitments

Appendix 4 F (ii)

Our key commitments for 2009-11	What are the key actions we will take to achieve these	Completion date	Cabinet lead	Strategic lead	Progress
Reduce the amount of municipal waste land filled	Implement new waste collection contract	Nov-09	Environment & Strategic Housing	Director of Environment & Culture	Residual waste landfilled continues to fall. September
	Implement the new Joint Municipal Waste Management Strategy	Mar-11			
Reduce the amount of residual waste per household and increase the proportion of waste recycled or composted	Implement new waste collection contract	Nov-09	Environment & Strategic Housing	Director of Environment & Culture	The amount of residual waste continues to fall and recycling and composting proportions are increasing.
	Implement the new Joint Municipal Waste Management Strategy	Mar-11			
Reduce Council's CO ₂ emissions	Report to go to JMT	Sep-09	Environment & Strategic Housing	Director of Environment & Culture	The report due to be considered by JMT in September is now scheduled to be considered in November.

Level 3 Report
Organisational Improvement

Indicator	Tolerance	Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis
		2007-08	2008-09		June	September	June	September	June	September	
Citizen											
Local - customer satisfaction	Bigger is better		78%	83%	82% to May	75% to August	2	1	▲	▼	
Service											
NI 14 – avoidable contact	Smaller is better		27.18%	24%		33%	1	1	n/a	n/a	Data is now collected continually for all contacts that occur through the Customer Service teams using SAP CRM and reporting has been developed. Performance remains at around 33%, in line with the national trend. Another round of training and awareness is planned for September to secure service improvements. Work is being undertaken with the service areas which have the highest avoidable percentages, and the next round of Business Improvement Projects will focus on these areas. As the customer strategy is implemented, NI 14 data collection will become broader. Plans need to be made to ensure complete data capture across the authority by 2011. The current deterioration in performance is largely due to the roll-out of the recycling bins and associated information. Many queries are from people who don't fully understand the information leaflets, or who have had problems with the way the recycling bins have been distributed. Additional resources have been provided until the additional capacity is no longer required.
NI 180 - the number of changes of circumstances which affect customers' Housing Benefit / Council Tax Benefit entitlement within the year	Bigger is better			725 (to September)	401	840	4	4	n/a	n/a	
NI 181 – time taken to process Housing Benefit / Council Tax Benefit claims and change events	Smaller is better		14.36 days	14 days	18.68 days	15.47 days	2	2	▲	▲	16.68 days at the same time last year.
Local - % of Council Tax collected (BVPI 9)	Bigger is better	98.62%	98.54%	49.25% (to August) 98.8% (year-end)	30.80%	49.48%	2	3	▲	▲	49.36% at the same time last year.
Local - % of non-domestic rates collected (BVPI 10)	Bigger is better	98.63%	98.57%	52.6% (to September) 98.7% (year-end)	30.33%	52.62%	2	3	▲	▲	52.6% at the same time last year.
Partnership											
NI 179 – Value for Money	Bigger is better		£5.134m	£5m			2	2	n/a	n/a	
Local – average sickness (full-time equivalent)	Smaller is better			5%	5%		3	2	n/a	n/a	The indicators available for September indicate 5.4%. However, further validation work is being undertaken with the reports, which are from a non-integrated, old HR system which is due for urgent replacement. The reports have been pulling in some sickness from earlier periods which is making the figures appear higher than they should be. Sickness rates have already dropped considerably since 2008-09 and are due to fall further once the figures for September are validated.

Level 3 Report
Organisational Improvement

Appendix 4 G (i)

Indicator	Tolerance	Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis
		2007-08	2008-09		June	September	June	September	June	September	
Local - number of vacant posts as a proportion of the approved establishment	Smaller is better			4.50%			1	2	n/a	n/a	The vacant posts being monitored are 'live' vacancies rather than all vacancies. The new, more robust, indicator is due to show all vacancies as a % of establishment, but further work is required through Resources on validating the establishment for all directorates before this can be reported.
Local - Use of Resources	Bigger is better		3	3			2	2	n/a	n/a	
Local - % of key performance indicators improving on last year	Bigger is better		57%	60%	58%	47%	2	1	▶	▶	18 of 38 indicators are currently showing improvement.
Statutory											
Local - the % of Local Authority employees with a disability	Bigger is better			4%			1	2	n/a	n/a	Indicator now defined and target set. Activity includes running focus groups to inform further options for recruiting and retaining staff from diverse backgrounds; encouraging completion of ethnicity and disability data on the HR system; and recruitment continuing with a focus on harder to reach groups. Last year's Employee Opinion Survey statistics (based on a 50% response) show 6% of employees with a disability which is a positive picture.
Local - the % of Local Authority employees from ethnic minority communities	Bigger is better			3%			1	2	n/a	n/a	Indicator now defined and target set. Activity includes running focus groups to inform further options for recruiting and retaining staff from diverse backgrounds; encouraging completion of ethnicity and disability data on the HR system; and recruitment continuing with a focus on harder to reach groups. Last year's Employee Opinion Survey statistics (based on a 50% response) show 4% of the Council's employees are from a minority ethnic community, comparable with our local population profile and therefore positive.

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Cabinet lead	Strategic lead	September
Deal positively with all complaints alleging discriminatory treatment	All complaints of a discriminatory nature to result in further action	Throughout 2009-11	Corporate Customer Services & HR	Deputy Chief Executive	All complaints/request for support/ advice, result in further action. To date (Oct 09) we have dealt with 41 incidents of which 18 were internal (Council related).
Rationalisation of Council and PCT estates Ensure the Council is fully prepared to meet the challenges in the Local Government & Public Involvement in Health Act 2007	Implement Accommodation Strategy Improved PACT and other consultation mechanisms in place Implement changes identified by review of constitution	Mar-11 Mar-09 Mar-11	Resources Corporate Customer Services & HR	Director of Resources Deputy Chief Executive	
Reach the 'excellence' rating of the equality standard for local government	Continue to roll out EIA process Ensure up-to-date equality schemes in place: - Disability scheme - Gender scheme Complete roll-out of impact assessment plans across all directorates	Oct-09 Apr-10 Mar-11	Corporate Customer Services & HR	Deputy Chief Executive	The Equality Standard for local government has been superseded by the Equality Frame Work and we have been assessed as "Achieving" in February 2009. We now have 2 years to progress to the next level which is "Excellent" by 2011. It has been agreed by Cabinet, JMT and the PCT board (OCT 2009) to pursue joint equality policies. A new Single Equality Policy will be in place by April 2010. The new DES will be published by the end of November 2009, this is a joint scheme across Council, NHS Herefordshire and Hereford Hospitals Trust. Work to review this scheme will start in January 2010. Most of the Council directorates are continuing with a programme of impact needs assessments which has become embedded within the service planning process, however, there is concern that within PCT service areas there is little or no evidence of impact assessments taking place and there is no organised/managed or monitored programme of assessments in place.
Continue to achieve improvements in data quality	Continue to implement data quality action plan – score 3 or equivalent in 2009-10	Mar-10	Corporate Customer Services & HR	Deputy Chief Executive	Improved progress in September which is being reported to JMT and Cabinet with more tasks being completed. Still behind schedule overall.

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Cabinet lead	Strategic lead	
Improve the effectiveness of services	Shared Services Review	Aug-09	Corporate Customer Services & HR	Deputy Chief Executive	<p style="text-align: center;">September</p> <p>The business case was completed August 2009 and the recommendations approved by JMT and HHT Board. These recommendation included a soft market sounding exercise that is due to be completed October 2009 and a procurement quick wins review. The outcome of the Soft Market Test will be taken to Cabinet, PCT and HHT Board during November and December 2009 and will include recommended options for approval. A supporting communications plan includes member / non-executive director briefings, staff briefings and Trade Union briefings.</p>
Improve customer service	Customer Services Strategy	To be confirmed	Corporate Customer Services & HR	Deputy Chief Executive	<p>The Customer Service Strategy was signed off by JMT in October 2009. The strategy covers the period 2009-2011. Progress against the action plan is currently on schedule. For example, the first major milestone is the creation of a Corporate Customer Insight Unit. This has a deadline of January 2010 - and is expected to be completed on schedule. The target date for this indicator needs to be changed in subsequent reports to reflect the period that the strategy covers.</p>

Local Area Agreement

Appendix 5

	Performance		Target		Latest Performance		Judgement		Direction of Travel		Analysis
	2008-09	2009-10	2009-10	2010-11	June	September	June	September	June	September	
STRONGER COMMUNITIES											
N1 1 - % of people who believe people from different backgrounds get on well together	75.90%	79.4% (2010-11)						3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 79.4%. Work is progressing in line with the action plan.
N1 4 - % of people who feel they can influence decisions in their locality	28.80%	32.3% (2010-11)					3	n/a	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 32.3%. Work is progressing in line with the action plan.
N1 6 - Participation of regular volunteering	29%	32.5% (2010-11)					2	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 32.5%. Work is progressing in line with the action plan.
N1 9 - Use of Libraries	47.90%	51% (2010-11)					3	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 51%. Work is progressing in line with the action plan.
Local Indicator NI 11 - Engagement in the Arts	46.40%	49.5% (2010-11)					3	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011, the target for which is 49.5%. Work is progressing in line with the action plan.
NI 155 - Number of affordable homes delivered (gross)	208	110 (to September) 220 (year-end)	44 (cumulative)	96			1	1	▽	▽	98 at the same period last year. Overall indicator is just below target, although there are schemes due to complete during the 3rd Quarter. There are some concerns that the target will not be met, but funding is being maximised to ensure as many units as possible are delivered during 09/10.
NI 156 - Number of households in temporary accommodation	98	82	116	118			1	1	▽	▽	111 at the same period last year. Increased interest in the National Mortgage Rescue Scheme means that additional staffing resources are to be directed towards administering and processing enquiries. A proposal is being prepared to focus loan support on 20 households who are currently being blocked from re-housing on account of former landlord rent arrears. This should free-up temporary accommodation and enable reductions in B&B use as households are moved into more suitable accommodation.
Local Indicator Respondents who find it difficult to access the following services Reduction of 1% of respondents to the survey who find it difficult to access a local shop (including those which provide post office and bank or cashpoint services) by March 2011; Baseline – 12%, reported in March 2009 Reduction of 1% in 2010 and a further 1% in 2011 of respondents to the survey who find it difficult to access Solicitor, Citizens Advice Bureau or other advice services; Baseline – 18% reported in March 2009. Maintain levels of those who find it difficult to access public transport facility e.g. bus stop, train station; Baseline – 21% reported in March 2009. Reduction in 1% in 2010 and a further 1% in 2011 of respondents to the survey who find it difficult to access cultural / recreational facility e.g. theatre, cinema; Baseline 21% reported in March 2009	12% 18% 21% 21%	11% 17% 21% 20%					2	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data available in 2011. Work is progressing in line with the action plan.
Local Indicator Ensure Herefordshire has a Major Incident Recovery Plan for the Local Authority that is fit for major events Publication of the plan - 2008 Exercising and ratification - 2009 Review the plan - 2010 Aim for and encourage all Herefordshire's Partners have a business/service continuity plan, including for those services that have been outsourced, by 2011 Aim for all Herefordshire Council contracts to include a statement that ensures Business Continuity plans are in place, particularly those supporting or have an input to critical services, for all new contracts and be lined up for those up for renewal.		see indicator on left						3	n/a	n/a	Recovery The updated Emergency Response and Recovery guidance has been published, and the Recovery Plan is being reviewed against this. The Recovery Co-ordinating Group (RCG) was convened in June, following the significant fire at Skymark in Leominster, and assessed the impacts of the fire and considered the support to be given. Business Continuity The Joint Emergency Planning Unit (JEPU) has made progress in updating the Business Continuity Plans (BCPs), focusing on staffing and resource issues since the outbreak of the current Swine Flu pandemic to ensure that critical services could continue to function. A pool of non-critical staff has been identified to augment services suffering from a shortfall. The Crisis Management Team has met on three occasions to manage major IT outages, with other incidents being managed at a service level. The JEPU offers support and guidance in writing BCPs to businesses and voluntary organisations. As part of the upgrade of BCPs, services will identify external providers of critical services or resources and ensure that BCPs are in place.
SAFER COMMUNITIES											

	Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis
	2008-09	2009-10		June	September	June	September	June	September	
NI 19 - Rate of proven re-offending by young people	126	117	117			3	3	n/a	n/a	Data available from the Herefordshire QoL survey. Next due Autumn 2010, therefore no data for 2009/10. Good progress being made against the action plan. The Reassurance Group no longer meets. Await decision on whether it is fit for purpose.
NI 21 - Dealing with local concerns about anti-social behaviour and crime issues by the local council and police	25.40%	30.4% (2010-11)	30.4% (2010-11)			3	3	n/a	n/a	There are currently 20 multi-agency PPOs identified in Herefordshire, six of which are serving custodial sentence. 14 are in the community. Harm Reduction Strategy almost complete with Hidden Harm Conference to be held 01/12/09. Mercia Net training commences 30/10/09. Review of drug treatment services underway and due for completion 31/12/09.
NI 30 - Re-offending of prolific and priority offenders		21% (79)	21% (79)			3	3	n/a	n/a	Quarter 1 data not yet available. Expected November 2009.
NI 40 - Drug users in effective treatment		541	541	528 (to June)		3	2	n/a	n/a	There are currently 20 multi-agency PPOs identified in Herefordshire, six of which are serving custodial sentence. 14 are in the community. Harm Reduction Strategy almost complete with Hidden Harm Conference to be held 01/12/09. Mercia Net training commences 30/10/09. Review of drug treatment services underway and due for completion 31/12/09.
NI 47 - People killed or seriously injured	115 (3 year average)	87 (to September) 116 (year-end) (3 year average of 114)	87 (to September) 116 (year-end) (3 year average of 114)	53 to May	86	1	3	▽	▽	There is a time delay in obtaining this data of approximately 3-4 weeks. All tasks in Transportation have either been completed or are underway. Good performance against tasks identified in Safer Herefordshire Action Plans. HRSG continue to meet bi-monthly.
HEALTH AND WELL-BEING										
<i>Local Indicator</i>										
NI 39 - Alcohol/harm related hospital admission rates	1,249	1,237	1,237 (cumulative)	326.4		2	2	▽	▽	Quarter 2 data not yet available. Expected November 2009.
NI 121 - Mortality rate from all circulatory diseases at ages under 75	63.8	57	57			1	1	n/a	n/a	Work is progressing in line with the action plan.
NI 123 - Stopping smoking	355	814.8	814.8	214 (to August)		1	1	n/a	n/a	No action plan.
NI 130 - Social Care clients receiving Self Directed Support (Direct Payments and Individual Budgets)		21%	21%	6.32%		1	1	n/a	n/a	Our current performance is in line with other West Midland authorities, our performance suffers from historical performance.
NI 135 - Carers receiving needs assessment or review and a specific carer's service, or advice and information	13.30%	20.40%	20.40%			1	1	n/a	n/a	A Project Manager has been appointed to drive forward the uptake of services associated with this indicator.
NI 136 - People supported to live independently through social services (all ages)	3,635	3,090 (to September) 3,763 (year-end)	3,090 (to September) 3,763 (year-end)	2,102	2,643.54	1	1	▽	▽	Action place now developed and being delivered, the majority of which are not expected to have an impact until the second part of the year.
NI 142 - Number of vulnerable people who are supported to maintain independent living	90.5	97.41%	97.41%			1	1	n/a	n/a	Data currently reported provides only a partial view. This will be rectified over the next 2 quarters as activity associated with external agencies becomes available. This NI has yet to include the Grant Funded Services data for this year which will be available in December.
CHILDREN AND YOUNG PEOPLE										
NI 51 - Effectiveness of child and adolescent mental health (CAMHS) services	15	16	16			3	3	n/a	n/a	The previous regime for this indicator nationally is coming to an end and a new set up is being developed and implemented. Now entering into a period of change and development of new projects.
NI 56 - Obesity among primary school age children in Year 6	16.20%	15.70%	15.70%			2	2	n/a	n/a	A business plan is currently being developed to make recommendations on the supporting people programme. Four pilots are currently being delivered that will cease between March-July 2010. A supporting people commissioning plan is also being undertaken to guide the future commissioning of supporting people services; these include learning disability - move on and transitional worker, older people and vulnerable disabled adult pilot, and a wrap around floating support service for offenders and people who are at risk of offending.
NI 57 - Children and young people's participation in high-quality PE and sport	95%	95%	95%			3	3	n/a	n/a	No Data - Annual data collection - Data available in March 2010. The figures from Sport Unlimited (3 hours - part of the target) are based on the activity in term 1 which is April to July. All tasks are on target.
<i>Local Indicator</i> NI 110 - Young People's participation in positive activities	86.20%	91.00%	91.00%			3	3	n/a	n/a	No Data - Collected as part of the TellUs Survey. The TellUs Survey is currently underway in schools and early results will be available in January 2010. All tasks are on target. Additional promotion of summer activities took place to raise the take up.

	Performance		Target	Latest Performance		Judgement		Direction of Travel		Analysis
	2008-09	2009-10		June	September	June	September	June	September	
NI 117 - 16-18 years old who are not in education, training or employment (NEET)	5.90%	5%				2	3	n/a	n/a	Annual return of outturn data will be available in January 2010. The percentage of 16-18 NEET's continues to rise. The post-16 NEET programme has just started up again which should help. However, the biggest group in the overall NEET group is 18 year olds who have already been through post-16 provision. Connexions is liaising with Jobcentre Plus about fast-tracking these young people to New Deal provision. All tasks are on target although this remains an area for concern as a result of the continuing recession.
ECONOMIC DEVELOPMENT										
NI 152 - Working age people on out of work benefits	8.80%	8.4% (2010-11)				3	3	n/a	n/a	Data not available at present. This is dependent on the Department for work and Pensions providing the information, for which there is no agreed timescale. All actions are progressing as planned and are on target.
NI 163 - Working age population qualified to at least level 2 or higher		74.8% (2009)				3	3	n/a	n/a	Data not available as to be sent from Learning Skills Council and they have yet to cleanse the data prior to release to the local authority. There is no agreed timescale as to when the data will be available. All planned activity is taking place and on target.
NI 171 - New business registration rate	59.2	41.8 (2009)				3	3	n/a	n/a	All activity is on target and taking place as planned.
NI 176 - Bus services running on time	80%	80%				3	3	n/a	n/a	Annual Data, data next due March 2010. All planned activity has either been achieved or is on target to date.
ENVIRONMENT										
NI 168 - Principal roads where maintenance should be considered	4%	5%				3	3	n/a	▽	Unaudited data. Current tasks have commenced on time and a revised action plan to achieve the LAA target has been agreed with Amey Wye Valley.
NI 169 - Non-principal roads where maintenance should be considered	11%	9%				3	3	n/a	△	Unaudited data. Current tasks have commenced on time and a revised action plan to achieve the LAA target has been agreed with Amey Wye Valley.
NI 186 - CO2 reduction in the LA area	9.4 tons (2005)	13.1% (2010) 720kg (LAA: 759kg) (year-end) 300kg (to August)				2	3	n/a	n/a	The action plan to deliver this target is being delivered to programme. 312.59kg at same period last year. The action plan to deliver this target is being delivered according to programme.
NI 191 - Residual household waste per household	690.01kg	114.33kg to May (cumulative) 292.14kg to August				4	3	△	△	
NI 197 - Improved local biodiversity - active management of local sites	36% (33 sites)	36.30%				3	3	n/a	n/a	Annual Data, data next due March 2010. All planned activity on target.

MEETING:	CABINET
DATE:	26 NOVEMBER 2009
TITLE OF REPORT:	CUSTOMER STRATEGY
PORTFOLIO AREA:	CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To inform Cabinet of the rationale behind and the contents of the joint Herefordshire Council & NHS Herefordshire Customer Strategy, so that regard can be had to it in future planning and commissioning of services and budget decisions.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT Cabinet

- (a) **Notes the attached strategy and supports its implementation and next steps**
- (b) **Agrees that regard should be had to the strategy in future plans, commissioning of services and budget decisions.**

Key Points Summary

1. The partnership between Herefordshire Council and NHS Herefordshire provides a unique opportunity to develop an integrated, streamlined approach to improve customer service.
2. New policy drivers (including World Class Commissioning, Comprehensive Area Assessment, and Duty to Involve) and legislative changes require a re-examination of current practice.
3. There is a need to share insight information across the public sector, so that service improvements can be achieved and efficiencies can be exploited as effectively as possible.
4. In particular, the Total Place agenda is requiring public sector services to work together more closely than ever before. This will require services to share information and intelligence, so that

Further information on the subject of this report is available from
Richard Beavan -Pearson, Head of Customer Services (Interim) 01432 260000

co-ordinated service delivery across the public sector can be possible. Thereby, the financial efficiencies, which we will be required to achieve, will be attained without detriment to the quality and scope of those services.

5. The strategy aims to:

PUT THE CUSTOMER AT THE CENTRE OF ALL WE DO:

- Set the direction for future development of customer access channels, regardless of directorate or service.
- Enable the collection of strategic customer intelligence.
- Provide a framework for improvement in customer facing services
- Therefore, improve outcomes for customers

THE CUSTOMER STRATEGY THEREFORE HAS FOUR KEY AIMS:

- Use INTELLIGENCE to inform the design and delivery of services
- To improve ACCESS to services
- To LISTEN and learn from customer feedback
- To be viewed as fair and inclusive in our interactions with customers – to be TRUSTED.

Alternative Options

6. There are no alternative options

Reasons for Recommendations

7. The Customer Strategy is a reflection of the current agenda in relation to the design and delivery of Local Authority and NHS services. It has therefore been constructed to inform the provision and re-organisation of customer-facing (and support) services across the Council and NHS Herefordshire.

Introduction and Background

8. As this strategy has been designed to reflect the emerging agendas across Local Government and Health services, it is therefore applicable to all areas within the partnership.
9. “Total Place” is an emerging initiative nationally, whereby public service delivery is expected to be more co-ordinated and effective across the whole public sector, within localities. The strategy also reflects this approach.

Key Considerations

10. For both health and local authority services, there has been an emerging agenda that demands improved patient and customer experience. This is partly driven by national policy and partly by enhanced expectations from service users.

11. Public services are expected to be more responsive, offer choice and personalisation, be more joined up and reduce the need for unnecessary contact by the customer and facilitate the use of ICT for effective service delivery.
- a) The policy framework requires that public sector bodies take necessary steps to consult, communicate widely, empower service users and involve citizens in the design and delivery of services
 - b) The NHS Act 2006 requires health bodies to make arrangements for health service users to be involved, consulted and provided with relevant information.
 - c) The Local Government and Health Act (2007) sets out amongst other things the requirements for local authorities and Primary Care Trusts (PCT's) to co-operate in identifying and assessing the needs of local citizens. The Act also placed a new duty on local authorities to actively involve representatives of local people in providing services.
 - d) There are a range of NHS performance standards, which set out the requirement for PCT's to focus on improving the quality of patient experience and to actively engage with the patient.
 - e) World Class Commissioning requires PCT's to improve engagement with patients and stakeholders.
 - f) From the 1st April 2009, "The Duty to Involve" required local authorities to involve 'representatives of local people' in the design and delivery of services.
 - g) The anticipated, future reduction in public sector finance will necessitate a relentless focus on value for money and a strong understanding of customer needs.
 - h) Total Place is likely to require public bodies to work together to provide more joined up services; explore ways of sharing information, co-location of front offices and new ways of delivering services (virtual as well as face to face) in ways that are convenient, cost effective and professional.
 - i) HPS currently has a variety of customer service activities, a range of ICT systems and differing levels of satisfaction with service provision.
 - j) This strategy will be developed further during the next twelve months as the partnership between the Council and NHS Herefordshire enters its new phase of shared service activity.

Community Impact

- 12 Successful implementation of this strategy will have a profound impact on the communities within Herefordshire, as citizens will find it easier to access services and to communicate with Herefordshire Council and NHS Herefordshire.

Financial Implications

- 13 The full financial implications of this strategy are dependent on the adoption of its principles throughout the partnership and, as such, the associated financial model is currently being developed in liaison with the Resources Directorates.

Legal Implications

14 The statutory obligation for Local Authorities and their partners to consult and engage with their citizens are set out in the body of this report.

Risk Management

15 The major risk in a failure to adopt the principles of this strategy in the design (or re-design) of customer-facing services will increase the risk that financial efficiencies will not be achieved in relevant areas. This risk will be mitigated through the comprehensive involvement of Customer Service managers within activities planned, or already underway, to change services.

Consultees

16 This strategy has drawn on information, guidance and legislation from across the public sector. Officers from across both the Council and NHS Herefordshire have been involved in the construction of the document.

Appendices

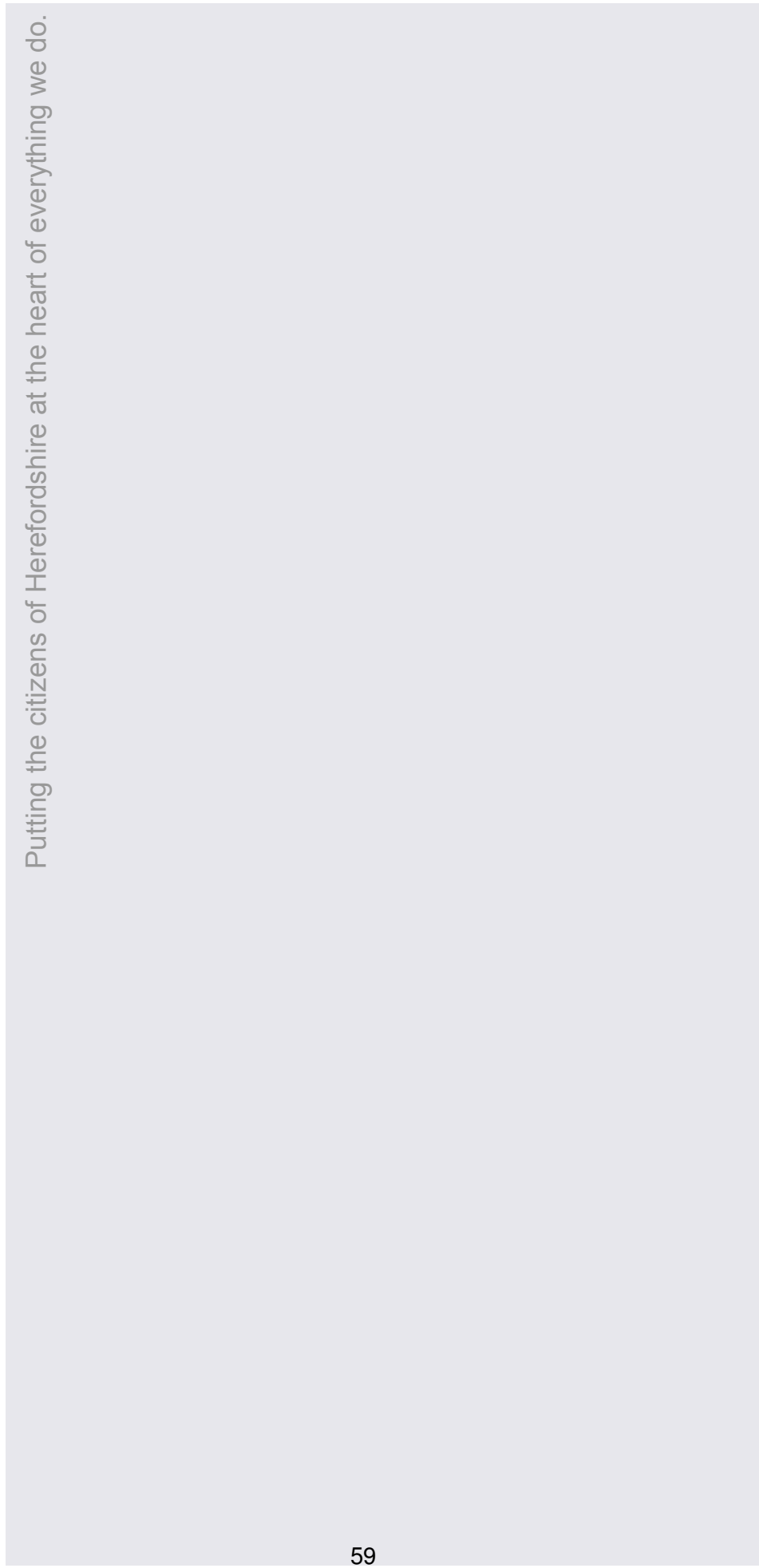
Appendix 1: Customer Strategy

Background Papers

None

Customer Strategy 2009-2011

Putting the citizens of Herefordshire at the heart of everything we do.



1.0 INTRODUCTION

1.1 Herefordshire Public Services, the partnership between Herefordshire Council and NHS Herefordshire, is committed to deliver efficient, excellent services and improved outcomes for the citizens of, and visitors to the county.

There are four key commitments for Herefordshire Public Services:

1. Improved outcomes for local people.
2. Excellence in service delivery.
3. Focus on customers' experience.
4. Being efficient and delivering value for money.

8

In order to meet these commitments, we must put customers at the forefront of all we do – constantly. We therefore need a framework for improvement, which sets out the specific direction for the development of all opportunities for customer contact.

1.2 Across Herefordshire Public Services there are currently many activities, projects and plans that are aimed at improving customer contact in one form or another. These activities are not always coordinated and therefore limited strategic benefit has been gained from them to date. This strategy aims to deliver benefits to the customer and the organisations involved in Herefordshire Public Services. It based on best practice found in the public and private sectors and is designed to take advantage of the local opportunities presented by Herefordshire Public Services.

1.3 It is important to note, however, that Herefordshire Public Services is a partnership and it continues to be two separate organisations with respective governance processes and accountability. This strategy is therefore flexible enough to account for:

- Existing initiatives within either organization should not be replicated or forced into alignment;
- Either organisation may be moving at different speeds in some areas;
- Differing organisation priorities mandated by central government.

2.0 CURRENT PROVISION

- 2.1 Herefordshire Public Services customer services and citizen engagement activities are well established through a variety of mechanisms that exist within either organisation.
- 2.2 NHS Herefordshire is the local National Health Service organisation that plans, provides and purchases health services for people registered with a Herefordshire GP. We are also responsible for improving public health.

Non-clinical customer contacts form a small, but essential part of the overall responsibilities of the PCT. These are managed through *The Involving People Team* – which is a small team, working across health and social care to support the involvement of local people when services are being planned, changed or developed. The *Patient Advice & Liaison Services (PALS)* – is a service for individuals who wish to raise concerns, access support to resolve issues or to provide feedback on their experiences of health services within the county.
- 2.3 Herefordshire Council is responsible for many key services including children and young people's services, highways and planning, adult social care and economic regeneration. As a unitary authority we also manage a large number of additional services – including council tax collection and domestic refuse collection.

Many of these services are provided through dedicated front-office teams. These are currently located in five 'Info shops', which can be found in the surrounding market towns. A larger centre is located within the city of Hereford itself. These are also supplemented by a well-established 'Info by Phone' service. Many council services are also provided online and through multi-agency websites.

3.0 THE CURRENT AGENDA FOR PUBLIC SECTOR CUSTOMERS

- 3.1 The current national economic climate will inevitably affect public sector service provision over the forthcoming period. Future financial settlements will determine the need to make efficiencies across our partnership. Achieving a customer focus across the public sector is one of the fundamental requirements of the modernising government agenda and so making sure that citizens and businesses come first is important.
- “Public services should respond to users’ needs and shouldn’t be arranged for the provider’s convenience”
(Department of Communities and Local Government, 2009)
- 3.2 The NHS Act (2006) stated that “each relevant English body must make arrangements, as respects health services for which it is responsible, which secure that users of those services are, whether directly or through representatives, involved (whether by being consulted or provided with information, or in other ways) in the planning of the provision of those services, the development and consideration of proposals for changes in the way those services are provided, and decisions to be made by that body affecting the operation of those services”.
- 3.3 The Service Transformation Agreement (2007) set out The Treasury’s vision to re-design public services around the needs of customers. Public services should be tailored to the needs of people and businesses and less to the structures of public service organisations. Public services should be delivered in ways that meet the expectations of citizens and businesses. We should get services ‘right first time’, so that people do not have to initiate contact for each service that they require. Through integration and closer co-operation people should no longer expect people to ‘join up’ public services - this should be done for them.
- 3.4 Furthermore, the Local Government and Public Involvement in Health Act (2007) said that local authorities and their partners should “manage knowledge and undertake robust and regular needs assessments that establish a full understanding of current and future local health needs and requirements”
- 3.5 Section 138 of the Local Government and Public Involvement in Health Act came into effect on 1 April 2009. It imposes a duty on all local authorities and best value authorities to involve local representatives in many areas of public service delivery.
- 3.6 The NHS constitution was published in January 2009. As well as stating the purpose, principles and values of the NHS, the constitution includes a number of rights, pledges and responsibilities for staff and patients. These rights and responsibilities, such as expected waiting

DRAFT

times for services, quality commitments etc, are the result of extensive discussions and consultations with staff, patients and public, and it reflects what matters to them.

- 3.7 There is an expectation within the Comprehensive Area Assessment process for local authorities and their partners to know and understand all of the customers who use their services. They should know and understand customers and what services they need or require. Similarly, World Class Commissioning organisations are not only expected to understand their customer requirements, they should also develop regular engagement and dialogue, in order that they should be at the centre of customer-led service provision.
- 3.8 It is also true that services should also be better for employees. Front line public sector staff – not just those in front line offices but those answering calls in contact centres and developing services for the web should have a strong culture of service. These employees have a significant contribution to make regarding the design and delivery of front line services. It is therefore crucial to use this knowledge and expertise whenever services require re-designing.
- 3.9 So, a key aim of service transformation within the public sector is to reduce the unnecessary contacts that people need to have with our organisations. Achieving this will require innovation in the delivery and design of services. More widely, the relationships between public, private and third sectors will need to be reviewed through initiatives such as the 'Total Place' approach.
- 3.10 A people-centered, responsive culture will make sure that our organisations are locally accountable and shaped by the people who use it. We will then be able to:

- Establish new ways of working
- Forge new relationships both internally and externally
- Ensure that user involvement is moved from the margins into the mainstream of our organisations – in relation to the planning, design and commissioning of services.
- Focus on personalisation

DRAFT

3.11 Therefore, if services are to be 'better for customers' they should be more streamlined and offer choice, be more accessible and convenient. Customers should find whenever they deal with public sector organisations each contact is easy and joined-up. In this way each contact will fulfil a need, add value and will be trusted.

4.0 The Herefordshire Public Services Customer Strategy

The HPS strategy has 4 key aims:

- 4.1 **Informed Services:** By better use of the wealth of customer-related information we already have, we will develop a comprehensive, evidence-based picture of the people we serve. This picture will be easy to understand and meaningful to everyone. It will also enable services to be designed and delivered in a way that will reflect the different communities who live and work across the county of Herefordshire.
- 4.2 **Accessible Services:** Modernising our customer-facing services will mean more integration across the whole public sector as well as within our own organisations. We will make it easy for citizens to access services, or find the information they require – designing services on customer needs, not service structure. These improvements will be built on an effective, efficient and integrated customer relation management system. We will establish tests of quality in all our contracts or service level agreements, establishing clear standards of service delivery. We will ensure that our employees have the appropriate skills, knowledge and authority to deliver quality services directly to our customers. We will also ensure fair access to services across the County taking into consideration rural isolation and other barriers to accessing services
- 4.3 **Listening Services:** Through regular, systematic and co-ordinated consultation and engagement with current and potential users, we will learn what our citizens need and want from their public services. Customer consultation, complaints and other ‘post contact’ feedback are a very important, sensitive and valuable source of learning. The current provision of these feedback opportunities will be brought together and streamlined as we strive to improve the quality of our customer contact.
- 4.4 **Trusted Services:** Together, Herefordshire Council and NHS Herefordshire play a crucial role within communities fostering a sense of place and wellbeing. We will treat customers equally and fairly at all times. Through effective listening, engagement and open communication, we will strive to become trusted by citizens and business alike.

DRAFT

Aim 1: Informed Services – Use all available customer-related information to build a meaningful picture of the people who use our services.

Modern public services are required to demonstrate that they understand their communities - service delivery, design and commissioning decisions should be based on sound knowledge and evidence. By identifying current needs and anticipating future trends, we will ensure that current and future services address and respond to the needs of the whole population - especially those whose needs are greatest. Although Joint Strategic Needs Assessment will be important part of our intelligence, we will need to use a broader range of information and knowledge, which reflects all of our customers.

We will:

- Bring together intelligence from the many different sources across Herefordshire Council and NHS Herefordshire to enable more effective, efficient utilisation of the data to support intelligent service delivery.
- Develop a detailed and joint strategic picture of different customer needs and wants that will influence service provision across the county.
- Develop a standardised picture of Herefordshire residents, using customer segmentation techniques. This will be an essential tool in service planning design and provide a common language for all service providers.
- Establish a unified geographic footprint of the localities within Herefordshire – removing differing locality boundaries for Health, Social Care and all other public services, wherever possible.

DRAFT

Aim 2: Accessible Services – Delivered at a time and in a way that is convenient to our customers. Reliable, flexible and responsive services, which are continuously improved and provide value for money.

The convenience, accessibility and quality of customer service provided through Herefordshire Council and NHS Herefordshire's front line services will be important factors in satisfying customer needs. In order to do this, we will deliver services that are efficient and effective – based on a culture of continuous improvement.

Providing choice and convenience for all our customers is an important priority for us. We will provide the right services for the right people at the right times.

The need to provide value for money whilst maintaining appropriate quality of service is paramount. Through integration of information systems we will reduce the need for citizens to repeatedly provide personal information and therefore reduce unavoidable contact with our organisations.

