

AGENDA

Cabinet

Date: **Thursday 17 June 2010**

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:

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Agenda for the Meeting of the Cabinet

Membership

Chairman **Councillor RJ Phillips**
Vice-Chairman

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

Non Voting

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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.

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AGENDA

	Pages
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	1 - 4
To approve and sign the minutes of the meeting held on 18 March 2010.	
4. DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT 2009	5 - 14
To inform Cabinet of key population health issues in Herefordshire and of the recommended strategies and actions to address these as set out in the Annual Report of the Director of Public Health – 2009.	
To note that the recommended approach and actions highlighted in the report will inform service development and commissioning aimed at improving health and wellbeing of the population of Herefordshire.	
5. ANNUAL CORPORATE PERFORMANCE REPORT 2009/10	15 - 66
To report end-year performance for 2009-10 against the Council's key indicators and associated projects and programmes in its Annual Operating Statement 2009-10.	
6. FINAL REVENUE AND CAPITAL OUTTURN REPORT 2009/10	67 - 94
The purpose of this report is for Cabinet to consider and approve:	
a. The final outturn position for 2009/10.	
b. The creation of new reserves in the 2009/10 accounts.	
7. 2010/11 LOCAL GOVERNMENT SAVINGS	95 - 98
To report on the 2010/11 Local Government savings package announced on 10 th June 2010 by the Communities and Local Government Minister.	

The Public's Rights to Information and Attendance at Meetings

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HEREFORDSHIRE COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Cabinet held at THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD on Thursday 18 March 2010 at 2.00 pm

Present: Councillor RJ Phillips (Chairman)

Councillors: LO Barnett, AJM Blackshaw, H Bramer, JP French, JA Hyde, JG Jarvis, PD Price and DB Wilcox

In attendance: Councillors PA Andrews, WLS Bowen, PJ Edwards and TM James

28. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor RI Matthews, Group Leader Herefordshire Independents.

29. DECLARATIONS OF INTEREST

There were no declarations of interest made.

30. MINUTES

RESOLVED: That the Minutes of the meeting held on 18 February 2010 be approved as a correct record and signed by the Chairman subject to an amendment to Minute 25 Shared Services, additional bullet point.

- It was noted that scoping of services had not yet been completed.

31. SHARED SERVICES

The Deputy Chief Executive (Interim) and the Interim Assistant Chief Executive Legal and Democratic did a joint presentation updating Cabinet on the Shared Services programme and the evaluation method used against the three models. They referred to:

- Maintaining and improving customer services whilst creating efficiencies and building service improvements.
- The financial pressures due to the reduced public sector settlement.
- A strong sense of place whilst building partnerships and using innovative practices to provide quality services.

The three models considered were:

- Lead Partner
- Strategic Partner
- Public/Public Joint Venture

All three were evaluated and scored against business case design principles using legal advice and supporting information, with three rounds of scoring.

Cabinet was advised of:

- The advantages / disadvantages of all three models.
- That the Joint Venture (Public / Public) partnership was the preferred model.
- That partners needed to agree on the preferred model to enable proposals to be developed and progress to be made without delay.

Should the preferred model be approved by the partner organisations, during April to June 2010 there would be:

- Partnership terms to be negotiated and preparatory steps taken to create a Joint Venture Company (JVCo).
- Blueprints drafted for future service delivery.
- Work carried out with Heads of Service on shared service development.
- Staff and union consultation.

During June to September Cabinet and partner organisation will need to agree detailed terms for the JVCo. During October to December the JVCo is proposed to go live with a phased transfer of services.

Cabinet discussed:

- The timelines required and agreed it would both challenge staff and provide staff with the opportunity to improve services.
- A private sector partner would be considered as a later option.
- The supporting information and believed it set out clearly the three options and why the joint venture should be the preferred option.
- Partner organisations were in principle agreement. 25 March was the date of decision for the PCT Board. Following on from that date the Board and senior management team for HHT would then be making their decision.
- Shared services was seen by all as the first line of defence for frontline services.
- It was noted that Herefordshire was ahead of a number of other authorities in putting together a shared service programme of this nature.
- It was confirmed that the JVCo would be likely to be a company limited by guarantee, being the usual model for public / public corporate bodies.

The Leader invited the Chairman of Overview and Scrutiny to speak and he spoke in support of the proposals but voiced concerns regarding delays in the timescales. The Interim Deputy Chief Executive reminded Cabinet that there had been an agreed pause in the processes, but added the work of Herefordshire Connects to date had resulted in significant savings for the partnership.

RESOLVED:

THAT Cabinet:

- (a) agreed the preferred option for the delivery and commissioning of the shared services to be a Joint Venture Company (representing a public / public partnership) involving the Council, NESH and HHT;**
- (b) authorised the Deputy Chief Executive (DCE) to progress and take all necessary steps to establish a JVCo in consultation with the Leader and Deputy Leader of the Council and Trust Boards; and**

- (c) **seek a further report on the formal decision to agree the terms of the Council's participation in the JVCo to be presented to a future meeting of Cabinet.**

32. RESPONSE TO THE SCRUTINY REVIEW OF THE SUPPORT TO CARERS IN HEREFORDSHIRE

Cabinet received a report on the scrutiny review of the support to carers in Herefordshire and was reminded of the need for more joint partnership working in social care and health, particularly in light of the number of older people living in the county and of those retiring to the county.

Cabinet noted that this had been a detailed review but was concerned with the time lines in the action plan as the review had taken place in the autumn of 2009, but was only now coming before Cabinet for discussion and there had been some changes since the review with new legislation coming into place.

The Children's Services Scrutiny Chairman was invited to speak and he stated he was pleased that most of the recommendations from the review were being accepted but reiterated the request for representation to be made to the Minister of State for Pensions regarding the financial loss suffered by carers once they reached pensionable age. Cabinet was advised this was not an issue for the authority to take up but something to be dealt with through the Local Government Association.

RESOLVED:

THAT:

- (a) **the scrutiny review of support for carers in Herefordshire be noted;**
- (b) **the executive's response to the recommendations (see Appendix 1 to the report) be approved; and**
- (c) **an updated report be presented to the Cabinet Member in the autumn to reflect recent changes in legislation.**

The meeting ended at 2.40 pm

CHAIRMAN

MEETING:	CABINET
DATE:	17 JUNE 2010
TITLE OF REPORT:	PUBLIC HEALTH ANNUAL REPORT
PORTFOLIO AREA:	CORPORATE STRATEGY & FINANCE

CLASSIFICATION: Open

Wards Affected

County-wide.

Purpose

To inform Cabinet of key population health issues in Herefordshire and of the recommended strategies and actions to address these as set out in the Annual Report of the Director of Public Health – 2009.