We also need to ensure that all our employees are providing the highest levels of service and will therefore need to continue to develop and implement effective training programmes in relation to customer service standards. As we develop our role as commissioners, and third party organisations become more involved in the delivery of services, there will be an increasing need to develop the skills of those employees who manage relationships.

As we commission more of our services from third-party organisations, we will ensure the quality of services through a detailed governance framework, which requires all public service providers to meet minimum, world-class standards of service.

We will:

- Develop information and signposting to services based on the “key life events” principle, making information about services meaningful to all services users
- Offer a choice of access channels (in person, by telephone, internet based, written, self serve, third party organisations) to all service users, enabling convenient access to whatever services they need.
- Continue to transform service delivery across all areas of NHS Herefordshire and Herefordshire Council. Transferring functions away from the back and to the front office, wherever appropriate.

DRAFT

- Using a 'One Stop' approach, we will continue to develop integrated front offices for services provided by Herefordshire Council and NHS Herefordshire. Wherever possible, we will develop opportunities to work with other partners and will continue to lead the development of the "Herefordshire Centre" on the Edgar Street Grid.
- Treat customers equitably and fairly at all times.
- Improved liaison between the front and back office functions and will create a framework and environment in which the customer service function will lead constructive partnerships with all areas of the Herefordshire Council and NHS Herefordshire. At the core of this framework will be continuous improvement of service provision.
- Review the services currently provided through the front office and improve them wherever we can.
- With our partners, develop the "Herefordshire Signposting Service", making this nationally recognised project even more effective.
- Develop customer charter that will empower Herefordshire Council and NHS Herefordshire employees in order to provide the highest levels of customer service.
- Develop a comprehensive quality framework, which all commissioners will use to ensure that the appropriate standards of service are attained from all provider organisations.
- Work across Herefordshire Public Services and with external organisations specifically to break down barriers to accessing services.

DRAFT

Aim 3: Listening Services: Engage with customers to enable regular and meaningful dialogue.

Public sector organisations have a duty to involve and engage with the public regarding the delivery, design and changes to services.

The experiences that patients and citizens have when they encounter public services are important measures of the quality, effectiveness and efficiency of service delivery. It is important, therefore, that we monitor these experiences and use what we learn to improve wherever we can.

Also, by understanding how our customers use services and what kind of services they need and want, we will ensure that our citizens have the quality and choice of services that they expect.

Employees in all parts of our organisations need to be clear about what involvement means, have a shared understanding of its purpose and be clear about the difference between working for and working with our citizens.

Local knowledge of the community is essential, as is understanding the way different groups like to communicate. Some people will prefer direct contact with the council and PCT, either face-to-face or over the phone. Others may prefer to engage with us through modern media such as the web, text messaging and blogs. Some may need very directly targeted engagement because of disability; culture, language or other issues.

The value of post-contact feedback is enormous, as customers can often have a very different picture of their local services at such times. It is important to capture these views at a time and in a manner, which is effective to both the customer and the organisation.

When things go wrong people want to be able to complain effectively and for their issue to be resolved quickly and fairly. There should be a consistent approach to the management of complaints, compliments and other post-contact feedback across Herefordshire Public Services.

We will:

- Develop a systematic and integrated approach across NHS Herefordshire and Herefordshire Council to obtaining feedback from customers.
- Have effective and co-ordinated engagement processes at appropriate levels across the county, enabling the service users to access decision makers and have meaningful, effective dialogue.

DRAFT

- Use all appropriate methods of engagement, including social media, in order that we can develop meaningful, regular and joined up engagement with all sections of Herefordshire society.
- Develop an integrated Customer Insight Team, who will provide a Corporate Service across Herefordshire Council and NHS Herefordshire managing customer feedback.
- Provide an effective means for customers to make positive suggestions about how services could be improved in the future and to provide an effective means for a customer to compliment a service or employee.
- Develop effective means for customers and their representatives to complain if they are dissatisfied with the service they receive
- Ensure complaints and suggestions are dealt with in a courteous and efficient manner and are resolved or feedback without avoidable delay.
- Train our employees to have proactive listening and communication skills to address the needs of all relevant stakeholders, including using third sector and community partners to seek and engage the voice of those who are seldom heard.

DRAFT

Aim 4: Trusted Services: Developing and maintaining the reputation of Herefordshire Council and NHS Herefordshire within the county and beyond.

Despite increases in funding for the public sector over the past decade some public services continue to be regarded as ineffective by their local communities. An important part of the relationship that public services have with the people they serve is the need to improve their reputation and build trust among their residents. Public services that have a good reputation help local residents find a sense of place and wellbeing, it is therefore important to be seen as leaders in the community, facilitating and developing this sense of place.

Where people distrust local public services, this can be the result of ineffective communication with them.

NHS Herefordshire and Herefordshire council will lead and steer the public service agenda in our community. We will be the natural first stop for local political and community leaders and through partnership we will seek to stimulate discussion on wider community matters.

We will:

- Develop a pro-active approach to reputation management issues across Herefordshire Council and NHS Herefordshire.
- Have well-developed contingency plans regarding the management of incidents which will lead to a deterioration of reputation for either NHS Herefordshire and Herefordshire Council
- A ‘customer-friendly’ approach to communicating information about public services, which entails structuring information in terms of what makes sense to the resident, customer or patient, rather than to the organisation.
- Promote our own employees, elected members and service contractors in order to foster a better understanding of services and how they can work together to benefit residents, customers and patients.
- Promote to the professional media, to government and to other local authorities and trusts, that Herefordshire has an innovative approach to customer services and is in the forefront of structuring information around customer needs.
- Have clear communications policy and ability to respond to individual, organisational and media enquiries regarding Herefordshire Council and NHS Herefordshire.

DRAFT

1 Informed		
What Does It Mean?	What We Will Deliver	When and by who
<ul style="list-style-type: none"> ▪ Customers' needs should be understood in depth. ▪ HPS managers should know and understand their customers in detail ▪ There should be a common picture of the customers across public service boundaries 	<ul style="list-style-type: none"> ▪ Improved use and reporting of information relating to customers to HPS managers. ▪ A segmented picture of typical service user types at locality level across the county of Herefordshire. ▪ A single view of Health and Local Government locality boundaries ▪ Regular Customer insight analysis and reporting ▪ Key life events mapping (Signposting scheme project) ▪ "Circles of Need" maps for key customer types (Signposting scheme project) 	<p>Council Research team (March 2010)</p> <p>Council Research team (March 2011)</p> <p>Public Health/ Research team (March 2011)</p> <p>Head of customer Services/Customer Insight Unit (March 2010)</p> <p>Head of Customer Services (March 2010)</p> <p>Head of Customer Services (March 2010)</p>

DRAFT

2 Accessible			
What Does It Mean?	What We Will Deliver	When and by who	
<ul style="list-style-type: none"> ▪ Customers should be offered choice of access through multiple access channels to allow them to seek information, guidance or service delivery. ▪ HPS should have integrated contact points wherever possible and appropriate ▪ Services should be shaped and integrated so that they can be delivered responsively, with a minimum of barriers, accurately and cost effectively ▪ Services should be effective and efficient in terms of quality cost and delivery. ▪ Services should continually review practices and technological requirements to improve value for money ▪ Efficient quality services appropriate to our citizen's requirements. ▪ A customer focused culture should be embedded across Herefordshire Public Services 	<p>Option appraisal of current Customer Relationship Management System</p> <p>Further integration of HPS front and back office ICT systems.</p> <p>Further HPS integrated front office facilities (Ross, Ledbury)</p> <p>Integrated public sector wide front office (Hereford Centre)</p> <p>Web Strategy - Improved access through a choice of one-stop access channels. Emphasising self-serve and electronic access.</p> <p>Review and revise N114 Action Plan</p> <p>Develop and publish a Customer Service Charter</p>	<p>Head of Customer Services/Head of ICT (Nov 2009)</p> <p>Connects Programme (2011)</p> <p>2010-2011</p> <p>Director of Regeneration (2011)</p> <p>Web and Knowledge Manager (tbd)</p> <p>Head of Customer Services (Nov 2009)</p> <p>Head of Customer Services (Dec 2009)</p>	

DRAFT

	Review of current services provided through front office	Head of customer Services (Summer 2010)
	Quality framework for all commissioners	Director of Clinical Leadership and Quality
	Herefordshire Signposting Service Project	Head of customer Services (March 2010)

DRAFT

3 Listening	What Does It Mean?	What We Will Deliver	When and by who
	<ul style="list-style-type: none"> ▪ Services should ascertain feedback from customer contact wherever possible ▪ A standard approach to service-level feedback should be implemented across HPS ▪ There should be a single integrated complaints policy for HPS. ▪ An integrated approach to customer feedback should be adopted. ▪ Community engagement activities should be fit for purpose ▪ We should meet our obligations regarding the Duty to involve and other engagement requirements 	<p>Forward plan of engagement activities across HPS</p> <p>Programme of engagement opportunities – meeting the preferences of all sections of the community</p> <p>Range of engagement mechanisms – including social media</p> <p>HPS Customer Insight unit</p> <p>HPS Customer Insight policy</p> <p>System to feed customer experience information/data into the commissioning process</p> <p>Publish customer experience information/ data to HPS managers</p>	<p>Head of Customer Experience/ Herefordshire Partnership Manager (tbd)</p> <p>Head of customer Experience/ Herefordshire Partnership Manager (tbd)</p> <p>Head of Customer Services (Jan 2010)</p> <p>Head of Customer Services (Jan 2010)</p> <p>Head of Customer Experience (tbd)</p>

DRAFT

	A process for feedback, evaluation and review should be built into the planning of any engagement activities	Head of customer Experience/ Herefordshire Partnership Manager (tbd)
	Regular feedback to the public the improvements they have influenced as a result of their engagement	Head of Communications (March 2010)

DRAFT

4	Trusted	What Does It Mean?	What We Will Deliver	When and by who
		<ul style="list-style-type: none"> -HPS has a positive reputation for leading public services within the country. -HPS has a national reputation for leading public services -HPS is seen as a value for money organisation 	<p>Qualitative research into the causes of negative views of Herefordshire public services.</p>	<p>Director of Environment and Culture/ Head of Communications (Oct 2009)</p>
			<p>HPS communications strategy</p>	<p>Head of Communications (tbd)</p>
			<p>A resident's guide, based on the 'Key Life Principle.</p>	<p>Head of Communications (March 2010)</p>
			<p>Contingency plan to address adverse publicity</p>	<p>Head of Communications (March 2010)</p>

MEETING:	CABINET
DATE:	26 NOVEMBER 2009
TITLE OF REPORT:	RISK MANAGEMENT AND ASSURANCE
PORTFOLIO AREA:	CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To approve the revised joint Risk Management and Assurance Policy and Guidance documents.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT:

- (a) **the revised joint Risk Management and Assurance Policy be approved;**
- (b) **the joint Risk Management Assurance Guidance be approved;**

Key Points Summary

- If strategic priorities are to be met and if positive assurances are to be given in response to external drivers then a robust risk management process must be embedded within the authority.

Alternative Options

- 1 There are no Alternative Options.

Reasons for Recommendations

- 2 As stated within the current Risk Management Policy a review of the risk management documents should be undertaken at regular intervals to ensure that they are still fit for purpose.

- 3 The new Comprehensive Area Assessment (CAA) process calls for a more robust management of risk across the organisation. Within the Use of Resources assessment one of the three themes, 'Governing the Business' highlights the need to have clear and robust processes in place for managing risks, particularly those relating to partnerships and fraud and corruption.

Introduction and Background

- 4 Since February 2007 the Council and NHS Herefordshire have had an integrated risk management team. A shared Risk Management Strategy, Policy and Toolkit, were approved by Cabinet in May 2008.
- 5 In April 2009 a review of the existing tool kit was undertaken with a view to developing a single risk assessment process for both risk management and health and safety across the partnership. An internal audit of risk management practices within the Council was also undertaken in 2009. The key recommendations highlighted the need to refocus on the responsibilities for risk management, risk management training, use of the corporate risk management process and to further align business plans with the risk management policy.
- 6 The introduction of the revised quarterly performance reporting process has provided an opportunity to review the Council's corporate risks. This has resulted in a more focused look at risks that could have a strategic impact on the achievement of corporate objectives as identified within the corporate plan. The revised documents will enable us to develop this process further.

Key Considerations

- 7 The need for a clear policy and procedure in order to embed the management of risk is essential if corporate priorities are to be met, and to provide positive assurance that risks are being identified and managed.
- 8 The main changes to the policy reflect the need to develop a positive culture in which the management of risk is seen as a day to day activity and not considered as a separate and bureaucratic task.
- 9 The revised policy promotes the positive aspects of managing risk so as to add value: achieving the balance between under-managing risks i.e. unaware and therefore no control, (which could damage performance and use limited resources unnecessarily), and over management i.e. an obsessive level of involvement in the fine details, which could become overwhelming and stifle innovation and creativity.
- 10 The revised guidance document is intended to be used at all levels of the organisation and guides the user through the 5 steps of managing risks:
 - 1) Identify Hazards and Threat events
 - 2) Evaluate the level of risk based on adequacy of existing controls
 - 3) Determine additional controls required – this emphasises the need for a risk owner and describes in more detail than previously the 4 T's of risk control – Terminate, Tolerate, Transfer, Treat.

- 4) Implement control measures and an action plan.
 - 5) Monitor controls, record and review.
- 11 A new section has been included that introduces the concept of applying the same assessment process to opportunity management and provides an opportunity scoring matrix. This section describes how, as risk management becomes embedded and managers becomes confident about managing risk, then in addition to the 4 T's of Risk Control there is a fifth T namely "Taking the opportunity".

Community Impact

- 12 In order for the Council to to deliver its top priorities, challenges will have to be overcome and opportunities maximised. The identification and management of strategic risks and opportunities identified through a corporate policy, along with a comprehensive training programme will enable Members and officers to make clear and safe decisions.

Financial Implications

- 13 None

Legal Implications

- 14 None

Risk Management

- 15 Unless the risks to the achievement of corporate priorities are identified and managed, the limited resources available cannot be channelled in the right direction, thus resulting in a decline of service provision, reputation and customer satisfaction.

Consultees

- 16 Internal consultation has been undertaken across the partner organisations

Appendices

Appendix A - HPS Risk Management and Assurance Policy

Appendix B - HPS Risk Management and Assurance Guidance

Background Papers

None identified.

<i>Reference number</i>	G031
<i>Approved by</i>	Cabinet and PCT Board
<i>Date approved</i>	March 2008
<i>Version</i>	3
<i>Last revised</i>	October 2009
<i>Review date</i>	October 2010
<i>Category</i>	General
<i>Owner</i>	Deputy Chief Executive
<i>Target audience</i>	All Staff

Herefordshire Public Services Risk Management and Assurance Policy

After the Review Date has expired, this document may not be up-to-date. Please contact the document owner to check the status after the Review Date shown above.

If you would like help to understand this document, or would like it in another format or language, please contact the document owner.

Contents

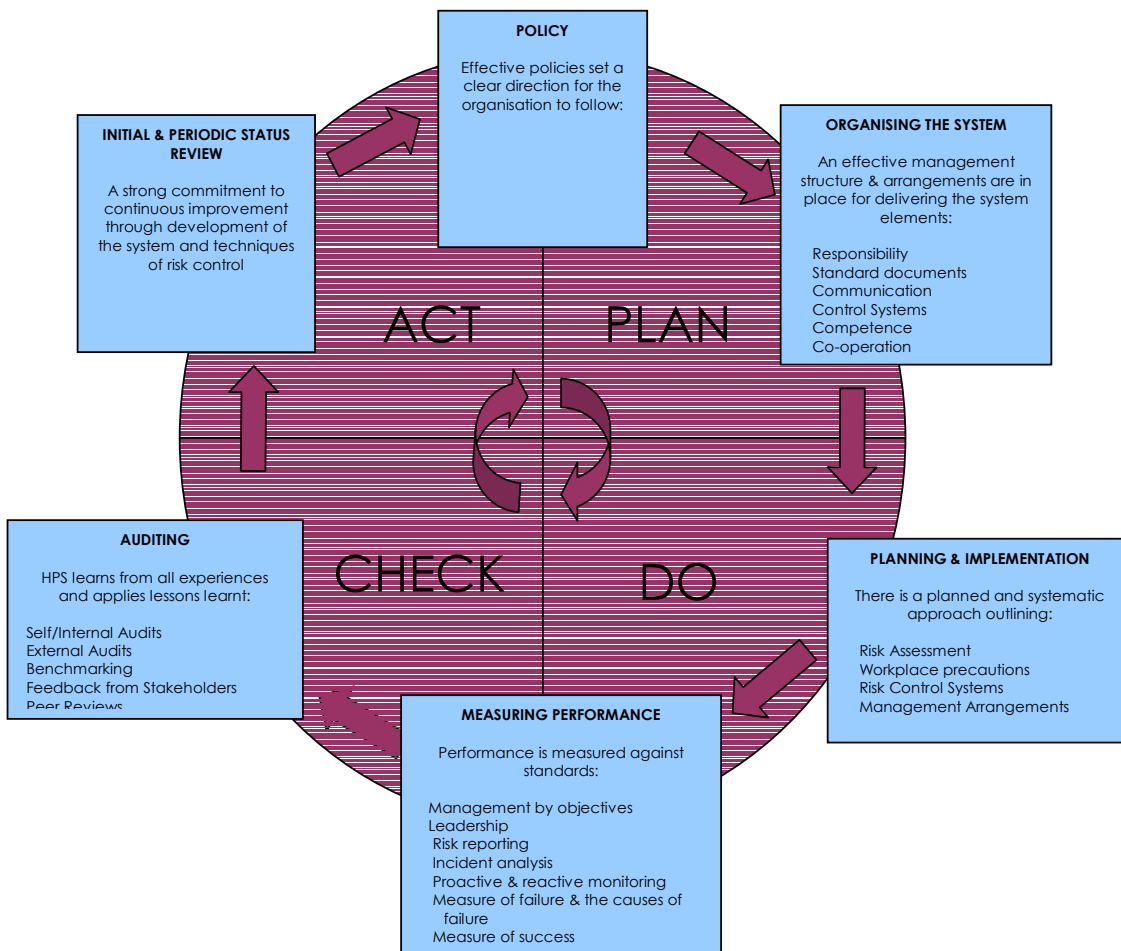
- 1.** Introduction & Purpose of Policy
- 2.** Policy Statement
- 3.** Organisation & Responsibilities
- 4.** Planning & Implementation
- 5.** Monitoring of this policy
- 6.** Audit
- 7.** Reviews at initial and periodic stages
- 8.** Cross Reference documentation

1. Introduction & Purpose of Policy

This policy clearly identifies the accountability arrangements and processes to be used for identifying and managing risks and opportunities in Herefordshire Council (HC) and Herefordshire Primary Care NHS Trust (HPCT). Where they are referred to together they are described here as Herefordshire Public Services (HPS).

This policy covers all areas of risk within HPS: organisational; clinical; service provision; financial, strategic and the wider, non organisational risks to the achievement of their individual or collective objectives and priorities.

The diagram below shows the key stages of policy development based on a continuous improvement cycle.



Who does the policy apply to?

This document applies to all employees of HPS, and to managers at all levels to ensure that risk and opportunity management is a fundamental part of the total approach to quality, corporate and clinical governance. In addition HPS will actively promote and support good practice in risk and opportunity management particularly within primary care and education.

2. Policy Statement

HPS is committed to having a shared system in place to understand, monitor and minimise the risks within our organisations and the services they provide and which will contribute to continued improvement.

Effective risk and opportunity management will help to ensure:

- clarity in our plans about what we need to do to achieve our objectives and priorities
- the delivery of our plans through effective performance management
- a safe environment for all our staff, clients and members of the public
- best service provision for clients and clinical care for patients
- the reputation of the partner organisations is maintained
- costs are saved by reducing dissatisfaction and claims
- the promotion of innovation to achieve objectives
- the realisation of opportunities
- a positive report on risk management in the Annual Governance Statement, Statement of Internal Control and compliance with external accreditation bodies – Audit Commission, Care Quality Commission

HPS aim to take all reasonable steps in the management of risk with the overall objective of protecting service users, staff and assets.

Approach to Risk and Opportunity Management and Assurance

Herefordshire Public Services' approach to risk and opportunity management and assurance has been developed to support the key requirements of good corporate governance:

Open and Transparent: The HPS approach to managing risks will be open and transparent and blame will not be attributed if decisions made in good faith turn out to be the wrong decision. Staff, Directors, PCT Non-Executive Director, Councillors, members of the public, partners and outside organisations should have access to information on our current risks and opportunities and how they are being managed. Risk management supports and enhances the decision making process and Board and Cabinet reports include information on the risks and opportunities in taking or not taking a recommended course of action.

Consistent: There will be consistency in the approach to identifying, assessing and managing risks across the organisation. Risks will be reviewed regularly and any changes in circumstances will be recorded and acted upon.

When managing and controlling risks, actions will be proportionate - the cost and time of efforts should be in balance with the potential impact of the risk.

Accountable: There will be clear accountability for HPS risks. This will include a public statement on risk management as part of our decision making process; an annual statement of internal control signed by the Chief Executive, approved by the Board and Cabinet, included in the Annual Finance Statement; and the risk register will be open to regular internal audit and audit inspection by external agencies (e.g. External Auditors, SHA, Department of Health, Audit Commission).

Appropriate risk-taking and innovation will be encouraged and promoted through a 'no blame' culture.

HPS will manage risk to add value, i.e. it will aim to achieve the balance between under-managing risks i.e. unaware and therefore no control, which could damage performance, and over-managing them i.e. an obsessive level of involvement in the fine details, which could become overwhelming and stifle innovation and creativity.

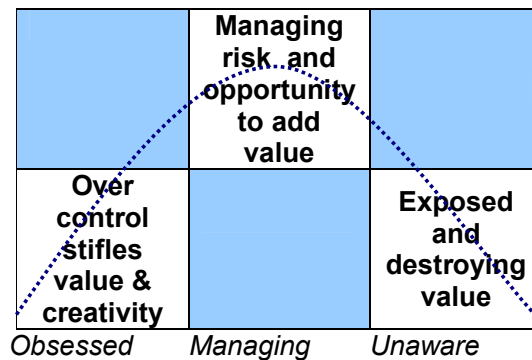


Figure 1: Managing risk and opportunity to add value

Risk and Opportunity Management goals for HPS are to:

- Minimise chances of adverse incidents, injuries or losses to patients, service users, staff and the general public
- Improve the quality of services, care and outcomes for people, bettering their life-chances and quality of life
- Encourage and train staff to identify risk areas and become involved in reducing risk
- Reduce risks by developing evidence based clinical and professional practice
- Reduce risks by maintaining a skilled and properly trained workforce.
- Encourage open communication and support staff in order to promote the policy of being a transparent and “no blame” organisation which can learn from incidents.
- Promote good risk management practice amongst independent contractors, suppliers and partners.
- Avoid damage to reputation, including through complaints, litigation or failures in organisations from which services have been commissioned
- Achieve key corporate objectives including National Performance targets
- Ensure compliance with the Annual Health Check and Comprehensive Area Assessment.
- Ensure the best interests of the public are served by the continuation of the organisations to commission and deliver required services
- Minimise avoidable financial losses, or the cost of risk transfer, e.g. Increased insurance premiums or the failure to win discounts.
- Work in conjunction with other organisations’ risk management strategies and policies when undertaking joint pieces of work or managing projects on behalf of others.

In order to meet these general and specific objectives, HPS will adopt a pro-active risk management programme which has our total support and we look to each member of staff for your complete commitment to and co-operation in its implementation.

3. Organisation and responsibilities

The Cabinet and Board Commitment to Risk Management

The Cabinet and Board recognise that risk management is an integral part of good management practice and to be most effective must become part of the culture of both organisations. The Cabinet and Board are therefore, committed to ensuring that risk management forms an integral part of their philosophy, practices, business plans and performance management rather than being viewed or practised as a separate programme, and that responsibility for implementation is accepted at all levels within both organisations.

The Cabinet and Board believe it is important to recognise that risk taking can bring both rewards and penalties. Modernisation and innovation cannot be achieved without risks being taken. But by understanding fully the consequences of taking those risks staff can have greater confidence in what they do. We aim to fully identify, evaluate and respond to those risks that may prevent us from achieving our objectives and to enable us to take advantage of opportunities in a “risk informed” manner.

Responsibility of HC Cabinet and HPCT Board

HC Cabinet and HPCT Board are responsible for reviewing the effectiveness of internal controls and for monitoring the work of the Committees with delegated responsibility for risk management.

The Cabinet and Board are required to produce annual statements of assurance that they are doing their “reasonable best” to manage the organisation’s affairs efficiently and effectively and managing its risks through the implementation of internal controls. They must “sign off” their organisations Statement of Internal Control and HPCT’s self assessment against the Healthcare Commissions Core Standards for Better Health.

Board and Cabinet members are responsible for:

- approving the risk management strategy and policy
- ensuring that risk information is available to them to support their decision making processes
- participating in the identification and evaluation of risks appropriate to the decisions they are asked to make.

HC Members and HPCT Non Executive Directors

Members/Non Executive Directors have a key role to play in monitoring executive management of risk within their organisation and contributing to the development of the HPS strategy for managing risk.

They must satisfy themselves that the systems of risk management each organisation has in place are robust and defensible.

HC Member Champion and PCT Non Executive Director

The Leader of the Council shall actively support the risk management process and encourage all Councillors to play their full part.

The Non Executive Director who chairs the PCT Audit and Assurance Committee shall actively support the risk management process and encourage all PCT Board Members to play their full part.

The Chief Executive

The Chief Executive has overall responsibility for Risk Management within HPS.

Directors

The Director of Quality and Standards has overall accountability for Clinical Risk and together with the Clinical Governance GP Lead is responsible for Clinical Governance systems and processes in HPCT.

HPS Directors of Resources are accountable for Financial Risks and the preparation of the annual financial statements which will include the Annual Governance Statement and Statement of Internal Control for their respective organisations.

Directors and Managers

HPS are working towards ensuring that all levels of management understand and implement the Risk Management Policy and Guidance. Directors/managers:

- Are responsible for managing risks assigned to them on the Assurance Framework and Risk Register
- Must ensure all new employees, through local induction, are made aware of the Risk Management Policy and Guidance. They must also ensure existing employees are made aware of any revisions to the policy.
- Are responsible for ensuring that appropriate and effective risk management processes are in place within their designated area(s) and scope of responsibility; and that all staff are made aware of the risks within their work environment and of their personal responsibilities.
- Are responsible for ensuring that all necessary risk assessments are carried out within their directorate/department in liaison with appropriate identified relevant advisors where necessary e.g Health and Safety, Infection Control, Security, Environmental, which may include the preparation of specific departmental policies and guidance.
- Are responsible for implementing and monitoring any identified and appropriate risk management control measure within their designated area(s) and scope of responsibility. In situations where significant risks have been identified and where local control measures are considered to be potentially inadequate, or where the cost of implementation exceeds locally agreed limits and/or requires capital expenditure, Executive Directors/managers are responsible for bringing these risks to the attention of the relevant Committee/Board if local resolution has not been satisfactorily achieved.
- If control measures which were originally believed to be adequate fail and lead to realisation of the risks, Executive Directors/managers must follow relevant policies (Incident reporting, Major Incident Plan) and inform the Chief Executive/ Executive Directors.
- Have the authority to accept risks within their scope of responsibility. This must follow completion of a full risk assessment and adhere to the definition of Acceptable Risk on page 13.
- Must ensure that all staff must be given the necessary information and training to enable them to work safely. These responsibilities extend to any one affected by HPS operations including sub-contractors, members of the public, visitor's etc.

Executive Directors/managers or their designated representatives will implement the policy by:

- a. Ensuring that they have adequate knowledge and/or access to all legislation relevant to their area and as advised by appropriate experts ensure that compliance to such legislation is maintained.
- b. Ensuring that adequate resources are made available to provide safe systems of work. This will include making provision for risk assessments, appropriate controls measures, raising outstanding concerns, ensuring safe working procedures/practices and continued monitoring and revision of same.
- c. Ensuring that only suitably trained and accredited personnel are appointed into posts.
- d. Ensuring that appraisals are completed for their staff according to HPS policies

- e. Ensuring that there is a core of appropriate mandatory training for all employees to attend e.g. Health and Safety, Fire, Moving and Handling, Dealing with Violence and Aggression, Conflict Resolution, Child Protection, etc, and that appropriate mandatory updates are maintained.
- f. Identifying and releasing suitable staff to be trained as risk assessors, first aiders, moving and handling, health and safety co-ordinators etc.
- g. Monitoring clinical and professional performance, health and safety standards including risk assessments, infection control measures, use of personal protective equipment, lone worker arrangements, stress at work assessments etc and ensuring that these are reviewed and updated regularly.
- h. Ensuring that risk issues are considered when setting individual staff objectives which reflect their role in the organisation.

Individuals Supporting HPS in Risk Management

A number of individuals have key roles in supporting HPS to achieve this policy and contact details are included in Appendix 1 and Appendix 2:

HC Corporate Risk Manager and HPCT Head of Corporate Risk

Co-ordinate and facilitate the risk management process and raise staff awareness of risk management through educational programmes. They are responsible for the maintenance and development of the overall risk registers and Board Assurance Framework and support risk owners and project boards in the identification and management of their risks.

HC Corporate Risk Manager ensures that appropriate insurance arrangements are in place to manage significant financial risks and to comply with the relevant legal framework for the handling of third party claims.

HPCT Head of Corporate Risk manages claims under the Employers Liability, Property Expenses, Liability to Third Parties and Clinical Negligence schemes according to the NHS Litigation Authority requirements.

HPCT Clinical Governance Manager

Highlights and presents quality, audit and patient incident information and trends.

HPCT Deputy Director of Resources (Financial Governance) and HC Head of Financial Services

Co-ordinates work with internal audit in order to achieve a satisfactory Statement of Internal Control for their respective organisations.

Responsibilities of all Employees

- a. Be familiar with this Policy
- b. Attend risk management training relevant to their post and maintain clinical or professional skills where appropriate
- c. Report incidents/accidents and near misses using HPS procedures
- d. Lead or participate in risk assessment processes, and develop and implement plans to address risks identified in their area (according to the nature of their post)
- e. Comply with all HPS policies and procedures aimed at eliminating or reducing risk e.g. health and safety, fire, emergency procedures, handling equipment safely
- f. Provide safe clinical or professional practice within their area of competence
- g. Be involved in appraisal.

Committee Structures:

Audit & Assurance Committee (HPCT)

The Audit and Assurance Committee is a statutory committee with expanded responsibility for Integrated Governance. The committee will also seek assurance on the organisational preparations for the World Class Commissioning (WCC) Assurance process. In particular its remit includes:

- Core functions of audit including financial systems, financial information and compliance with laws and regulations governing the NHS; governance, risk management and control.
- Delivery of core audit committee functions, including carrying out an independent, objective and informed review of financial systems, information and control.
- Assessment of internal systems, policies and procedures.
- Reviewing and maintaining effective systems of integrated governance, risk management and internal control.
- Seeking support and advice from external and internal audit and any other professional expertise as required
- Assurance of organisational development planning and delivery.

The Audit and Assurance Committee is chaired by a Board Non-Executive Director.

The Commissioning Performance and Quality Committee (HPCT)

The Commissioning Performance and Quality Committee will have oversight of health economy performance and the overall finance and contract performance of the PCT as a commissioner will be reported routinely to this Committee. In particular its remit includes:

- Measurement, monitoring and management of performance, including: finance, activity, quality of health and healthcare, including safety, clinical outcomes and patient experience secured through commissioned services
- Directing the development, monitoring and managing of integrated measures of performance – including finance, activity and quality – across all providers in line with commissioning plans.
- Compliance with statutory and regulatory duties particularly in the commissioning of safe and appropriate clinical care

The Commissioning Performance and Quality Committee is chaired by a Board Non-Executive Director.

Strategy and Planning Committee (HPCT)

The Strategy and Planning Committee has a key role in recommending strategy for NHS Herefordshire to the Board. As such it will be active in identifying opportunities and therefore applying the risk management process to Opportunity Management.

Audit and Corporate Governance Committee (HC)

This committee will monitor the effective development and operation of risk management and corporate governance in the Authority.

Responsibilities include:-

- Consider the effectiveness of the risk management arrangements, the control environment;
- Seek assurances that action is being taken on risk related issues identified by auditors and inspectors;
- Be satisfied that the Authority's assurance statements, including the Statement on Internal Control, properly reflect the risk environment and any actions required to improve it;
- Review and update of the risk management policy statement every year
- Annual review of the risk management framework; and
- Quarterly review of progress against any risk management action plans.

Provider Board (PCT Provider Services)

The Provider Board is responsible for reviewing the effectiveness of internal controls and for monitoring the work of the Provider Committees with delegated responsibility for risk management.

The Provider Board is required to produce annual statements of assurance that they are doing their "reasonable best" to manage the organisation's affairs efficiently and effectively and managing its risks through the implementation of internal controls. They must "sign off" their self assessment against the Healthcare Commissions Core Standards for Better Health.

Provider Board members are responsible for:

- approving the risk management strategy and policy
- ensuring that risk information is available to them to support their decision making processes
- participating in the identification and evaluation of risks appropriate to the decisions they are asked to make.

HPS Steering Group (HPS)

The HPS Steering Group sets the strategic direction for HPS development and the priorities for realising that strategy. It does this by establishing the criteria for measurement of success including the identification, quantification and effective delivery of benefits to be achieved through the development of an integrated approach to services in Herefordshire. It also holds the partnership system to account for progress against those success criteria

The risk management responsibilities of the Steering Group include:

- Ensuring that robust partnership arrangements are in place
- Holding Joint Management Team to account for the development and implementation of a framework for the prevention and prompt resolution of disputes presenting significant risk to the integrity of the HPS partnership
- Maintaining an effective system of integrated governance, internal control and risk management, across the whole of its activities (both non-clinical and clinical), in support of the achievement of its aims and objectives

Joint Management Team (HPS)

This is a high level management group with specific risk management responsibilities to:-

- Identify strategic and cross cutting risks;
- Promote a culture of risk awareness.

Whistle-blowing

If staff are concerned that there are very serious risks in the organisation, which they have raised through the normal management channels without response, it may be appropriate for them to use HPS Whistle-blowing policy.

Specific links to other policies are detailed in **appendix 5**.

4. Planning and implementation

Risk Management Process

General Principles

HPS is committed to developing a pro-active and systematic approach to risk management. A separate document – **Risk Management and Assurance Guidance** - sets out in detail the approach to identifying and assessing risks – whether they be risks to achieving strategic, corporate, programme, project, operational or partnership objectives.

The process will:

- be multi-faceted, drawing on the experience of multi-disciplinary teams, with knowledge of the range of HPS functions and risks
- be iterative, i.e. improving and refining over time
- ensure the stages are clearly recorded

The stages of the risk management process are to:

- a. identify any actual and potential risks
- b. identify the controls in place and evaluate the level of risk remaining
- c. determine what action may be necessary - this could range from stopping the activity, to reducing the risk, to transferring some of the risk to another party, to accepting the risk (see definition in 9.2)
- d. implement the additional control measures
- e. monitor that actions are completed and these, together with existing controls are effective i.e. **Assurance**

Risk and Opportunity Assessment

Each directorate, service, department or operational area needs to complete a risk and Opportunity assessment in order to identify operational and strategic risks and opportunities. Directorate and Operational managers are responsible for ensuring that risk assessments are completed as an ongoing process and reviewed quarterly following the steps in the Risk Management and Assurance Guidance, a proforma template for undertaking a risk assessment is included in the guidance to ensure a consistent approach to the risk assessment process.

Risk assessments will address a range of issues – operational, service delivery, strategic as well as financial, health and safety and staffing risks. The process is the same for all and an example list of areas to consider can be found in appendix 1 of the Guidance. This is not an exhaustive list but is initial guidance.

It is important that risk management is integrated into the existing business processes and risks identified as part of the following must be included on risk registers:

Strategic /corporate /service planning - At the time of the development of corporate/directorate/service plans and “in year” corporate policy development the risks to the achievement of objectives need to be identified and managed.

Financial planning - Risk registers will inform the financial planning process in relation to:

- allocation of resources required to improve the management of unacceptable risks
- allocation of resources to the change programme, projects, ongoing operations and partnerships
- taking into account the impact of budget decisions, both for budget plans and in year budget changes, on the risk profile of the organisation.

Performance management - At the operational level risk registers will be developed alongside the annual business plans for directorates and the service plans for service areas. The registers will be reviewed when monitoring performance against objectives to identify any risk related causes of underperformance and act as an early warning.

Organisational Change Programme - Managing a change programme will bring a range of risks relating to strategic alignment, partnerships, programme planning, competing demands of day to operations and projects and the availability of appropriate skills and capabilities. These will be considered when the business case for major projects within the programme are being reviewed.

Major projects including major procurements and major partnerships - Risk will be assessed and registers created to support project initiation documents (or business cases) for major projects, procurements and partnerships. These risk registers should inform the business case decisions. The risk registers will demand ongoing review throughout the life of the project/procurement/partnership life cycle.

Where risk registers are shared, we will work in conjunction with the risk management strategy and policy of our partners. When undertaking projects on behalf of others, we will manage risks consistent with their strategies and policies.

ICT Programmes and Projects - Where ICT Programmes and Projects are managed under MSP or PRINCE2 Programme and Project Management Methodologies, Risks and Issues will be managed according to these methodologies, consistent with this policy and the Risk Management Strategy. Where risks and issues are required to be escalated to the Board/Cabinet, they will conform to the standards laid out in this policy.

Health and Safety - Those groups designated to monitor Health and Safety are responsible for ensuring the annual health and safety audits are completed.

Incident Reporting - All reported incidents (and near misses), will also be assessed by the person completing the form and reviewed by an appropriate manager as described in HPS Incident Reporting Policy.

Following assessments within any of the above, any high ranking risks and those which could impact on whether or not HPS can meet a strategic objective must be included on the Assurance Framework and reported to the Cabinet/Board.

Risk Register

The Risk Register is a record of all the risks identified (a blank example is in appendix 3 of the Risk Management and Assurance Guidance) through the Risk Management process, their score and risk treatment. It is a dynamic document which will cover all risks. It will inform the decision making of the risk committees and managers by providing them with a central reference of all risks and will be regularly updated. It will be held centrally by the HPCT Head of Corporate Risk and HC Corporate Risk Manager but will be accessible and available to all managers.

Assurance Framework

Risks scored as extreme which could impact on HPS achieving their strategic or principal objectives are known as principal risks and additional information on these is required to be reported to the Board and Cabinet. This is termed the Assurance Framework and an example is included in appendix 4 of the Risk Management and Assurance Guidance. The Assurance Framework provides assurance about those risks which are being managed effectively and objectives are delivered and will also identify which of HPS objectives are at risk because of gaps in controls or assurance about them. The Board and Cabinet will formally review the Assurance Framework twice a year as a minimum.

Principal risks cannot be considered in isolation, they will be derived from the prioritisation of risks fed up through the whole organisation and in this way the Risk Register will contribute to the Assurance Framework

Risk Quantification and Acceptability

HPS has adopted a common approach to quantifying risk as described in the Risk Management Guidance. Each risk will be assessed and scored on the likelihood of occurrence and the severity/impact in the current circumstances, a matrix of the quantification of risk is detailed in the Risk Management and Assurance Guidance.

The score of a particular risk will determine at what level decisions on acceptability of the risk should be made and where it should be reported to within HPS. The Board and Cabinet have defined as “Significant” any risk that has the potential to damage the organisation’s objectives

General guidelines are:

Extreme Risk	Score 15 - 25	Report to a Director for more detailed analysis of the risk, to be included on the Assurance Framework and reported to the Board and Cabinet with proposed treatment/action plans
High Risk	Score 8 - 12	Report to a Director and then to an appropriate Risk Committee with proposed treatment/action plans
Moderate Risk	Score 4 – 6	Report to Senior Manager with proposed treatment/action plans, for particular monitoring.
Low Risk	Score 1 – 4	Report to local manager for local action to reduce risk

Acceptable Risk

Setting levels of acceptance is referred to as **risk tolerance or risk appetite** and is defined as follows:

- the likely consequences are insignificant
- a higher risk consequence is outweighed by the chance of a much larger benefit (e.g. In rehabilitation people may accidentally burn themselves while learning how to prepare food and drink but the benefit of independence outweighs that risk)
- occurrence is rare
- the potential financial costs of minimizing the risk outweighs the cost consequences of the risk itself
- reducing the risk may lead to further unacceptable risks in other ways

Therefore a risk with a high numerical value may be acceptable to the organisation, but that decision would be taken at an appropriate level.

Analysis of Risks

All Directors, Managers, Non Executive Directors and Councillors will be trained in risk analysis using HPS Risk Scoring Matrix.

The HC Corporate Risk Manager and HPCT Head of Corporate Risk are responsible for ensuring that information on incidents, claims, complaints, risks and hazards are analysed for trends and that such information is made available to the appropriate Director/manager so as to be included in the Risk Register and also reported to the committees with delegated responsibility for risk management within HPS.

Unacceptable Risk

Where control measures are deemed unacceptable to control the risks from the hazards identified, additional control measures must be implemented, these should be detailed within the risk assessment documentation and transferred into the action plans and the risk register where applicable.

Communication

All staff will be made aware of the Risk Management Policy and Guidance through induction, team brief and mandatory training. A copy will also be placed on the intranet site of HPS. The policy will be distributed to HPS sites to ensure that staff with specific management responsibilities receive a copy.

Other stakeholders will be made aware of the Risk Management Policy and will be involved and consulted as appropriate. For example, this could be during consultation on development of other policies or strategies, or through coverage of Risk Management in the HPS Annual Report and public Board and Cabinet papers. Stakeholders will include:

- Users and Carers
- The General Public
- Local GPs, Dentists, Pharmacists, Optometrists
- Schools
- Strategic Health Authority
- Regional Government
- Hereford Hospitals Trust and West Midlands Ambulance Trust
- PALS
- The Third Sector
- Fire Brigade and Police
- The Utility Companies
- Chamber of Commerce, Hereford
- Chamber of Commerce, Powys
- Audit Commission
- Herefordshire Partnership

Training

The Board and Cabinet acknowledges that the provision of appropriate training is central to the successful implementation of the risk management process.

Training needs will be identified and a suitable programme implemented for all staff including those with specific responsibilities under this policy, including members of the Board, Cabinet, Governance Committees and managers in HPS.

5. Monitoring of this policy

In order to ensure that this policy is effective all risk registers and action plans must be reviewed at appropriate intervals along with this policy. The monitoring process should confirm:

- all current risks have been reviewed and any additional action/s identified have been entered on the Action Plan;
- that the Action Plan has been reviewed and actions are on track for completion within agreed deadlines;
- whether any risks need to be removed, e.g. the end of a specific project;
- whether any new risks have been identified that need to be added to the register;
- that the risk register is up to date for new and existing risks;
- whether any operational risks have been identified by heads of service/key managers that could, if not managed become a risk for the directorate; and
- that updated Risk Registers and Action Plans have been entered onto each organisations central database or passed to the relevant Risk Manager after updating and review.

6. Audit

In order to measure the successful implementation of the Risk Management Policy the following Key Performance Indicators have been agreed for 2009/2010:

- The establishment of an Assurance Framework for Herefordshire Council.
- The development and delivery of an integrated risk management training programme to be used in HPS
- Demonstration that the Assurance Framework risks inform the Board and Cabinet Agenda.

7. Reviews at initial and periodic stages

This Policy will be reviewed in 12 months time

8. Cross reference documentation

Please refer to Appendix 3.

Appendices

Appendix 1

**KEY INDIVIDUALS RESPONSIBLE FOR ADVISING AND CO-ORDINATING
RISK MANAGEMENT IN HEREFORDSHIRE COUNCIL**

Title	Area of Responsibility	Contact Details
Corporate Risk Manager	Co-ordinates all risk management activity. Responsible for Risk Register	01432 260295
HR Manager	Coordinates OH support and advice	01432 260232
Head of Financial Services	Liaise with internal audit to achieve Annual Governance Statement	01432 263173
Health and Safety Advisor	Provides Health & Safety advice, support and training	01432 260448
Head of Asset Management & Property Services	Provides inspection of property and advice on fire risk assessments	01432 260227
Audit Services Manager	Ensure robust Corporate Governance and liaise with external auditors	01432 260425
Emergency Planning Manager	Coordinate the County wide response in an emergency	01432 260567
Information Security Officer	ICT Risk Assessment	01432 260160

Appendix 2

**KEY INDIVIDUALS RESPONSIBLE FOR ADVISING AND CO-ORDINATING
RISK MANAGEMENT IN HEREFORDSHIRE PCT**

Title	Area of Responsibility	Contact Details
Head of Corporate Risk	Co-ordinates all risk management activity. Responsible for Assurance Framework	01432 363906
Risk Management Support Officer	Supports directorates, responsible for risk register	01432 344344 extn 3737
Associate Director – Clinical Lead, Quality & Effectiveness	Responsible for patient risks and incident reporting	01432 344344 extn 3759
Deputy Director of Resources (Financial Governance)	Liaise with internal audit to achieve Statement of Internal Control	01432 344344 extn 3735
Health and Safety Advisor	Provides Health & Safety advice, support and training	01432 344344 Extn 7634
Fire Safety Advisor Via Works Department	Provides fire training & inspection of properties	01432 344344 extn 3910
Occupational Health	Provides occupational health services to PCT staff	01432 355444 extn 4013/5404
Infection Control Nurse	Provides infection control advice and co-ordinates audits	01432 277117
Moving and Handling Advisor	Provides advice on moving and handling issues and risk assessments.	01432 344344
Senior Nurse Child Protection	Advice & support on child protection issues	01432 343955
Information Governance Officer	ICT Risk Assessment	01432 344344 extn 7604

Appendix 3

LINKS TO OTHER POLICIES AND PROCEDURES

The Risk Management and Assurance Policy is supported by a number of other policies and procedures, all of which act as risk controls. The following is a list of key documents with which staff should be familiar. They can be found on the relevant intranet site or from your manager:

- Health and Safety at Work - and associated policies
- Incident Reporting Policy and Procedure
- Complaints Procedure
- Lone Worker policy
- Moving and Handling policy
- Recruitment, selection and appointment of staff
- Violence at Work
- Whistle-blowing policy
- Standing Financial Instructions
- Standing Orders
- Scheme of Reservation and Delegation
- Child Protection policy
- Sharing information in Child Protection
- Major Incident
- Infection Control
- Medical Equipment policy
- Protection of Vulnerable Adults
- Checking of State Registration
- Fitness to Practice
- Fraud and Illegal Acts
- Computer Security Policy
- Security Policy
- Business / Service Continuity Plans
- Quality Data

**Herefordshire Public Services and Partnership
Risk Management and Assurance Guidance**

After the Review Date has expired, this document may not be up-to-date. Please contact the document owner to check the status after the Review Date shown above.

If you would like help to understand this document, or would like it in another format or language, please contact the document owner.

Index

1.	Introduction	2
1.1	Drivers of Risk	3
2.	Risk Management – A Quick Guide	5
3.	Step 1: Identifying Risks.....	5
3.	Step 1: Identifying Risks.....	6
4.	Step 2: Identify Existing Controls And Assess The Risk.....	8
4.1	Risk Scoring Matrix.....	8
4.2	Management Response to Risk Rating.....	9
5.	Step 3: Determine Additional Controls Required	10
5.1	The 4T’s of Risk Control	10
6.	Step 4: Implement Additional Control Measures	12
7.	Step 5: Monitor Completion & Effectiveness of Controls - Assurance	13
8.	Assurance Framework	13
8.1	Sources of Assurance.....	14
9.	Applying the Process to Opportunity Management	15
10.	Appendix 1	18
11.	Appendix 2.....	19
12.	Appendix 3 - Example Risk Register.....	21
13.	Appendix 4 - Example Board Assurance Framework	22
14.	Appendix 5 - Risk Management Glossary	23
15.	Appendix 6 - Document Classification.....	25

1. Introduction

Risk management can be defined “as a means of reducing adverse events occurring in organisations by systematically assessing, reviewing and then seeking ways to minimise their impact or possibly prevent their occurrence.” Risk management brings huge benefit to Herefordshire Public Services (HPS) as it enables us to be positive in the decisions we make.

When we consider potential risks we must remember there is an “upside” as well as a “downside” in whatever we do and it is important not to focus only on the adverse affects but to balance it with the opportunities that may arise.

The **Audit Commission** and **Care Quality Commission** require all local government and NHS trusts to assess their risks and develop action plans to address the risk. More importantly the PCT and Council aim to manage risk to add value, i.e. it will aim to achieve the balance between under-managing risks i.e. unaware and therefore no control, which could damage the PCT’s and / or Council’s performance, and over-managing them i.e. an obsessive level of involvement in the fine details, which could become overwhelming and stifle innovation and creativity.

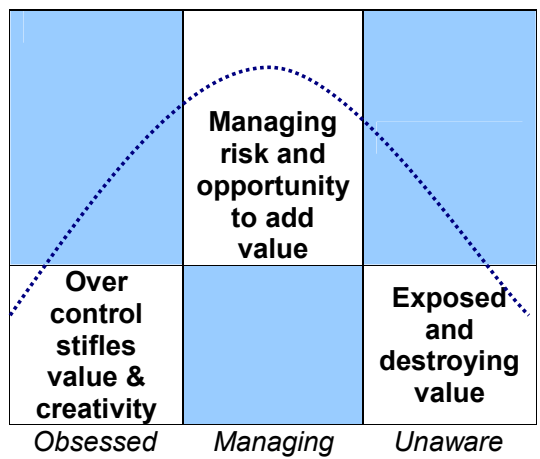


Figure 1: Managing risk and opportunity to add value

Risk management is one of the main components of Corporate and Clinical Governance; it requires us to:

- Have clear policies aimed at managing risks
- Undertake risk assessments to identify and manage risk
- Have action plans and programmes in place to reduce risk

The full benefits of risk management will only be obtained if there is a comprehensive and co-ordinated approach which is supported at every level of management throughout HPS.

This Guidance is intended to be used by all staff and departments in HPS. Independent contractors are welcome to use any part of this assessment tool in addition to those which they already use.

1.1 Drivers of Risk

Organisations all face risks from both internal and external factors. Understanding this helps to assess how much we can influence the risk.

It also helps to think of risk being driven by two basic categories, **strategic** and **operational**. At strategic level, the focus is on identifying the key risks to successful achievements of the organisation’s objectives. These are the risks (or opportunities) that are most likely to affect the performance and delivery of strategic objectives. At operational level the focus is on those risks (or opportunities) primarily concerned with delivery of services, quality of services, continuity of business and clinical governance assurance.

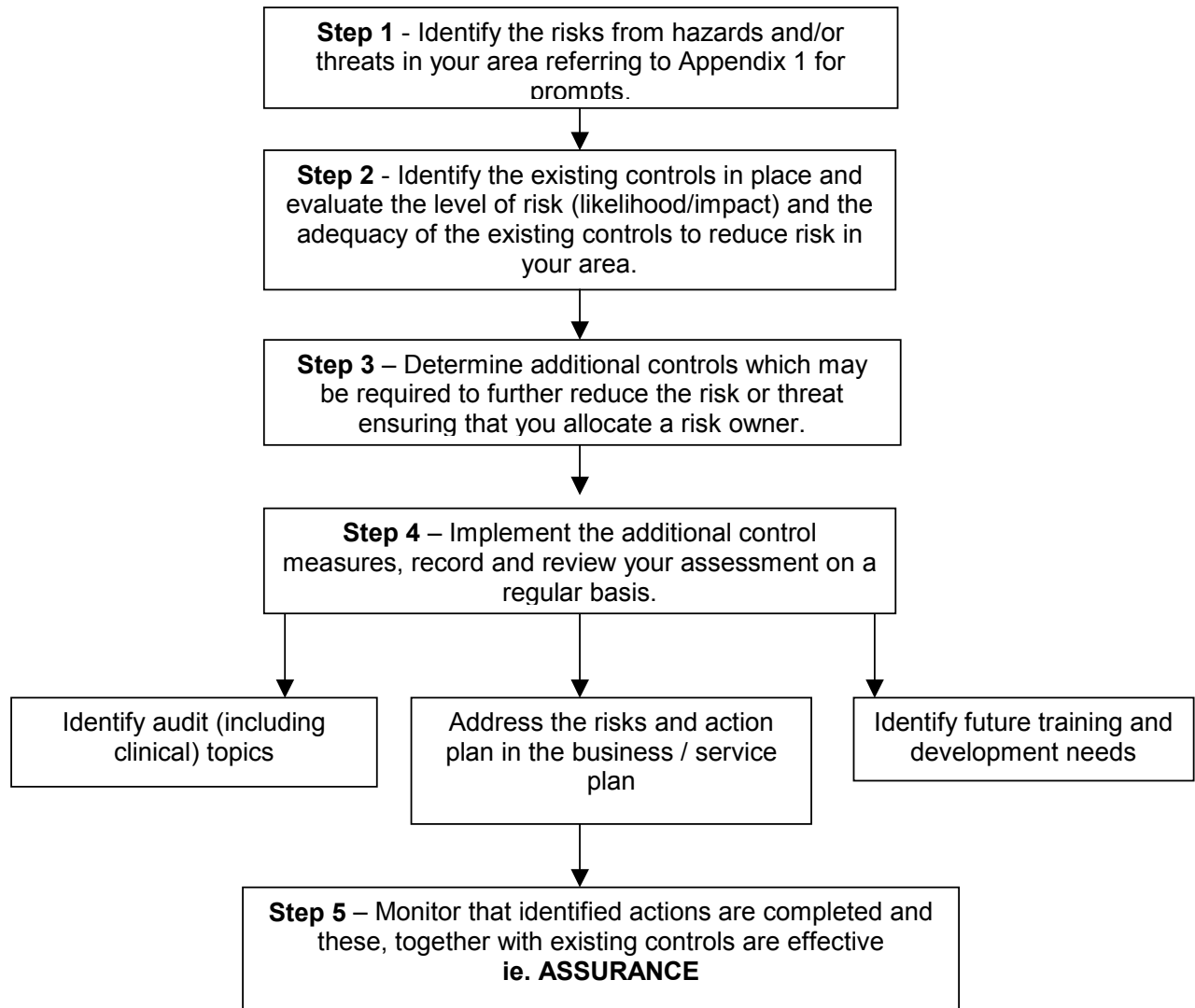
Strategic and operational risks are not mutually exclusive and a risk may escalate from an operational risk to a strategic risk (there are also project risks which, although they can again escalate up, are not specifically referred to in this handbook, identification, assessment etc of those risks follows the same process).

2. Risk Management – A Quick Guide

There are Five Steps of Managing Risk

1. **Identify Risks from Hazards and Threat events.**
2. **Evaluate the level of risk based on adequacy of existing controls.**
3. **Determine additional controls required.**
4. **Implement control measures and action plan.**
5. **Monitor controls, Record & Review assessment ie. Assurance.**

The five steps for the managing of risk are described in detail on pages 6 to 13, however the following flow chart provides a quick guide summary of the process.



3. Step 1: Identifying Risks

Risk identification is concerned with identifying events that can impact on the business objectives and delivery of services (strategic and operational) – ‘**what could happen**’. This should be considered from both the positive and the negative effect and so ask ‘what could happen if we do’ as well as ‘what could happen if we don’t...’, this will enable confident risk taking and exploitation of opportunities.

Common areas to prompt identification of risk include:

- **Strategic:** successful achievement of the organisation’s objectives ie. doing the wrong things as an organisation; missing opportunities
- **Finance:** losing monetary resources or incurring unacceptable liabilities
- **Reputation:** the image of the PCT and or Council, loss of public confidence
- **Clinical:** the clinical delivery of health and healthcare and access to services
- **Partnerships:** the risks/opportunities exposed to as part of a partnership
- **Legal / Regulatory:** claims against the PCT/ Council, non-compliance
- **Operational:** delivery of services, quality of services, continuity of business and clinical governance assurance ie. doing the right things in the wrong way
- **Information:** loss or inaccuracy of data, systems or reported information
- **Patients /public:** understanding their needs; delivery of and access to services and care
- **Environmental:** things outside of our control; Environmental impact
- **People:** risks associated with all employees, managers, Councillors and PCT Non-Executive Directors.

Using the following ‘**Wheel of Risk**’ and the prompts in **Appendix 1** (which contains additional specific examples of service risk assessment issues) make a list of events that could impact on the success of service delivery, project outcome etc.



In order to really be able to manage risks well you need to be explicit about **how** the events you have listed could impact on what you want to achieve in order to focus the action in the right area. This is done by:

- **Identify the objective/tasks** - involved in the job or activity you are undertaking, this will help you to break the activity down into its component parts and more easily see the hazards involved. Eg. Providing services (clinical or social) to people in their own homes.
- **Identify the hazards/threats** – what could prevent this objective/task being achieved. Eg. hazards/threats from flooding may make it difficult to get to some people.
- **Identify the Consequence/Impact** – should the hazard or threat be realised what would happen e.g. People may not receive necessary clinical or social care resulting in a deterioration in their condition.

Sometimes it can help to phrase the risk or opportunity into three parts: **Event – Consequence – Impact**

Typical risk phrasing could be

loss to...
failure of.....
failure to...
lack of...
partnership with...
development of...

leads to resulting in..

Failure to visit vulnerable adults at home due to floods leads to lack of food/lack of medication/clinical treatment resulting in the need to enter a care home/hospital.

Failure to (the event) could lead to either (the consequence) resulting in (the impact)".

Identify who might be at risk

Whilst analysing the risk you also need to consider who might be harmed as the impact could be felt in a number of ways. Is an individual (employee, patient, contractor, pregnant worker) likely to be harmed, or a group of people (vulnerable adults) or would it be the organisation that is at risk?

In the example above the impact would be felt most by the vulnerable adults that did not have their needs met, but there would also be a reputational impact on the organisation which would be seen to be failing in the delivery of services.

4. Step 2: Identify Existing Controls And Assess The Risk

Once the risk or opportunity has been identified it needs to be assessed for how likely it is the event could occur and the impact it will have if it should. This assessment should take into consideration **existing controls and / or action plans and their effectiveness**.

Typical examples of existing controls will include written policies and procedures, staff training, referral or admission criteria and the physical environment. In describing the controls it is important to consider how effective they are, when they were last reviewed or tested or when staff were last trained.

The assessment should be based on the risk scoring matrix below to ensure all risks are assessed objectively. Focus should be on the descriptor not the number. Once the level of likelihood and impact have been assessed, the two scores are multiplied to give an overall objective assessment of the existing (residual) level of risk.

4.1 Risk Scoring Matrix

Description and definitions of LIKELIHOOD of RISK occurring:

Description	Descriptor	Level
Can't believe that this will happen or recur.	Rare	1
Do not expect it to happen or recur.	Unlikely	2
Might happen or recur occasionally.	Possible	3
Will probably happen or recur, but is not a persistent issue.	Likely	4
Will undoubtedly happen or recur, probably frequently.	Almost Certain	5

Description and definitions of IMPACT/SEVERITY of RISK occurring:

Consequence Types	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
People (including patients, staff, carers and visitors)	No injury	Short term harm Will resolve in a month. First aid treatment required	Semi -permanent harm. Should resolve in a year Medical treatment required	Permanent or long term harm. Jeopardise well being – abuse, neglect assault	Single or Multiple fatalities
Delivery of services/ Strategic	No impact on ability to operate local services	Could threaten the efficiency or effectiveness of some services, but dealt with internally	Severe disruption to a service. Non achievement of local delivery plan	Loss of a service. Loss of stars / reduction in score in national performance review	Threatens the viability of the organisation
Financial Loss (e.g. Asset loss, repeat treatment, litigation, fines)	Loss in the range of £0 to £5,000	Loss in the range of £5,001 to £50,000	Loss in the range of £50,001 to £500,000	Loss in the range of £500,001 to £1,000,000	Loss of more than £1,000,000
Organisational Objectives	Management information does not meet business requirements	Service objectives not met or project failures in one service	Service objectives not met or project failures in multiple services	Failure to meet one key organisational objective	Failure to meet multiple key organisational objectives
Reputation	No impact on the reputation of the PST	Increase in patient / customer complaints or staff dissatisfaction	Negative press in local paper. Greater scrutiny by SHA, CAA or Audit Commission	Negative national press & television coverage. Intervention by SHA / Central Government	International television coverage. External investigation (CQC, HSE, police) Prosecution. Replacement of Board
Workforce and Morale	No impact on staff morale	Staff dissatisfaction	Increased Staff sickness & absenteeism	High rate of staff leaving	Inability to recruit or retain Industrial action
Legal	No breaches of law or local procedures / standards	Breaches of local procedures /standards	Breaches of regulation, national procedures / standards	Breaches of law punishable by fines	Breaches of law punishable by imprisonment

The risk rating then equals LIKELIHOOD x IMPACT/SEVERITY.

Likelihood	Consequence				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
5 Certain	5	10	15	20	25
4 Likely	4	8	12	16	20
3 Possible	3	6	9	12	15
2 Unlikely	2	4	6	8	10
1 Rare	1	2	3	4	5

Risk Rating:

Low Risk 1 to 3
Moderate Risk 4 to 6
High Risk 8 to 12
Extreme Risk 15 to 25

4.2 Management Response to Risk Rating

The score of a particular risk will determine at what level decisions on acceptability of the risk should be made and where it should be reported to within the HPS. The Board and Cabinet have defined as “Significant” any risk that has the potential to damage the organisation’s objectives

General guidelines are:

Level of risk	How the risk should be managed	Who to make aware
Extreme (15-25)	Requires active management High impact / High likelihood: risk requires active management to manage down when possible and maintain exposure at an acceptable level	Report to a Director for more detailed analysis of the risk, to be included on the Assurance Framework and reported to the Board and Cabinet with proposed treatment/action plans
High Risk (8-12)	Contingency plans A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from profile	Report to a Senior Manager/Director and then to an appropriate Risk Committee with proposed treatment/action plans
Moderate Risk (4-6)	Good housekeeping May require some risk mitigation to reduce likelihood if this can be done cost effectively, but good housekeeping to ensure the impact remains low should be adequate. Reassess frequently to ensure conditions remain same.	Report to Senior Manager with proposed treatment/action plans, for particular monitoring.
Low Risk (1-3)	Review periodically Risks are unlikely to require mitigating actions but status should be reviewed frequently to ensure conditions have not changed	Report to local manager for local action to reduce risk

This information should be recorded on the Risk Assessment Form found at Appendix 2

5. Step 3: Determine Additional Controls Required

Once risks and opportunities have been identified and assessed for likelihood and impact, this will provide you with a **Current/Residual** risk rating. The rating will identify those risks where further resources may need to be allocated to reduce the risk. This will be included on the risk assessment form as the **Action Plan**.

An Action Plan should be completed for all for all residual risks rated **extreme**, **high** or **moderate** and should include the following information:

- a) **Risk Owner** - Each risk will be assigned a risk owner **who** will own and determine **how** the risk/opportunity will be managed, controlled or exploited.
- b) **Action Description**- A detailed description of the action required to manage or **treat** the risk. Should the risk be avoided, eliminated, reduced, transferred or accepted? A useful framework for considering these questions is the “4 T’s”

5.1 The 4T’s of Risk Control

	NOTES
<p>Terminate Stop the activity altogether</p>	<ul style="list-style-type: none"> • Rarely an option in public sector activity though this may be possible for some non-core activities.
<p>Tolerate Accept the risk and live with it</p>	<ul style="list-style-type: none"> • Applies to risks within the tolerance threshold or those where the costs of treatment far outweigh the benefits. • Should be backed up by appropriate contingency plans, business continuity plans and recovery plans.
<p>Transfer To a third party or through insurance</p>	<ul style="list-style-type: none"> • Can transfer all or part of the risk. • Beware – although responsibility can be transferred, accountability rarely can, so it requires close monitoring.
<p>Treat Take action to control the likelihood and/or impact</p>	<ul style="list-style-type: none"> • This is where the bulk of the risk management action falls. • The purpose of treating a risk is to continue with the activity which gives rise to the risk but to bring the risk to an acceptable level by taking action to control it in some way through either <ul style="list-style-type: none"> ○ containment actions (lessen the likelihood or consequences and apply before the risk materialises) or ○ contingent actions (put into action after the risk has happened, i.e. reducing the impact. Must be pre-planned) •

These are not mutually exclusive categories – it is quite normal to use a combination of two or more.

Consider what additional controls can be introduced to either remove the risk or reduce it. Through these controls can the likelihood of occurrence be reduced? Can the impact be reduced? Can consequences of the risk be changed?

Typical examples of controls include the introduction of new policies with associated training for staff, reviewing skill mix, undertaking audits to identify problem areas.

When completing an Action Plan it is important to ensure that:

- The action is proportionate to the risk.
- Whether new risks are caused by the action.
- Controls are SMART – Specific, Measurable, Achievable, Realistic and Time-bound.

- c) **Resources Required** – Are resources required to implement the actions and if so what type i.e. personnel or financial and how can they be secured. The cost of management and control of the risk should be proportionate to the risk that is being addressed
- d) **Target/ Review Date** – enter target date for completion of action(s) or when the actions will be reviewed. As a guide it is suggested that the following timescales be used:
- | | |
|------------------------------------|---------------------------|
| Extreme Risk Score 15 to 25 | – Within 3 months |
| High Risk Score 8 to 12 | - Within 6 months |
| Moderate Risk Score 4 to 6 | - Within 12 months |
- e) **Target Risk Rating** – unless a risk is terminated it is impossible to remove it completely and so the risk owner needs to identify what is acceptable as a target.

6. Step 4: Implement Additional Control Measures

It is important to ensure that any new controls are implemented and that the assessment is regularly reviewed. Controls may need to be included in service or business plans or identified as part of future training & development needs.

All completed risk assessments are recorded on a Risk Register – these are in place for departments, services, directorates, HC & NHSH (Corporate Risk Register). An example Risk Register is included at **Appendix 3**. Currently HC and NHSH have separate databases for storing this information but it is presented in the same format.

An essential element of the risk management process is that risks / opportunities can be cascaded up or down according to the levels of risk and available resource – see **Step 2, Management Response to Risk Rating**. For example a risk identified at service level may be managed or contained adequately until perhaps a sudden change in either the internal or external environment means the service does not have capacity, authority or resources to manage or contain the risk. It could be that the sudden change has created multiple impacts that together are very high or are out of the range of control of the head of service. The risk is then cascaded up to the next level (e.g. Directorate or Board). The risk is then assessed at that level and management determined.

This clear process enables assurance to the highest level that risks (and opportunities) are being managed at their appropriate level.

7. Step 5: Monitor Completion & Effectiveness of Controls - Assurance

Circumstances and business priorities can, and do, change, and therefore risks, opportunities and their circumstances need to be regularly reviewed. Some risks will move down the priority rating, some may leave, and others will be identified.

The risk management process requires that risk owners review their risks and report **at least quarterly**.

That review should incorporate the following questions:

- Is the risk / opportunity still relevant (what changes have occurred in the internal / external environment)?
- How do I know the controls have been effective – have there been any internal or external reports to provide assurance?
- What progress has been made in managing the risk/ opportunity?
- Given the progress (or not), does the risk score need revising?
- Are any further controls required, if so what should these be?

Risk management should be included as an item of the agenda of all department management team/board meetings.

A list of potential sources of Assurance is included on page 15

8. Assurance Framework

The Assurance Framework is basically an extension of the risk register which allows for further analysis of any **Extreme Risks** (rated 15-25) which could impact on the HPS achieving their strategic or principal objectives.

It provides a framework for reporting key information to the Board and Cabinet and an example is in **Appendix 4**. It provides assurance about where risks are being managed effectively and objectives are delivered and will also identify which of the HPS objectives are at risk because of gaps in controls or assurance about them. There is a minimal content for an Assurance Framework and whilst this has been set by the Department of Health it will be applied across the whole of HPS.

Key Controls - Organisations should ensure that they have **key controls** in place which are designed to manage their principal risks.

Controls should be documented and their design subject to scrutiny by independent reviewers, eg. internal and external auditors. The key controls should be mapped to the principal risks. When assessments are made about controls, consideration must be given not only to the design but also the likelihood of them being effective in light of the governance and risk management framework within which they will operate - even the best controls can fail if staff are not adequately trained.

Assurances on Controls - Where can the organization gain evidence that the controls are effective? The most objective assurances are derived from independent sources and these are supplemented from non independent sources such as clinical audit, internal management representations, performance management and self assessment reports. Page 15 contains a list of possible sources of assurance.

Where the assurer's report is confirmed as relevant, the organisation must endeavour to confirm that sufficient work has been undertaken in the review to be able to place reliance on the conclusions drawn. The organisation will need to assess whether a review provides:

Positive Assurances

There are sufficient, relevant, positive assurances to confirm the effectiveness of key controls and **the objectives are met**. This should be reported to the Cabinet and Board and recorded as a positive assurance.

Gaps in Control

These should be recorded when there is a clear conclusion, based on sufficient and relevant work, that one or more of the key controls on which the organisation is relying are not effective.

Gaps in Assurance

There is a lack of assurance, either positive or negative, about the effectiveness of one or more of the key controls. This may be as a result of lack of relevant reviews, or concerns about the scope or depth of reviews that have taken place.

Principal risks cannot be considered in isolation, they will be derived from the prioritisation of risks fed up through the whole organisation and in this way the Risk Register contributes to the Assurance Framework. Therefore, whilst the Assurance Framework is managed by the Corporate Risk department ownership of the risks and responsibility for providing information on assurance continues to lie with Directors.

8.1 Sources of Assurance

Internal sources of assurance	External sources of assurance
-------------------------------	-------------------------------

<ul style="list-style-type: none"> • Internal audit • Key Performance Indicators • Performance reports • Sub-committee reports • Compliance audit reports • Local counter fraud work • Clinical audit • Staff satisfaction surveys • Staff appraisals • Training records • Training evaluation reports • Results of internal investigations • Serious Untoward Incident reports • Complaints records • Infection control reports • Standards for Better Health self-assessment • Information governance toolkit self-assessment • Patient advice and liaison services reports • Human resource reports • Internal benchmarking 	<ul style="list-style-type: none"> • External audit • Audit Commission • NHS Litigation Authority • Clinical Negligence Scheme for Trusts • Strategic health authority reports/reviews • Monitor • Care Quality Commission hygiene code reports • Care Quality Commission reviews • Care Quality inspections of Standards for Better Health declarations • Royal College visits • Deanery visits • External benchmarking • Patient environment action team reports • Accreditation schemes • National and regional audits • Peer reviews • Feedback from service users • Feedback from commissioners • External advisors • Local networks (for example, cancer networks) • Investors in People • Department for Children, Schools and Families • Central Government Departments • External Insurers and Brokers • Lexcel
--	---

9. Applying the Process to Opportunity Management

Good risk management will also help us to explore and take up opportunities as they are identified. The approach is the same as for risk assessment – we need to ask:

- Is there an opportunity we could take to help us achieve our objectives?
- What is the likelihood of it happening?
- What would be the impact if it did?
- What needs to be done – how can we develop this, what actions are needed to ensure it happens?

Description and definitions of LIKELIHOOD of the OPPORTUNITY occurring

Description	Descriptor	Level
No evidence or experience of this happening in the organisation. No identified benefits	Rare	1
Opportunity for which the likelihood is low based on resources currently being available. Possibility of some benefits if a risk was carefully managed.	Unlikely	2
Possible opportunity identified but which has yet to be fully investigated. Benefits that can be attributed to the careful management or toleration of an identified risk.	Possible	3
An opportunity that has been explored and may be achievable but which will require careful management. Opportunities clearly identified or deliverable benefits achieved from managing / tolerating an identified risk	Likely	4
A clear opportunity already identified which can be relied upon, with reasonable certainty, to be achieved in the short term and which will deliver clear benefits.	Almost Certain	5

Description of IMPACT (i.e. benefits) of the OPPORTUNITY

Consequence Types	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Delivery of services	No change to delivery of patient / customer care or access	Some slight improvement on internal business only – but have no effect on patient / customer care or access to services (no change in delivery)	Noticeable improvement to NHS Herefordshire – would have a slight improvement on patient / customer care or access to services	Noticeable an improvement in services, patient / customer care and / or access (delivery, quality, level, cost etc)	Patient / customers would see a significant and noticeable improvement in services, patient / customer care and / or access to services (delivery, quality, level, speed, cost)
Financial Gain	Income generation and / or savings of less than £5,000	Income generation and / or savings (>£5,001 - < £50,000)	High income generation and / or savings (<£50,001 - <£100,000)	Major income generation and / or savings (>£100,001 - >£250,000)	Income generation and / or savings >£250,001
Reputation	Would not have an impact on HPS reputation	Positive local media coverage	Positive media coverage in national tabloid press / municipal journals and/or significant local media coverage Positive recognition by external body (Audit Commission, CQC, DH etc)	Recognition from professional community / external body Coverage in national (broadsheet) press and/or low national TV reporting	Recognition as leader in field from professional community / external body Extensive positive coverage in national press and broadsheet editorial and/or national TV item
Partnership	No additional partnership initiatives identified	Local level partnership initiatives identified	County wide level partnership initiatives / arrangements	Regional partnership initiatives / arrangements	National or international partnership initiatives / arrangements
Environmental	No or insignificant environmental or economic improvement	Minor improvement to local environmental / economy	Moderate improvement to local environmental / economy	Major improvement to local environment / economy	Significant improvement to national and/or international environmental

The opportunity rating then equals likelihood x CONSEQUENCE/IMPACT

Likelihood	Consequence				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
5 Certain	5	10	15	20	25
4 Likely	4	8	12	16	20
3 Possible	3	6	9	12	15
2 Unlikely	2	4	6	8	10
1 Rare	1	2	3	4	5

Opportunity Rating:

Low Opportunity 1 to 3
Moderate Opportunity 4 to 6
High Opportunity 8 to 12
Significant Opportunity 15 to 25

Management response to OPPORTUNITY RATING

Level of Opportunity	How the opportunity should be managed
Significant 15-25	Active engagement to continue - requires periodic review to ensure conditions remain unchanged
High 8-12	Active engagement to continue – may require further engagement to increase benefits and/ or good housekeeping & some mitigation to ensure level of likelihood & impact maintained.
Moderate 4-6	Level of engagement to be reviewed - robust contingency plans & early warning mechanisms in place to ensure opportunity does not become any lower or a threat.
Low 1-3	Requires active management to ensure remains an opportunity and not become a threat. Or review viability and consider whether this initiative should be terminated.

As risk management becomes embedded and managers become confident risk takers then in addition to the 4 T's of Risk Control (page 11) there is a fifth option open:

Taking the opportunity - This is an option to be considered whenever tolerating, treating, or transferring a risk. There are two aspects to this:

1. The first is whether or not at the same time as mitigating threats, an opportunity arises to exploit positive impact. For example, is a large sum of capital funding is to be put at risk in a major project, are the relevant controls judged to be good enough to justify increasing the sum of money at stake to gain even greater advantages?
2. The second is whether or not circumstances arise which, whilst not generating threats, offer positive opportunities. For example, a drop in the cost of goods or services frees up resources that can be re-deployed.