To note that the recommended approach and actions highlighted in the report will inform service development and commissioning aimed at improving health and wellbeing of the population of Herefordshire.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT:

- a) **the 2009 Annual Report of the Director of Public Health be received; and**
- b) **Cabinet notes that the implementation of the report's recommendations and the proposed approach and actions highlighted in the report will inform service development and commissioning during the next planning cycle and in the medium term.**

Key Points Summary

- This is the second Annual Report of the Director of Public Health since the appointment of a joint Director of Public Health for the county;
- There has been significant progress in implementing the recommendations from the 2008 report and the longer term strategic actions from that report are now embedded in current strategic and operational plans. A progress report forms the final chapter of the full report;

Further information on the subject of this report is available from
Dr Akeem Ali, Director of Public Health on (01432) 260668

- This report directly supports the delivery of key strategic objectives to reduce health inequalities and improve health and wellbeing by providing a better understanding of local health needs;
- The key health indicators highlighted in the report are important to the decision making process about local priorities for health investment for the next planning cycle and beyond;
- The report complements the Joint Strategic Needs Assessment and recommends key operational tactics to tackle defined priorities over the next 5 years;
- This year, the report outlines:
 - the simple, affordable and effective interventions available to improve population health within a five year period and calls for effective action to ensure that these measures are implemented;
 - what should be done to reduce wastage and increase efficiency across the health and social care system;
 - what more can be done to involve local people in developing our understanding of local health needs and in designing services; and
 - what we need to do in order to ensure that we make every £ count; and
 - the report also includes appendices with updated local health statistics for World Class Commissioning outcomes and practice-based population health profiles.

Alternative Options

- 1 Cabinet may choose to accept all the recommendations in the Annual DPH Report or in parts. Some recommendations may be referred to officers for further analysis and review.

Reasons for Recommendations

- 2 The recommendations in the DPH report are based on analysis of population health and service data including review of evidence-led actions.

Introduction and Background

- 3 A summary of the DPH report is attached. A full copy of the report is available from the Director of Public Health's office at Brockington, 35 Hafod Road, Hereford, HR1 1HH or can be downloaded via the website at www.herefordshire.nhs.uk.

Key Considerations

- 4 Key considerations are outlined in the attached executive summary.

Community Impact

- 5 The report makes recommendations for commissioning strategies for improving population health and wellbeing in Herefordshire. It also sets out recommendations which are congruent with the Total Place agenda and the Reaching the Hearts of Herefordshire Project.

Financial Implications

- 6 Following consultation with relevant stakeholders, the annual planning and prioritisation processes, the resourcing of implementation of recommended actions will be included in annual operating budgets of relevant partner organisations in the county, including addressing any longer term financial and workforce implications around the strategic shift to health prevention and local invest to save initiatives.

Legal Implications

- 7 n/a

Risk Management

- 8 If not addressed, issues raised in the report will have an impact on the achievement of health and wellbeing outcomes for people in the county.

The main risks revolve around the execution of proposed systemic changes and challenge to traditional practices.

Consultees

- 9 n/a

Appendices

Appendix 1 – Executive Summary

Background Papers

Annual Report of Director of Public Health 2009.

Public Health Annual Report

2009

eQIPPPed for the future



Working in partnership for the people of Herefordshire

Chapter 1 – summary

Getting the basics right: working together to promote wellbeing, prevent and treat ill-health effectively

There are simple, affordable and cost-effective things we can do that will result in significant improvement in the health of the local population within a five year period.

These include:

- identifying and treating **hypertension, high cholesterol levels** and **diabetes** early;
- helping majority of current smokers to quit smoking for good;
- supporting people to shed excess body weight, choose a healthy diet, exercise; and
- reducing tooth decay in children by promoting consistent use of fluoride toothpaste and the professional application of fluoride varnish.

Offering these simple things on an 'industrial scale' will have the biggest impact on population health and a greater impact than an over-reliance on high-tech interventions.

Whilst the simple measures discussed in this chapter are all available at present, not everyone who could benefit is currently taking advantage of them.

The introduction of NHS Health Checks (also known as vascular checks) in Herefordshire will identify many more people who are at risk of circulatory disease at an early stage and will offer them help them to reduce their level of risk.

This chapter introduces the key concepts of **structured brief intervention, generic lifestyle coaching** and **social marketing**.

Structured brief intervention is a technique for systematically identifying people at risk and supporting them to reduce their risk level, by in sequence:

- asking about risk factors
- assessing willingness to change
- advising about risks to health
- assisting in making lifestyle changes
- arranging support to make lifestyle changes.

I want to emphasise that structured brief intervention can be delivered at all care outlets and from a range of different trained care providers.

Lifestyle coaching motivates people to change their lifestyle and supports them to plan, implement and maintain healthy lifestyle changes.

Social marketing delivers messages designed to appeal to specific population groups in places where that population group can normally be found, rather than a one size fits all approach.

In this chapter, I make the following five recommendations:

1. introduce the national NHS Health Checks Programme and make this universally available across the county;
2. offer structured brief interventions on an 'industrial scale' using a wide range of providers in a wide range of health, social care and other settings;
3. provide lifestyle coaching services through an innovative range of providers, such as Stop Smoking advice within HALO leisure centres and at dental surgeries;
4. expand ongoing pilots of community-based dental health programmes plus implement evidence-based preventative interventions such as the application of fluoride varnish in all dental practices in the county;
5. target high risk groups and geographical areas of greatest need by making use of social demographics and techniques such as 'mosaic segmentation' to inform social marketing campaigns.

Chapter 2 – summary

Avoiding waste and improving efficiency: the productivity challenge

We need to make the best use of the available resources to ensure the best possible health and wellbeing outcomes for local people. Whilst this should be a priority at all times, this is even more important during times of economic downturn.

There are significant opportunities to avoid wastage and increase efficiency within the health and social care system locally. The analysis in this chapter highlights the potential to reduce the amount we currently spend while maintaining quality, improving services and health outcomes. This chapter focuses on three examples: hospital admissions, length of hospital stay and prescribed medicines.

In this chapter, I recommend that by the end of the financial year 2010/11, with the involvement of all practitioners, public health, finance, health intelligence, quality

improvement and commissioning teams should work together to implement these five actions:

1. complete a systematic review and commence the implementation of evidence-led actions to reduce hospital admissions and length of stay for the highlighted disease groups;
2. systematically measure and understand inefficiency and variation in the system and propose actions to reduce avoidable variation when identified;
3. produce quarterly service review and audit reports for performance, service improvement and planning purposes;
4. develop threshold limits for high cost interventions and prescription medicine based on prevalence models for investment planning and contract monitoring; and
5. propose specific interventions which will support the local delivery of the NHS 10:10 initiative aimed carbon emission reduction and sustainable development.

Chapter 3 – summary

A nudge for Health and Wellbeing in Herefordshire: promoting local responsibility, participation and innovation

This chapter examines how we currently involve local people, whether they are members of the public, patients, carers, service users, customers or whether they are service providers, clinicians or colleagues, in understanding health needs and improving services.

My specific recommendations are that:

1. the Communication, Customer Insight, Information and Intelligence teams should work closely together with technical colleagues to translate completed strategic needs assessment, service development options, and choices to a community guide that is published in local newspapers;
2. a local social media hub focussed on teenagers, young professionals and other online users is created to engender community dialogue, debates, blogs, and information exchange on healthcare, health and social wellbeing;
3. the Hearts of Herefordshire project is expanded across the county with active involvement of LINKs, councillors, non-executive directors, and public service staff;
4. we explore the feasibility of introducing by the end of 2010, a Health & Responsibility Reward based on supermarket type loyalty card scheme that is sponsored by communities, major employers, and Herefordshire Partnership; and
5. adopt the 'ABCD Approach' – Assets Based Community Development Approach to service planning and development.

Chapter 4 – summary

Making every £ count: working the margins

In order to make the best choices as we plan, fund, purchase and deliver local services we need to employ a sophisticated level of ‘economic thinking’ that takes into account the concepts of scarcity and choice, opportunity cost, cost effectiveness, cost utility and technical and allocative efficiency.

Programme budgeting and marginal analysis are powerful techniques for identifying how much money has been invested in major health programmes irrespective of where and how they are delivered, whether they are about treatment or prevention and what outcomes are obtained.