10. Appendix 1

Examples of Service Risk Assessment Issues

- Policies and Procedures
 - Clinical
 - General
 - Departmental
- High risk areas
 - Surgery
 - Minor Injury Unit
 - Anaesthesia
 - Acute Psychiatry
 - Pharmacy
 - Prescribing
 - Infection control
 - Medicines management
 - Blood Transfusion
 - Resuscitation
- Staffing
 - Numbers
 - Grades
 - Competence
 - Access and availability of training
 - Induction
 - Supervision
 - Volunteers
- Contracts for core services
- Information for clients
- Consent issues
 - Policy
 - Process
 - Underage
 - Staff training
- Counselling
- Lone Working
- Records
 - Clinical records
 - Data Protection
 - Storage and retrieval
 - Confidentiality
- Prescribing and administration of drugs
- Maintaining standards in out of hours services
- Criteria for access to and refusal of service
- After care / discharge
- Incident Reporting
- Complaints
- Clinical Audit
- Adverse events
- Research and development
- Organisational arrangements
 - Communication
 - Access to support and advice
 - Geographical issues
- Maintenance & Use of equipment
- Dealing with emergencies
- Health and Safety
 - Manual Handling
 - COSHH
 - Violence and aggression
 - Policy
 - Risk assessment
 - Training
 - Access to support / back up

11. Appendix 2

RISK MANAGEMENT ASSESSMENT (to be completed by assessor)													
Title (Activity/ Job/ Premises)		Reference No:			Likelihood		Impact/Severity						
Location/Dept		Assessor Name(s)			5 Almost Certain		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic		
Authorising Manager		Authorising Mgr Signature			4 Likely		5 MODERATE	10 HIGH	15 EXTREME	20 EXTREME	25 EXTREME		
Overall Rating		Review Date			3 Possible		3 LOW	6 MODERATE	9 HIGH	12 HIGH	16 EXTREME	20 EXTREME	
					2 Unlikely		2 LOW	4 MODERATE	6 MODERATE	8 HIGH	10 HIGH	15 EXTREME	
					1 Rare		1 LOW	2 LOW	3 LOW	4 MODERATE	5 MODERATE	10 HIGH	
No	Objective/ Task / Equipment/ Materials/ Activity, etc	Hazard Organisational/ Personal threat	Risks Impact/Severity	Who might be affected	Existing controls currently used (What are we doing now?)	Risk evaluation			Action Plan Additional control/precautionary measures required	By Whom & By When initials & date	Risk Rating after Action taken		
						Likelihood	Severity	Rating			Likelihood	Severity	Rating
					•				•				
					•				•				
					•				•				
					•				•				
					•				•				
					•				•				
					•				•				
					•				•				
					•				•				
					•				•				
					Assessors Signature:					Date Completed:			
Senior Manager signature					Senior Mgr Signature:					Date:			
*** Only required where high risk or large finance requirement ***													

Progress – Qtr 1		Signed & Dated	
Progress – Qtr 2		Signed & Dated	
Progress – Qtr 3		Signed & Dated	
Progress – Qtr 4		Signed & Dated	

What is the likelihood for re-occurrence of this event? Use the table below to assign this incident a category code.

Level	Descriptor	Description
5	Almost Certain	It has already happened and is a persistent issue.
4	Likely	It has already happened, but is not a persistent issue.
3	Possible	It could occur, but it has not yet.
2	Unlikely	Do not expect it to happen.
1	Rare	Can't believe that it will happen.

What is the likely impact or severity if it does happen again?

Use the table below. The highest level ticked determines the overall Consequence Category rating. If in doubt, grade up not down

Consequence Types	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
People (including patients, staff, carers and visitors)	No injury	Short term harm. Will resolve in a month. first aid treatment required	Semi -permanent harm. Should resolve in a year. Medical treatment required	Permanent or long term harm. Jeopardise well being – abuse, neglect assault	Single or Multiple fatalities
Delivery of services/ Strategic	No impact on ability to operate local services	Could threaten the efficiency or effectiveness of some services, but dealt with internally	Severe disruption to a service. Non achievement of local delivery plan	Loss of a service. Loss of stars in national performance review	Threatens the viability of the organisation
Financial Loss (eg. Asset loss, repeat treatment, litigation, fines)	Loss in the range of £0 to £5,000	Loss in the range of £5,001 to £50,000	Loss in the range of £50,001 to £500,000	Loss in the range of £500,001 to £1,000,000	Loss of more than £1,000,000
Organisational Objectives	Management information does not meet business requirements	Service objectives not met or project failures in one service	Service objectives not met or project failures in multiple services	Failure to meet one key organisational objective	Failure to meet multiple key organisational objectives
Reputation	No impact on the reputation of the PCT	Increase in patient complaints or staff dissatisfaction	Negative press in local paper. Greater scrutiny by SHA	Negative national press & television coverage. Intervention by SHA	International television coverage. External investigation (CHI, HSE Prosecution. Replacement of Board
Workforce and Morale	No impact on staff morale	Staff dissatisfaction	Staff sickness & Absenteeism	High rate of staff leaving	Inability to recruit or retain. Industrial action

12. Appendix 3 - Example Risk Register

Risk Register

Dept.	ID	Opened	Title	Description	Controls in place	Impact (Initial)	Likelihood (Initial)	Rating (Initial)	Risk level (Initial)	Action summary	Impact (current)	Likelihood (current)	Rating (current)	Risk level (current)	Review date
									Red					Orange	
									Red					Red	
									Red					Yellow	
									Orange					Orange	
									Orange						

13. Appendix 4 - Example Assurance Framework

SAMPLE ASSURANCE FRAMEWORK – JUNE 2009

Corporate Objective	Improving Health & addressing Inequalities - continually identifying & refining needs
Risk Register Reference	537

Principle/Directorate Objective									
What could prevent this objective being achieved – hazard/threat	Existing controls currently used (What are we doing now?)	Assurance on Controls - Who	Positive Assurances to Board - What	Gaps in Controls	Gaps in Assurance	Risk Rating	Standards for Better Health	Who might be affected	Directorate
Inadequate preparation in the event of Pandemic Influenza	DH UK contingency plan. Herefordshire Influenza Pandemic Planning Committee. Existing major incident plans and emergency planning command & control structures. Mass prophylaxis plan. Emergency Planning Lead Pandemic Influenza Plan	DH/SHA Audit	Self assessment of Pandemic flu planning (SHA tool) PCT score for 2008-09 is 77%. Contingency Plan received March 09 Verbal update May 09	Lack of Business Continuity Plans from some providers.		20	Domain 7: Public Health Core Standard C24: Healthcare organisations protect the public by having a planned, prepared and, where possible, practised response to incidents and emergency situations which could affect the provision of normal services	Public	Public Health
Additional control/precautionary measures required				By When	By Whom	Risk Rating after Action	Progress		
<ul style="list-style-type: none"> Implement actions/strategy agreed at HIPPC within PCT Training programme Anti-viral strategy Review business continuity planning arrangements in PCT and Primary Care Recruit joint Emergency Planning Lead with Council 				01/04/09 01/01/07 01/04/07 01/10/09 31/10/08			Update awaited Completed Completed Project manager in place to assist work with PCT provider. Completed		

14. Appendix 5 - Risk Management Glossary

Assessing risks	The approach and process used to prioritise and determine the likelihood of risks occurring and their potential impact on the achievement of our objectives.
Assurance Framework	A tool that sets out the risks for each strategic objective, along with the controls in place and assurances available on their operation. Reported to Board and Cabinet.
Consequence	The outcome of an event so the reason for managing the risk.
Contingency	An action or arrangement that can be put into place to minimise the impact of a risk if it should occur.
Control (control measures)	Any action, procedure or operation undertaken to either contain a risk to an acceptable level, or to reduce the likelihood .
Corporate Governance Identifying risks	The method by which functions are regulated and controlled The process by which events which could affect the achievement of the organisations objectives , are drawn out and described and listed.
Impact	The effect that a risk would have if it happens
Likelihood	The probability that an identified risk event will occur
Managing & controlling risks	Developing and putting in place actions and control measures to treat or manage the risk
Mitigation (Plan)	A strategy that decreases risk by lowering the likelihood of a risk event occurring or reducing the impact of the risk should it occur.
Objective	Something worked toward or striven for, a goal.
Operational risk	Risks associated with the day-to-day issues that an organisation might face as it delivers its services.
Project risks	Risks associated with a specific activity, which has defined goals, objectives, requirements, a life cycle, a beginning and an end.
Periodic review	A review that occurs at specified regular time intervals.
Residual risk	The level of risk remaining after managing it through treatment and/or control measures
Risk	The chance of something happening that will have an effect on our objectives . This could be an opportunity as well as a threat.
Risk appetite	The level of residual risk that the PCT is prepared to accept, tolerate or be exposed to at any point in time

Risk owner	The person who has overall responsibility for ensuring that the strategy for addressing the risk is appropriate and who has the authority to ensure that the right actions are being taken
Risk management/ Risk management process	The corporate and systematic process that efficiently identifies, assesses, manages and communicates the impact of risks in a cost-effective way and having staff with the appropriate skills to identify and assess the potential for potential threats and opportunities to arise.
Risk prioritisation matrix	The number of levels of likelihood and impact chosen against which to measure the risk and identify methods of management of the risk.
Risk register	A framework for capturing information about each risk , e.g. brief description, it likelihood , its impact , how we are controlling it and who is managing that risk.
Risk profile	The summary of identified risks and assessment of their seriousness.
Risk strategy	The overall organisational approach to risk management.
Strategic risks	Risks concerned with where the organisation wants to go, how it plans to get there and how it can ensure survival.
Target Risk	The level of risk that the organisation is aiming to achieve after the action plan is implemented.

15. Appendix 6 - Document Classification

Author Name and Role
Date Created
Date Issued
Description
File Name
Format
FOI/EIR Disclosure
Geographic Coverage
Group Access
Language
Master Location
Publisher
Rights Copyright
Security Classification
Status
Subject
Title
Type

Consultation Log

*Date sent for
consultation*
Consultees

Approval Log

Date

*Impact on health and
wellbeing assessed by*
To be agreed by
To be approved by
Finally to be ratified by
To be reviewed by:

Version Log

<i>Version</i>	<i>Status</i>	<i>Date</i>	<i>Description of Change</i>	<i>Reason For Change</i>	<i>Pages affected</i>
----------------	---------------	-------------	----------------------------------	------------------------------	---------------------------

(Place at the end of the policy / procedure / protocol once approved)

MEETING:	CABINET
DATE:	26 NOVEMBER 2009
TITLE OF REPORT:	RESPONSE TO SCRUTINY REVIEW OF ECONOMIC DEVELOPMENT STRATEGY
PORTFOLIO AREA:	ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES

CLASSIFICATION: Open

Wards Affected

County-wide.

Purpose

To respond to the Community Services Scrutiny Committee review of the Economic Development Strategy.

Key Decision

This is not a Key Decision.

Recommendation

THAT the response to the recommendations (see Appendix 1) be agreed.

Key Points Summary

- The Cabinet Member for Economic Development and Community Services has considered the recommendations contained in the report of 5 October 2009.
- The Cabinet Member's response to each recommendation is set out in Appendix 1.

Alternative Options

- 1 That the review and its recommendations are rejected or reviewed for further consideration.

Reasons for Recommendations

- 2 All the recommendations are agreed or agreed in principle. Where agreed in principle further work needs to take place to consider the recommendation, its scope and costings.

Further information on the subject of this report is available from Geoff Hughes,
Director of Regeneration on Tel: (01432) 260695

Introduction and Background

- 3 Community Services Scrutiny Committee considered a report reviewing the economic development strategy on 5 October 2009. The task of the review was to consider the economic development strategy in light of the current economic downturn and changes in priorities.
- 4 The review was supported from officers within the Planning Policy Services and as there is a great deal of connectivity to the Local Development Framework – which is a positive approach considering the impact of the LDF on decisions that will effect the economy.
- 5 The original strategy was produced in 2004 with a refresh when it was published in 2006. It covers a 20 year period but since its publication the regional strategy has changed and so has the financial climate. There is also a new national duty to produce Local Economic Assessments which will provide greater data on the local economy which will inform a revised strategy.

Key Considerations

- 6 The aim is to produce the new strategy by October 2010. This allows time to reflect on the emerging priorities of the LDF and findings of the local economic assessment. As part of the process there will be consideration of geographic needs and sector specific requirements.

Community Impact

- 7 The Economic prosperity of the county has an impact on all aspects of community life. The recent downturn has impacted on businesses, communities and individuals – as well as public sector spend. Much of the new economic development strategy will focus on recovery and support the sustainability of the county's economy over the long term.

Financial Implications

- 8 All costs must be met from within existing budgets if the recommendations, as presented, are accepted.

Legal Implications

- 9 Not relevant.

Risk Management

- 10 That once investigated the “in principle” recommendations will have a cost implication that will not allow for implementation.
- 11 That there will be time slippage on the production of the new strategy due to Local Economic Assessment information not being forthcoming or delay on decision making regarding the LDF.

Consultees

- 12 None (for this report).

Appendices

- 13 Appendix 1 Recommendations arising from Scrutiny review.
- 14 Appendix 2 Scrutiny Review of the Economic Development Strategy.

Background Papers

- None identified

Action Plan in Response to the Review of Economic Development Strategy

Recommendation No. 1	Ensure stronger links to the Local Development Framework (LDF) and new regional guidance and enable more effective use in determining planning applications.					
Executive's Response	This recommendation is accepted.					
Action	Owner	By When	Target/Success Criteria	Progress		
Contribute to the allocation of industrial land sites and other infrastructure schemes in the LDF that will have an impact on economic development and business support.	Economic Development Manager	January 2010	Sound basis of information to make decisions on industrial land sites.	Land Based Review evidence complete and available on the website in November 2009.		
Enhanced communication between economic development and planning services to consider economic factors in planning decisions.	Director of Regeneration	December 2009	Wider view of planning decisions.	Services within single Directorate.		
Consultation on the LDF by the Economic Development Partnership Group (policy and delivery group of the Herefordshire Partnership).	Economic Development Manager	March 2010	Partnership response to the LDF that looks at the impact on the economy and businesses.	A range of evidence currently available on the web.		
Keep up to date with regional changes in strategy as part of the production of a revised Economic Development Strategy for the county.	Head of Economic and Community Services	On going.	Strong linkage with the delivery of regional strategy whilst retaining the distinctiveness of the county.	Attended "Delivering the West Midlands European Strategy" conference in October 2009.		

Recommendation No. 2	Produce individual action plans on Hereford, the Market Towns and the Rural Areas (considering roles and identities) linked to the LDF; engage community groups and monitor through Policy Delivery Group of Partnership			
Executive's Response	Agreed in principle. The layout and design of the new strategy has yet to be agreed but likely to include a geographic review linked to the outcomes of the LDF and actions to assist in the deliverability of LDF.			
Action	Owner	By When	Target/Success Criteria	Progress
To agree the timetable for production and design layout of the new Economic Development Strategy.	Head of Economic and Community Services	March 2010	Format of the strategy agreed.	
LDF consultation to outline requirements of the county, followed by roll out of city and market town plans.	Planning Policy Manager	tbc	Individual market towns and city plans produced.	Revised timetable for LDF process presented to Planning Committee and Cabinet in December 2009.
Activity to deliver the Economic Development Strategy currently monitored via the Economic Development Partnership Group.	Senior Economic Development Officer	On going (meeting 6 times a year)	Understanding of projects as they progress and linkages to other initiatives.	Latest meeting 24 th September 2009.

Recommendation No. 3	Greater emphasis on ICT and particularly actively seeking ways of improving broadband speeds and coverage across the County to support existing and attract new businesses; create "hubs" in market towns for business use			
Executive's Response	This recommendation is accepted.			
Action	Owner	By When	Target/Success Criteria	Progress
Intentions Paper produced on the approach of Herefordshire Public Services to address not spots and low band width.	Head of Economic and Community Services	December 2009	An agreed way forward to address the shortcoming of broadband in the county.	Intentions paper produced in draft.
Event open to community representatives to understand the opportunities and funding available to create local solutions to broadband coverage.	Regeneration Programmes Manager	February 2010	Ensure communities are aware of the opportunities for local solutions and can be proactive with council support.	Investigating content of the seminar.

Explore the option of 2 pilot areas working to test "combined" broadband solution.	Head of Economic and Community Services	February 2010	To work with communities to show the potential of working collectively to address access to broadband.	Criteria for the pilot areas being established.
--	---	---------------	--	---

Recommendation No. 4	Greater emphasis on regeneration and ways of promoting this e.g. re-use of Council owned buildings in Hereford for heritage based projects run in partnership with outside bodies			
Executive's Response	Agreed in principle. To include re-use of Council owned buildings in the county for cultural and community projects – not just restricted in heritage schemes in Hereford.			
Action	Owner	By When	Target/Success Criteria	Progress
To seek agreement of the Community Asset Transfer Strategy that gives guidance on the transfer of assets to create the most benefit in utilising council resources.	Strategic Asset Manager	March 2010	To create a framework for the transfer of assets at below market value.	Report produced in outline for final decision.
Initial discussions with the Hereford Heritage Regeneration Group on the transfer of assets for development.	Head of Economic and Community Services	September 2009	To gain an understanding of the requirements of the group and offer guidance.	Meeting took place on 14th September 2009 and awaiting proposals from the group.
Grange Court transferred to Leominster Area Regeneration Company for development as a community asset for the town.	Community Regeneration Manager	September 2011	Complete build supporting business and community use as part of the regeneration of the area.	Planning permission granted, and final funding to be confirmed mid November 2009.

Recommendation No. 5	Greater emphasis on attracting new businesses and jobs into the county – reflecting economic downturn.			
Executive's Response	This recommendation is accepted.			
Action	Owner	By When	Target/Success Criteria	Progress
Attracting businesses to the County to be included in the new Economic Development Strategy.	Head of Economic and Community Services	October 2010	Production of new strategy.	Currently assessing requirement of the Local Economic Assessment that will guide a new strategy.

Produce an outline Inward Investment Strategy for the County.	Economic Development Manager	December 2009	The initial guidance on approach of attracting businesses to the county followed by sector specific marketing.	Initial paper to be presented to the Economic Development Partnership Group for testing.
Pursue a marketing campaign to attract businesses into the area.	Economic Development Manager	April 2010	To attract new companies to the area.	Outline Inward Investment Strategy being prepared.

Recommendation No. 6	Existing businesses – need section on all sectors of industry and their needs, should be a specific reference to business support available.			
Executive's Response	This recommendation is accepted in principle. In the course of analysing the data and conducting the research certain sectors may emerge that are relevant for special considerations.			
Action	Owner	By When	Target/Success Criteria	Progress
Support for existing businesses to be included in the new Economic Development Strategy.	Head of Economic and Community Services	October 2010	Production of new strategy.	Currently assessing requirement of the Local Economic Assessment that will guide a new strategy.
Continuation of grant schemes offered or funded by the Council.	Economic Development Manager	On-going	New business creation; business supported and additional training taking place.	Business Boosters grant (since October): 85 enquiries, 14 completed applications Training Voucher: 61 enquiries, 12 completed applications, 7 awards Rural Enterprise Grant (since April) 12 awards
Lobby for the county to be included in the Sustainable Urban Development Programme	Regeneration Programmes Manager	Commence Nov 2010	New business creation, business supported.	Availability of grants urban areas with projects being outlined for inclusion.

Recommendation No. 7	Greater reference to tourism strategy and links to economic development.					
Executive's Response	This recommendation is accepted.					
Action	Owner	By When	Target/Success Criteria	Progress		
Tourism to be reflected in the new Economic Development Strategy as an important sector to the county.	Head of Economic and Community Services	October 2010	Production of new strategy.	Currently assessing requirement of the Local Economic Assessment that will guide a new strategy.		
Production of the Tourism Strategy to act as an appendix to the Economic Development Strategy as a "cluster" strand.	Tourism Food and Marketing Manager	October 2010	Produce document that gives a framework for future tourism development.	Research being collated.		

Recommendation No. 8	Need to integrate specific objectives into the sustainability theme on climate change e.g. measures to promote renewable energy schemes based on independent study of potential of renewable energy production in the County.					
Executive's Response	This recommendation is accepted in principle and assessment needed if a separate study needs to be conducted on potential renewable energies as information already available or work in hand to understand the options for renewables. Also, funding currently unidentified for an independent study.					
Action	Owner	By When	Target/Success Criteria	Progress		
Sustainability theme in the current Economic Development Strategy to be enhanced.	Head of Economic and Community Services	October 2010	Production of new strategy.	Currently assessing requirement of the Local Economic Assessment that will guide a new strategy.		
Present completed wood fuel strategy. Progress actions.	Regeneration Programmes Manager	February 2010	Strategy completed.	Strategy nearing completion.		

Recommendation No. 9	Reflect the significance transport plays in supporting business development with a focus on sustainable transport solutions.
Executive's Response	This recommendation is accepted.
Action	Transport element to be reflected in the new Economic Development Strategy linked to the Integrated Transport Plan.
Owner	Head of Economic and Community Services
By When	October 2010
Target/Success Criteria	Production of new strategy.
Progress	Currently assessing requirement of the Local Economic Assessment that will guide a new strategy.

Recommendation No. 10	Review skills objectives and delivery mechanisms against State of Herefordshire report and recent developments i.e. University Challenge.
Executive's Response	This recommendation is accepted.
Action	To enhance the skills element of the current Economic Development Strategy to reflect most up to date data and review delivery mechanisms.
Owner	Head of Economic and Community Services
By When	October 2010
Target/Success Criteria	Production of new strategy.
Progress	Currently assessing requirement of the Local Economic Assessment that will guide a new strategy.

Recommendation No. 11	Revise the current EDS in light of a changing economic climate, reflective of the local economic assessment and the outcomes of the LDF consultation – to include wider consultation on a draft review document.
Executive's Response	This recommendation is accepted.
Action	Produce a new Economic Development Strategy for the County.
Owner	Head of Economic and Community Services
By When	October 2010
Target/Success Criteria	Production of new strategy.
Progress	Currently assessing requirement of the Local Economic Assessment that will guide a new strategy.

Local Area Assessment to be produced that pulls together research findings under national guidance.	Economic Development Officer	June 2010	Research document produced to inform strategy.	2009 State of Herefordshire Report, Economic Development and Enterprise Chapter, acting as template for assessment to gauge additional requirements.
Produce stakeholder map and consultation programme bearing in mind the work will be conducted using current resources.	Head of Economic and Community Services	December 2009	To create a framework for consultation and development of the Economic Development Strategy.	Initial planning meetings taken place and understanding of the requirements of the Local Economic Assessment.

Recommendation No. 12	Develop Annual Monitoring to relate indicators to objectives (tied in with Comprehensive Area Assessments and Local Economic Assessments) to test effectiveness of programmes/investment. Produce "Partners Map" – explaining objectives/targets/milestones and areas of responsibility for monitoring.			
Executive's Response	This recommendation is accepted.			
Action	Owner	By When	Target/Success Criteria	Progress
As well as current project updates submitted to the Economic Development Partnership Group to also receive Performance+ information.	Senior Economic Development Officer	April 2010	To link activity to performance indicator achievement.	Service Plan for Economic and Community Services being used as a pilot for Performance+ with 2009 performance being made available for economic development indicators.
As part of the Economic Development Strategy produce a delivery plan that outlines the requirements of a "partner map".	Head of Economic and Community Services	October 2010	To gain an understanding of how activity relates to policy.	Currently assessing requirement of the Local Economic Assessment that will guide a new strategy.

Recommendation No. 13	Suggest greater formal interaction – specifically between economic development, the Herefordshire Partnership and planning sections to develop revised strategy.				
Executive's Response	This recommendation is accepted.				
Action	Build on current arrangements where the Economic Development Partnership Group is a policy and delivery group of the Herefordshire Partnership.	Owner Head of Economic and Community Services	By When On going	Target/Success Criteria Greater interaction between the Herefordshire Partnership and economic development.	Progress Economic Development and Enterprise is one of six priority areas in the revised Sustainable Community Plan. Representation exists from the Economic Development Partnership Group on the Herefordshire Partnership Management Group and Herefordshire Partnership Board. Collaborative working on key schemes that allow under Planning requirements, including the Model Farm scheme in Ross on Wye, and Rotherwas Futures – both creating improved and new industrial land.
Economic Development and Planning Services have been brought together in a single Regeneration Directorate to create greater links across services.		Director of Regeneration	On going	Greater interaction between the Planning Service and economic development.	

Review of the Herefordshire Economic Development Strategy 2005 – 2025

1. Introduction

- 1.1 Members of the Community Services Scrutiny Committee agreed to conduct a review of the Herefordshire Economic Development Strategy (EDS) at its meeting on 17th July 2008. The Economic Development Strategy was first produced in 2004 and its primary focus is to address the key economic challenges facing the County over a 20 year period. The current strategy runs until 2025, however a number of regional and local changes have taken place that may affect the local strategy and it therefore requires an earlier review.
- 1.2 A scoping statement for the Scrutiny Review (Appendix 1), including the Terms of Reference were approved at its meeting on the 17th July 2008. It was agreed that the review Group would comprise of 5 Members: Councillor RV Stockton (Chairman); Councillor PGH Cutter; Councillor B Durkin; Councillor MAF Hubbard and Councillor TM James.
- 1.3 The Review took place between 24th September 2008 and 2 July 2009. This report summaries its findings concluding with its recommendations to the Community Services Scrutiny Committee.
- 1.4 The Review Group would like to express its thanks to all internal and external officers and organisations who were interviewed at part of this review.

2. Method of gathering information

- 2.1 The Review Group collected their information from meetings, interviews or letters. These were as follows;

2.2 Meeting of 24th September 2008

This initial meeting agreed the Terms of Reference for the Group, considered the format of the review and timescale for production. The Herefordshire Economic Development Strategy (EDS), Living Working Countryside (The Taylor Report), Regional Economic Strategy for the West Midlands were supplied and discussed. An overview was given of the Local Development Framework (LDF), the sub-national review and Local Area Agreements (LAA). The Head of Economic and Community Services also provided a presentation on the existing EDS highlighting a number of areas, which may be worth considering within the review.

2.3 Meeting 29th October 2008

At this meeting a list of interviewees was compiled and the topics to discuss at these interviews established. In order to reach a wider range of local businesses, the Group decided to use a business questionnaire via letter inviting people to answer the following questions;

- Do you think the economic Development Strategy should be based on themes or places?
- Are the issues and challenges of your market town/ rural area reflected in the current EDS?
- Are the needs of your business reflected in the EDS?

- Are there any other issues that you feel should be included in any new document?
- 2.4 This letter was sent to 15 local businesses across the county of various types and sizes on the 18th November 2008.
- 2.5 Interviews 26th February 2009**
This meeting consisted of a set of interviews to gain officers of Herefordshire Council's opinions on the current strategy. The following officers were interviewed;
- Geoff Hughes - Director of Regeneration
 - Andrew Ashcroft – Head of Planning and Transportation
 - Peter Yates – Planning Policy Manager
- 2.6 Interviews 30th April 2009**
This set of interviews involved external officers and included;
- Gary Woodman – Hereford and Worcester Chamber of Commerce
 - Cynthia Palmer – Hereford City Manager
 - Angela Smith – Federation of Small Businesses and Vice Chair of Herefordshire Partnership Economic Development Group
- 2.7 Interviews 1st June 2009**
This set of interviews involved external officers and a Cabinet Member including;
- Philip Roberts – Advantage West Midlands
 - Julian Morgan – Local Business, 7 Y Services Ltd
 - Cllr AJM Blackshaw – Cabinet Member Economic Development and Community Services
 - Nick Webster – Economic Development Manager
- 2.8 Interview of 9th June 2009**
The interview was held with Natalia Silver – Head of Economic and Community Services.
- 2.9 Meeting of 2 July 2009**
At this meeting a Summary of Outcomes, following from internal and external interviews, was discussed along with a list of recommendations. Amendments were agreed.
- 3 Background to the Review of the Economic Development Strategy**
- 3.1 The Economic Development Strategy was developed in 2004 by Herefordshire Council working with consultants who collected key data from various sources and recommended a way forward to address key challenges. These included:
- Not capitalising on high standard of school education
 - Out-migration of young people
 - Net loss of people working outside the County
 - Residents with higher level qualifications working outside the county
 - Lower than average wages than in the West Midlands as a whole
 - Declining manufacturing and agricultural sectors
 - Lack of high value employment e.g. technology and knowledge intensive industries

- 3.2 The Strategy was written on the basis of Key Themes which included:
- Sustainable Development
 - Business and Enterprise
 - Skills and Workforce Development
 - Communication and Infrastructure
 - Inclusion and Community Cohesion
- 3.3 Key projects for the Strategy included Edgar Street Grid, the Learning Village and Rotherwas Futures. The strategy used a spatial approach, dividing the County up into Hereford City and its Hinterland, the Market Towns, the Rural Heartland and an Eastern Corridor.
- 3.4 Delivery of the activity within the strategy is through the most relevant organisation and largely driven by Herefordshire Council with finance from Advantage West Midlands. Activity is monitored by the Economic Development Partnership Group (a policy and delivery group of the Herefordshire Partnership).
- 3.5 Key issues emerging and reflective of the terms of reference are: the ability of the EDS as a county wide strategy to specifically address challenges faced by the Market Towns and Rural Areas; synergy with the regional framework and emerging Local Development Framework; measurable impact of the strategy; and addressing the needs of businesses, employees and investors.

4 Findings of the Review

- 4.1 The findings of the evidence gathered has been amalgamated into one table, which is reproduced in Appendix 2 to this report, but summarised below in response to the issues raised in paragraph 3.4.
- 4.2 **How does the strategy meet the requirements of Hereford City, the Market Towns and the Rural Areas?**
The focus on Hereford and ESG was seen to be important but greater emphasis was needed on the Market Towns and Rural Areas. This could be achieved by the use of Action Plans for Hereford, the Market Towns and Rural Areas to address particular issues and attract inward investment. These could be linked to the LDF Area Plans being developed to follow on from the Core Strategy.
- 4.3 **Does the existing strategy meet regional requirements?**
General agreement that does reflect regional strategy and that there are good links with Advantage West Midlands, although emerging changes with respect to a Single Regional Strategy would need to be reflected in any review.
- 4.4 **Does the existing strategy meet the requirements of the emerging Local Development Framework?**
It was felt that the EDS was not sufficiently linked with planning and housing strategies for e.g. it was difficult to refer to EDS in commenting on planning applications. Any new strategy would need to be reflective of the outcomes of the Core Strategy to create synergy between the two documents.
- 4.5 **How are the aims of the strategy being delivered and is this effective?**
The activity of the strategy is monitored by the Economic Development Partnership Group through written reports produced by Herefordshire Council

officers for each of the meetings. This gives a detailed update on progress of activity. Mentoring also takes place via the performance framework and national performance indicators. However, the achievement of the overall aims is not reviewed or monitored.

4.6 **How could a strategy further fulfil the needs of businesses, employees and investors?**

There were many suggestions as to how activity leading from the strategy could contribute more to the local business community. These included:

- More support for businesses to develop their ideas for expansion e.g. Muddy Boots, nr Ross on Wye
- Greater emphasis on all sectors of industry, not just manufacturing
- Lack of reference to and support for tourism
- Insufficient attention to attracting higher skilled people and inward investment
- Lack of emphasis on providing jobs themselves

4.7 **Other Issues to be considered in any review**

Various topics were raised in addition to the main issues asked of the Review Group. These issues were considered to be of sufficient importance to warrant greater reference in any review of the EDS. They included:

- **Climate change** – buying local but not ignoring trade, utilising existing producers to promote food/tourism/environmental technology industries, promoting low carbon economy, energy efficiency and prudent use of resources
- **Broadband speed and coverage** - huge issue for encouraging new businesses and helping existing businesses
- **Focus on regeneration** - continued focus on employment land provision, conservation led regeneration and creation of identity/sense of place
- **Transport Issues** – rail freight is not given prominence in the EDS. Parking, traffic flow and signage all need addressing in Hereford. Greater emphasis on public transport generally was also needed.

4.8 The recommendations in section 6 address the above issues.

5 **Conclusions**

5.1 The current EDS is over 5 years old. It is recognised that the content needs to be updated to reflect changing regional and local circumstances. The strategy has been strong in terms of benefiting certain projects, using the idea of themes, support for local business and relationships with Partners, but now needs a refresh.

5.2 There would be significant benefits in refreshing the strategy at this time, not only to take into account the effects of the downturn in the economy, but also to reflect and tie in with the new Regional Economic Strategy and Local Development Framework (LDF).

6 Recommendations

- 6.1 The following recommendations have been proposed to respond to the Terms of Reference in the original scoping document:-
- 6.2 Address recommendations and comments of the Scrutiny Review Group, specifically in terms of reviewing the Economic Development Strategy. Those recommendations include:
- a) Ensure stronger links to LDF and new regional guidance and enable more effective use in determining planning applications
 - b) Produce individual action plans on Hereford, the Market Towns and the Rural Areas (considering roles and identities) linked to the LDF; engage community groups and monitor through Policy Delivery Group of Partnership
 - c) Greater emphasis on ICT and particularly actively seeking ways of improving broadband speeds and coverage across the County to support existing and attract new businesses; create “hubs” in market towns for business use
 - d) Greater emphasis on regeneration and ways of promoting this e.g. re-use of Council owned buildings in Hereford for heritage based projects run in partnership with outside bodies (can't see the evidence base)
 - e) Greater emphasis on attracting new businesses and jobs into the county – reflecting economic downturn.
 - f) Existing businesses – need section on all sectors of industry and their needs, should be a specific reference to business support available
 - g) Greater reference to tourism strategy and links to economic development
 - h) Need to integrate specific objectives into the sustainability theme on climate change e.g. measures to promote renewable energy schemes based on independent study of potential of renewable energy production in the County
 - i) Reflect the significance transport plays in supporting business development with a focus on sustainable transport solutions.
 - j) Review skills objectives and delivery mechanisms against State of Herefordshire Report and recent developments i.e. University Challenge
 - k) Revise the current EDS in light of a changing economic climate, reflective of the local economic assessment and the outcomes of the LDF consultation – to include wider consultation on a draft review document
 - l) Develop Annual Monitoring to relate indicators to objectives (tied in with Comprehensive Area Assessments and Local Economic Assessments) to test effectiveness of programmes/investment. Produce “Partners Map” – explaining objectives/targets/milestones and areas of responsibility for monitoring.
 - m) Suggest greater formal interaction - specifically between economic development, the Herefordshire Partnership and planning sections to develop revised strategy.

7 Next Steps

- 7.1 The Review Group anticipates that, if approved by the Community Services Scrutiny Committee, this report will be presented to Cabinet for consideration.
- 7.2 The Review Group anticipates that if the report is approved, the Council will act upon the recommendations made in the report.

- 7.3 The Review Group would also expect the Cabinet to report back to the Community Services Scrutiny Committee in six months time with a detailed statement reporting on activity taken upon the Review Group's recommendation.



MEETING:	CABINET
DATE:	26 NOVEMBER 2009
TITLE OF REPORT:	RESPONSE TO COMMUNITY SERVICES SCRUTINY COMMITTEE REVIEW OF TOURISM
PORTFOLIO AREA:	ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES

CLASSIFICATION: Open

Wards Affected

County-wide.

Purpose

To respond to the Community Services Scrutiny Committee review of tourism.

Key Decision

This is not a Key Decision.

Recommendation

THAT the response to the 14 recommendations (see Appendix 1) be agreed.

Key Points Summary

- The Cabinet Member for Economic Development and Community Services has considered the recommendations contained in the report of 18 April 2008.
- The Cabinet Member's response to each recommendation is set out in Appendix 1.

Alternative Options

- 1 That the original recommendations are accepted in full. This would, however, in one case conflict with existing Council policy and in another lead to overspend on budget.

Further information on the subject of this report is available from Geoff Hughes, Director of Regeneration on Tel: (01432) 260695

Reasons for Recommendations

- 2 The majority of the recommendations are agreed or agreed in principle. There are two not agreed.
- 3 Recommendation 2: Retain direct control over tourism information services. Never combine the functions of a TIC with those of an 'Info in Herefordshire' office.
- 4 Recommendation 8: Complement each of the other 'spoke' TICs with 2.5 fte paid staff plus any available volunteers.
- 5 As regards recommendation 2, the review group felt "where it might be practicable, the two might (Info and TICs) with advantage be co-located but they should not be combined, the TIC should invariably be staffed by appropriate specialists". Considering the current financial climate the option of combining the tourism service with Info should not be ruled out.
- 6 As regards recommendation 8, this felt too costly to implement across all TICs. Most TICs have 2 members of staff though some lone working does take place to cover breaks.

Introduction and Background

- 7 Community Services Scrutiny Committee brought forward a report reviewing tourism services in Herefordshire on 18th April 2008. Since that time the report's findings were submitted to Cabinet for consideration on 30th June 2009. However, Cabinet deferred consideration of the report and the report has since been revised.

Key Considerations

- 8 Many issues raised in the review are still relevant. However, the financing of the service has become more critical considering the TICs are a non statutory service and does not directly contribute to any priority indicators.
- 9 To reflect many of the points made in the review an asset management plan for TICs is in production and will be presented to the cabinet member for consideration.

Community Impact

- 10 TICs are seen as a key market town presence and a "symbol" of the Council's investment in market towns and tourism. They are used approximately 50% by local people, though visitor number have been declining as people use pre-visit web information.

Financial Implications

- 11 All costs must be met from within existing budgets if the recommendations, as presented, are accepted.