This chapter explores these concepts in the context of the current economic climate and looks at the potential of programme budgeting and marginal analysis in informing decision-making in relation to the commissioning of health and social care.

In this chapter I make the following five recommendations:

1. NHS Programme Workstreams with clinician and specialist input should be tasked to complete marginal analysis for all programme budget areas in order of priority starting with GMS and Primary Care, Cancers, and Cardiovascular Diseases by the end of 2010 financial year;
2. in light of the deep partnership between the Herefordshire Council and NHS Herefordshire, Total Place Aspirations and the fact that expenditure outside the NHS, particularly that from the local authority, contribute significantly to improving health and wellbeing, a PBMA methodology for the analysis of NHS and relevant Council budgets should be considered and implemented in 2010/11 as far as possible;
3. that a joint commissioning response and provider contracts informed by evidence and focused on desired outcomes should be mounted to address the findings of the recommended PBMA process;
4. commission and complete by December 2010, a cost and population impact models of investing and disinvesting across the high value programme care pathways rather than single interventions; and
5. that a ‘New Ways of Working’ Prospectus detailing the analysis and lessons learnt should be published so that other public service organisations and members of the Herefordshire Partnership can be informed and encouraged to partake as far as practicable in this outcome-based budgeting and planning process.

MEETING:	CABINET
DATE:	17 JUNE 2010
TITLE OF REPORT:	ANNUAL CORPORATE PERFORMANCE REPORT 2009-10
PORTFOLIO AREA:	CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To report end-year performance for 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.

Recommendation

THAT Cabinet considers performance for 2009-10.

Key Points Summary

- Direction of travel: for those indicators where data has been reported that can be compared with the same period last year, only 50% are showing improvement.
- Achievement of targets: where either end-of-year or latest data is available, 54% of indicators have achieved target (this figure is skewed slightly by the high number of examination indicators that did not achieve target).
- The majority of LAA indicators are on track.
- Joint Management Team will be adopting a new approach to performance improvement, with an increased focus on how performance improvement is built in to the day to day work of Directorates, aided by the rollout of Performance Plus which will provide senior managers with 'live' performance information. The new approach has begun with the implementation of the Challenge and Improvement Cycle, which will test the relationship between levels of investment and the outputs and outcomes that will be achieved.

Alternative Options

1. The Council's Performance Improvement Framework provides that Cabinet will formally review performance against the Council's Corporate Plan. 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 6 themes of the Herefordshire Community Strategy and the internal priority of Organisational Improvement and Greater Efficiency, which are covered in *Paragraph 7* under Key Considerations.
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 fuller detail in respect of each of the individual 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.

Level 3 also includes progress against commitments to improve 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 care carried out within seven working days of referral'* (NI 59) is rated **Green**, significantly better than target and showing significant improvement against last year (75.9% compared to 37.4%). Based on the performance of other authorities at the end of December, Herefordshire would be in Quartile 2 for this indicator.
- *'Participation in positive activities'* (NI 110) is below and target and lower than last year. The 2008-09 results were considerably higher than other authorities and provided an unrealistic baseline; this year's results still demonstrate good performance compared to others.
- As in previous reports, the **Red** ratings under statutory focus are those relating to exam and SATS results from summer 2009. Despite the failure to achieve targets for many indicators, Herefordshire still compares well with other authorities.

Health & Well-being

- *'People supported to live independently through social services'* (NI 136) improved in the final quarter to be better than last year, although slightly behind target, rated **Amber**.
- *'Timeliness of social care assessments'* (NI 132) and *'timeliness of social care packages'* (NI 133) improved in the last quarter, each better than last year, although failing to achieve target and are judged **Amber**.
- *'Delayed transfer of care from hospitals'* (NI 131) deteriorated in the final quarter, largely due to the poor weather conditions, and is judged **Red**. An action plan has been developed to improve future performance.

Safer Communities

- *'People killed or seriously injured in road traffic accidents'* (NI 47) bettered the LAA Year 2 target, and is rated **Blue**. The number of KSIs in the first quarter of 2010 indicates that the final LAA target will be achieved.

Stronger Communities

- *'The number of affordable homes'* (NI 155) and *'Households in temporary accommodation'* (NI 156) both achieved target, showing improved performance in the final quarter, and are each rated **Blue**.

Economic Development

- ‘*Processing planning applications*’ (NI 157) achieved 2 of the targets, although only the processing of major applications improved on last year. ‘*Major applications*’ (NI 157a) is rated **Green**; ‘*minor applications*’ is rated **Blue**; and ‘*other applications*’ (NI 157c) is rated **Red**.

Environment

- ‘*Residual household waste per household*’ (NI 191) was significantly ahead of target, rated **Green**, and is on course to achieve the final LAA target.
- ‘*Fly tipping*’ (NI 196) achieved target and is rated **Blue**. Incidents of fly-tipping have gradually decreased throughout the year; coupled with an increase in the number of enforcement actions in the final part of the year, an outturn of Grade 1 was achieved (1 being the best).
- ‘*Street cleanliness*’ (NI 195) has 4 parts to the indicator, 3 of which achieved target and are judged **Blue**. Levels of litter and fly-posting remain the same as last year; levels of detritus have improved; but levels of graffiti have increased and is rated **Red**.

Organisational Improvement and Greater efficiency

- ‘*The number of changes of circumstances which affect customers’ Housing Benefit / Council Tax Benefit entitlement*’ (NI 180) did not rise as much as was anticipated in the final month, and failed to achieve target, rated **Red**.
- ‘*The time taken to process Housing Benefit / Council Tax Benefit claims*’ (NI 181) improved significantly in the final quarter and is rated **Green**.
- ‘*The % of council tax collected*’ (BVPI 9) performed slightly below target, rated **Amber**, although better than last year.
- ‘*The % of employees with a disability*’ and ‘*the % of employees from ethnic minority communities*’ both failed to achieve target and are rated **Red**. An action plan is now being developed to improve representation in the workforce.

8. The Local Area Agreement

Taking account of the changes described above, and that robust action plans are now being implemented for all LAA indicators, at the end of the third quarter, of the 35 LAA indicators:

- 23 are judged to be on course to achieve target (22 at quarter 3);
- 4 are marginally behind target (7 at quarter 3); and
- 8 are significantly behind target (6 at quarter 3)

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	Achieved, or 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 this 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 this 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 and Young People	2	▼	4 *	▲	3 *	▲	2	▼
Healthier Communities and Older People	2 *	◄►	2 (1 last quarter)	◄►	3	◄►		
Safer Communities	3	▼			3 (2 last quarter)			
Stronger Communities	3	▼	2		3		3	▲
Economic Development and Enterprise	3	▼	1		2	▲	3	▼
Environment	3	▼	3	▲	4		2	▲
Organisational Improvement	1	▼	2 (3 last quarter)	▲	2	▼	1 * (3 last quarter)	

Within the judgement for Children and Young People - service focus - the key indicator of 'initial assessments for social care done within 7 days (NI 59)' is currently judged **Green**.

Within the judgement for Children and Young People - partnership focus - the key indicator of '16-18 year olds not in education, employment or training (NEET) (NI 117)' is judged **Red**.

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 **Amber**.

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

For explanation, see the covering Cabinet report.

	Citizen Focus	Perf.	DoT	Service Focus	Perf.	DoT	Partnership Focus & Organisational Health	Perf.	DoT	Statutory Focus	Perf.	DoT	
Children & Young People	NI 57 - Children and young people's participation in high-quality PE and sport (LAA)	3	▲	NI 59 – initial assessments for social care done within 7 days	4	▲	NI 117 – 16-18 year olds not in education, employment or training (LAA)	1	▲	NI 72 – achievement of 78+ points across Early Years Foundation Stage	1	▲	
	NI 110 – participation in positive activities (LAA)	1	▼	NI 65 - % of children becoming the subject of a Child Protection Plan for a second or subsequent time	4	▲	Local – % of actions implemented arising from quality audits programme	4		NI 73 – achievement in English & Maths at Key Stage 2 Level 4	1	▼	
	PAF / CF 63 – participation of looked after children in their reviews	1	▼				Local – permanent school exclusions, including looked after children	2	▲	NI 75 – 5 or more GCSEs at A*-C including English & Maths	1	▼	
							Local – number of Common Assessment Framework assessments completed across agencies	4		Local – achievement at Key Stage 1:	Reading	4	▼
						Maths					1	▲	
						Writing					2	▼	
										Local – looked after children attainment:	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	2	▲	NI 125 – achieving independence for older people through rehabilitation / intermediate care	4	▲				
	NI 130 – social care clients receiving Self Directed Support (LAA)	1		NI 133 – timeliness of social care packages	2	▲	NI 131 – delayed transfers of care from hospitals	1					
	NI 136 – people supported to live independently through social services (LAA)	2	▲				NI 142 – number of vulnerable people who are supported to maintain independent living (LAA)	3	▲				
	NI 138 – satisfaction of people over 65 with both home and neighbourhood	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 30 – priority & prolific offenders (LAA)	2					
	NI 47 – people killed or seriously injured in road traffic accidents (LAA)	3	▼				NI 40 – drug users in effective treatment (LAA)	3					
Stronger Communities	NI 3 – civic participation	3		NI 9 – use of libraries (LAA)	1	▼	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 (LAA)	3		NI 11 – engagement in the arts (LAA)	2	▼				NI 156 – households in temporary accommodation (LAA)	3	▲	
	NI 155 – number of affordable homes delivered (LAA)	3	▼							Local – access to services (LAA)	a) Local shop	3	
											b) Advice provision	3	
											c) Public transport facility	3	
											d) Cultural / recreational facility	3	
Economic Development and Enterprise	NI 171 – VAT registration rate (LAA)	4	▼	NI 182 – business satisfaction with regulatory services	1		NI 152 – working age people on out of work benefits (LAA)	1	▼	NI 157 – processing of planning applications	a) Major	4	▲
	NI 168 – condition of principal roads (LAA)	3	▼				NI 163 – working age people qualified to Level 2 or higher (LAA)	3			b) Minor	3	▼
	NI 169 – condition of non-principal roads (LAA)	3	▲				NI 178 – bus services running on time (LAA)	3	▲		c) Other	1	▼

	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)		4	▲	NI 192 – % of household waste sent for reuse, recycling and composting		3	▲	NI 197 – improved biodiversity (LAA)		4	▲	NI 186 – CO ₂ emissions (LAA)		3	
	NI 195 – improved street cleanliness and environmental cleanliness	a) Litter	3	◄►									NI 193 - % of municipal waste landfilled		1	▲
		b) Detritus	3	▲												
		c) Graffiti	1	▼												
		d) Fly-posting	3	◄►												
	NI 196 – improved street cleanliness and environmental cleanliness – fly tipping		3	◄►												
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		1	
					NI 180 - the number of changes of circumstances which affect customers' Housing Benefit / Council Tax Benefit entitlement within the year		1		Local – average sickness (full-time equivalent) (3 month average)		4		Local - the % of Local Authority employees from ethnic minority communities		1	
					NI 181 – time taken to process Housing Benefit / Council Tax Benefit claims and change events		4	▲	Local - number of vacant posts as a proportion of the approved establishment		1					
					Local - % of Council Tax collected (BVPI 9)		2	▲	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	Lead Director	Tolerance	Performance	Target	Latest Performance	Judgement		Direction of Travel		Analysis
			2008-09	2009-10		December	March	December	March	
Citizen										
NI 57 - Children and young people's participation in high-quality PE and sport (LAA)	Director of Children's Services	Bigger is better	95%	95%	97%	3	3	n/a	▲	Results are currently being validated by Sport England. All tasks are on target.
NI 110 – participation in positive activities (LAA)	Director of Children's Services	Bigger is better	86.20%	91.00%	79.60%	3	1	n/a	▼	Results released for the Tellus survey show good performance although below the target set as part of the LAA negotiations. The 2008/2009 outturn was considerably higher than other authorities and provided an unrealistic baseline. An audit of positive activities provided in the county was carried out, as part of a national exercise, over a week in early February. The results of the audit have been analysed and will be used to plan provision for the coming year.
PAF / CF 63 – participation of looked after children in their reviews	Director of Children's Services	Bigger is better	93%	100%	92.60%	2	1	▲	▼	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. This indicator measures the number of children who participate in all of their statutory reviews so failure to communicate their views in one review means that all their reviews are excluded from the calculation.
Service										
NI 59 – initial assessments for social care done within 7 days	Director of Children's Services	Bigger is better	37.4	65%	75.90%	4	4	▲	▲	Performance continues to improve in this area as a result of targeted improvement work with the team focusing on managing timeliness & quality. All tasks are on target.
NI 65 - % of children becoming the subject of a Child Protection Plan for a second or subsequent time	Director of Children's Services	Smaller is better	15	13%	7.3% (December)	4	4	▲	▲	Year end outturns are currently being calculated as part of the annual 903 statutory return to Government. Performance is anticipated to meet target

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Indicator	Lead Director	Tolerance	Performance	Target	Latest Performance	Judgement		Direction of Travel		Analysis
						December	March	December	March	
			2008-09	2009-10						
Partnership										
NI 117 – 16-18 year olds not in education, employment or training (NEET) (LAA)	Director of Children's Services	Smaller is better	5.9	5%	5.80%	1	1	▲	▲	Additional NEET provision has been made available via the Children's Trust Economic Well-Being Group. This is as well as the current E2E (Entry to Employment) and 4U provision. The economic situation continues to affect the number of jobs and work-based learning places that are available so the NEET percentage is not as low as target, although lower than last year.
Local – % of actions implemented arising from quality audits programme	Director of Children's Services	Bigger is better		80%	95%	3	4	n/a	n/a	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 and the audit programme for 2010/2011 will be agreed in mid-April 2010. The draft report on the themed audit of children in care has been completed and is awaiting approval.
Local – permanent school exclusions including looked after children	Director of Children's Services	Smaller is better	18	14	11	3	2	▲	▲	There have been eleven permanent exclusions in total so far in the academic year. All tasks are on target.
Local – number of Common Assessment Framework (CAF) assessments completed across agencies	Director of Children's Services	Bigger is better		300	461	3	4	n/a	n/a	The number of CAFs 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.