Legal Implications

- 12 Legal requirement regarding early termination of leases.

Risk Management

- 13 Failure to provide effective tourism services would impact on the economic life of the county.

The Executive's response to the recommendations made by Scrutiny seeks to balance this against finite budgets and existing policy.

Consultees

14 None (for this report)

Appendices

15 Appendix 1 Recommendations arising from Scrutiny review of Tourism

16 Appendix 2 Scrutiny Review of Tourism

Background Papers

- None identified

Appendix 1 Action Plan in Response to the Review of Tourism

Recommendation No. 1	Continue to provide TIC's at or close to the main centres' of tourist activity in the County, notwithstanding reductions and changes in patterns of use. Utilisation and effectiveness to continue to be monitored via footfall and cost per visitor data.				
Executive's Response	Accepted the recommendation in principle				
Action	Owner	By When	Target/Success Criteria	Progress	
TIC stake holder day to review the work of the TICs and inform an asset management plan.	Tourism Food & Marketing Manager	June 2009	Input from stakeholders on the options for TICs.	Meeting took place on 23 rd June 2009.	
Asset management plan to be produced in the light of reduced expenditure.	Head of Economic and Community Services	December 2009	Cabinet member agreed options for TICs.	Produced in draft.	
Annual review of footfall and cost per visitor data	Visitor & Promotions Officer	January 2010	Increased usage or enquiries via the TIC.	Months Jan – Sept available.	
Recommendation No. 2	Retain direct control over tourism information services. Never combine the functions of a TIC with those of an 'Info in Herefordshire' office.				
Executive's Response	Recommendation not accepted. Options should remain open for TICs and part of the corporate approach is to share services in market towns where viable.				
Action	Owner	By When	Target/Success Criteria	Progress	
Options for TICs to be reflected in the asset management plan.	Head of Economic and Community Services	December 2009	Cabinet member agreed options for TICs.	Produced in draft.	

Recommendation No. 3	Meet the challenges posed by rising expectations and modern means of communication, and the drive for greater VFM, with a new 'hub and spoke' structure for the delivery of tourist information.				
Executive's Response	Accepted in principle.				
Action	Owner	By When	Target/Success Criteria	Progress	
Options for TICs to be reflected in the asset management plan.	Head of Economic and Community Services	December 2009	Potential value for money savings.	Produced in draft.	

Recommendation No. 4 & 5	<p>Establish a central hub, co-located with a principal TIC, staffed by 2.25 fte staff plus the TIC supervisor. Its functions to comprise:</p> <ul style="list-style-type: none"> a. Centralised handling of tourism enquiries providing higher standards of promptness, comprehensiveness and professionalism. b. A centralised facility for the maintenance and provision of brochures etc relating to destinations beyond the County boundary, thus facilitating the updating of this information whilst eradicating multiple holdings and, most importantly, freeing valuable storage and display space at the TICs. c. The potential for centralisation of some peripheral TIC functions such as accommodation, bus, train and theatre bookings. 				
Executive's Response	Accepted in principle.				
Action	Owner	By When	Target/Success Criteria	Progress	
Identify a location that could work as a central TIC.	Tourism Food & Marketing Manager	December 2009	One central hub will support all Tourist Information Centres in the county.	Hereford and Ross being considered as central hub locations.	

Recommendation No. 6	Bromyard Centre to become a TIP with better internal and external signage, a more obvious telephone for enquiries and, as a trial the installation of window mounted touch-screen information facility.				
Executive's Response	Recommendations accepted.				
Action	Owner	By When	Target/Success Criteria	Progress	
Telephone linked to Ross Tourist Information Centre for accommodation bookings	Visitor & Promotions Officer	Completed	Easy access for visitors to book accommodation.	Telephone link installed and working effectively	
Display Cabinet for the sale of gifts to enhance the offer	Visitor & Promotions Officer	Completed	Maximise sales opportunity.	Sales increased at the centre and more opportunity to display local crafts and goods.	
Monthly SLA review to ensure that there is a full understanding of the requirements of all partners.	Visitor & Promotions Officer	On going	Increased use and profile of the TIC/TIP.	Improved working relationships with all partners.	
Signage being investigated	Visitor & Promotions Officer	February 2010	Greater knowledge of the TIP by customers.	Meeting to be arranged to address signage.	
Touch screen costs to be investigated.	Visitor & Promotions Officer	December 2009	Improved service for customers considering no staff to cover the tourism function.	Initial costs being sought.	

Recommendation No. 7	Enable the Kington TIC to remain in its present location and refurbish the building's fabric and decoration providing this can be done from within existing budgets.				
Executive's Response	Agreed in part. The building is leased to the Town Council.				
Action	Owner	By When	Target/Success Criteria	Progress	
Replacement flooring to be considered in the 2010/11 maintenance programme.	Colin Birks	May 2010.	Decision on maintenance work.	Costs for maintenance being planned in outline.	

Recommendation No. 8	Complement each of the other 'spoke' TICs with 2.5fte paid staff plus any available volunteers.			
Executive's Response	Recommendation not accepted. Each TIC will have its own staffing requirements.			
Action	Owner	By When	Target/Success Criteria	Progress
Restructure of TICs linked to the restructure of the wider tourism service.	Visitor Promotions Officer	October 2009	Bring TIC staff costs on budget.	Completed but not all savings realised due to redundancy costs.

Recommendation No. 9	Move Hereford TIC from its current location to new and less costly premises as close as possible to the historic city centre.			
Executive's Response	Accept in principle subject to being able to reassign the lease and that the appropriate savings can be achieved.			
Action	Owner	By When	Target/Success Criteria	Progress
Undertake a review of alternative sites for Hereford TIC as part of the TIC asset management plan.	Head of Economic and Community Services	December 2009	Explore cheaper rent option for Hereford TIC.	Produced in draft.

Recommendation No. 10	Find alternative accommodation for Leominster TIC in a central location as soon as possible.				
Executive's Response	Accept in principle.				
Action		Owner	By When	Target/Success Criteria	Progress
Investigate alternative locations for Leominster TIC as part of the TIC asset management plan.	Head of Economic and Community Services	December 2009	Explore best option for Leominster TIC considering all cost restraints.	Alternative and advantages of current locations being reviewed including capital and revenue cost implications.	

Recommendation No. 11	Agree with Visit Herefordshire that the latter will take the lead in all aspects of the marketing of tourism in and to the County.				
Executive's Response	Accepted as the current position.				
Action		Owner	By When	Target/Success Criteria	Progress
Review of the Destination Management Partnership to take place.	Head of Economic and Community Services.	March 2009	To fully understand the organisational development opportunities for tourism in the county.	Review tendered.	

Recommendation No. 12	Explore with Visit Herefordshire how best to develop and improve the linkages between marketing information.				
Executive's Response	Recommendation accepted.				
Action	Owner	By When	Target/Success Criteria	Progress	
Review of literature published to ensure value for money and relevance.	Tourism Food & Marketing Manager	June 2009	Reduced number of publications.	Achieved	

Recommendation No. 13	Seek to make improvements to the content, user-friendliness and updating of the Web site.				
Executive's Response	Accepted.				
Action	Owner	By When	Target/Success Criteria	Progress	
Improved front page of the web site with links to the events with special themed banners for the different seasons.	Web Development Officer	October 2008	Improved look and usability of the website.	Completed	
Improving search optimisation for each page of the web site resulting in more hits to the web site.	Web Development Officer	On going.	Additional hits to the web site.	On going	
Request a booking of accommodation has increased the number of bookings via the web site and increased e shop to enable more tickets for events to be sold.	Web Development Officer	May 2009	More bookings for accommodation via the web site.	Completed	
Establish an area for food and drink businesses thereby increasing awareness of the range of food and drink made in the county.	Web Development Officer	April 2009	Increased profile of food and drink.	Completed	

Added travel Buddy to enable people to connect to the data via their mobile phones.	Web Development Officer	November 2008	Using new technology to improve access to the range of activities, events and accommodation in the county.	Completed
---	-------------------------	---------------	--	-----------

Recommendation No. 14	The proposal for a hub and spoke structure should be monitored closely and a review and report prepared after the first year of operation.			
Executive's Response	Agreed in principle depending on the outcome of the TIC asset management plan and linked recommendations 4 and 5 above.			
Action	Owner	By When	Target/Success Criteria	Progress
Report when / if arrangements have been completed.	Tourism Food & Marketing Manager	April 2011.		

Review of Tourism with Specific Reference to Tourist Information Centres

**Report by the Tourism
Review Group
February 2008**

**For presentation to the Community
Services Scrutiny Committee on
-18 April 2008**

...Putting people first
...Promoting our county
...Providing for our communities
...Protecting our future

Quality life in a quality county

Community Services Scrutiny Committee

Review of Tourism With Specific Reference to Tourist Information Centres

1. Introduction

1.1 At its meeting on 20th December 2006, the Community Services Scrutiny Committee resolved to add a review of tourism to its work programme. The review was to focus on how tourism is managed in the County with particular reference to the operation of the Tourist Information Centres (TICs). However, the committee agreed to delay the review until the new Destination Management Partnership (DMP) had become more fully established.

1.2 In May 2007, an Audit Commission inspection report on the Council's Cultural Services included the following:

1.2.1 The Council does not always know the extent to which its initiatives to promote access in Cultural Services are effective, local indicators and performance measures being insufficiently developed;

1.2.2 Value for money (VFM) was not fully integrated into the delivery of Cultural Services;

1.2.3 Accordingly the Council should institute a means of measuring the effectiveness of tourism

1.3 In response to this report, the Council adopted an Action Plan which included examination of the cost of TICs, linked to the Scrutiny Review of Tourism and a potential remodelling of TICs.

1.4 The scoping statement for the Scrutiny Review (Annex 1), including terms of reference, was approved by the Community Services Scrutiny Committee at its meeting on 2nd July 2007. It was agreed that the Review Group would comprise five Members: Councillor TM James (Chairman); Councillor MAF Hubbard; Councillor B Hunt; Councillor PM Morgan and Councillor RH Smith.

1.5 The review was undertaken between 4th September and 17th January 2008. This report summarises its findings concluding with its recommendations to the Community Services Scrutiny Committee and Cabinet.

1.6 The Review Group would like to express its thanks to the many people who have presented verbal evidence to the Review Group, the providers who responded to the survey questionnaire and those who have provided further information and/or data analysis as required.

2. Method of Gathering Information

2.1 The Review Group agreed a calendar of meetings in order to collect the evidence to complete the review. Evidence that was considered included the following:

2.1.1 Face to face interviews. A series of interviews took place with key local and regional tourism representatives, tourism providers in the County, representatives of the DMP and relevant Council officers. The list of interviewees is at Annex 2. Members of the Review Group proposed and agreed questions for each of the interviewees

based on the issues raised in the scoping statement and linked to the key outcomes of the review.

2.1.2 Survey questionnaire. The Review Group was anxious to gather as many views as possible in relation to tourism in the County. In consultation with the Council's Research Section a brief questionnaire (Annex 3) was devised and distributed to approximately 1,500 tourism providers in Herefordshire in the quarterly newsletter distributed on 22nd October 2007. A total of 63 completed questionnaires were returned. The Review Group accepted that no conclusions could be drawn from such a small percentage return. Nevertheless the completed returns provided some interesting comments which have been passed to the DMP and officers.

2.1.3 Visits to local and neighbouring TICs. Members of the Review Group were already acquainted with the majority of the County's TICs. In order to ascertain at first hand what the County was offering in terms of the other TICs, individuals from the Review Group paid visits to the Bromyard, Kington and Leominster offices; for comparison purposes, members also visited Ludlow TIC and the award winning Shrewsbury TIC in Shropshire.

2.1.4 Financial details. The Directorate budget is required to reduce by 5% (£0.5M) over the next three years, but the scrutiny review was neither cost-driven nor required to deliver specified savings. Instead, it was tasked to identify realistic improvements in cost-effectiveness and hence VFM.

2.1.5 Written Evidence. The Review Group considered a wealth of written evidence to assist their deliberations including relevant local and regional strategies, best practice information and comparison information.

3. Tourism: the Wider Picture

3.1 Drawing upon an invaluable assessment of the future of tourist information services in England and the Region¹, which confirmed the continuing need for local TICs but also underlined the importance of an effective system for handling telephone and e-mail enquiries, the Review Group had the benefit of a long discussion with the Cluster Manager, Tourism West Midlands.

3.2 He provided a copy of an assessment of issues facing TICs in the Heart of England region and confirmed the following broad themes:

3.2.1 Visitors are increasingly doing their research and booking before arrival and therefore are less likely to use a TIC. However, the recent decline in numbers of visits to TICs ("footfall") does not invalidate the TIC model and appears to be stabilising;

3.2.2 Accommodation bookings through TICs are decreasing, as are visitor numbers generally;

3.2.3 Customers now consulting a TIC expect more detailed and more authoritative information extending for example to dietary issues and disabled access;

3.2.4 Tourism service providers need to focus upon the provision and updating of web site information, with links to attractions, destinations and supporting services. TIC staffs need to be able to respond promptly, effectively and comprehensively to telephone and e-mail enquiries;

¹ Source: Tourist Information in England, A National Partnership: Visit Britain February 2007 and West Midlands Tourist Information Study, Part 1, 2005

3.2.5 Herefordshire had done well to establish the Destination Management Partnership (DMP), which was well-regarded;

3.2.6 Tourism West Midlands were in the process of developing key performance indicators to measure tourism volume and value throughout the region. Data collection was scheduled to start in December 2007

3.2.7 Council officers are currently working on similar performance indicators based on the Cambridge Economic Impact Assessment model 2004. The annual Visitor Economic Impact study is well established and gives the Council an insight into the effectiveness of its initiatives to improve tourism services.

4. The Value of Tourism in Herefordshire

4.1 The tourism industry in Herefordshire is worth £291 million to the economy of the County². The industry is primarily made up of small/medium size operators who between them employ approximately 6,000 people in the County.

4.2 The Councils current budget for tourism services is summarised at Annex 4. Relating these data to the value of tourism in the County, the Review Group concluded that current expenditure was both moderate and justified.

5. Previous Management of Tourism in Herefordshire

5.1 The erstwhile County tourist association - the Association for the Promotion of Herefordshire (APH) - and Herefordshire Council's tourism team had historically provided the tourism service jointly. This partnership enabled the private and public sectors to work together to obtain funding to assist in delivering the best possible tourism service in the County. APH published the main County tourism guide and Herefordshire Council undertook all the marketing activity, promoted and distributed the guide, operated the tourist information centres and developed the tourism product in the County.

5.2 In 2002 a bid for European Funding was successful and Herefordshire Tourism, in partnership with APH, delivered a £1.3 million tourism project until March 2005. This project included the identification of new markets to promote the County; re-branding as a 'Green Sustainable and Active County'; developing specific products e.g. walking with a Walking Festival; food tourism with the Flavours of Herefordshire scheme; and the conference, travel trade and international markets. The funding also enabled the partnership to offer training and business support to the operators in the County by providing funding and up to date research on trends and marketing opportunities.

6. The Destination Management Partnership – Visit Herefordshire

6.1 In 2004, Advantage West Midlands launched a Visitor Economy Strategy which suggested that each sub region of the West Midlands should set up a formal Destination Management Partnership (DMP). This was in essence already being done in Herefordshire but there was no formal Board of Directors and Service Level Agreement with the Council. During the following 18 months a consultation process was entered into with all of the tourism operators in the County to find out whether they would be prepared to work with such a partnership and in March 2006 the new DMP, 'Visit Herefordshire' was launched.

6.2 The Visit Herefordshire Board has 15 members: 7 from the private sector, all nominated and elected by the different sectors, and 7 from the public sector nominated by

² Source: 2007 Visitor Economy Survey

Herefordshire Council and including 2 Councillors plus representatives from The National Trust, English Heritage, Farming Union, Community Sector and the Chamber of Commerce. There is an independent chair of the Board who is neither Councillor nor a current tourism operator.

6.3 During the first year the Board has been involved in a number of projects including:

6.3.1 Production of the main visitor guides;

6.3.2 Development of a membership organisation;

6.3.3 Fund raising through sponsorship and grant aid – in 2006 a grant of £30k was received from AWM for a 'Green Herefordshire' project and £60k from Leader + for the Food Festival and Flavours of Herefordshire;

6.3.4 Product Development including the cider route; Green Tourism Awards; Food Festival and Walking Festival;

6.3.5 Marketing activity both domestic and overseas raising the profile of the County; and,

6.3.6 Cross County marketing with the Forest of Dean and Shropshire.

6.4 In financial terms Herefordshire Council contributes £106,000 into the budget of the DMP together with staff costs for 4 full time and 2 part time officers including office costs. The income generated through membership and advertising in 2007/8 amounted to £105,000 from the private sector. Council officers work in close liaison with the DMP and this should continue.

6.5 The Chairman, Visit Herefordshire, was content with the DMP's progress to date and felt that marketing was going in the right direction. The Review Group agreed. Membership of VH was currently 340 and expected to rise to about 500 in due course.

6.6 The Scrutiny Review Group noted the possibility of further integrating the Council's delivery of tourism services into the DMP structure. The Review Group came to the view that whereas marketing could and should be primarily a matter for the DMP, financial and logistical factors as well as public accountability required the management and delivery of TIC services to remain under the Council's direct control. However, close contact should continue between the DMP and the Council's Cultural Services officers.

6.7 Discussions with a variety of tourism providers suggested that there was scope for yet closer coordination of marketing in general and for more finely focused concentration on specific destinations, attractions and services.

6.8 The Review Group saw three broad categories for marketing priorities and budgets:

6.8.1 Destinations: e.g. the Cathedral, Hereford City, Queenswood Country Park, the Market Towns, the Marches, the Black and White Village Trail, historic churches and castles.

6.8.2 Activities and Interests: e.g. the University of the Great Outdoors; food and drink; The Three Choirs Festival; Edward Elgar; Herefordshire's twinned towns and city; green/sustainable tourism, and myths and legends.

6.8.3 Supporting Services: parking and coach access e.g. to the cathedral; signage and signposting; fully-serviced public toilets (at a price); touch-sensitive window units for

TICs. The policing of town centres in the evening is another issue.

6.9 The Council should discuss with the DMP a joint approach to developing and improving linkages between marketing information, the TICs and their respective local attractions including supporting services such as pubs, hotels, B&Bs, restaurants, clubs and societies.

6.10 The existing Web site(s) should be developed by the DMP so that each TIC has its own area with links to local and County attractions (including the cathedral, the Courtyard Centre for the Arts, Halo, cinemas and Flicks in the Sticks) together with local lists – updated monthly and with a print friendly facility – of what's on, eating out, and what to do on a wet day. Web sites should include improved provision for the visually impaired and incorporate international-standard facilities for alternative language selection, including Polish, Russian and Portuguese.

7. Tourist Information Centres

7.1 In addition to the funding for marketing and product activity, Herefordshire Council funds and operates Tourist Information Centres in Hereford; Ledbury; Leominster; Ross on Wye; Queenswood Country Park (Dinmore) and in a joint facility in Bromyard. The Tourist Information Centres currently open all year, with the exception of Dinmore TIC which closes from late December to March. Kington has a part time TIC in an ideal location, which is run by local volunteers and operates from a building owned by Herefordshire Council. Detailed financial data on the TICs in Herefordshire are at Annex 5; at Annex 6 is a list of the Council officers involved in the delivery of tourism services; and footfall trends are illustrated at Annex 7.

7.2 The Review Group takes the view that although a TIC is another public face of the Council, it is not the same as the 'Info in Herefordshire' concept. Where it may be practicable, the two might with advantage be co-located but they should not be combined, the TIC should invariably be staffed by appropriate specialists.

7.3 The Review Group was impressed by the evident enthusiasm and expertise of the TIC staffs, including two supervisors who provided invaluable insights. Premises were generally bright, well laid out and attractive if sometimes somewhat cluttered, not least with brochures etc relating to destinations beyond the County boundary. The Review Group believed the performance of the TICs to be very good.

7.4 The most pertinent and current information likely to be of interest to visitors would be made more readily accessible and comprehensible by the relegation of more distant destination information to a centralised facility – co-located with one of the principal TICs - where it could most easily be maintained and updated. Such a centralised facility could also offer a cost effective means of dealing – at least in the first instance - with remote enquiries whether received by letter, telephone call, e-mail, or text. It should aim to offer a central resource facility for the TICs and also, coincidentally, represent an exemplar TIC able to stand comparison with the best in the Region.

7.5 The cost and VFM of TICs has been highlighted as an issue by the cultural services inspector. The cost per visitor average is £1.06. It is felt that salary costs have been driven down as far as possible without compromising quality of service and the health and safety of staff. Dinmore has relatively higher staff costs per visitor due to lower visitor numbers per

hour open. Despite an improving situation this probably makes Dinmore uneconomic, although the total cost per visitor is about average. Further savings can only be made by reducing accommodation costs. It should be remembered that TICs are very location sensitive, so this is not without risk of affecting performance. TICs also generate some income to help offset costs. A move which reduces this earning potential could negate the cost savings.

7.6 The excessive property costs for Ledbury and Leominster TICs are currently being addressed. As a general principle TICs should be located in Council owned property provided this is near the centre of the town/city and demonstrates value for money. Further:

7.6.1 Retention of the current TIC premises in **Hereford** should be revisited as a matter of urgency with a view to relocation where and when possible. It is essential that any such site relocation is close to the centre of the historic city core, i.e. environs of High Town, not within the Edgar Street Grid (ESG).

7.6.2 As plans and proposals for the **ESG development** are brought to fruition, it may well be that some form of additional but subsidiary tourist information facility should be included.

7.6.3 Accepting that the **Leominster** TIC must vacate its current premises shortly whilst refurbishment work is undertaken, and that in the short term the library was the only readily available alternative location, the Review Group makes a strong recommendation below that the Leominster TIC be re-housed in a central location as soon as possible in time for the 2008 tourist season. For example urgent consideration should be given to the provision of a temporary building on Etnam Street car park.

7.6.4 In the course of the Review Group's work, the decision was announced to move **Ledbury** TIC to the Masters' House, Ledbury. The Review Group supports this decision but emphasise that the TIC must retain its separate identity.

7.7 The Review Group also noted the following current ongoing difficulties with particular TICs:

7.7.1 **Ross** – the limited duration of the lease suggests that a new location may have to be found within the next 2 years. In terms of a suitable alternative, the Review Group would not support a move to the Heritage Centre even though this is an ideal central position. The Review Group would be in favour of locating in the library or to a retail unit in the town centre if either was practicable.

7.7.2 **Dinmore** – this TIC is co-located with a significant tourist attraction, thereby meeting modern criteria for TICs, but it is markedly different in nature from other TICs in the County. However, the Review Group felt that officers should investigate reducing the number of paid staff and developing the recruitment of volunteers provided this would not contravene the Council's Volunteering Policy.

7.7.3 **Bromyard** – the Review Group was impressed by the modern, attractive and integrated facilities offered by the Bromyard Centre. However, the space allocated to the tourist information point is neither large nor prominent, though the latter deficiency could be addressed by better internal positioning and signage. The Review Group discussed at length the feasibility and implication of providing the tourism facility with paid full time staff but regretfully concluded that this would not be a cost effective use of resources. Facilities should be improved by making the point to point telephone link more obvious and in particular by the introduction, as a trial for Herefordshire, of a touch- sensitive information screen in the window.

7.7.4 **Kington** – this TIC is unique in the County in that it is staffed by volunteers. The location could not be bettered and, thanks at least in part to the supervisory services rendered by the Council, it appears to provide an excellent and highly cost effective service in a prime tourist area. The Review Group feels strongly that current efforts to re-house this TIC should be discontinued and efforts be made to bring the fabric and decoration of the building up to Council standards, providing this can be done from within existing budgets.

8. Conclusions

Tourist Information

8.1 The Council is fortunate in the high standards of commitment and professionalism of the staff and volunteers who deliver tourism services.

8.2 TICs remain the primary and essential means of delivering tourist information and thus maximising the effectiveness and economic benefits of tourism. The principal factor in the effectiveness of a TIC (measured by the number of visitors - “*footfall*”) is its location which must be as close as possible to the centre of visitor activity.

8.3 The management and delivery of tourism information services should remain under the Council’s direct control. A TIC may be co-located with an ‘Info in Herefordshire’ office but the two should never be combined. A TIC requires permanent specialist staff and signage.

8.4 Visitors’ lifestyles are changing, their expectations are increasing and they are becoming more independent and self reliant and more likely to use modern means of communication. These factors, particularly the latter, are reflected in a general decline in the number of visitors to TIC premises, a marked increase in the use of websites and e-mails, and a demand for increasingly comprehensive, detailed and authoritative information. The County’s current TIC structure should be revised to respond more promptly and effectively to these new demands.

8.5 It would be to the County’s advantage to establish at least one exemplar TIC able to stand comparison with the best in the Region, provided that this could be achieved at no additional cost.

8.6 The Review Group therefore came to the view that the TIC structure should be changed to a ‘hub and spoke’ concept. Such a structure would neither reduce nor increase costs but the Review Group hoped that it would offer significant gains in efficiency and hence VFM.

8.7 The central hub should be co-located with the TIC at either Hereford, Ross, Leominster, Ledbury or Dinmore - as space etc considerations may dictate – and should be staffed by 2.25 full time equivalent (fte) staff plus the TIC supervisors. It would:

8.7.1 Offer the most cost-effective means of dealing centrally with all remote enquiries whether by letter, telephone, email or text message – and to common higher standards of promptness, comprehensiveness and professionalism

8.7.2 Enable the removal from TICs of brochures etc relating to destinations beyond the County boundary, thus facilitating the updating of this information whilst eradicating multiple holdings and, most importantly, freeing valuable storage and display space at the TICs for local information.

8.7.3 Provide an opportunity for the centralisation of some peripheral TIC functions such as accommodation, bus and theatre etc bookings.

8.7.4 Act as a central resource facility for the TIC/TIPs.

8.7.5 Lastly, its co-location would also constitute an exemplar TIC.

8.8 Of the 'spoke' TICs proper:

8.8.1 Kington should remain in its present location, staffed as now by volunteers with advice and support from the TIC hub. The building fabric and decoration should be refurbished.

8.8.2 The remaining 'spoke' TICs should each be staffed by 2.5fte paid staff plus any available volunteers. The TIC supervisors should review, in consultation with respective TIC staffs, the nature and extent of retail and booking services and whether any centralisation of the latter would be sensible.

8.8.3 Hereford TIC should be moved from its current inordinately expensive location as soon as possible, to new and less costly premises as close as possible to the historic city centre. The Review Group found no other viable scope for cash savings in tourism services without serious prejudice to tourism's economic benefits to the County.

8.8.4 The Review Group notes and endorses the intention to move Ledbury TIC to the Masters' House, Lebury.

8.8.5 Leominster library is not a suitable location for this thriving and invaluable TIC. It should be rehoused in a central location as soon as possible.

8.8.6 If or when Ross TIC has to move, it should be to the library or to a retail unit in the town centre if one should become available at acceptable cost. The Heritage Centre is ideally located but unsuitable both in itself and in terms of displacement of current use.

8.8.7 Bromyard TIC should become a TIP benefiting from improved telephone signage and touch-screen technology.

8.8.8 If in the future it is judged appropriate and affordable to establish a TIP within Hereford's Edgar Street Grid development, this should be subsidiary to the city centre TIC.

The Value of Tourism

8.9 In 2005, tourism in Herefordshire contributed £291m to the County's economy.

8.10 Key performance indicators are being developed by Tourism West Midlands to measure the volume and value of tourism throughout the Region and are due to be rolled out, effective from December 2007.

8.11 Council officers are currently working on County performance indicators using the key driver templates of the Cambridge Economic Impact Assessment Model 2004, e.g. average accommodation occupancy, visitor numbers to the County's attractions etc

Marketing and Planning

8.12 The Review Group was impressed by the progress made to date by Visit Herefordshire, the County's Destination Management Partnership (DMP).

8.13 Council officers are working in close liaison with Visit Herefordshire and this should continue.

8.14 Visit Herefordshire should continue to take the lead in all aspects of the marketing of tourism in and to the County. Discussions should extend to the development and improvement of linkages between marketing information. Particular attention should be paid to the improvement to, links both inward and outward, and regular updating of website information.

9. Alternative View Expressed by Review Group Member

9.1 Councillor B Hunt wished it to be recorded that while he supports the principles set out in the recommendations from this review he is strongly of the opinion that Bromyard should be treated the same as the other market towns in that it should have a fully staffed TIC.

10. Next Steps

10.1 The Review Group anticipate that, if approved by the Community Services Scrutiny Committee, this report will be presented to Cabinet for consideration.

10.2 The Review Group anticipates that if the report is approved, the Council and Visit Herefordshire would act in concert upon the recommendations and suggestions made in the report.

10.3 The Review Group would also expect the Cabinet to report back to the Community Services Scrutiny Committee in six months time with a detailed action plan reporting on activity taken upon the Review Group's recommendations.

11. Recommendations

11.1 Continue to provide TICs at or close to the main centres of tourist activity in the County, notwithstanding reductions and changes in patterns of use. Utilisation and effectiveness to continue to be monitored via footfall and cost per visitor data.

11.2 Retain direct control over tourism information services. Never combine the functions of a TIC with those of an 'Info in Herefordshire' office.

11.3 Meet the challenges posed by rising expectations and modern means of communication, and the drive for greater VFM, with a new 'hub and spoke' structure for the delivery of tourist information.

11.4 Establish a central hub, co-located with a principal TIC, staffed by 2.25 fte staff plus the TIC supervisors. Its functions to comprise:

- 11.4.1 The centralised handling - to common higher standards of promptness, comprehensiveness and professionalism - of all remote enquiries.
- 11.4.2 The formation of a centralised facility for the maintenance and provision of brochures etc relating to destinations beyond the County boundary, thus facilitating the updating of this information whilst eradicating multiple holdings and, most importantly, freeing valuable storage and display space at the TICs.
- 11.4.3 The potential for centralisation of some peripheral TIC functions such as accommodation, bus and theatre etc bookings.
- 11.4.4 The provision of a central resource facility for the TICs.
- 11.5 Constitute the central hub and its co-located 'spoke' TIC as an exemplar facility.
- 11.6 Bromyard Centre to become a TIP with better internal and external signage, a more obvious telephone for enquiries and, as a trial the installation of a window mounted touch-screen information facility.
- 11.7 Enable the Kington TIC to remain in its present location and refurbish the building's fabric and decoration providing this can be done from within existing budgets.
- 11.8 Complement each of the other 'spoke' TICs with 2.5fte paid staff plus any available volunteers.
- 11.9 Move Hereford TIC from its current location to new and less costly premises as close as possible to the historic city centre.
- 11.10 Find alternative accommodation for Leominster TIC in a central location as soon as possible.
- 11.11 Agree with Visit Herefordshire that the latter will take the lead in all aspects of the marketing of tourism in and to the County.
- 11.12 Explore with Visit Herefordshire how best to develop and improve the linkages between marketing information.
- 11.13 Seek to make improvements to the contents, user-friendliness and updating of website information.
- 11.14 The proposal for a hub and spoke structure should be monitored closely and a review and report prepared after the first year of operation.

List of Annexes

Annex 1	Scoping Statement.
Annex 2	List of Interviewees.
Annex 3	Survey Questionnaire.
Annex 4	Current Budget for Tourism Services.
Annex 5	Financial Analysis – Tourist Information Centres.
Annex 6	Council Officers involved in Tourism Services.
Annex 7	Footfall Trends.

REVIEW:	Review of Tourism with specific reference to TIC	
Committee:	Community Services Scrutiny Committee	Chair: not confirmed
Lead support officer:	Not confirmed	

SCOPING

Terms of Reference

This review will cover:

- **Address recommendations and comments of the Cultural Services Inspection in relation to tourism and specifically TIC spend**
- **Investigate the TIC model in relation to national trends and customer demands**
- **Consider budget allocations in relation to other pressures within Cultural Services and the council's priorities in relation to improvement plans**
- **To review delivery of marketing and strategic planning in terms of tourism**

Desired outcomes

- Forecast future delivery of TICs based on the priorities of Visit England
- Consider the best options for investment in TIC linked to delivery arrangements of the service, corporate priorities and service needs
- An understanding of marketing and strategic priorities
- Establish performance indicators to measure the value of tourism

Key questions

- What are the national trends in delivering TICs and trends in customer use?
- What is the cost in relation to use?
- What are the future options in utilising new technology and joining with other facilities / services?
- Where is the growth market for tourism in the county?
- How is the value and volume of tourism measured and how performance is measured against other areas in the West Midlands?
- What are the key products for tourism?
- What are the marketing plans and strategic direction?
- Where are the pressure points in terms of delivery of the wider cultural service?

Corporate Plan Priorities

Economic Development, community well being and enterprise,

Timetable (some of the facilities are only open seasonally and will influence the time table)

<i>Activity</i>	<i>Timescale</i>
Agree approach, programme of consultation/research/provisional witnesses/dates	End of July 07
Collect current available data	August 07
Analysis of data	September 07
Final confirmation of interviews of witnesses	Beginning of August 07
Carry out programme of interviews	September 07
Final analysis of data and witness evidence	October 07
Prepare options/recommendations	September 07
Present Final report to Economic and Community Scrutiny Committee	October 07
Present options/recommendations to Cabinet	November 07

Cabinet response	December 07
Implementation of agreed recommendations	January 08 onwards
<i>Members</i>	<i>Support Officers</i>
Councillors: TM James (Chairman); MAF Hubbard; B Hunt; PM Morgan; RH Smith.	Penny Jones, Social and Economic Regeneration Manager (Lead Officer for the review) Jane Lewis, Cultural Services Manager Andrew Tanner, Interim Change Manger Geriant Pritchard, Principal Tourism Officer Paul James, Democratic Services Officer

Annex 2

List of Interviewees

Jay Brittain	Small Breeds Farm Park and Owl Centre
Peter Hands	Chairman of Visit Herefordshire, DMP
Dominic Harbour	Communications and Marketing Manager, Hereford Cathedral
Lindsay Heyes	Wye Valley Butterfly Zoo and Maze
Geoff Hughes	Director of Adult and Community Services
Jane Lewis	Cultural Services Manager
Chris Lilly	Cluster Manager, Tourism West Midlands
Clare O'Reilly	Senior TIC Supervisor
Geriant Pritchard	Principal Tourism Officer
Sally Ann Roberts	Visitor and Promotions Officer
Silvia Silvers	The Falcon Hotel, Bromyard
Alan Simpson	Senior TIC Supervisor

Tourism in Herefordshire: Your View

Herefordshire Council would like to find out what people who provide accommodation or attractions to visitors think about the county's marketing of these services and the help provided by the Tourist Information Centres. This information will help in our planning of these services. We would be grateful if you would spend a few minutes completing this survey. All responses are anonymous. We will publish a summary of the findings in a newsletter in the New Year. If you have any questions or need help in completing this survey, please contact Geriant Pritchard at gpritchard@herefordshire.gov.uk or 01432 260 608.

Q1 Which of the following best describes your business

- B & B Guest House Hotel Holiday Let
 Caravan Park Visitor attraction Other, please specify

Q2 How effectively do you feel that your business is marketed as part of the county tourism product?

- Very effectively Reasonably effectively Not very effectively Don't know

Q3 How, if at all, does "Visit Herefordshire" help in marketing your business?

- Advertising in the Visitor Guide Advertising on the County web site
 Specialist campaigns Not at all
 Other, please specify

Q4 How do you feel the county tourism marketing has changed over the last three years?

- Got better Stayed about the same Got worse

Q5 How many of your guests / visitors do you think use the Tourist Information Centres (TICs) in Herefordshire?

- Most About half A few None Don't know

Q6 If you are an accommodation provider, what proportion of this season's bookings came via the TIC?

- Most About half A few None Don't know

... and how does the number of bookings that came via the TIC compare to last year?

- Increased About the same Decreased

Q7 What do you feel should be done in the future to market Herefordshire as a tourism destination?

Q8 Are there any other comments that you would like to make regarding tourism marketing or this questionnaire?

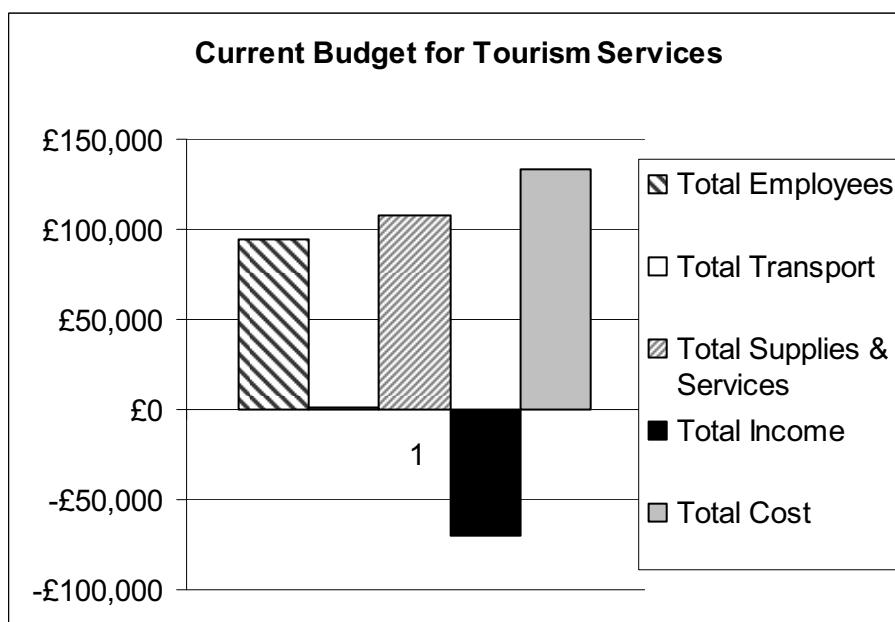
Thank you for completing this questionnaire.