Indicator	Lead Director	Tolerance	Performance	Target	Latest Performance	Judgement		Direction of Travel		Analysis
						December	March	December	March	
			2008-09	2009-10						
Statutory										
NI 72 – achievement of 78+ points across Early Years Foundation Stage (EYFS)	Director of Children's Services	Bigger is better	42 (2007-08 academic year)	53% (2008-09 academic year)	45.8% (2008-09 academic year)	1	1	▲	▲	Although not achieving target, this outcome represents a significant improvement on the 2008 outcome 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	Director of Children's Services	Bigger is better	72 (2007-08 academic year)	78% (2008-09 academic year)	70.8% (2008-09 academic year)	1	1	▼	▼	This outcome for 2009 has not achieved target and is 2% below the 2008 outcome. 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.
NI 75 – 5 or more GCSEs at A*-C including English & Maths	Director of Children's Services	Bigger is better	53 (2007-08 academic year)	60% (2008-09 academic year)	52.9% (2008-09 academic year)	1	1	▼	▼	All tasks are on target to improve performance in future years.
Local – achievement at Key Stage 1:										
Reading at Level 2B+	Director of Children's Services	Bigger is better	69.90%	59%	68.9% (final)	4	4	▼	▼	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.
Maths at level 2B+	Director of Children's Services	Bigger is better	70.80%	79%	71.8% (final)	1	1	▲	▲	
Writing at level 2B+	Director of Children's Services	Bigger is better	53.90%	54%	52.9% (final)	2	2	▼	▼	
Local – looked after children attainment (2008-09 academic years):										
NI 99 - reaching level 4 in English at Key Stage 2	Director of Children's Services	Bigger is better	25.0%	50%	28.6% (final)	1	1	▲	▲	Two children out of the total cohort of seven achieved Level 4 in English at Key Stage 2. Two other children in the cohort were disapplied. All tasks are on target.
NI 100 - reaching level 4 in maths at Key Stage 2	Director of Children's Services	Bigger is better	50.0%	50%	42.9% (final)	1	1	▼	▼	Three children out of the total cohort of seven achieved Level 4 in Maths at Key Stage 2. Two other children in the cohort were disapplied. All tasks are on target.
NI 101 - achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4 (including English and maths)	Director of Children's Services	Bigger is better	28.6%	20%	21.4% (final)	3	3	▼	▼	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	Strategic lead	Latest Commentary	Date provided
Maintain and enhance educational standards at all Key Stages	Implement Primary Strategy	Mar-11	Director of Children's Services	Ongoing implementation of Primary and Secondary Strategies. School improvement partners worked with schools during the autumn term to assist and challenge with target setting for individual pupils and the targets were submitted to DCSF on 29th January. Targeted support continues to be provided to those schools causing concern, with regular updates to the Cabinet Member and Directorate Leadership Team.	February
	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 primary schools	Mar-11	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 completed and formal decision to amalgamate is expected by the Schools Adjudicator in the early autumn. Herefordshire Academy has received planning permission and building work has started. The new build of the Minster is progressing to budget and timescale and is due to open for students in September 2010.	February
	Develop resources and strategy for change and begin to implement BSF				
	Complete major rebuilds				
Conclude Children's Centres and Extended Schools roll out plans	Implement Children's Centres roll-out plan	Mar-10	Director of Children's Services	100% of Children's Centres have now been designated.	February
	Implement Extended Schools roll-out plan	Mar-10		90% of schools are now providing the full core offer of extended services in line with the Training Development Agency target.	February

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead	Latest Commentary	Date provided
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	Director of Children's Services	The C&YPD continues to work with the Integrated Commissioning Directorate 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 C&YPD.	February
	Deliver and monitor implementation of Children and Young People's Delivery Plan	Mar-11		Commissioning Framework under development through the DCSF Commissioning Support Programme, focusing in the first instance on teenage pregnancy.	
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	Director of Children's Services	The recommendations of the Schools Task Force, which were the subject of widespread consultation, were approved by Cabinet in November 2009. School clusters are now working to look at options for the future. Clusters will report by 6th September 2010 and a composite report will be considered by Cabinet in October 2010.	February

Indicator	Lead Director	Tolerance	Performance	Target	Latest Performance	Judgement		Direction of Travel		Analysis
			2008-09	2009-10		December	March	December	March	
Citizen										
NI 39 – alcohol harm related admission rates (LAA)	Director of Integrated Commissioning	Smaller is better	1,274	1,237	994.5 (December)	2	2	▼	▼	Performance continues to be in excess of target. Projected outturn 1326.
NI 130 – social care clients receiving Self Directed Support (LAA)	Director of Integrated Commissioning	Bigger is better		21%	5.18%	1	1	n/a	n/a	Extra clients have been identified in the denominator (as a consequence of improving performance of NI 136 & NI 135). There is a project in hand with the Task and Finish Group to implement the methodology promoted by the DH 2007 Direct Payment to improve performance of this indicator. Absolute numbers have risen to 340 clients.
NI 136 – people supported to live independently through social services (LAA)	Director of Integrated Commissioning	Bigger is better	3,635	3,763	3,734.7	2	2	▼	▲	Data from additional sources is continuing to be processed, improving performance against this target. We anticipate that Herefordshire performance will be comparable with other local authorities once the data is refined. We recognise however this as a priority target and we will be ensuring we have a clear understanding of our performance in this area. We are continuing to ensure we capture all relevant clients.
NI 138 – satisfaction of people over 65 with both home and neighbourhood	Director of Integrated Commissioning	Bigger is better	89% (2008)	90% (Autumn 2010 survey)		3	3	n/a	n/a	England average for this indicator is 84. The Older People's Strategy has been updated and delivery is on track. Development of new strategy has been delayed to ensure it has clear synergy with work of the Health and Well-being partnership. Strategy is still on target to be developed by February 2010.
Service										
NI 132 – timeliness of social care assessments	Director of Integrated Commissioning	Bigger is better	86.80%	91%	87.70%	2	2	▼	▲	The increase in performance is due to the development of a process to identify the correct date information required to calculate this indicator.
NI 133 – timeliness of social care packages	Director of Integrated Commissioning	Bigger is better	88.20%	92%	88.70%	1	2	▼	▲	
Partnership										
NI 125 – achieving independence for older people through rehabilitation / intermediate care	Director of Integrated Commissioning	Bigger is better	71.80%	75%	95.35% (as at February)	4	4	▲	▲	The data presented represents PCT intermediate care activity. Work is ongoing to identify patients going through the ASC route and include in future reporting.
NI 131 – delayed transfers of care from hospitals	Director of Integrated Commissioning	Smaller is better		27	35.91	2	1	n/a	n/a	Poor weather conditions during the last quarter resulted in a significant drop in performance. An action plan is now being developed.

Indicator	Lead Director	Tolerance	Performance	Target	Latest Performance	Judgement		Direction of Travel		Analysis
			2008-09	2009-10		December	March	December	March	
NI 142 – number of vulnerable people who are supported to maintain independent living (LAA)	Director of Integrated Commissioning	Bigger is better	96.9%	97.41%	98.48%	3	3	▲	▲	
Statutory										

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead	Latest Commentary	Date provided
Implementation of the joint health and social care commissioning plans to secure modern, more effective services for people with mental health problems, learning difficulties and physical disabilities	Joint Commissioning Strategy	Dec-09	Director of Integrated Commissioning	World Class Commissioning Strategy now submitted, programme plan now being developed and discussed at PCT Board in February.	February
	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	Director of Integrated Commissioning	Completed	September
	Extend advocacy services to all users and carers	Sep-09		Completed	September
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	Director of Integrated Commissioning	Completed	January
	Establish programme board for the "Putting People First" programme	From April 2009		All workstreams are on track. Further work on operating systems is to be undertaken, as well as an upgrade of FWi by October 2010. This should have a major impact on how the services are offered to users.	January
	Implement the seven stream of the "Putting People First" programme	Continuing to 2011			
Increase range and availability of support to carers	Re-commission support services for carers	Jun-09	Director of Integrated Commissioning	Completed	June
	Extend individual budgets to carers	Mar-10		Completed	September