Please return it in the envelope provided by 16th November.

If the envelope has been mislaid, please post to Herefordshire Tourism, PO Box 4, Plough Lane, Hereford, HR4 0XH, or drop in at your nearest Tourist Information Centre

Current Budget for Tourism Services 2007 - 2008

	£	£	£
Operational Staff Basic	75,890		
Operational Staff NI	5,050		
Operational Staff Superan	<u>13,810</u>		
Total Staff Costs		94,750	
Transport: Mileage & Parking		640	
Printing & Photocopying	500		
Postage	8,000		
Conference Expenses	500		
Promotions & Events	<u>99,300</u>		
Total Supplies & Services		<u>108,300</u>	
Total Expenditure			203,690
Income from AWM Main Pot	60,000		
Private Sector Contributions	<u>10,000</u>		
Total Income			<u>-70,000</u>
Net Expenditure			<u>133,690</u>



Financial Analysis – Tourist Information Centres

- Following review of budgets and user numbers, some high level analysis can be drawn in regard to the TICs. These are demonstrated in tabular and graphical format as follows:

Table 1 - Average Unit Costs for all TICs

	05/06	06/07	07/08 est to date
	£	£	£
Salaries	265,288	276,300	187,350
Other Expenditure	217,343	249,358	196,972
Income	- 170,350	- 206,100	- 149,636
Total	312,281	319,558	234,686
Visitor Numbers	306,917	302,144	
Average Unit cost	1.02	1.06	

Table 2 - Unit Costs for each TIC 2007/08

Approximate to Period 8

	Visitor Numbers	Unit Cost per visitor £
Bromyard (No data)		
Hereford	68,916	1.03
Ledbury	60,031	0.74
Leominster	34,858	1.18
Dinmore	33,066	1.02
Ross	52,114	0.82

- Although Dinmore is a comparatively high cost operation at the moment, its unit costs will reduce over time as it has increasing user numbers. The development of new attractions at Queenswood will help sustain this growth.
- Leominster has low unit costs as it has a large number of volunteer staff which help minimise salary costs. The following tables further analyse salary costs:

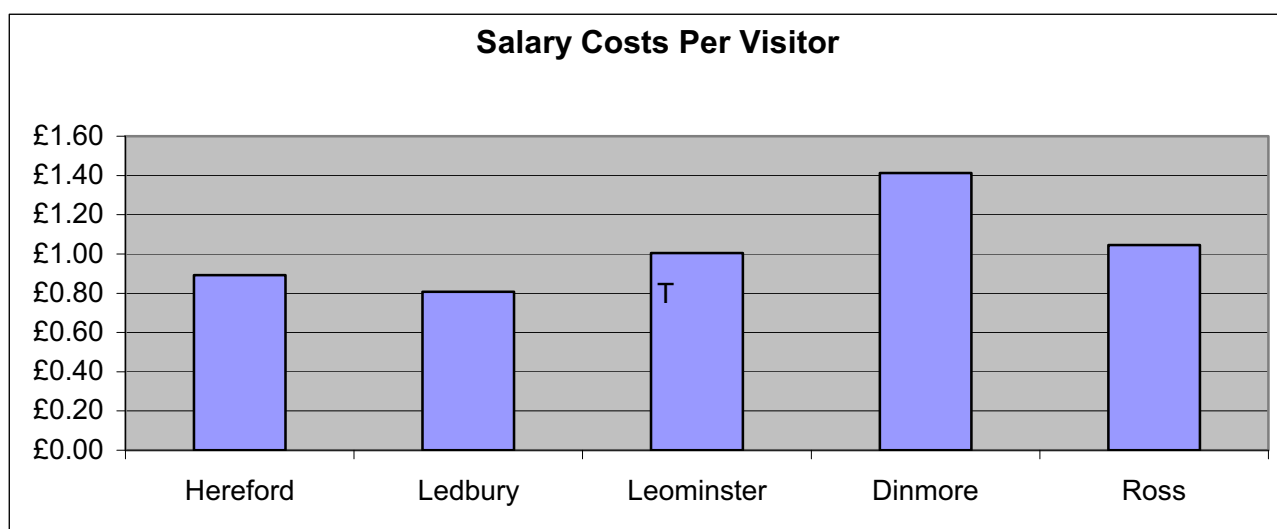
Table 3 - Salary Breakdowns

	Salary Costs (£)	Full time equivalent (fte)	Cost per FTE (£)
	£		£
Hereford Tourist Information	69,006	3.60	19,168
Ledbury Tourist Information	63,106	3.61	17,481
Leominster Tourist Information	37,640	2.06	18,272
Dinmore Tourist Information	46,932	2.50	18,773
Ross Tourist Information	59,615	3.39	17,585
Totals	276,299	15.17	18,213

Table 4a - Salary costs per visitor

	Salary Costs	Visitor Numbers	Cost per visitor (£)
Hereford	69,006	77,368	0.89
Ledbury	63,106	78,192	0.80
Leominster	37,640	37,451	1.00
Dinmore	46,932	33,220	1.41
Ross	59,615	56,996	1.04

Table 4b



4. This analysis shows a degree of consistency in salary costs per visitor in the four main towns and also illustrates the relatively high unit cost of TIC provision at Dinmore.

NB. Queenswood Tourist Information Centre is operational 7 days per week from 1st March to 24th December, whilst the other centres are open approximately 10 Sundays per year, with the exclusion of Leominster.

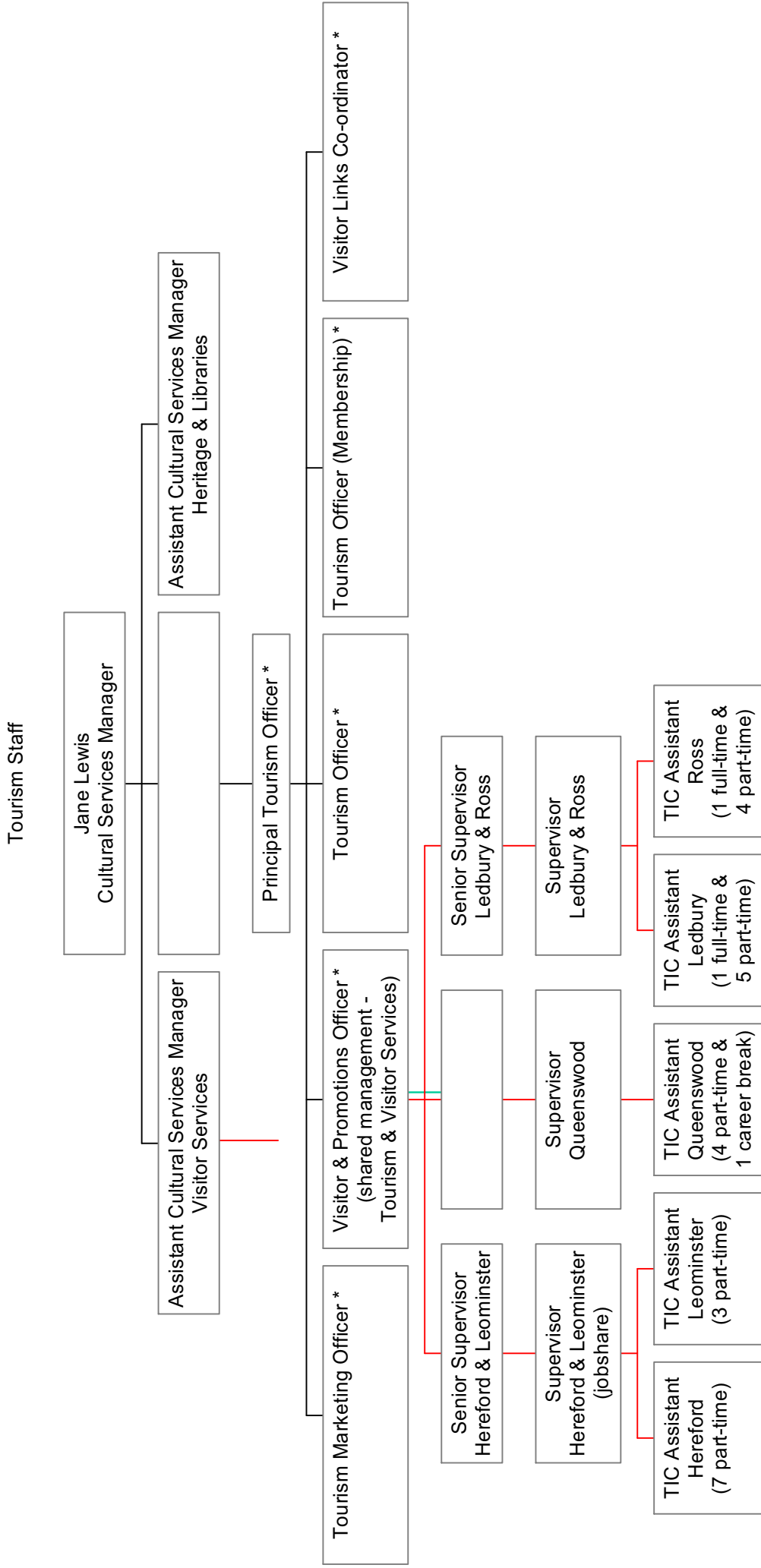
5. Queenswood also acts as the booking office for the Herefordshire Walking Festival and the Food Festival which together generate approximately £7k income per annum. However, this income is not recorded into Queenswood's individual cost centre code but is allocated to a Tourism code.
6. Lease costs are the other major cost component for TICs and any decisions made on future provision will need to take this into account, particularly on long-term leases acting as a constraint. Table 5 summarises the lease position:

Table 5 - TIC Lease Information

	Lease length	Lease expiry	Annual rent	Next review	Break clause	Notes
Leominster	9 years	31/08/2010	£ 9,600		Early exit after 1/9/07	
Hereford	25 years	31/01/2019	£33,250	25/12/08	No break clause	The upper floors are let as flats.
Ross-on-Wye	5 years	28/2/2008	£8,100			Part of Swan House leased, rest used by other Council services therefore annual rent figure is only part of rent paid.
Ledbury		Expired	£21,000			Council in the course of handing back the property and will vacate late February 2008.

7. The following summary conclusions can therefore be made:
- a. The cost effectiveness of TICs is reducing year on year with the exception of Dinmore (Queenswood). This has the advantage of having increasing numbers of visitors being on a 'tourism site' and is also Council owned.
 - b. There is limited flexibility within the lease arrangements for the Hereford site and early surrender of the lease would be prohibitive in terms of cost, unless an alternative Council service can be placed in there.
 - c. An early surrender of the Leominster lease would be financially more attractive and this sum could be written off in the first year. However the landlord is under no obligation to accept an early surrender.
8. There is flexibility within the Ledbury and Ross TICs for a move to Council owned premises although consideration will need to be given to the impact on access by the public and the extent to which fixed costs are retained, ie: salaries. It needs to be noted that the Council leases the whole site at Ross and would be liable for any remaining costs.

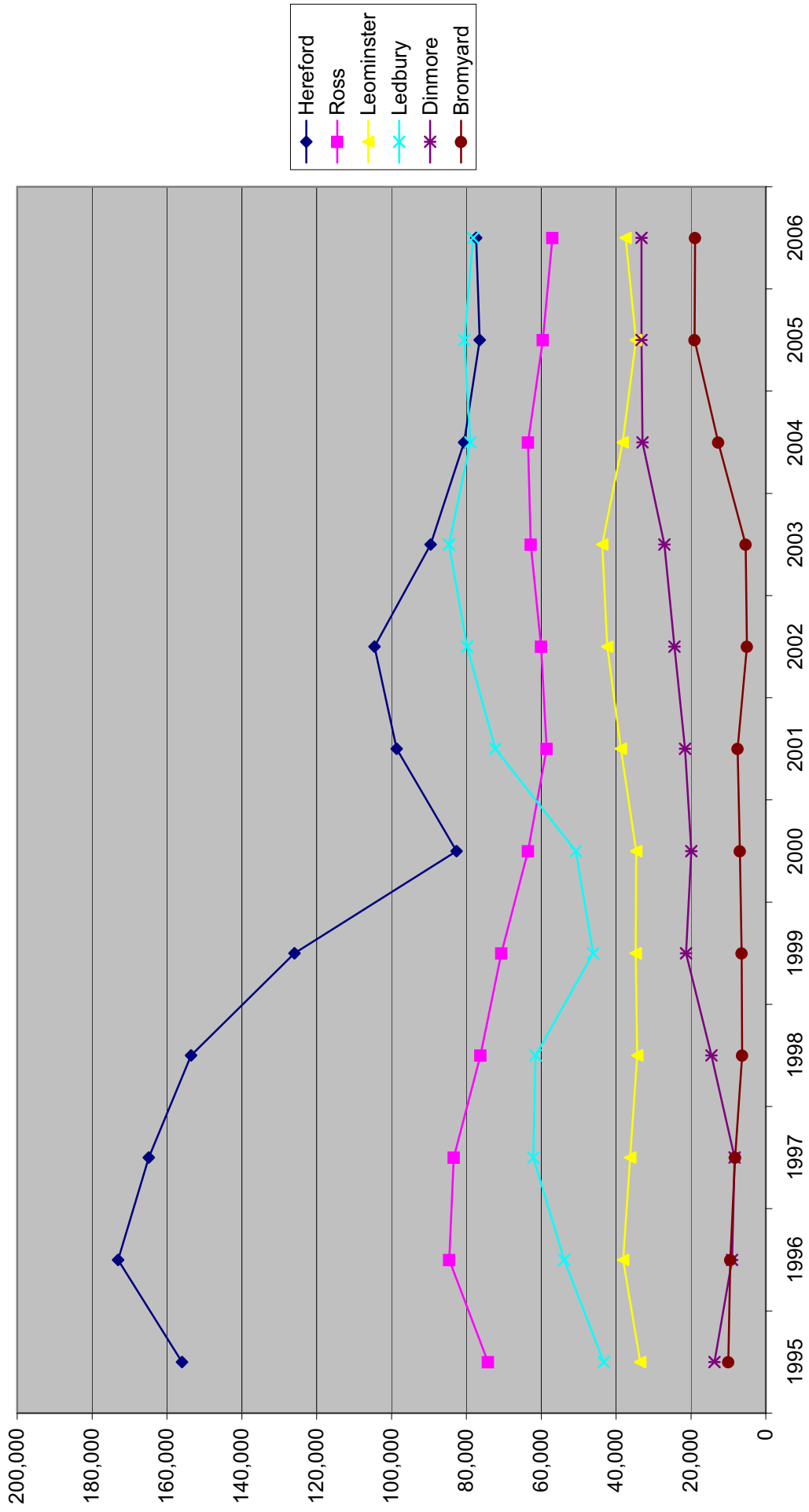
Council Officers Involved in Tourism



* Working in conjunction with the DMP

Annex 7

TIC Footfalls Trends 1995-2006



TIC Footfalls 1995-2006 graph



MEETING:	CABINET
DATE:	26 NOVEMBER 2009
TITLE OF REPORT:	LOCAL DEVELOPMENT FRAMEWORK – CONSULTATION ON THE CORE STRATEGY
PORTFOLIO AREA:	ENVIRONMENT & STRATEGIC HOUSING

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To approve the “Place Shaping Paper” as a consultation document on the emerging Core Strategy, and to agree an outline of the consultation arrangements.

Key Decision

This is not a key decision.

Recommendation(s)

THAT Cabinet

- (a) **approve the Place Shaping Paper as a consultation document on the emerging Core Strategy, Hereford Plan and Market Towns and Rural Areas Plan;**
- (b) **delegate to the Head of Planning and Transportation (in consultation with the Cabinet Member) any further minor text changes; and**
- (c) **agree to the outline consultation details, including the dates for the formal consultation period of Monday 18 January 2010 to Friday 12 March 2010.**

Key Points Summary

- The Council is committed to the preparation of the Local Development Framework to replace the Unitary Development Plan as part of the Council’s Policy Framework
- The first element of the Local Development Framework to be prepared is the Core Strategy which will set out the Council strategic planning policies for the period

Further information on the subject of this report is available from
Peter Yates, Planning Policy Manager on (01432) 261952

2006 to 2026

- The approved Local Development Scheme sets out the proposed timetable and is a statutory document having been approved (annually) by the Secretary of State
- The Core Strategy has been the subject of two previous rounds of public consultation: the Issues Paper in 2007 and the Developing Options Paper in 2008
- This next round of consultation is titled the “Place Shaping Paper” and will set out the main options for the strategic planning policies of the County. The Place Shaping Paper is based on a series of evidence based reports, background papers and the results of the previous rounds of consultations. The publication of the paper also presents the opportunity to undertake an issues consultation for the preparation of the other Development Plan Documents in the Local Development Scheme, namely the Hereford Plan and the Market Towns and Rural Areas Plan
- It is proposed to set the consultation period from 18th January to 12th March 2010 – a series of consultation events are planned.
- Cabinet approval is sought for the content of the document as a **consultation** document, and to approve the consultation dates
- There will be further reports to Cabinet in due course as the final set of policies are developed for consideration by Council.

Alternative Options

- 1 The Council is committed to the preparation of the Local Development Framework with the elements and timetable set out in the adopted Local Development Scheme as approved by the Government Office for the West Midlands (on behalf of the Secretary of State). The first element of the Local Development Framework, namely the Core Strategy, is the subject of this consultation paper. The only alternative would be to delay the consultation to investigate significant changes to the document as presented to this meeting.

Reasons for Recommendations

- 2 To progress this element of the Local Development Framework

Introduction and Background

- 3 The Unitary Development Plan was adopted in 2007 and guides development in the County. It is part of the Council’s Policy Framework as set out in the Council’s Constitution. It is, however, of a limited lifespan, having a plan period which ends in 2011. It is due to be replaced by the Local Development Framework, the elements of which were approved by Cabinet most recently in the Local Development Scheme which was adopted by Cabinet at their meeting in January 2009. The first element in the Local Development Framework to be prepared is the **Core Strategy** which will set out the overall strategic planning policies for the County for the period 2006 to 2026.
- 4 The plan preparation process requires at least one more formal consultation period before policies can be prepared. This will be the third round of consultations following the Issues and Options Paper in 2007 and the Developing Options Paper in 2008. The consultation which is the subject of this report is titled the “**Place Shaping Paper**”. It

sets out a series of options for policies based on a series of evidence reports and studies, and the responses of the public and other interested parties and organisation to the earlier rounds of consultation. The report seeks authority to progress this major round of public consultation, after which the results will be analysed and further reports will be made back to Cabinet to develop the actual policies which will, in due course, become the Core Strategy.

- 5 The Local Development Scheme also includes two more detailed Development Plan Documents (DPDs) which will be prepared in the County: Hereford Plan and the Market Towns and Rural Areas Plan. These documents will include site allocations and any other locally important policies and proposals. The publication of the Place Shaping Paper allows for the Issues consultation stage in the preparation of these documents to be combined with taking the Core Strategy forward. Therefore the paper includes details of locally important issues and the questionnaire accompanying the paper will aim to gather other issues to be taken into account in preparing the other DPDs

Key Considerations

- 6 The Place Shaping Paper has the following sections:

Section 2: Background to the paper *outlines the documents and processes which have happened to date*

Section 3: Characteristics of the county – Key facts, *this provides a set of key statistics/ facts and a map which will form the spatial portrait for the Core Strategy. A draft spatial portrait can be viewed on the website.*

Section 4: Vision and Objectives – *this section sets out the vision for the Core Strategy and the objectives to achieve that vision*

Section 5: Spatial Strategy – *this section sets out how much development there will be and broadly where it will go.*

Section 6: Place Shaping policies - *this section is split into places (Hereford, each of the market towns and the rural areas) and will highlight the issues for each of these places and identify possible options for the implementation of the Spatial Strategy.*

Section 7: General Core policies – *This section is intended to convey the preferred approach for each of the Core policy areas, where they have been established. The final wording of the policies will be contained within the pre-submission Core Strategy.*

Section 8: Delivery and Monitoring - *provides information on delivery and how proposals and policies intend to be monitored.*

Section 9: Next Steps – *explains the remaining progress for preparing the Core Strategy and the Hereford Area Plan and the Market Towns and Rural Areas Plan.*

- 7 In sections 5, 6 and 7, a reasoned justification is provided to explain why a particular preferred approach has been proposed and why, having been considered, other alternative approaches have been rejected.

- 8 It is proposed, subject to approval by Cabinet, to proceed to proofing and printing through December so that a finally published consultation paper is ready for the launch date of the consultation on Monday 18th January. The eight week consultation period will continue to 12th March.
- 9 The consultation techniques will include a launch event planned for The Courtyard on Monday 18th January for 10.00 am to 2.00 pm, and the use of the Council's promotional trailer at various locations and dates around the County including High Town on Saturday 13 February. In order to engage with young people workshops are being arranged with Bishops School Hereford, the Folly Lane Campus and Holme Lacy College in the centre of the County and Kingstone High and Queen Elizabeth High. These events will take place during February and March Initial enquiries are underway to have a workshop event with the Hereford Young Farmers. In order to engage with businesses an exhibition is being planned at Evans Easy Space in Rotherwas. A variety of other events are being planned around the County, and briefing meetings can be arranged with Town and groups of Parish Councils where practical. Various public notices will be published and media releases prepared. Copies of the papers will be deposited in all libraries and info offices and publicity material such as posters will be prepared and distributed across the County, including to all Parish Councils. In addition the next edition of Herefordshire Matters will contain details of the consultation. Suggestions from Ward Members for means to engage the communities in their words would be welcomed and accommodated where resources allow. The questionnaire will be available on-line and participation encouraged through the "Have Your Say" community involvement and consultation page of the Council's website.
- 10 Following completion of the consultation period the responses will need to be analysed and proposed policies developed under the initial guidance of the Local Development Framework Task Group. Later in 2010 the proposed policies will have to be tested through Sustainability Appraisal and Habitats Regulations Appraisal before being presented first to Cabinet and then to Council for approval as the 'Submission Document'. The document then has to be publicised and then submitted to the Secretary of State who will arrange for a Public Examination, followed by an Inspector's Report and, finally, adoption (anticipated in 2011).

Community Impact

- 11 The Local Development Framework will become the spatial element of the Council's Sustainable Community Strategy. There is a Local Development Framework Task Group comprising Cabinet members, Members of the minority political groups, and representatives of the Herefordshire Partnership who have advised and guided the preparation of the document. Close links exist within and between the directorates of the Council to ensure that the policies in the Local Development Framework will help to deliver the Council's wider objectives.

Financial Implications

- 12 The research which supports the document and other work has been funded from a combination of base budget, Growth Point Funding and the final round of Housing and Planning Delivery Grant. Budget provision exists or is programmed for 2009/2010 and 2010/2011 and after that will need to be the subject of normal budget review processes.

Legal Implications

- 13 There are no legal issues raised by the report.

Risk Management

- 14 The principal risks to the preparation of the Local Development Framework will come when the documents within it are subject to Public Examination in due course. Before being adopted such planning policy documents must be found “Sound” and amongst the “Tests of Soundness” are the requirement that policy documents be securely based on good evidence and have been the subject of public scrutiny and involvement. This element of risk is managed specifically by following the processes set out in the adopted Statement of Community Involvement. The consultation proposed in this report follows the required procedures in the Statement of Community Involvement.

Consultees

- 15 All Members of the Council will have been provided with an early copy of the consultation document (following the Area Planning Sub-Committee meetings on 28 October, 11 November and 18 November respectively). Several of the Background Papers which have provided the evidence base have themselves been the subject of their own consultation process. The document itself will be the subject of consultation before further reports are brought to Cabinet.

Appendices

- 16 The draft Place Shaping Paper is itself the appendix to this report will have been provided to Members under separate cover in advance of the meeting.

Background Papers

17

Evidence Studies:

- Strategic Housing Land Availability Assessment
- West Midlands Housing Market Area Assessment
- Strategic Flood Risk Assessment and Water Cycle Study
- Employment Land Review
- Retail Study
- Green Infrastructure Study
- Open Space Study
- Transport Study
- Minerals and Waste Study
- Gypsy and Travellers Accommodation Assessment
- Characterisation Study

Background Papers

- Settlement Hierarchy
- Analysis of Parish and Town Plans
- Cross Boundary Report
- Vision and Objectives
- Climate Change
- Spatial Strategy

MEETING:	CABINET
DATE:	26 NOVEMBER 2009
TITLE OF REPORT:	HEREFORDSHIRE SCHOOLS TASK GROUP CONSULTATION
PORTFOLIO AREA:	ICT, EDUCATION AND ACHIEVEMENT

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

- To note the feedback from the Herefordshire Schools Task Group (HSTG) formal consultation.
- To consider the recommendations of the Herefordshire Schools Task Group.

Key Decision

This is a Key Decision because it is likely to be significant in terms of its effect on communities living and working in Herefordshire.

It was not included in the Forward Plan, however inclusion in the agenda gives the required notice in accordance with Section 15 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000.

Recommendations:

THAT Cabinet:

- (a) **Endorse the five Cluster Working proposals as detailed at paragraph 10 below;**
- (b) **Endorse the four School Leadership proposals as detailed at paragraph 12 below;**
- (c) **Endorse the principle of establishing sustainability criteria and thresholds and request that officers and partners produce a detailed analysis of Small Schools by Design models, including Sustainable Schools criteria and thresholds, which can inform judgements on suitability of cluster plans once submitted to be reported back within three months;**
- (d) **Endorse the five Finance proposals as detailed at paragraph 18 below and in addition request that officers progress the recommendation of the Task Group that further development be undertaken of the proposal at**

Further information on the subject of this report is available from
Kathy Roberts, Assistant Director: Improvement & Inclusion on (01432) 260804

paragraph 17 (e) to ensure an appropriate balance of provision across the county;

- (e) **Endorse the implementation of existing policies by Local Authority (LA) and Diocesan officers implementing existing policies in their work with schools which face challenging circumstances and in addition that recommendations (a) and (b) above be implemented with immediate effect in order to further support this; and**
- (f) **Support the LA and Diocesan officers in their work with schools and clusters to develop local plans of partnership working to inform a long-term strategic plan for Herefordshire.**

Key Points Summary

- This is an area of critical consideration which requires careful analysis with clear recommendations relating to the design process for sustainable quality schools within Herefordshire.

Alternative Options

- 1 There are no alternative options.

Reasons for Recommendations

- 2 The pressure on all schools in delivering high quality provision for our children and young people in a time of falling pupil numbers and therefore reducing budgets is significant and increasingly unsustainable. A strategy for sustainable provision is required. This needs to be developed and implemented with all stakeholders involved. This consultation was a first step towards this.

Introduction and Background

- 3 Following a meeting in December 2008 of Head Teachers, Chairs of Governors and Cabinet the Herefordshire Schools Task Group (HSTG) was established, under the independent chairmanship of David Brown, to recommend to the Council a set of criteria to underpin the future of education and learning provision in the county, providing a framework within which decisions will be made.
- 4 At its meeting on 24th September Cabinet received the paper produced by the Herefordshire Schools Task Group outlining its proposals for the criteria, and approved that paper for formal consultation.
- 5 The formal consultation held on the Herefordshire Schools Task Group Interim Report ran from 25th September 2009 to 2nd November 2009.
- 6 The document (previously circulated with the Cabinet agenda for 24 September and available on the council website) was made available to all stakeholders and interested parties through a range of sources including schools, libraries, and the corporate council consultation website.
- 7 95 responses were received by the end of the consultation period and the analysis of these responses is attached in Appendix 1. A further 8 responses were received after the deadline, and whilst they are not included within the statistical analysis do not raise any new issues or

concerns.

Key Considerations

- 8 HSTG recognised that, in common with a number of rural counties, the challenges facing Herefordshire's ability to continually improve educational quality and outcomes for the county's young people include:
- The impact of falling pupil numbers, surplus capacity within schools and parental preference;
 - Consequential financial impacts (in a climate of reducing public funding); and
 - Changes in schools workforce.
- 9 HSTG developed proposals covering the following four key areas: cluster working, school leadership, sustainable schools, and finance. The proposals within each of these sections are detailed below, together with the recommendations of the HSTG taking into account the consultation responses.

Cluster Working

- 10 HSTG made five proposals in respect of cluster working which were:
- a) Engagement of all stakeholders is essential. Local communities and appropriate authorities must contribute to and take ownership of the outcomes of the process. The process should be open and inclusive where all those who seek to participate respect the views of others and treat those views with due regard to the differing faith, cultural and professional perspectives.
 - b) Co-operation is essential to meet the identified challenges. It is also a necessary part of retaining a widespread and diverse variety of education as currently chosen by parents. It is fundamental to the continued improvement of children and young people and a vital part of schools sharing leadership, teaching and wider support services. Co-operation can take a variety of forms including sharing physical facilities, staffing and resources. Governors, Head Teachers and appropriate authorities will work together through their cluster schools, to establish a firmer foundation for this. All schools must be pro-actively engaged in such discussions.
 - c) Provision planning is to be adopted and applied by all schools as part of annual self evaluation. Local Authority, Diocesan and Trust Representative officers alongside School Improvement Partners should support all Governing Bodies to undertake, by September 2010, a formal evaluation of different options to feed into the creation of a strategic plan for Herefordshire. This will inform a strategic map for Herefordshire.
 - d) Cluster Meetings of Governors, Head Teachers and Local Authority and Diocesan/Trust representatives will take place termly, with agenda and minutes of the meetings to be made available on Herefordshire Council Website. Accurate information relating to financial and pupil data and evaluation of standards relating to all schools and other members of the clusters will be made available to aid discussion and strategic planning.
 - e) Schools facing challenges have specific issues relating to their development and sustainability. Governing bodies have the responsibility to provide strategic direction for their schools in order to maximise the opportunities on offer for their children and young people and ensure continuous improvement of standards and delivery. As part of this duty governors should be required by the Local Authority, and Diocesan Boards if appropriate, to consider all options should such challenges face their school.

Cluster representatives and school leadership teams should be fully involved in such

developments and offer solutions and models for consideration. This will further support the consideration and development of new models of working.

Where agreements, models and/or solutions cannot be identified through this approach Local Authority officers will further support and challenge in order to bring about an agreed plan of action. If necessary the Local Authority will use its powers to intervene if no cluster engagement has been undertaken prior to appointing to leadership vacancies or developing solutions to school specific issues

- 11 HSTG have recommended that Cabinet fully support the five cluster proposals and, in making this conclusion the Task Group notes the wide support from both the public consultation and from earlier professional discussions. It was also noted that to fulfil these proposals the local authority and partners will need to have due regard to the broad comments made in the consultation from which the following are the key issues:
- Capacity in terms of people resource that will be needed system wide to support all Governing Bodies to complete, by September 2010 a formal evaluation of different options to feed into the creation of a strategic plan for Herefordshire
 - Capacity in terms of people resource that will be needed system wide to support clusters in discussions potential models and data to produce solutions to inform the strategic planning process Herefordshire.
 - Local authority and Diocesan officers to work with Head Teachers and Governors to clarify cluster working
 - Clarity over the quality of data used, with existing data being used for such discussions, with review of data if any statutory process is considered.

School Leadership

- 12 HSTG made four proposals in respect of school leadership which were:
- a) Change of leadership will require a review of different potential leadership options/models with Governors, cluster schools, Head Teachers and appropriate authorities. This will include different models of governance as well as design of staffing structures.
 - b) Succession planning will follow the evaluation of a school's future sustainability by Governors, Head Teacher, cluster schools, and appropriate authorities.
 - c) Changes to the leadership of a school will be discussed in Cluster Meetings prior to any recruitment process taking place. Recognising that solutions may not be limited to the host cluster all Head Teacher vacancies will also be shared with all Heads prior to recruitment so that every opportunity for alternative models are explored.
 - d) Resource and capital implications will be considered and prioritised throughout the planning process with Local Authority officer support.
- 13 HSTG have recommended that Cabinet fully support the four school leadership proposals and, in making this conclusion the Task group notes the wide support from both the public consultation and from earlier professional discussions. It was also noted that to fulfil these recommendations the local authority and partners will need to have due regard to the broad comments made in the consultation from which the following are the key issues:
- Clarity needed over process to guide (c) above. It is recommended that this starts in April 2010 after protocols have been agreed.
 - Local authority officers to provide guidance on different models of working between schools.

Sustainable Schools

- 14 HSTG recognised the difference between schools which are small by design and those schools with surplus capacity and/or falling rolls. This acknowledgement will enable a more strategic consideration of school provision in Herefordshire. Small schools 'by design' are those representing a specific and distinct model of education. This might relate to very isolated communities where cost of transport would be high even within an overall transport review. Such schools will be a continuing part of the pattern of education provision.
- 15 The Task Group sought views on the threshold for which three key indicators of sustainability would trigger discussion and monitoring with individual schools. These three elements were the level of surplus capacity within an individual school, the degree to which roll was falling within an individual school, and the total pupil numbers within a school.
- 16 HSTG recognised the support for the proposals in respect of the sustainability criteria of total pupil numbers as follows:
- Primary Schools 36 or less (Small Schools Policy)
 - Primary Schools 37-45 (Monitoring Threshold)
 - Primary Schools 45-60 (Financial Viability & Sustainability)
 - Secondary Schools 200 or less (Small Schools Policy)
 - Secondary Schools 201 - 350 (Monitoring Threshold)
- 17 However, the results of the consultation indicate that further clarity is required in respect of the proposals for thresholds re surplus capacity and falling rolls. HSTG has therefore recommended that cabinet request that, within three months, local authority officers with partners, produce a more detailed analysis of a 'small school by design', to include the thresholds recommended at paragraph 16 above and proposed thresholds in relation to the remaining criteria, which will then be used to judge the sustainability of plans produced by clusters.

Finance

- 18 HSTG made five proposals in respect of finance which were:
- a) Clusters should consider pooling Devolved Formula Capital monies to create centres of excellence in specialist areas with guaranteed access for all.
 - b) New builds of large Primaries and all High Schools should incorporate centres of excellence with guaranteed access to specialist facilities, as should all schools where these possibilities exist.
 - c) All strategic capital developments such as Building Schools for the Future and Primary Capital planning should be coherent and align with any other developments, unless there is a risk to accessing the capital grant due to any external timescales.
 - d) Any new build needs to be consistent with surplus places planning.
 - e) Any new build should take account of the higher pupil density and closer proximity of schools in central areas of Herefordshire thus realising opportunities for different approaches.
- 19 HSTG have recommended that Cabinet support the five proposals, and in addition have recommended that further development of the proposal at 17 (e) above be carried out to take account of the concerns expressed in the qualitative responses to the consultation.

Next steps

- 20 HSTG have recommended that Cabinet endorse the full implementation of existing policies by Local Authority and Diocesan officers with schools facing challenges and that the proposals in relation to both cluster working and school leadership are used to support these processes with immediate effect.
- 21 In addition, HSTG has recommended that Cabinet support Local Authority and Diocesan officers in their work with schools and clusters to develop the local plans of partnership working to feed into a strategic plan for Herefordshire.

Community Impact

- 22 It is critical for the communities in Herefordshire that a long-term strategy is in place to guide the planning and delivery of sustainable quality educational provision across the county.

Financial Implications

- 23 A detailed analysis of the current and projected funding for schools, reflecting the negative impact of decreasing pupil numbers on Dedicated Schools Grant (DSG) was attached as an appendix in the formal consultation document. Implementation of the recommendations within this report will be met from within existing directorate budgets and DSG.

Legal Implications

- 24 There are statutory processes which would need to be adhered to should there be any remodelling or redesign of school provision.

Risk Management

- 17 Should there be no agreement on the implementation of the HSTG recommendations then the current challenges facing schools would remain unaddressed. The status quo has already been identified as unsustainable and unacceptable;

Consultees

- 20 All key stakeholders and partners including young people.

Appendices

Appendix 1: Analysis paper.

Appendix 2: Executive summary.

Background Papers

- Qualitative responses.
- Quantitative responses.
- Late submissions.
- Consultation Document.

HEREFORDSHIRE SCHOOLS TASK GROUP

CONSULTATION ANALYSIS

9th NOVEMBER 2009

The formal consultation held on the Herefordshire Schools Task Group Interim Report ran from 25th September 2009 to 2nd November 2009.

The document was made available to all stakeholders and interested parties through a range of sources including schools, libraries, and the corporate council consultation web-site.

All 95 responses were formally acknowledged and logged. Responses were accepted until the date of the HSTG meeting of the 4th November 2009. This allowed for potential delays caused through the recent disruption to postal services. The 8 responses received after this deadline have been logged separately.

Breakdown of responses:

The 95 responses were received from:

- Single responses – 37
- Group responses – 56
- Not recorded – 2
- Total: 95

The responses were from the following:

- Personal responses – 29
- Professional responses - 62
- Not recorded - 4
- Total: 95

Group responses:

- Governing Bodies x 20
- Clusters x 5
- Parish councils x 11
- Schools x 13
- Colleges x 2
- Herefordshire Association of Secondary Heads – HASH
- South Wye Primary Head Teachers
- Schools Forum
- Early Years and Extended Services Forum
- Out county – Worcestershire CYPD

Of the 95 responses received 75 provided quantitative and 20 qualitative feedback.

Analysis of Responses

The following information details the analysis of the 75 quantitative responses according to each section.

Section1: Cluster Working Recommendations

1.1: Engagement of all stakeholders is essential. Local communities and appropriate authorities must contribute to and take ownership of the outcomes of the process. The process should be open and inclusive where all those who seek to participate respect the views of others and treat those views with due regard to the differing faith, cultural and professional perspectives.

Strongly Agree	60	80.0%
Agree	13	17.3%
Disagree	2	2.7%
Strongly Disagree	0	0.0%
No Response	0	0.0%
	75	100.0%

With 60 of the 75 responses indicating strong agreement and a further 13 agreeing there is positive acknowledgement and strong support for recommendation 1. This provides a strongly agree response rate of **80%** and a total support percentage of **97.3%**.

1.2: Co-operation is essential to meet the identified challenges. It is also a necessary part of retaining a widespread and diverse variety of education as currently chosen by parents. It is fundamental to the continued improvement of children and young people and a vital part of schools sharing leadership, teaching and wider support services. Co-operation can take a variety of forms including sharing physical facilities, staffing and resources. Governors, Headteachers and appropriate authorities will work together through their cluster schools to establish a firmer foundation for this. All schools must be pro-actively engaged in such discussions.

Strongly Agree	48	64.0%
Agree	19	25.3%
Disagree	6	8.0%
Strongly Disagree	0	0.0%
No Response	2	2.7%
	75	100.0%

48 of the 75 respondees strongly support recommendation 2 with a further 19

agreeing. This provides a positive response rate of **89.3%**.

1.3: Provision planning is to be adopted and applied by all schools as part of annual self evaluation. Local Authority, Diocesan and Trust Representative officers alongside School Improvement Partners should support all Governing Bodies to undertake, by September 2010, a formal evaluation of different options to feed into the creation of a strategic plan for Herefordshire.

Strongly Agree	30	40.0%
Agree	36	48.0%
Disagree	6	8.0%
Strongly Disagree	1	1.3%
No Response	2	2.7%
	75	100.0%

With 66 of the 75 respondees registering agreement there is strong positive support for recommendation 3. This provides a positive response rate of **88%**.

1.4: Cluster Meetings of Governors, Headteachers and Local Authority and Diocesan/Trust representatives will take place termly, with agenda and minutes of the meetings to be made available on the Herefordshire Council Website. Accurate information relating to financial and pupil data and evaluation of standards relating to all schools and other members of the clusters will be made available to aid discussion and strategic planning.

Strongly Agree	27	36.0%
Agree	27	36.0%
Disagree	14	18.7%
Strongly Disagree	3	4.0%
No Response	4	5.3%
	75	100.0%

With 27 of the 75 respondees registering strong agreement and another 27 agreeing there is positive support for recommendation 4. This provides a positive response rate of **72%**. Those that registered disagreement or strong disagreement equate to **22.7%** which is the highest negative response within this section.

1.5: Schools facing challenges have specific issues relating to their development and sustainability. Governing bodies have the responsibility to provide strategic direction for their schools in order to maximise the opportunities on offer for their children and young people and ensure continuous improvement of standards and delivery. As part of this duty governors should be required by the Local Authority, and Diocesan Boards if appropriate, to consider all options should such challenges face their school.

Where agreements, models and/or solutions cannot be identified through this approach Local Authority officers will further support and challenge in order to

bring about an agreed plan of action. If necessary the Local Authority will use its powers to intervene if no cluster engagement has been undertaken prior to appointing to leadership vacancies or developing solutions to school specific issues.

Strongly Agree	21	28.0%
Agree	28	37.3%
Disagree	8	10.7%
Strongly Disagree	4	5.3%
No Response	14	18.7%
	75	100.0%

Of the 75 responses to this recommendation 21 strongly agree with a further 28 adding agreement. This equates to a positive response rate of **65.3%** - the lowest level of positive response for this section. **16%** indicate disagreement with this recommendation whereas **18.7%** did not respond.

Summary:

Section 1 – Cluster Working Recommendations: - has received a response rate average of **82.4%** in support of these recommendations. This evidences strong support for all 5 recommendations within the section with percentage positive responses ranging from **65.3% - 97.3%**.

Section2: School Leadership

2.1: Change of leadership will require a review of different potential leadership options/models with Governors, cluster schools, Headteachers and appropriate authorities. This will include different models of governance as well as design of staffing structures.

Strongly Agree	28	37.3%
Agree	36	48.0%
Disagree	8	10.7%
Strongly Disagree	2	2.7%
No Responses	1	1.3%
	75	100.0%

With 28 respondees strongly agreeing and 36 agreeing this recommendation has strong support. This equates to 64 of the 75 respondees supporting this recommendation. This provides a positive response rate of **85.3%**.

2.2: Succession planning will follow the evaluation of a school's future sustainability by Governors, Headteacher, cluster schools, and appropriate authorities.

Strongly Agree	27	36.0%
Agree	34	45.3%
Disagree	10	13.3%
Strongly Disagree	2	2.7%
No Responses	2	2.7%
	75	100.0%

27 of the 59 respondees strongly support this recommendation with a further 34 agreeing making a total of 61 out of 75. This provides a positive response rate of **81.3%**.

2.3: Changes to the leadership of a school will be discussed in Cluster Meetings prior to any recruitment process taking place. Recognising that solutions may not be limited to the host cluster all Headteacher vacancies will also be shared with all Heads prior to recruitment so that every opportunity for alternative models is explored.

Strongly Agree	25	33.3%
Agree	30	40.0%
Disagree	13	17.3%
Strongly Disagree	4	5.3%
No Responses	3	4.0%
	75	100.0%

Of the 75 responses 25 strongly agree with and 30 agree with this recommendation. This equates to a positive response rate of **73.3%**. This is in comparison to a **22.6%** negative response rate.

2.4: Resource and capital implications will be considered and prioritised throughout the planning process with Local Authority officer support.

Strongly Agree	22	29.3%
Agree	39	52.0%
Disagree	7	9.3%
Strongly Disagree	3	4.0%
No Responses	4	5.3%
	75	100.0%

With 22 of the 75 respondents strongly agreeing and 39 agreeing there is positive support for this recommendation. This represents a positive response rate of **80.4%**.

Summary:

Section 2 – School Leadership Recommendations: - has received a response rate average of **80.4%** in support of these recommendations. This evidences strong support for all 4 recommendations within the section with percentage positive responses ranging from **73.3% - 85.3%**.

Section3: Sustainable Schools

Local schools can have a direct impact upon community sustainability and Herefordshire supports all schools being active participants in their local community and the wider community they may serve, through faith, specialist provision, federations and external work.

Recommendations 3.1 and 3.2 required an indication of preference for the threshold at which discussion and monitoring would take place involving cluster schools, Headteachers and appropriate authorities.

3.1: Surplus Capacity:

a) 25% (currently 20 Primary Schools, 0 High Schools)

Strongly Agree	13	22.4%
Agree	15	25.9%
Disagree	11	19.0%
Strongly Disagree	6	10.3%
No Response	13	22.4%
	58	100.0%

Percentage in agreement of 3.1a = **58.3%**.

b) 30% (currently 16 Primary Schools, 1 High School)

Strongly Agree	6	8.0%
Agree	20	26.7%
Disagree	16	21.3%
Strongly Disagree	10	13.3%
No Response	23	30.7%
	75	100.0%

Percentage in agreement with 3.1b = **34.7%**.

c) 35% (currently 8 Primary Schools, 1 High School)

Strongly Agree	16	21.3%
Agree	15	20.0%
Disagree	11	14.7%
Strongly Disagree	5	6.7%
No Response	28	37.3%
	75	100.0%

Percentage in agreement with 3.1c = **41.3%**.

3.1a has the greater positive support with 58.3%.

3.2: Falling Rolls:

a) 50% fall in admissions over a 2 year period

Strongly Agree	12	16.0%
Agree	19	25.3%
Disagree	14	18.7%
Strongly Disagree	5	6.7%
No Response	25	33.3%
	75	100.0%

Percentage in agreement with 3.2a = **41.3%**.

b) 20% reduction in pupil numbers on roll over a two year period

Strongly Agree	13	17.3%
Agree	15	20.0%
Disagree	26	34.7%
Strongly Disagree	5	6.7%
No Response	16	21.3%
	75	100.0%

Percentage in agreement with 3.2b = **37.3%** with **41.4%** disagreeing.

c) Both A and B

Strongly Agree	2	2.7%
Agree	23	30.7%
Disagree	16	21.3%
Strongly Disagree	7	9.3%
No Response	27	36.0%
	75	100.0%

Percentage in agreement with 3.2c = **32.7%** with **30.6%** disagreeing.

3.2a has greater support receiving 41.3%.

Recommendations 3.3 and 3.4 detailed the current threshold levels in use when considering total pupil numbers as an indicator of sustainability. Respondees were asked to consider if these are set at the right levels.

3.3: Primary Pupil Numbers:

a) 36 or less (Small Schools Policy threshold)

Strongly Agree	5	6.7%
Agree	35	46.7%
Disagree	8	10.7%
Strongly Disagree	7	9.3%
No Response	20	26.7%

Percentage in agreement with 3.3a = **53.4%**. 75 100.0%

b) 37 – 45 (Monitoring threshold)

Strongly Agree	6	8.0%
Agree	36	48.0%
Disagree	7	9.3%
Strongly Disagree	6	8.0%
No Response	20	26.7%
	75	100.0%

Percentage in agreement with 3.3b = **56%**.

c) 45 – 60 (Financial viability and sustainability)

Strongly Agree	13	17.3%
Agree	35	46.7%
Disagree	8	10.7%
Strongly Disagree	8	10.7%
No Response	11	14.7%
	75	100.0%

Percentage in agreement with 3.3c = **49%**.

3.4: Secondary Pupil Numbers:

a) 200 or less (Small Schools Policy)

Strongly Agree	13	17.3%
Agree	33	44.0%
Disagree	5	6.7%
Strongly Disagree	7	9.3%
No Response	17	22.7%
	75	100.0%

Percentage in agreement with 3.4a = **61.3%**.

b) 201 – 350 (Monitoring threshold)

Strongly Agree	6	8.00%
Agree	37	49.4%
Disagree	4	5.3%
Strongly Disagree	6	8.0%
No Response	22	29.3%
	75	100.0%

Percentage in agreement with 3.4b = **57.4%**.

Summary:

Section 3 – Sustainable Schools Recommendations: - in analyzing the responses to this section it became evident that the information collated does not provide clear strategic recommendations for each of the sections and in particular sections 3.1 and 3.2.

There is clear support for thresholds and levels to be set within each area of sustainability and this is evidenced in sections 3.3 and 3.4.

HSTG acknowledges that the way in which this section has been framed did not support the collation of clear and accurate data.

Section 4: Finance

4.1: Clusters should consider pooling Devolved Formula Capital monies to create centres of excellence in specialist areas with guaranteed access for all.

Strongly Agree	13	17.3%
Agree	31	41.3%
Disagree	15	20.0%
Strongly Disagree	12	16.0%
No Response	4	5.3%
	75	100.0%

Of the 75 respondees 44 positively support this recommendation. This represents a positive response rate of **58.6%**.

4.2: New builds of large Primaries and all High Schools should incorporate centres of excellence with guaranteed access to specialist facilities, as should all schools where these possibilities exist.

Strongly Agree	16	21.3%
Agree	41	54.7%
Disagree	12	16.0%
Strongly Disagree	5	6.7%
No Response	1	1.3%
	75	100.0%

16 of the 75 respondees strongly support this recommendation with a further 41 agreeing bringing the total of positive responses to 57. This represents a positive response rate of **76%**.

4.3: All strategic capital developments such as Building Schools for the Future and Primary Capital planning should be coherent and align with any other developments, unless there is a risk to accessing the capital grant due to any external timescales.

Strongly Agree	19	25.3%
Agree	51	68.0%
Disagree	0	0.0%
Strongly Disagree	3	4.0%
No Response	2	2.7%
	75	100.0%

Of the 75 respondees 70 positively support this recommendation. This represents a positive response rate of **93.3%**.

4.4: Any new build needs to be consistent with surplus places planning.

Strongly Agree	19	25.3%
Agree	40	53.3%
Disagree	2	2.7%
Strongly Disagree	12	16.0%
No Response	2	2.7%
	75	100.0%

59 of the 75 respondees supported this recommendation. This represents a positive response rate of **78.6%**.

4.5: Any new build should take account of the higher pupil density and closer proximity of schools in central areas of Herefordshire thus realising opportunities for different approaches.

Strongly Agree	5	6.7%
Agree	34	45.3%
Disagree	14	18.7%
Strongly Disagree	15	20.0%
No Response	7	9.3%
	75	100.0%

39 of the 75 respondees support this recommendation. This represents a positive response rate of **52%**.

Summary:

Section 4 – Finance Recommendations: - has received a response rate average of **71.7%** in support of these recommendations. This evidences support for all 5 recommendations within the section with percentage positive responses ranging from **52%-93.3%**.

Quantitative Feedback Summary Matrix:

Section	Average % Support	% Support Range
1	82.4%	65.3% - 97.3%
2	80.4%	73.3% - 85.3%
4	71.7%	52% - 93.3%

For section 3 please see individual responses and summary.

Qualitative Feedback:

20 responses received through this consultation provided written feedback and comment on each section. These are available in full as a separate reference document.

Section 5 of the consultation paper requested written feedback on the implications of National Strategies on school planning. The responses to this section are contained within the reference document.

This summary identifies key themes.

1: Cluster Working:

- Support for clusters being at the centre of planning.
- Sensible way forward but would need support from LA.
- Requirement for accurate data and information.
- Requirement for definition and identification of clusters.
- Requirement for LA to lead on county-wide strategy.
- Demand for strong political leadership and action.
- Does not support the development of post 16 strategy or provision.
- Must be proportional representation.
- Requirement for LA to lead on developing models.
- Strategy should be based upon pupil entitlement.
- Should be a county-wide strategy that clusters respond to.
- There may be models that evolve across clusters.
- Other agencies should support the need for change.
- Capacity would be an issue for schools and LA.
- Frequency and requirement for meetings would be a concern.
- Must consider parental choice.
- Encouragement for all clusters to work as collectives.
- This may set schools in competition.
- Some models of such working already in Herefordshire.
- Early Years settings need to be considered and included.
- Financial viability and sustainability would need to be considered.
- Stronger links between governing bodies across clusters required.
- Effective governor support required.
- LA challenge role of concern as may override cluster decision.
- Diocesan involvement essential.
- Collaboration must add value for the children and young people.
- Succession planning must be proactive not reactive.
- Concerns about sharing head teachers.
- Support for sharing staff and resources.

2: Leadership:

- Executive heads model is for inner cities not rural areas.
- Disagree with leadership and cluster models.
- Models offer exciting and challenging visions.
- Action from LA officers and elected members urgently needed.
- Unclear – who will have the decision authority?
- Could result in strong personalities trying to ‘empire build’.
- In line with our thinking.
- Must not be detrimental to children and young people.
- Decision must be down to local schools with advice from cluster.
- Needs to be developed in line with organisational change.
- Success of small schools in part due to Head teacher presence.
- May ‘railroad’ federated models of leadership.
- Better to reduce headships and administration costs rather than damage communities by closing schools.
- Would require high quality advice and support from officers.
- All schools should strive to find creative solutions.
- Model of executive headships not an ideal way forward but does make financial sense.
- No reference to crucial role of School Business Managers.
- Following best practice and selecting strong appropriate models is crucial.
- LA has a huge role to play in supporting governing bodies when considering different models of provision.
- Governors must retain responsibility for appointment of head teachers.
- Wider consultation should be included such as DCS/ OfSted etc.
- There have been too many missed opportunities to consider different models of leadership already. Actions speak louder than words.

3: Sustainable Schools:

- There can be fluctuation year on year with small school numbers.
- Recommendations eminently sensible.
- Criteria should consider post 16 provision.
- Difficult to respond.
- Believe this to be driven by urban:rural issues.
- Thresholds should consider pupil entitlement.
- Should be driven by realities and needs of the community.
- Support for small schools by design.
- Impact upon other schools should be mitigated against.
- A degree of surplus capacity is inevitable.
- This is an opportunity to review Small Schools Protection formula.
- Should all be reviewed regularly.
- We need a firm strategy for reorganisation of schools.
- Must consider faith schools.
- Pupil numbers should not be the only criteria.
- Very large schools should have their capacity reduced.
- Size should not matter providing the school is performing well and has creative plans for sustainability.

- Imperative to keep schools open to reduce travel times.
- The encouragement of innovative solutions makes it illogical to set fixed criteria.
- We would be concerned before reaching the levels set within this and seeking support.
- Cannot agree with any as will be skewed by other factors.
- This is a matter for LA policy.

4: Finance:

- Very idealistic and probably unrealistic.
- Agreement for centres of excellence.
- Difficult to ensure equity and access to centres of excellence.
- Will require transport and access planning.
- Will require mature approach.
- 'Should' still allows for individual autonomy.
- Funding is different across sectors. Primary has less flexibility or funding stream available.
- Flexibility between capital and revenue would be helpful.
- Should exclude Secondary sector as they have access to more funding streams.
- Financial planning is key.
- Schools need to maintain control.
- Whole-hearted agreement and support in securing fairer funding for Herefordshire.
- There is a need to address transport costs.
- Devolved funding could cause friction between head teachers.
- 'Super schools do not mean better schools'.
- Economies of scale can be achieved through schools purchasing together.
- Situation more complex when considering faith schools etc.
- Finance needs equality across the county per pupil head.
- More personnel with an educational background should be involved in finance discussions.
- It is just as important to maintain sustainability in rural areas as central areas.
- Centres of excellence should not be at the expense of other schools.
- With expert support from the LA we would consider pooling a proportion of our budget.
- Schools should contribute to a project which is of benefit to the cluster.

5: National Strategies:

- Funding not flexible enough.
- Must consider rural implications.
- These are largely statutory so must be considered.
- LA should become commissioners.
- Agreed in principle.
- Need to challenge and ensure strategies are fit for rural Herefordshire.

- We seek to work with any national initiative in a way the best suits the needs of our children.
- Decisions should be deferred to after forthcoming elections.
- Our vision should have Herefordshire at its centre.
- Requirement to work closer together in the delivery.
- Difficult to sometimes understand them.
- A stronger steer is required for 14-19 developments.
- We should work together to influence government strategy.
- 'So many strategies – So little time!'

Additional Comments:

- A county strategic plan is required.
- Engagement with partners when devising strategy.
- Bottom-up approach will result in a lack of cohesions and decisions based upon self-interest.
- Consultation period too short.
- Consultation paper too complex.
- Management of consultation poor.
- Impressed by openness of debate.
- Web based responses difficult.
- Appreciation for the work of HSTG.
- Challenge to include all comments on report to Council.
- Asking for comment on principles which does not move situation on.
- Parents require a more informed debate.
- Guidelines a step in the right direction.
- Governors and head teachers unsuited to making hard decisions which impact upon their schools.
- Positively received and allows for new strategic plan.
- Positively endorsed.
- Status quo is not sustainable.
- Small Schools Subsidy should be reviewed asap.
- PANS should be reviewed.
- Demand for strong action from political leaders and officers.
- LA should make strategic decisions – not schools.
- Disappointed that there is no indication of how challenge will be met.

Kathy Roberts.
 Assistant Director: Improvement and Inclusion.
 9.11.09.

Executive Summary

The Herefordshire Schools Task Group has met since February and since July has been involved in discussions and then public consultation over its findings. Clearly Herefordshire faces many specific challenges as well as those faced by many similar counties in England. The Task Group has considered the results of the consultation as analysed below with responses included in appendix 1.

Recommendations

1. The Task Group recommend that Cabinet fully support Cluster Recommendations 1-5 (CWR 1-5) as covered in the Report, pages 6-7.

To support this recommendation and in making this conclusion the Task Group notes the wide support from both the public consultation and from earlier professional discussions. It was also noted that to fulfill these recommendations the local authority and partners will need to have due regard to the broad comments made in the consultation from which the following are the key issues;

- a) Capacity in terms of people resource that will be needed system wide to support all Governing Bodies to complete, by September 2010 a formal evaluation of different options to feed into the creation of a strategic plan for Herefordshire' CWR 3
- b) Capacity in terms of people resource that will be needed system wide to support clusters in discussions potential models and data to produce solutions to inform the strategic planning process Herefordshire. CW4
- c) Local authority and Diocesan officers to work with Headteachers and Governors to clarify cluster working
- d) Clarity over the quality of data used, with existing data being used for such discussions, with review of data if any statutory process is considered.

2. The Task Group recommend that Cabinet fully support School Leadership Recommendations 1-4 (LR 1-4) as covered in the Report, pages 8-9.

To support this recommendation and in making this conclusion the Task Group notes the wide support from both the public consultation and from earlier professional discussions. It was also noted that to fulfill these recommendations the local authority and partners will need to have due

regard to the broad comments made in the consultation from which the following are the key issues; due note should be made of the;

- (a) Clarity needed over process to guide 1.3. It is recommended that this starts in April 2010 after protocols have been agreed.
- (b) Local authority officers to provide guidance on different models or working between schools.

3. The Task Group recommend that Cabinet support the sustainability criteria as outlined in Recommendations 3.3, 3.4 and those facing challenging circumstance as in the Report, pages 10-11. Furthermore the Task Group recommend that local authority officers with partners produce a within three months a more detailed analysis of a 'small school by design' which will then be used to judge the sustainability of plans produced by clusters.

For section 3 of the Report, pages 10-11, the results of the consultation were more mixed than for the first two sections. The task group also believe after reading the results of the consultation that more clarity could have been useful in this section. Therefore the Task Group did not feel able to Recommend 3.1 or 3.2 as they stand.

However, it is clear is that there is support for a sustainability threshold in Principle but it has proved more difficult to isolate what that would look like in practice due to the complexities of the issues and the limited time for the Task Group. The Task Group wish for it to be noted clearly that 3.3. and 3.4 relate to the need for discussions to take place with schools concerned to ascertain the reasons for the pupil numbers concerned and the reasons for this. The Task Group believe that this should allow two alternative conclusions to apply;

- (a) This is a small school by design and is a necessary part of the pattern of schooling in Herefordshire but will need to work in partnership with other schools where appropriate.
- (b) Parents have chosen to educate the children who might come to this school elsewhere, and this is a trend in parental preference, not a short term issue.

4. The Task Group recommend that Cabinet fully support Finance Recommendations 1-5 (F1-5) as covered in the Report, pages 12-13

To support this recommendation and in making this conclusion the Task Group notes the wide support from both the public consultation and from earlier professional discussions. It was also noted that to fulfill these recommendations the local authority and partners will need to have due regard to the broad comments made in the consultation.

There is a need to have particular regard to the responses on finance recommendation 5: *Any new build should take account of higher pupil density and closer proximity of schools in central areas of Herefordshire thus realizing opportunities for different approaches.* Whilst this received a supportive response rate of 52% some of the qualitative feedback identified areas requiring further development ie: *schools need to maintain control / it is just as important to maintain sustainability in rural areas as central areas.*

- 5. The Task Group recommend that Cabinet supports Local Authority and Diocesan officers fully implementing the existing work with schools facing challenges and that the work in Recommendations 1 & 2 could be used to support these processes and should begin immediately.**
- 6. The Task Group recommend that Cabinet support Local Authority and Diocesan officers in their work with schools and clusters to develop the local plans of partnership working to feed into a strategic plan for Herefordshire.**

MEETING:	CABINET
DATE:	26 NOVEMBER 2009
TITLE OF REPORT:	BUDGET MONITORING REPORT 2009
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide.

Purpose

To report September's budget monitoring information and provide an indication of estimated outturn for both revenue and capital. To report on treasury management activities in the first six months of 2009/10.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT Cabinet note the report.

Key Points Summary

- The overall position on the revenue budget shows a projected overspend of £566k. This total is 0.4% of the council's £137.718m net revenue budget (excluding Dedicated Schools Grant).
- The overall position on the capital programme is a forecast expenditure of £80.7m after allowing for additional funding and slippage brought forward.
- To note that 47 debts totalling £127k are being written off.

Alternative Options

1. There are no alternative options.

Reasons for Recommendations

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

Further information on the subject of this report is available from
Phillips, Head of Financial Services on 01432 383173

3. To ensure that Cabinet is kept informed of treasury management activities in accordance with CIPFA recommended best practice.

Introduction and Background

4. The Council's revenue and capital position is reported to Cabinet regularly throughout the year. The information provides an indication of the Council's performance against budgets.
5. CIPFA issued an interim Treasury Management guidance document in March 2009, highlighting Best Practice recommendations for Local Authorities to follow. The document suggests that members should be informed of Treasury Management activities at least twice a year.

Key Considerations

6. Details of the forecast of revenue and capital outturn for 2009/10 based on service and financial performance information as at 30 September are attached in summary and then further detail is given by directorate.
7. Appendix A includes the detailed revenue budget report. The key areas of concern are Integrated Commissioning Directorate, with a projected £2.1m overspend and the Children and Young People's Directorate, with a £945k projected overspend.
8. Both directorates have produced recovery plans and Cabinet should note the actions detailed in Appendix A and ensure they are effectively monitored over the coming months.
9. The council's overall financial performance has a direct bearing on the level of general fund balance at year end as any overspend on the revenue account must be funded. The report at Appendix A indicates that general balances could reduce to £4.8m and use all of the social care contingency reserve based on current projections.
10. The capital programme budget monitoring is at Appendix B.
11. Appendix C includes the Treasury Management Report. It is anticipated that at the end of the year there will be a budget deficit on interest earned in the region of £22,000 offset by a budget surplus (or underspend) on borrowing in the region of £480,000. Because of the low return on invested funds, and the limited number of good quality counterparties, it is currently council policy to postpone further borrowing as long as possible and reduce the level of its investments. However, this policy will be kept under review and may change, particularly if PWLB rates show the beginning of an upward trend.
12. The Council's Financial Procedure Rules, require that the number and amounts written off for individual debts exceeding £1,000 is reported to Cabinet twice a year for information purposes. This information for the period 01/04/09 to 30/09/09 is detailed below:

Income Type	April – September 2009		2008/9 (Full year)	
	No. of cases	Amount	No. of cases	Amount
Council Tax	17	£29,607.58	9	£14,661.12
Business Rates	13	£62,193.50	33	£158,687.53
Benefit Overpayments	10	£23,182.96	8	£18,069.87
Debtors	7	£12,377.26	49	£123,496.52

Community Impact

13. Not applicable.

Financial Implications

14. These are contained in the report.

Legal Implications

15. None.

Risk Management

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

Consultees

17. None.

Appendices

18 Appendix A – 2009/10 Revenue Budget Monitoring
Appendix B – Capital
Appendix C – Treasury Management Report Background Papers

Background Papers

- None identified.

2009/10 REVENUE BUDGET MONITORING

Summary

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

Area	2009/10 Budget £000	Projected net over or under (-) spend £000
Integrated Commissioning	38,486	2,142
Children & Young People	23,999	945
Deputy Chief Executive	15,220	0
Environment and Culture	28,028	-422
Regeneration	9,994	-75
Central Services	2,455	0
Resources	7,901	0
Directorate Position	126,115	2,590
Borrowing	13,346	-480
Investments	-249	22
LABGI	0	-87
Pay Award Savings	0	-553
Social Care Contingency	0	-926
WMS Profit Share	-546	0
Transfer from Reserves	-948	0
Total Budget	<u>137,718</u>	<u>566</u>

- The overall revenue budget position for 2009/10 shows a projected £566k overspend. This is approximately 0.4% of the council's £137.7 million revenue budget (excluding Dedicated Schools Grant funding).
- The projected overspend in the Directorates is mitigated by use of the Social Care Contingency Reserve on current projections. This reserve is likely to be fully utilised in 2009-10 leaving no balance to fund potential issues in future years.
- There is an anticipated underspend of £480k on the council's borrowing, which is due to slippage on the 2008/09 capital programme and management of external borrowing, resulting in a reduced minimum revenue provision (MRP) for debt repayment and less external interest payable in the year.

5. The agreed 1% pay award was less than the 2% budgeted and resulted in a saving of £553k, which has been removed from staff budgets across the directorates.
6. Savings of £700k arising from Hereford Connects are included in service budgets. Specific savings targets within directorates have been identified and the appropriate level of budget will be transferred from directorates to match the savings delivered by the programme.

Revenue Reserves Position as at 30th September 2009

General Reserves

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

	£m
Balance brought forward	6.390
Meeting the projected overspend	(0.566)
Budgeted transfer	(1.000)
Projected year end balance	4.824

Earmarked Reserves

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

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

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

INTEGRATED COMMISSIONING DIRECTORATE

Directorate Summary as at 30th September 2009

	Total Budget for 2009/10 £000	Net over or (-) underspending £000
Adult Social Care	38,291	2,252
Supporting People	32	0
Modernisation	163	-110
Total	38,486	2,142

11. Adult Social Care expenditure is principally focused on four main client groups, Older People, Learning Disabilities, Mental Health and Physical Disabilities. Costs relate to care packages that range from basic in-home assistance to complex needs addressed through specialised residential care and nursing packages. Packages can be commissioned through a number of ways such as block contract provision with major suppliers or direct payments to clients to allow them to purchase their own care.
12. The net budget for Adult Social Care is £38.5m, however gross expenditure is significantly higher at £59m. Expenditure is offset by income of £21m received from charges made to clients and grant funding.
13. As at 31st September the total number of clients being supported by adult social care was 4,036. Some clients receive more than one care package and the total number of packages to end of September was 6,200.
14. The forecast net overspend of £2,142k is based on existing commitments projected forward in combination with a realistic forecast of the recovery measures that have been identified and implemented to date.
15. The forecast for Learning Disabilities has deteriorated by £280k since July due to increases in residential costs and agency staff. Actions to reduce costs include utilisation of contract voids and this is expected to mitigate cost increases by up to £200k.
16. There have been significant increases that are above the set budget levels within Physical Disabilities including five individual budget packages provided at a cost of £120k.
17. There has been an improvement in the Mental Health position due to a reduction of seventeen residential packages since April, although the number of nursing packages has increased by seven. The position for Older People has also improved, this is principally due to the allocation of additional Area Based Grant over the level previously anticipated.
18. The forecast underspend on modernisation has reduced. Budget capacity that was

assumed to be offsetting the in-year overspend has now been committed to a temporary emergency safeguarding team needed to address a number of home closures. There is an expectation that this additional resource will be needed on a permanent basis.

19. Continuing Healthcare (CHC) represents a significant budget risk that could lead to increased costs. The forecast includes new commitments of £150k due to recent re-assessment of clients no longer meeting CHC criteria. There is potential for further re-assessments to be undertaken this year and depending on the outcome additional costs may need to be picked up by the council. The full year effect of these CHC re-assessments could be over £1 million. This will be factored into the financial planning process for future years.

Recovery Plan

20. Recovery measures already identified and deemed to be realistically achievable have now been factored into the latest out-turn forecast. Responsibility for specific recovery measures has been allocated to the relevant managers and progress is regularly monitored. Some of the measures will take more time to implement and therefore will not have a significant impact on the current year position. The plan includes the following;
 - a. A review of costly Learning Disability packages where opportunities exist to transfer clients into supported living- this is unlikely to realise significant savings in 2009-10 but will have an impact in the following year.
 - b. Review all expensive out of county placements - unlikely to realise significant savings in 2009-10 but will have an impact in the following year.
 - c. Review the level of voids in existing contracts to ensure maximum value is being achieved – progress has been made and further savings are expected to be realised by the end of 2009. Immediate action has been taken to address this within the panel process.
 - d. Consider the flexibility within supporting people grant and carried forward underspend where opportunities exist to fund social care costs –a report on this issue is being prepared for Adult Social Care Scrutiny Committee in December.
 - e. Consider the flexibility within capital grants to enable revenue costs to be capitalised where appropriate.
 - f. Review individual budgets where costs exceed previous client packages.
 - g. Review procedures for agreeing client top-up payments to reduce the current level of cost.
 - h. A 10% reduction in operating costs for the remainder of the year – this is being implemented.
 - i. Review transport arrangements including route rescheduling and external transport – this is currently being piloted within Adult Services and savings will start to be made in December.

CHILDREN AND YOUNG PEOPLE'S SERVICES DIRECTORATE (CYPD)

Directorate Summary as at 30th September 2009

	Total Budget for 2009/10 £000	Net over or (-) Underspend £'000
Inclusion & Improvement	4,949	
Safeguarding and Assessment	11,898	
Planning, Performance & Development	6,537	
Community Operations	103	
Central Directorate - budget savings to be agreed	512	
Total	23,999	

21. The projected outturn overspend of £945k is based upon reviews undertaken with service managers and incorporates actual expenditure for periods 1-6, forecast to year end.
22. As previously reported the major area of concern continues to be the increasing pressures across most aspects of Safeguarding children. Since the Baby Peter case there has been a substantial national increase in child protection referrals and this has led in turn to increased applications through the courts. On 20th October 2009 Cafcass (the organisation representing children in family courts) reported that *"the three months to September saw an increase in care applications to England's courts of 688 cases, a 47% rise. The figure for June was the highest ever recorded for a single month"*.
23. Across Herefordshire in the 12 months to September 2009 there has been an increase of 29% in the numbers of children in agency fostering placements (an increase from 17 to 22) or 220% over 15 months (from 10 children to 22). Costs for agency placements have increased by 30% since last year and are £409k over budget for 2009/10 (which was set at £145k below the 2008/09 actual expenditure levels). In addition costs are £22k over budget for residential placements.
24. **Recovery Plan Actions on Looked After Children** – the Assistant Director for Safeguarding (ADS) has implemented a complete review of all high value cases to ensure that placements are effectively monitored and managed. To date the Head of Service (in conjunction with the contracts officer) has reviewed 15 cases to identify RAG ratings / exit strategies and options for changes whilst still ensuring the best outcomes for the children. In addition a formal panel is being constituted to ensure robust monitoring of all cases on an ongoing basis. A new joint agency 'Edge of Care' panel will also be developed in the next three months.
25. The increased levels of referrals for children taken into care has led to a corresponding increase in court referrals, as flagged by Cafcass above. This combined with legislative changes has resulted in a doubling of court costs from 2008/09 (£111k) to 2009/10 (£210k). It is now evident the budget set by the directorate did not reflect realistic expenditure levels based upon last year costs and

Further information on the subject of this report is available from
Anne Phillips Head of Financial Services (01432) 383173

is currently projecting an over-spend of £180k versus the £30k budget.

26. **Recovery Plan Actions re. Court Costs** – The ADS has requested the legal team to provide full details of all costs incurred to date and also mandated that any court requests for assessment are authorised in advance by the Service Manager to reduce duplication of assessments and minimise costs. The impacts of these changes will be closely monitored and reported back in future Cabinet reports.
27. Recent court rulings (Homeless 16/17 year olds re: R(G) v Southwark LB) have resulted in a requirement for Children's services to provide accommodation for homeless 16/17 year olds who are below the minimum age to be covered by adult housing provisions. The estimated cost of this will be £95k for 12 16/17 year olds in Herefordshire to the end of the financial year.
28. **Recovery Plan Actions re. Homeless 16/17 year olds** – to investigate whether these costs can be funded from the Supporting People grant.
29. A further budget pressure within Safeguarding is the additional contract cost of £40k for emergency duty cover following the withdrawal by adult social care from the Worcester contract.
30. **Recovery Plan Action EDT contract**– the contract is fixed until March 2010, but the ADS is currently reviewing options to either bring in house or share a service with Social Care.
31. Transport costs for contact visits are also expected to overspend this year as the impact of overspends within the area which provides the service, are being passed on proportionately.
32. **Recovery Plan Action Transport costs** – ADS is currently reviewing options to bring the contracts in house within the schools transport team from 1/4/10.
33. There are ongoing pressures on staffing costs within the Safeguarding team, which relate largely due to the additional costs for an interim Assistant Director pending permanent recruitment. This has now been resolved however Herefordshire Children's Services continue to suffer from the national shortage of social workers and have a heavy reliance on locums / interims whilst trying to recruit permanent staff. Current vacancies are however broadly absorbing the additional costs for the interim social workers.
34. **Recovery Action Plan – staffing issues** – the pressure relating to the Assistant Director role is resolved and management are actively recruiting to enable a reduced reliance on interim staff. There are currently 8 interims within 10.4 vacancies (of which 5 offers have been made with further interviews scheduled), a further 2 posts will fall vacant shortly as staff work notice periods. The ADS is planning to reduce the numbers of locum social workers as soon as practical. However, it should be flagged that the appointments are newly qualified social workers and therefore a high level of supervision / management and mentoring will be required.
35. There are a number of budget pressures elsewhere within CYPD, being managed internally including funding for ICT/licence costs and anticipated changes in pay grading for Educational Psychologists and potential income pressures (e.g. INSET training).
36. As reported in the last Cabinet report the CYPD Directorate Leadership Team has now held the away day with the support of the Resources Directorate to consider

options for achieving the necessary savings. They are undertaking a radical review of all of services provided, categorising them as statutory / essential / desirable and assessing the best options for providing these services in the future.

37. This initial work has been shared by the Director with colleagues at JMT and was favourably received. Further meetings have already been held and more are planned in the near future to refine and develop the initial models to provide full costings and identify potential savings, but this work will not have an immediate impact on the current year over-spend.
38. **Recovery Plan Actions** – further actions being considered by the Director to make savings include holding all vacancies for 6 weeks and stopping out of county training without approval. In addition all grants will be scrutinised to ensure that maximum use is made of them to allocate costs (where-ever appropriate within the terms and conditions of the individual grants).

Other Pressures not included in projected outturn

39. The projected outturn reports local authority pressures only. Children's Services work is also funded by a wide range of grants and other funds. There are additional pressures in these areas which are also being addressed. They include the Music Service (£259k) deficit, offset by other savings to give a net Dedicated Schools Grant (DSG) pressure of £177k, and there is an unbudgeted pressure to support the Virtual Learning Environment (VLE) project until the SLA with schools starts in January 2010 – the cost of this is circa £40k. The ADS is flagging potential pressures that may emerge from the outcomes of the Social Work Task force, amongst areas under consideration is social worker case load. It is possible that legislative changes may be introduced (in the light of Baby P) to reduce case loads to circa 15 per social worker. They are currently above this level within CYPD. If this should happen it is estimated by CYPD that up to 10-12 additional social workers at a cost of £370-480k may be needed.