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead	Latest Commentary	Date provided
All services enable people to be treated with dignity and respect	To ensure appropriate training is delivered to all social care and health staff and is included within safeguarding training	Apr-09	Director of Integrated Commissioning	Completed	January
	Ensure minimum standards in relation to dignity and respect are included within contracts - covered within QAF standards, with plans to include within future contracting arrangements	Apr-09		Completed. This will continue to be outlined and discussed at provider forums.	April
Integrate health and social care across front-line services	Roll-out of integrated intermediate care service	Apr-09	Director of Integrated Commissioning	Transition board will now be taking this work forward.	November
	Roll-out integrated health and social care model to all localities	Sep-09		Completed	September
Develop and implement Older People's Strategy	Consultation document issued	Aug-09	Director of Integrated Commissioning	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.	October
	Strategy approved	Feb-10			

Indicator	Lead Director	Tolerance	2008-09	Target 2009-10	Latest Performance	Judgement		Direction of Travel		Analysis
						December	March	December	March	
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)	Director of Environment and Culture	Bigger is better	25.40%	30.4% (2010-11)		3	3	n/a	n/a	Progress against action plan maintained
NI 47 – people killed or seriously injured in road traffic accidents (calendar year) (LAA)	Director of Regeneration	Smaller is better	115 (3 year average)	116 (year-end) (3 year average of 114)	105 (final)	3	3	▼	▼	Although higher than in 2008, performance in 2009 has resulted in a 3-year average of 110.33, better than the LAA target for the year. All tasks in Transportation have either been completed or are progressing as planned towards achievement of the final LAA target, which is for a 6.5% improvement on the current 3-year average.
Service										
Partnership										
NI 40 – drug users in effective treatment (LAA)	Director of Integrated Commissioning	Bigger is better		541	529 (as at December)	2	2	n/a	n/a	Harm Reduction Strategy complete with Hidden Harm Conference held in December. Mercia Net training commenced. Review of drug treatment services also completed in December.
NI 30 – priority & prolific offenders (PPOs) (LAA)	Director of Environment and Culture	Smaller is better		21% (79)	25 PPOs in custody at the end of September	3	3	n/a	n/a	This data is relevant to Q2, and is the number of observed / proven offences for the period April-September.
Statutory										

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Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead	Latest Commentary	Date provided
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.	Director of Environment & Culture	Action plan being delivered	March
	Implement Strategy	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	Director of Regeneration	The Planning and Transportation's Road Safety and Accident Investigation and Prevention teams continue to lead on a wide range of education, training and publicity and engineering measures to address road traffic accidents. All targets have been met to date- Our 2009 KSI casualty figure is now complete at 105 (Target 116) and this gives us a 2007, 2008, 2009 rolling 3 year average of 110 (Target 114). The 2009 Child KSI figure can also be confirmed at 9 (Target 12). Both indicators are on target in 2010.	March
	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	Director of Environment & Culture	Strategy completed	November
	Launch of strategy	Nov-09		Launch from 1st December	November
	Deliver against HHS action plan	Sep-10	Director of Environment & Culture		

Indicator	Lead Director	Tolerance	2008-09	Target	Latest Performance	Judgement		Direction of Travel		Analysis
						December	March	December	March	
Citizen										
NI 3 – civic participation	Deputy Chief Executive	Bigger is better	16%	17.5% (2010-11)	Next due end of 2010	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 17.5%. Work is progressing in line with the action plan.
NI 6 – participation in regular volunteering (LAA)	Director of Regeneration	Bigger is better	29%	32.5% (2010-11)	Next due end of 2010	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 32.5%. Work is progressing in line with the action plan.
NI 155 – number of affordable homes delivered (LAA)	Director of Regeneration	Bigger is better	208	182	185	2	3	▼	▼	The Target for NI 155 has been achieved despite the continuing impact of the economic downturn. There is limited evidence of an upturn in new build activity emerging, however focus will remain on maximising delivery via planning gain where possible.
Service										
NI 9 – use of libraries (LAA)	Director of Environment and Culture	Bigger is better	47.90%	51% (2010-11)	42.8% (November)	1	1	n/a	▼	Although work is progressing in line with the action plan, interim results from the Active People 3 Survey have recently been released and show that performance has fallen from previous levels and is not on track to achieve the LAA targets. Over the period visits to libraries have increased. However, this indicator is derived from a national telephone survey of adults only and measures their use of the library service, which includes visits to libraries as well as other services, such as those available on-line.
NI 11 – engagement in the arts (LAA)	Director of Environment and Culture	Bigger is better	46.40%	49.5% (2010-11)	46.3% (November)	2	2	n/a	▼	A meeting with the IDeA LAA Improvement Strategy and Culture and Sport Strategic Dialogues in January will look at the delivery plans, and consider how improvements can be made.
Partnership										
NI 4 – influencing decisions in the locality (LAA)	Director of Regeneration	Bigger is better	28.80%	32.3% (2010-11)	Next due end of 2010	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)	Deputy Chief Executive	Bigger is better	75.90%	79.4% (2010-11)	Next due end of 2010	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)	Director of Regeneration	Smaller is better	98	82	79	1	3	▲	▲	The target has been achieved and reflect positive progress on homelessness prevention and temporary accommodation management.

Indicator	Lead Director	Tolerance	2008-09	2009-10	Latest Performance	Judgement		Direction of Travel		Analysis
						December	March	December	March	
Local – % of people who find access to services difficult: Local shop Advice provision Public transport facility Cultural / recreational facility	Director of Regeneration	Smaller is better								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)	Next due end of 2010	3	3	n/a	n/a	
b) Advice provision			18%	16% (2010-11)	Next due end of 2010	3	3	n/a	n/a	
c) Public transport facility			21%	21% (2010-11)	Next due end of 2010	3	3	n/a	n/a	
d) Cultural / recreational facility			21%	19% (2010-11)	Next due end of 2010	3	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	Strategic lead	Latest Commentary	Date provided
Ledbury Centre to incorporate a range of services and functions in one facility	Access funding for the scheme	2009	Director of Environment & Culture	Action plan proceeding on target.	November
	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	Director of Environment & Culture	Linked to the ESG development.	November
	Raise funding for the scheme	2009-12			
	Relocate to new site	2009-12			
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	Director of Environment & Culture	No progress. Funding reliant on section 106 monies.	November
Improve street cleanliness	Implement outcomes of review of street cleanliness	Apr-09	Director of Environment & Culture	Action plan being delivered to programme	November
Improve performance on processing major planning applications within 13 weeks	Review progress and performance regularly, ensuring that planning applications are processed in a timely manner.	Monthly	Director of Regeneration	Performance has improved in this area from 73% in 2008/09 to 79% in 2009/10, exceeding the target of 60%.	March
Support Herefordshire's involvement in London 2012 Olympic and Paralympic Games	Attract a country / sport team to use Hereford as a pre-game training camp	2010-2012	Director of Regeneration	A partner working group, led by Cllr. Blackshaw, has developed a programme of activities that is being delivered to target.	October
	Promote opportunities for the county, its residents, organisations and businesses to benefit from London 2012				

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead	Latest Commentary	Date provided
	Support 2010 Blind Football World Championships				
Establish a talent identification programme in preparation for the 2012 Olympic and Paralympic Games	Work with schools and clubs to identify talent leading up to the 2012 Olympic Games in London	Sep-09	Director of Regeneration	Work in progress through School Sports Partnerships.	October
Ensure continuing build of affordable houses	Ensure affordable homes are included within plans and proposals	To 2011	Director of Regeneration	The Target for NI 155 has been achieved despite the continuing impact of the economic downturn. There is limited evidence of an upturn in new build activity emerging, however focus will remain on maximising delivery via planning gain where possible.	March
	Work with developers to secure affordable homes				

Indicator	Lead Director	Tolerance	Target		Latest Performance	Judgement		Direction of Travel		Analysis
			2008-09	2009-10		December	March	December	March	
Citizen										
NI 171 – VAT registration rate per 10,000 resident population aged 16+ (LAA)	Director of Regeneration	Bigger is better	59.2 (2007)	41.8 (2009)	49.7 (2008)	4	4	▼	▼	All activity is taking place as planned- Summary of activity: Creation of business start up grants and business growth grants. - Business Booster Grant now operational, approved 9 grants. - Training Voucher all available funding has been committed. Retail Support in Rural areas and Market Towns - Skillsmart providing retail analysis of Market Towns (AWM Funded), is an ongoing programme of events. Conversion of existing businesses to VAT and PAYE registration. - Holding VAT registration roadshows with HMRC, have held four this calendar year and a future four between January and March, targeted at those businesses not VAT registered who could make the change. - Funding secured for roadshows, first round of these has been held, a small scale review of these will occur before the next round of four roadshows. These will publicise benefits of VAT and PAYE registration.
NI 168 – condition of principal roads (proxy: delivery against highway maintenance plan) (LAA)	Director of Environment and Culture	Smaller is better	4%	5%	5%	3	3	▼	▼	Action plan being delivered to programme to impact on next year's target.
NI 169 – condition of non-principal roads (proxy: delivery against highway maintenance plan) (LAA)	Director of Environment and Culture	Smaller is better	11%	9%	9%	3	3	▲	▲	Action plan being delivered to programme to impact on next year's target.
Service										
NI 182 – business satisfaction with regulatory services	Director of Environment and Culture	Bigger is better		72%	62% (provisional)	1	1	n/a	n/a	Performance for the second quarter has fallen, and the reasons behind this are being investigated. It is possible that this year's target may not be reached.

Indicator	Lead Director	Tolerance	2008-09	Target 2009-10	Latest Performance	Judgement		Direction of Travel		Analysis
						December	March	December	March	
Partnership										
NI 152 – working age people on out of work benefits (LAA)	Director of Regeneration	Smaller is better	8.80%	8.6% (2009-10) 8.4% (2010-11)	10.2% (to September)	1	1	▼	▼	Progress against actions: ESF funded project 'Engage' focused at getting long term unemployed from priority wards into employment - now operational. Future Jobs Fund money now secured and recruitment of the Employment Placement Officer is underway. The project will run from Oct 09 until March 2010. This project is also aimed at getting worklessness young individuals back into work. Successfully secured ABG funding to encourage individuals to access support and advice. Connections to Opportunities funding is now secured. This will enable a further project aimed at lone parents and those on incapacity benefits- to be progressed. £50K Connecting Communities funding has also been secured which will enable further tailored provision in the Newton Farm and Golden Post areas of South Wye. Follow-n Future Jobs Funding could be applied for if the initial project is successful. This would run to 2011 and permit more beneficiaries.
NI 163 – working age people qualified to Level 2 or higher (LAA)	Director of Regeneration	Bigger is better	72% (2008)	74.8% (2009)	Due September 2010	3	3	n/a	n/a	All action plan activity is taking place and on target.
NI 178 – bus services running on time (LAA)	Director of Regeneration	Bigger is better	80%	80%	86%	3	3	n/a	▲	
Statutory										
NI 157 – processing of planning applications: Major applications within 13 weeks Minor applications within 8 weeks Other applications within 8 weeks	Director of Regeneration	Bigger is better								The fluctuating nature of this and the other outturns can be attributed to problems with the Civica software that was implemented in September, which has led to a significant backlog of applications. The department are making significant progress towards clearing this backlog and have seconded two further staff to the work area, however clearing the backlog does have a knock on effect in that there is a significant risk that 'Other' applications may come in below target at the end of year. There are some practical methods that have been introduced in order to ensure that until the end of March the applications being determined are those deemed most beneficial to the County.
a) Major applications within 13 weeks			73%	60%	79%	4	4	▲	▲	
b) Minor applications within 8 weeks			73%	65%	67%	3	3	▼	▼	
c) Other applications within 8 weeks			87%	80%	72%	1	1	▼	▼	

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead		Date provided
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	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.	November
	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	Director of Regeneration	Infrastructure design working towards submission of planning application, anticipate this to be achieved in April 10.	March
	Plans and funding secured	Apr-10	Director of Regeneration		

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead		Date provided
Construction of Retail Quarter commenced; on and off-site infrastructure commenced	Flood mitigation construction commenced	Apr-09	Director of Regeneration	A Compulsory Purchase Order (CPO) for Flood alleviation Scheme was passed through the objection period. 5 objections were received and a statement of case is to be with Government Office by 11th May 2010. Planning permission for the Link Road was secured in March 2010 and the first business has now been moved from the line of the Link Road.	March
	Delivery of vacant possession to developer	Jan-10			
	Planning permission for link road	Feb-10			
	Link Road construction commenced	Mar-10			
	Commencement on site	Mar-10			
	Flood Mitigation constructed	Apr-10			
	Flood Alleviation Scheme	Sep-10			
	Link Road constructed	Apr-11			
Retail Quarter open	2012				
Completion of new cattle market	Completion of new livestock market	Dec-10	Director of Regeneration	Construction on the new Livestock Market scheme has now commenced.	March
	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	Director of Regeneration	Planning permission for Phase 2 secured in October 2009.	December
Implement the inward investment strategy	Strategy Launch	Oct-09	Director of Regeneration	An outline Strategy has been produced and circulated around the Economic Development Partnership Group.	December
	Marketing Campaign	Dec-09			
	Implementation of new initiatives	Mar-10			

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead		Date provided
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	Director of Regeneration	Unemployment figures show a downward trend seen since June 2009. Claimant figures for December 2009 was 2,726. The unemployment rate in December 2009 was 2.6%, no change on November, but higher than in December 2008 (2.1%). This rate remains low compared to the West Midlands (5.3%) and England (4.1%). The number of short short-term claimants (less than 6 months) increased (+2%) for the first time since March 2009. Long-term claimants (over 12 months) continued to increase in number (+12%), whilst medium term claimants (6-12 months) decreased (-5%). The number of under 25s continued to decrease (-3%), the 25-49s increased (+4%) and the over 50s remained the same. The Economic Development Partnership Group has produced a Recovery Action Plan to reflect a change in direction to recovery rather than fighting the downturn. New programmes continue to be rolled out, including new round of Business Booster Grant and Training Vouchers. The council have also reduced the average days payment of invoices, introduced procurement training, and revised its procurement strategy to support local businesses.	March
	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			
	Reporting bi-monthly	Sep-09			

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead		Date provided
Extend the refurbishment of Hereford City Centre	Complete the extended refurbishment work in city centre	Jul-09	Director of Regeneration	<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>	November

Indicator	Lead Director	Tolerance	2008-09	Target 2009-10	Latest Performance	Judgement		Direction of Travel		Analysis
						December	March	December	March	
Citizen										
NI 191 – residual household waste per household (LAA)	Director of Environment and Culture	Smaller is better	690.01kg	720kg (year-end) LAA target is 759kg	645.46 kg	3	4	▲	▲	The action plan to deliver this target is being delivered according to programme.
NI 195 – improved street cleanliness and environmental cleanliness:	Director of Environment and Culture	Smaller is better								Action plan being delivered to programme.
a) Litter			5%	5%	5%	1	3	◀▶	◀▶	
b) Detritus			13%	9%	9%	1	3	▼	▲	
c) Graffiti			1%	1%	2%	1	1	▼	▼	
d) Fly-posting			1%	1%	1%	3	3	▼	◀▶	
NI 196 – improved street cleanliness and environmental cleanliness – fly tipping	Director of Environment and Culture	Smaller is better		Grade 1	Grade 1	1	3	◀▶	◀▶	
Service										
NI 192 – % of household waste sent for reuse, recycling and composting	Director of Environment and Culture	Bigger is better	33.24%	35%	35.44%	3	3	▲	▲	The action plan to deliver this target is being delivered to programme.
Partnership										
NI 197 – improved biodiversity (LAA)	Director of Regeneration	Bigger is better		38.30%	43.20%	3	4	n/a	▲	Of the 858 sites within Herefordshire, 371 are under positive conservation management.
Statutory										
NI 186 – CO ₂ emissions (LAA)	Director of Environment and Culture	Smaller is better		13.1% (2010)		3	3	n/a	n/a	The action plan to achieve this target is being delivered to programme.
NI 193 - % of municipal waste landfilled	Director of Environment and Culture	Smaller is better	64.61%	55.44%	63.30%	1	1	▲	▲	

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead	Latest Commentary	Date provided
Reduce the amount of municipal waste land filled	Implement new waste collection contract	Nov-09	Director of Environment & Culture	Although residual waste continues to fall the proportion of waste recycled or composted has levelled-off.	January
	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	Director of Environment & Culture		
	Implement the new Joint Municipal Waste Management Strategy	Mar-11			
Reduce Council's CO ₂ emissions	Report to go to JMT	Sep-09	Director of Environment & Culture	Following consideration by Environment Scrutiny, a paper was considered by JMT in January.	February

Indicator	Lead Director	Tolerance	Target		Latest Performance	Judgement		Direction of Travel		Analysis
			2008-09	2009-10		December	March	December	March	
Citizen										
Local - customer satisfaction	Deputy Chief Executive	Bigger is better	78%	83%	72.10%	1	1	▼	▼	
Service										
NI 14 – avoidable contact	Deputy Chief Executive	Smaller is better	27.18%	24%	37.75%	1	1	▼	▼	The Customer Strategy will address issues with performance but will not begin to impact until the new financial year.
NI 180 - the number of changes of circumstances which affect customers' Housing Benefit / Council Tax Benefit entitlement within the year	Director of Resources	Bigger is better		1,682	1,563	4	1	n/a	n/a	
NI 181 – time taken to process Housing Benefit / Council Tax Benefit claims and change events	Director of Resources	Smaller is better	14.36 days	14 days	11 days	3	4	▲	▲	
Local - % of Council Tax collected (BVPI 9)	Director of Resources	Bigger is better	98.54%	98.80%	98.57%	3	2	▼	▲	
Local - % of non-domestic rates collected (BVPI 10)	Director of Resources	Bigger is better	98.57%	98.70%	98.90%	3	3	▲	▲	
Partnership										
NI 179 – Value for Money	Director of Resources	Bigger is better	£5.134m	£5m		2	2	n/a	n/a	Action plan being implemented; VfM Strategy being developed for end of 2010.
Local – average sickness (full-time equivalent)	Deputy Chief Executive	Smaller is better		5%	4%	4	4	n/a	n/a	
Local - number of vacant posts as a proportion of the approved establishment	Deputy Chief Executive	Smaller is better		4.50%		1	1	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. Until the establishment is confirmed no progress can be made.
Local - Use of Resources	Director of Resources	Bigger is better	3	3		2	2	n/a	n/a	Outturn relevant to this financial year will not be available until Autumn 2010. The Use of Resources action plan is being amended to reflect the outcome of the 2009 assessment.
Local - % of key performance indicators improving on last year	Bigger is better		57%	60%	50%	1	1	▼	▼	
Statutory										
Local – the % of Local Authority employees with a disability	Deputy Chief Executive	Bigger is better		4%	1%	3	1	n/a	n/a	HR are now developing an action plan to improve representation in the workforce of those with either a disability or from an ethnic minority community
Local - the % of Local Authority employees from ethnic minority communities	Deputy Chief Executive	Bigger is better		3%	0.71%	3	1	n/a	n/a	

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead	Latest Commentary	Date provided	
Deal positively with all complaints alleging discriminatory treatment	All complaints of a discriminatory nature to result in further action	Throughout 2009-11	Deputy Chief Executive	All complaints/request for support/ advice, result in further action. To date 100% of such complaints have been dealt with appropriately.	March	
Rationalisation of Council and PCT estates	Implement Accommodation Strategy	Mar-11	Director of Resources	Joint Accommodation Strategy agreed in December 2009.	February	
Ensure the Council is fully prepared to meet the challenges in the Local Government & Public Involvement in Health Act 2007	Improved PACT and other consultation mechanisms in place	Mar-09	Deputy Chief Executive	A community engagement strategy has been developed. This is currently being further refined. It is anticipated that following the task and finish exercise scheduled for 31st March, the strategy will be completed before the end of May 2010.	February	
	Implement changes identified by review of constitution	Mar-11		The revised constitution was adopted on January 4th 2010. A round of briefing sessions was held in February 2010 for senior managers. Further work is required to improve and develop if further; this will be led by the Constitution Review Group.	February	
Reach the 'excellence' rating of the equality standard for local government	Continue to roll out EIA process		Deputy Chief Executive	The Equality Standard for local government has been superseded by the Equality Framework and we have been assessed as "Achieving" in February 2009. We have until 2011 to progress to the next level which is "Excellent".	October	
	Ensure up-to-date equality schemes in place:			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.	October	
	- Disability scheme	Oct-09				
	- Gender scheme	Apr-10			Work to review this scheme started in January 2010.	February
	Complete roll-out of impact assessment plans across all directorates	Mar-11			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.	October

Our key commitments for 2009-11	What are the key actions we will take to achieve these commitments?	Completion date	Strategic lead	Latest Commentary	Date provided
Continue to achieve improvements in data quality	Continue to implement data quality action plan – score 3 or equivalent in 2009-10	Mar-10	Deputy Chief Executive	Improved progress in September which was reported to JMT and Cabinet, with more tasks being completed. Still behind schedule overall. By the end of March 2010 all actions in the Data Quality Action Plan will either have been completed or be underway. (There will only be nine continuing to be taken forward, a number of which are, by their nature, continuous processes).	February
Improve the effectiveness of services	Shared Services Review	Aug-09	Deputy Chief Executive	The business case was completed August 2009 and the recommendations approved by JMT and HHT Board. These recommendations included a soft market sounding, completed October 2009, together with a procurement quick wins review. An update on the Soft Market exercise was taken to Cabinet, PCT and HHT Board December 2009. Formal approval to the Business case was given by Cabinet (18/02), PCT Board (25/02) and Trust Boards management team. Approval has been given for the preferred partnership model (Public / Public JV Co) on 18/03 (Cabinet), 25/03 (PCT Board). HHT are exploring this option in further detail and have not formally approved as yet. Work continues in preparing a shadow JV for July 2010, final decisions subject to Cabinet and