Dedicated Schools Grant

40. DCSF have confirmed DSG at £84.5 million for 2009/10 although this may still be adjusted for the recouperment for Hereford Academy. School budgets are determined by formula funding from the DSG and sixth forms from an additional £2.75m grant from the Learning & Skills Council (£2.75m). £78.8m has been delegated directly to schools and any under or overspend will be carried forward as part of school balances. Schools are required to set a balanced budget and for those schools in budget difficulties a deficit recovery plan must be agreed by the council. At the end of 2008/09 six schools were in deficit and the total deficit was £262k. All these schools are working to an agreed recovery plan.
41. Dedicated Schools Grant also funds some central services largely for individual pupils and it is expected that there will be some variances at year end for Banded Funding (£120k over) SEN Support Services(£54k under), Trade union facilities agreement (£30k over), Primary catering costs (£20k over) offset by increased grant of £33k. In any case DSG grant regulations require that any under or over spend is carried forward and allocated in the next financial year.

Schools Financial Issues

42. In 2008/09 rates rebates of £1,054k were received for charitable rates relief for voluntary aided schools going back to 2000. The rebates (£186k) relating to 2008/09 were carried forward as part of the DSG under spend and the remaining £869k for

the period 2000-2008 has been carried forward as a reserve.

43. On the recommendation of the Department for Children Schools and Families (DCSF) legal advice has been sought on the possible uses of the rates rebates. The advice is that the rates rebates relating to the period 2000-2009 should be added to the overall schools budget in order that it can be available for the benefit of all the Council's schools. Specifically, it is advised that "there is a one-off increase in the per pupil allocation in the year that the allocation is made".
44. In view of the legal advice Schools Forum on 29th September agreed to distribute all the £1,054k rates rebates money to schools on a formula basis to be devised by School Forum Budget Working Party. This formula will ensure a fair distribution over a set period of time to ensure that the additional funding is not immediately clawed back from schools through the balance claw-back scheme. The Schools Forum Budget Working Party meets on 13th November to consider some proposed distribution models.
45. There are further funds available for redistribution to schools from DSG carry forward (£1,280k) and it is proposed that these should be used for investment purposes in one-off projects. These projects should ensure on-going improvements, developments and efficiencies including ICT developments, resources for schools and contributions towards any Building Schools for the Future initiative that may benefit Herefordshire. Detailed business cases are to be considered by Schools Forum on 7th December 2009.

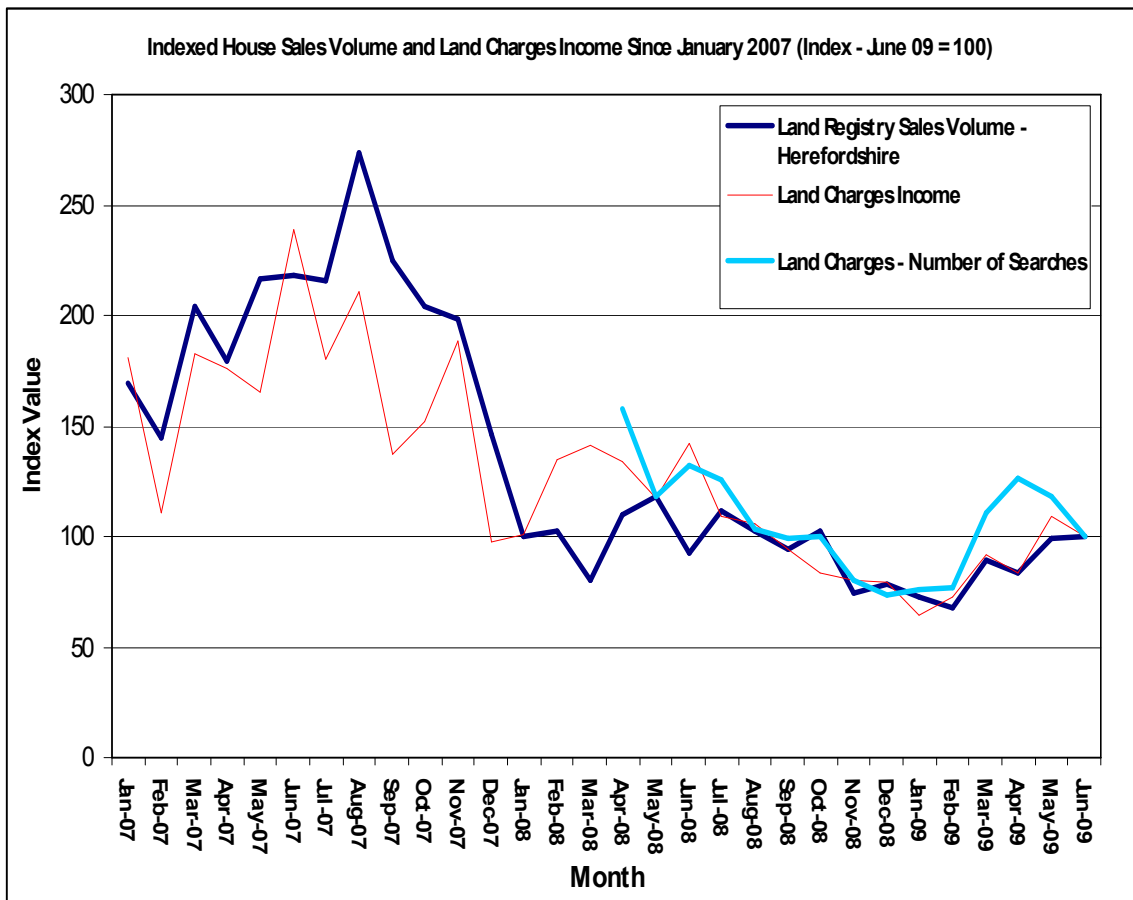
DEPUTY CHIEF EXECUTIVE DIRECTORATE

Directorate Summary as at 30th September 2009

	Total Budget 2009/10 £000	Net projected over or (-) under spend £000
Herefordshire Connects	1,463	0
Herefordshire Partnership	199	0
Communications	393	-28
Director and Administration	271	0
Legal and Democratic	3,020	344
INFO	1,725	-86
Policy & Performance	740	0
Information Services	367	0
Corporate ICT Projects	880	0
ICT Services	3,574	-230
Corporate Programmes	55	0
Community Network Costs	1,030	0
Human Resources	1,503	0
Total	15,220	0

46. As part of the initial budget process the Deputy Chief Executive asked Heads of Service to identify budget capacity that could be held back to cover emerging budget pressures. This budget capacity was ring-fenced within service areas and is shown within the directorate summary as underspends within ICT, INFO, and Communications.
47. The key area of forecast overspend is Legal and Democratic Services where there are several significant budget pressures. These include:
- a. Unbudgeted staff costs (3 FTE) within the Member's Services establishment required to meet increased demands for committee support. This will cause £110k overspend.
 - b. A reduction in income from the PCT of £43k in relation to legal support.
 - c. A judicial review of a previously held inquest has been ordered, which is likely to result in a £60k additional costs.
 - d. A shortfall in income for land charges of £80k. This is due to external economic conditions affecting the housing market and competition from the private sector. An analysis of the market conditions is provided below.

48. Local Land Charge searches are used to determine whether there are any land charges (a restriction or liability placed on ownership of a property or piece of land) placed on the deeds of a property. Most searches will normally take place upon the prospective purchase of a property. Therefore, because of this the income generated by the Land Charges team is closely related to the sales volume in the wider housing market.
49. This relationship is confirmed in the graph below, the graph also shows that compared to the market peak in August 2007, house sales volume has fallen 63%. This has created a budget pressure on the land charges income, as the widely reported pick up in House sales was from a very low base, and therefore the Land Charges income is likely to miss its income target by £80k.
50. In addition, the private sector compete to deliver searches which the Land Charges team offer and this has provided an additional threat to the council income.



51. At this point Human Resources is projected to come in within budget.

Recovery Plan

52. The new Interim Assistant Chief Executive – Legal and Democratic is working with colleagues corporately to address a range of issues to ensure that Legal and Democratic Services are fit for purpose, including finding ways to address the budget issues and producing a robust recovery plan. It is expected that a preliminary review of Legal Services and a recovery plan will be completed by the end of November, and the review of Democratic Services by January.

ENVIRONMENT & CULTURE DIRECTORATE

Directorate Summary as at 30th September 2009

	Total Budget 2009/10	Net over or (-) under spend
	£000	£000
Highways	6,335	-90
Environmental Health and Trading Standards	694	0
Waste Management	12,494	-732
Culture & Leisure	7,515	25
Directorate Management & Support	349	0
Emergency Planning	153	0
Community Safety	117	0
Managing Agent Contract (MAC) Client Team	110	0
MAC Services	261	375
Total	28,028	-422

53. The overall outturn position for Environment & Culture is a net underspend of £422k.
54. The MTFMS allocated additional funding of £500k per annum for the Waste Management PFI contract budget, pending the finalisation of the renegotiated contract. This was on condition that in the interim period any budget underspend be transferred to a specific reserve to offset future increased costs. As Waste Disposal is currently expected to underspend in 2009/10, the transfer to the Waste Reserve of £500k has been completed.
55. From 1st September 2009, as a result of the service delivery review, Highways, Public Rights of Way and Parks and other ancillary services form part of a managing agent contract with Amey Wye Valley. Through this contract Amey Wye Valley will deliver £1M annual savings and improved performance. This will be monitored by a new Service Delivery Client Team.

Highways

56. A saving of £90k through staff vacancy management is expected to be achieved due to the recruitment freeze pending the service delivery review.

Environmental Health & Trading Standards

57. Overall Environmental Health and Trading Standards' outturn is expected to match budget. The Gross budget for the service is approximately £5.5m however income from charging offsets most of the costs, leaving a net budget of £694k.
58. Markets and Fairs are predicted to overspend by around £55k. This is largely due to a shortfall in income on the Hereford Butter Market. The market lost a major trader last year and has been unable to recover from that loss. Only 60 out of a possible 67 stalls are currently occupied at this site compared with 65 stalls occupied in August 2008. There is better news at Hereford open market. Although capacity has been reduced from 48 stalls to 25, rent per stall has been increased from £277 to £698 and occupancy has risen from 12 to 23 stalls.
59. Cemeteries and the crematorium continue to outperform income budget. The combined underspend on cemeteries and crematorium is estimated at £40k. Activity levels are similar to the same period last year with 647 cremations (6 months to September 2008 was 632) and 119 burials in both years.
60. Car Parking is predicted to overspend by £20k. Although there is a shortfall in income compared with budget this has been in part mitigated by staff vacancies. Some 957,500 tickets were loaded into pay and display machines in the 6 months to September 2008 whereas in 2009 the equivalent figure was 819,000. Penalty tickets issued are also down with 9,522 issued up to September 2008 and 8,159 for the similar period this year.

Waste Management

61. Latest estimates of waste disposal costs from Worcestershire County Council of waste disposal contract costs project an underspend of £1.232k on Herefordshire's Waste Disposal budget for 2009/10. This is an increase in underspend of £582k. This is mainly due to the reduction in revised annual tonnages in the joint contract. Herefordshire disposal tonnages have fallen by 4.5% in the first 5 months of the year compared with the same period in 2008/09, and this is mainly due to increased recycling.
62. A transfer of £500k to the Waste Reserve has been made in 2009/10 and this is reflected in the latest outturn position.
63. There is a risk that if waste growth/reduction between Herefordshire and Worcestershire vary by more than 1% to the detriment of Herefordshire then an increase of £300k would be incurred by Herefordshire. This will continue to be closely monitored through the year.
64. On 1st November 2009, the Waste Collection contract will be renewed with FOCSA Services, following a formal tendering process. The new contract will result in an improved service for more people at a slightly reduced cost. The new contract will extend recycling service to all residents in the County for the first time. (Currently only 75% of residents have a recycling collection from their home). The range of recyclables to be collected has also been extended. This will enable us to achieve our target of 40% by the end of 2010. Recycling outturn for last year was 33.92% and our current standing is 35.96%.
65. The new contract will also be uplifted by RPI rather than using various Government Indices which will give greater clarity over annual increases.

Culture & Leisure

66. Culture & Leisure expenditure is expected to overspend by £25k in 2009/10.
67. A one-off virement from the Waste Disposal budget to the Arts budget of £43k has been made to cover the festival, event and workshop costs of the Take pArt project.
68. There are savings of £40k on Parks and Countryside and £20k on Public Rights of Way due to the recruitment freeze pending the service delivery review.
69. Further savings are expected on employee costs for Sports Development. This relates to the Exercise Referral Development Officer post.
70. The Libraries budget is expected to overspend by £125k. This mainly relates to employee costs and the building running costs of the Broad Street Library. Library visitors have fallen by 3% in the six month period to September compared with the previous year.
71. The Libraries Service is currently implementing a PC booking system which will improve efficiency by leaving staff free to serve customers, stop queues and enable a seamless self service. Possibility of charging for this and other areas within libraries are being reviewed to address the budget shortfall.

Directorate Management & Support

72. The Directorate has undertaken a piece of work for "Reputation Research" which will put pressure on the budget of £35k. The outcome of this work will contribute to corporate reputational work and how we deliver services. The budget pressure will be addressed through staff vacancy management in the Environment Support and Sustainability teams.

Managing Agent Contract Services

73. Savings achievable following the Service Delivery Review are based on the transfer date of 1st September 2009 and will be received pro rata against the guaranteed £1m. Whilst the annual saving target of £900k is not expected to be achieved in 2009/10 due to delays in contract negotiations, staff savings of £120k are expected to be achieved through vacancy management prior the staff transfer and are included in outturn estimates within the Highways, Culture and Leisure services.

REGENERATION DIRECTORATE

Directorate Summary as at 30th September 2009

	Total Budget for 2009/10 £000	Net over or (-) underspend £000
Tourism	485	70
Planning & Transportation	5,508	-100
Econ. & Com. Regeneration	1,606	0
Strategic Housing	1,933	0
Management & Admin	462	-45
Total	9,994	-75

74. The overall outturn position for Regeneration is an underspend of £75k.

Tourism

75. Following the transfer of the service from the Environment and Culture Directorate there has been a restructure of the staff which resulted in one off reorganisation costs of £11k. Further pressures on the staffing budget remain and a review of alternative delivery models is being undertaken to identify further efficiencies to enable the service to be delivered within budget.

76. Tourism is expected to overspend by £70k this year but will be mitigated by under spends elsewhere within the Directorate.

Planning and Transportation

77. The overall expected position spend for Planning and Transportation is an under spend of £100k.

78. The number of valid planning applications for the period April to September 2009 is 1,516. For the same period in 2008 the figure was 1,309, which represents an increase of 16%. Despite this improvement, Planning is still forecast to overspend by £300k, (compared to £256k in 2008-09, which included a £194k planning delivery grant which will not be received in the current year), however there are signs that the position could improve.

79. In recent months Development Control has been able to meet the budgeted level of income due to a number of major applications being received. In overall terms a shortfall of £125k against the target of £1.13m is still expected, however if the level of major applications is sustained over the coming months the position will be reviewed.

80. Building Control is also generating income below the budgeted target of £681k but

there is less evidence of improvement, consequently a shortfall of £60k is projected.

81. The new Civica system has recently been implemented however the need for existing document scanning continues and this is forecast to be a budget pressure of £70k for this year. A further overspend of £45k is currently forecast for document storage and retrieval costs at the Modern Records Unit.
82. A number of one-off income adjustments relating to contractual arrangements for Transportation have been identified as part of the annual audit of accounts. These total approximately £250k and have been allocated to offset the Directorate overspend position.
83. There has been a downturn in the numbers of concessionary fare passengers in the first half of the year. In the period April to September 2008 the number of concessionary passengers was 720,780 compared to 668,434 in the first 6 months of this financial year, representing a 7.3% reduction. Should this trend continue a saving of £100k in concessionary fares is forecast.

Economic and Community Development

84. An amount of £100k has been allocated from the Area Based Grant (ABG) to address the economic downturn. Within Economic Development this funding is being used to support a number of initiatives, detailed below.
85. The Business Booster Grant offers grants to small to medium sized businesses, to date there have been 95 enquiries and 21 applications received. The Training Voucher Scheme has received 72 enquiries and 14 vouchers have been issued to date. Indications are that demand for grants and vouchers will exceed the available funding. A Business Portal is also being developed to enable local companies to be aware of public service contracts.
86. The Economic Development Team administers a Rural Enterprise Grant scheme for the whole of the region on behalf of Advantage West Midlands (AWM). £5m is available to support the development and growth of rural businesses. To date 750 enquiries have been received and 12 grants totalling £320k have been awarded to Herefordshire businesses. AWM also provide funding to the council to cover costs incurred in administering of the scheme.
87. Community Regeneration continues to support local voluntary organisations and has also given extra support to the Citizen's Advice Bureau (CAB) to meet the demands of unemployment and debt enquiries. The service administers grants for community buildings and shop fronts and works closely with local parish councils. A new grant for the Leader Vital programme has recently been awarded.

Strategic Housing

88. The current forecast is for Strategic Housing to balance the budget at year end.
89. Although demand for temporary accommodation in bed and breakfast has been lower to date than the same period last year there is a risk that the expansion of other temporary provision and ongoing prevention-based interventions will be sufficient to contain this demand for the whole year. Homelessness overall is currently expected to balance its budget with any overspending on temporary accommodation being offset by corresponding underspending in prevention and the holding of staff vacancies.

90. Bed and breakfast occupancy at the end of September was 3 families with children, 4 singles and 1 other. The equivalent week in 2008 was 4 families with children, and 8 singles. The most expensive group to house is families and at one point in 2008/09 there were 22 families in B&B whereas the highest level so far this year has been 6.

Management & Admin

91. Directorate Management shows an estimated underspend on salaries of £45k. This is based on the current staffing structure and reflects a freeze on recruitment to vacant posts within this area.

CORPORATE BUDGETS

Summary as at 30th September 2009

	Total Budget 2009/10 £'000	Net over or (-) underspend £000
Central Services	2,455	0

92. This area is expected to remain within the annual budget and there are no anticipated problems.

RESOURCES DIRECTORATE

	Total Budget 2009/10 £'000	Net over or (-) underspend £000
Asset Management & Property Services	3,456	-20
Financial Services	1,949	125
Audit Services	425	20
Benefits and Exchequer Services	1,690	-125
Central	181	0
Total	7,901	0

Asset Management & Property Services

93. Spend is currently slightly under budget, there are no expected problems. Any savings delivered from the accommodation review will be used for prudential borrowing and have no impact on revenue budgets. This is likely to develop over the coming years. £20k savings have been identified by not recruiting to a vacant post.
94. The relief for Business Rates for properties with RV under £15k has eased the pressure on empty units at industrial estates. If this exemption is not granted next year then the Business Rate cost will be higher than previous years due to the increase in vacant units.

Audit

95. Additional costs for a Connects audit and one off agency costs for special consultancy work will create an over spend on Audit budgets.

Benefit and Exchequer

96. Benefits subsidy has been reviewed and there is an anticipated surplus of £105k and a further £20k identified as one off savings. The subsidy surplus has arisen because the level of Local Authority error is below the DWP threshold. The Audit Commission have to agree that the subsidy claim complies with the DWP requirements before the additional subsidy is confirmed
97. Further analysis of the subsidy forecast is being undertaken to establish whether higher surpluses may be delivered.
98. The service is undertaking and funding two system projects this year. These are the Academy Linux upgrade which aims to provide a more robust infrastructure and increase capacity for Revenues and Benefits, and Academy pay.net to replace spectrum cash receipting software which will become obsolete and does not support the new PCI security standards for payment card processing.

Financial Services

99. The cost of interim staff working within Procurement contributes to the overspend. Recruitment of the Procurement Manager post will see the post filled by the new financial year. Financial services is rolling out a programme of automatic reporting which will focus staff time on supporting directorates to reduce their overspends.

Central

100. This area is expected to remain within the annual budget and there are no anticipated problems.

Recovery Plan

101. Savings have already been identified and reduced the previously reported. It is expected the service will deliver a balanced budget.



**2009/10 SEPTEMBER CAPITAL PROGRAMME BUDGET
MONITORING**

OVERALL SUMMARY POSITION

1. The capital programme forecast outturn for 2009/10 as at 30th September totals £80,686k, which is a decrease of £3,757k from the July 2009/10 capital programme forecast. The main reason for this decrease follows the re-profiling of expenditure forecasts on libraries in Ross and Ledbury to reflect that not all capital funding awarded will be spent in 2009/10. The Ross library forecast spend for 2009/10 has slipped by £1,000k due to a three month delay in the anticipated build start. Ledbury library expenditure forecast has slipped by £2,400k, the scheme design is currently under review.
2. A summary of the overall capital programme expenditure forecast and funding thereof for 2009/10 is provided in the table D1 below.

TABLE D1

FUNDING OF REVISED 2009/10 CAPITAL PROGRAMME

Capital Programme Area	2009/10 Revised Forecast 30/09/09	SCE(R)	Prudential Borrowing	Grant	Revenue Contribution	Capital Receipts Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	35,324	2,372	525	32,427	-	-
Resources	6,332	-	3,282	152	-	2,898
Deputy Chief Executive	6,092	-	5,923	100	-	69
Adult Social Care	725	-	65	429	-	231
Regeneration	14,030	-	2,885	3,996	20	7,129
Environment & Culture	18,183	11,195	3,893	3,068	-	27
Total Revised Forecast	80,686	13,567	16,573	40,172	20	10,354
<i>July Forecast</i>	<i>84,443</i>	<i>13,567</i>	<i>23,458</i>	<i>39,291</i>	<i>1</i>	<i>8,126</i>
<i>Change from July Forecast</i>	<i>(3,757)</i>	<i>-</i>	<i>(6,885)</i>	<i>881</i>	<i>19</i>	<i>2,228</i>
<i>Original Forecast</i>	<i>67,438</i>	<i>13,567</i>	<i>16,449</i>	<i>34,154</i>	<i>-</i>	<i>3,268</i>

Further information on the subject of this report is available from
Anne Phillips Head of Financial Services on 01432 383173

3. Appendix 1 provides a breakdown of total capital scheme costs, funding, spend to date and potential issues for capital schemes with a revised forecast spend for 2009/10 exceeding £500k. Capital programmes for directorates are reported quarterly to the relevant scrutiny committee.
4. Actual total spend to date appears low at £21,116k to the end of September. This is mainly due to the following items;
 - £9,066k expenditure forecast on the new Hereford Academy, for which the contract of main works is yet to commence.
 - Under profile spend to date against the £5,140k corporate accommodation capital expenditure forecast. However, property is to be purchased in the near future.
 - Delays on spend on the Herefordshire Connects £5,372k budget due to the Shared Service review.
 - Low spend to date on road and footway maintenance where the bulk of expenditure is always incurred in the second half of the financial year.

Prudential Borrowing Position as at 30th September 2009

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

	£'000	£'000
2009/10 Original Prudential Borrowing Allocations		£14,258
Add: Slippage from 2008/09 Allocated in year	£10,144	
	£347	
		£10,491
Less: Slippage into future years Returned to corporate funding pot	(£6,882)	
	(£1,294)	
		(£8,176)
Forecast use of Prudential Borrowing in 2009/10		£16,573

Capital Receipts Reserves Position as at 30th September 2009

6. The capital receipts reserve totalled £17,556k as at 1st April 2009. Very few capital receipts are expected during this financial year. £10,354k of this funding source is expected to be spent in 2009/10 with the remaining balance to be used to fund future year's capital programme including the provision of a new livestock market.

Appendix 1

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

Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	2009-10 Expenditure forecast £'000	Actual spend to 30-09-09 £'000	Most relevant Corporate Theme	Comments
Children's Services						
New Hereford Academy	24,130	DCSF Grant	9,066	258	Children and Young People	Main contract of works to commence shortly, completion due Autumn 2011
Minster Replacement School	20,642	DCSF Grant	7,201	5,388	Children and Young People	Work progressing, no issues, completion due summer 2010
Devolved Capital Programme	n/a	DCSF Grant	4,914	1,987	Children and Young People	Devolved allocation of capital funding to schools, including ICT
Primary Grant	8,378	DCSF Grant	3,000	43	Children and Young People	Capital funding for all through primary school in Leominster, consultation process underway
Children's Centres	n/a	Grant	1,543	369	Children and Young People	Various children's centre schemes progressing including Hollybush and Peterchurch
Targeted Capital Fund	8,000	DCSF Grant	2,000	-	Children and Young People	Capital funding allocated towards 14 to 19 year olds and Special Education Needs
Condition property works	n/a	SCE®	1,543	514	Children and Young People	Annual programme of works at various sites committed on a highest need first basis
Quality & Access for early years provision	n/a	Grant	1,324	456	Children and Young People	Grant funding devolved to nurseries via the Quality and Access project board evaluation
Riverside Amalgamation	8,505	Grant & receipts	1,236	1,476	Children and Young People	New contractor appointed to complete scheme for the autumn term
Wave 2 Playbuilder	1,120	DCSF Grant	526	39	Children and Young People	Funding towards 22 play area provision (11 per annum) for 8-13 year olds
Resources						
Corporate Accommodation	17,112	Prudential borrowing & capital receipts	5,140	363	Organisational improvement & greater efficiency	Key corporate accommodation property to be purchased shortly
Smallholdings	1,500	Capital receipts	500	12	Economic development & enterprise	Property improvement works to commence in November
Deputy Chief Executive						
Herefordshire Connects	6,780	Prudential borrowing, grant & receipts	5,372	1,032	Organisational improvement & greater efficiency	Slippage expected due to the Shared Service review currently underway

Environment & Culture						
Road & Footway Maintenance	n/a	LTP allocation	7,857	2,845	Sustainable communities	Programme of annual Amey works including works required at Symonds Yat
Bridgeworks	n/a	LTP allocation	1,500	319	Sustainable communities	Annual programme of works to avoid closures
City Centre Enhancements	2,751	Prudential borrowing	1,149	68	Sustainable communities	Improvements to be made along Widemarsh St in line with Edgar Street Grid development
Sustrans	1,401	Prudential borrowing	777	86	Economic development & enterprise	Walking and cycling route over River Wye in design stage, preferred route to be confirmed
Waste Performance & Efficiency	869	Grant	754	-	Economic development & enterprise	Bulk of expenditure to be on purchase of wheelie bins in October
Regeneration						
Rotherwas Futures Estate Development Work	5,266	Grant & capital receipts	2,731	584	Economic development & enterprise	Refurbishment of site and internal road works planned this year
Cattle Market	9,800	Capital receipts	2,910	74	Economic development & enterprise	Additional funding and approval to proceed received, start on site to follow
Affordable Housing Grants	n/a	Capital receipts	1,979	374	Safer & stronger communities	Annual allocation of grants to various schemes
Rural enterprise grant	5,000	Grant	1,667	152	Economic development & enterprise	Successful award of grant funding
Mandatory Disabled Facilities Grant	n/a	Grant & capital receipts	1,301	228	Health & well-being	This budget is under huge demand, a backlog of approximately £1m recorded
Mortgage Rescue	900	Prudential borrowing & receipts	900	316	Safer & stronger communities	Over £750k committed to individual schemes helping families remain in their properties
Private Sector Housing	n/a	Grant & receipts	787	195	Health & well-being	Annual programme of funding to various private sector landlords
Empty Property	600	Prudential borrowing & receipts	600	-	Health & well-being	Approximately £250k committed to bringing individual properties back into use
Total			68,277	17,178		
Schemes with a forecast spend in 2009/10 of less than £500,000			12,409	3,938		
Total			80,686	21,116		

CIPFA issued an interim Treasury Management guidance document in March 2009, highlighting Best Practice recommendations for Local Authorities to follow. The document suggests that members should be informed of Treasury Management activities at least twice a year. Therefore, this report ensures the Council is embracing Best Practice in accordance with CIPFA's recommendations.

1. The Economy

1.1. Recent economic statistics show:

- The Bank Base Rate remaining unchanged at 0.50%;
- Inflation falling from 1.6% in August to 1.1% in September; its lowest level for five years;
- GDP continuing to contract; and
- Unemployment continuing to rise.

1.2 Despite the statistics above, some sectors of the economy have fared better. Since March 2009 equity prices on the London stock exchange have rallied strongly. House prices have also risen steadily in 2009.

1.3 With the Bank Base Rate at its lowest level since the Bank of England was founded three hundred years ago, the Monetary Policy Committee (MPC) announced in March 2009 that it would resort to injecting money directly into the economy in order to boost demand and meet the CPI inflation target of 2%. The programme, known as quantitative easing, currently stands at £200 billion.

1.4 However, despite the injection of these billions, so far the policy has had only limited success in boosting the supply of credit and the money supply. Most analysts are predicting that economic recovery will be slow with unemployment remaining high, and interest rates low, for a long time to come.

2. The Council's Investments

2.1 Because of the instability in the financial markets, at the beginning of the year the Council's funds were invested either in the UK government's Debt Management Office or in money market funds. Both these investments carry the highest possible long term credit rating (AAA using Fitch's long-term credit ratings). Other financial institutions were excluded on the basis that one or more of the credit rating agencies had placed each and every UK bank and building society on "negative watch" or "negative outlook". Historically it has always been council policy to exclude such institutions from our lending list until the ratings are reviewed and stabilised, at which point we would look to see if they still met our lending criteria. Whilst the Debt Management Office is very secure the rate of interest offered is very low at 0.25%.

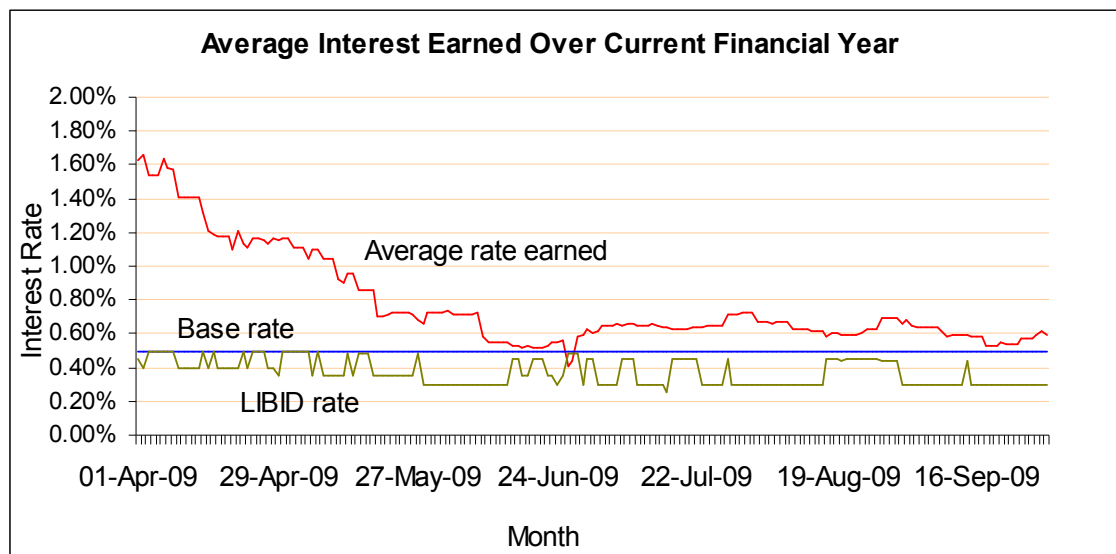
2.2 The problem with the continuing uncertainty in the financial markets is that the "negative outlook" or "negative watch" tag assigned to most of the bank and building societies is not being lifted. Three-quarters of the banks remain on negative outlook due to continued concern about the level of future bad debts that institutions may incur and their ability to absorb these losses.

- 2.3** However, conditions in the financial markets have improved during the last six months. Many of the banks have declared good profits and the fear of bad debts spiralling out of control has abated.
- 2.4** Therefore on the advice of Sector, the council's treasury advisers, in the last six months the council has cautiously extended its lending list.
- 2.5** In June 2009 it was considered that the financial markets had stabilised sufficiently for the list of eligible counterparties to be extended to include the nationalised and part nationalised banks (Lloyds Banking Group and the Royal Bank of Scotland Group), as recommended by Sector. Sector advised that, due to the high level of support by the government, resulting in the government owning a large stake in the banks, the banks effectively take on the credit worthiness of the government itself and should be reinstated on our lending list. Therefore in June 2009 we invested in instant access accounts with both National Westminster Bank and the Bank of Scotland (investing £5 million in each). More recently, the £5 million in the instant access account with the Bank of Scotland has been transferred to a three month term deposit to increase the interest rate earned from 0.85% to 1.10%.
- 2.6** As at 30 September 2009 the investments held by the council were as follows:

Investment	Rate of interest	Amount invested	
		£m	£m
Instant access accounts:			
Bank of Scotland	0.85%	5.00	
National Westminster	1.10%	5.07	10.07
Money Market Funds:			
Standard Life	0.43%	5.00	
Insight	0.59%	5.00	
Blackrock	0.67%	5.00	15.00
Debt Management Office:			
Various short term deposits	0.25%	8.86	8.86
Total	0.60%		33.93

- 2.7** In October 2009 the council's lending list was extended again to include HSBC, Barclays and Abbey National.
- 2.8** All three banks participated in the government's recapitalisation scheme which was introduced last autumn. The scheme involved the participants making a commitment to bolster their balance sheets by increasing their reserves, drawing on government support if necessary. In addition, these three banks have all reported good profits during 2009.
- 2.9** In October we recommenced using our Abbey National instant access account (interest rate 0.80%) and we are in the process of opening an instant access account with Barclays (interest rate 0.65%).

- 2.10** It has been found that the rate paid on instant access accounts is often very competitive when compared to term deposits of between three and six months and so the council is not being penalised for requesting instant access to funds.
- 2.11** When setting the budget for 2009/2010 an interest rate of 0.75% was used to estimate interest receivable.
- 2.12** In the six-month period to 30 September 2009 the rate of interest earned has averaged 0.75% but the daily average rate of interest earned has varied from 1.60% at the beginning of the year to a low of 0.40% in June 2009. At the beginning of the year the average rate was increased by term deposits, made in earlier periods when the interest rate was higher, but by mid-June these had all matured. In addition, the average rate earned decreases for high investment balances due to the council's limited lending list and the use of the Debt Management Office. The chart below shows the average rate of interest earned on investments in the first half of 2009/2010.



- 2.13** The interest rate achieved compares favourably with the generally accepted benchmark of the average 7-Day London Inter-Bank Bid (LIBID) rate which averaged 0.45% for the six month period.
- 2.14** It is anticipated that the rate of interest earned on the council's investments will average around 0.75% for the remainder of the year but the balances invested may be less than budgeted due to balances being used to finance capital expenditure in preference to external borrowing. Therefore at the end of the year there may well be a budget deficit for interest earned but that this will be more than offset by savings made from reduced borrowing costs.

3. The Council's Borrowing

3.1 To date the council has not taken out any new borrowing in 2009/2010.

3.2 As at 30 September 2009 the council's long term borrowing totalled £115.28m with maturities as follows:

<u>Principal repayable:</u>	<u>£</u>	<u>%</u>
Within the next 10.5 years to 31 March 2020	20,039,379	17.38%
Between 1 April 2020 and 31 March 2030	22,244,137	19.30%
Between 1 April 2030 and 31 March 2040	30,000,000	26.02%
Between 1 April 2040 and 31 March 2050	18,000,000	15.61%
Between 1 April 2050 and 31 March 2060	<u>25,000,000</u>	<u>21.69%</u>
Principal outstanding as at 30 September 2009	<u>115,283,516</u>	<u>100.00%</u>

3.3 All the above borrowing is from the Public Works Loan Board except for two bank loans totalling £12 million, which were taken out in 2004.

3.4 The Treasury Management Strategy outlined various options regarding council borrowing for 2009/2010, however, at the present time the favoured approach is to use internal borrowing as far as possible.

3.5 There are three main reasons for this:

- Financial markets have recovered to a certain degree but the risk of investing is still higher than in the past resulting in a much more limited lending list;
- The rate of interest the council can earn on its investments is at an all time low with a large differential between the rate we can earn on our investments and the rate payable on our loans; and
- In the year to date the rates payable on PWLB loans have not increased significantly.

3.6 The introduction on 1 November 2007 of different PWLB rates for new borrowing, as opposed to early repayment of debt, has meant that PWLB to PWLB debt restructuring is now much less attractive than before. In addition, the relatively low PWLB rates this year make the repayment of debt very expensive for all but our lowest rate loans. Debt rescheduling has been discussed with our treasury advisors but, because of the high cost of repayment coupled with the risk of having to replace loans in the future when rates may well be higher, so far this year this option has not been pursued but will be kept under review.

3.7 Depending upon the timing of payments, particularly with reference to the council's capital programme, further PWLB borrowing of between £5 million and £10 million may be needed before the end of the financial year, even after running down investment balances. Also if PWLB rates were to start an upward trend the policy of using internal borrowing would be reviewed.

3.8 The council may consider taking out short term loans to cover temporary fluctuations in cashflow.

4. Projected Outturn

4.1 The projected outturn is an underspend against budget of £458,000.

4.2 Of this amount approximately £22,000 relates to projected interest received being less than budget and £480,000 relates to an underspend on borrowing.

4.3 The underspend on borrowing is due to slippage on the 2008/2009 capital programme and external borrowing, resulting in a reduced minimum revenue provision (MRP) for debt repayment and less external interest payable in the year.

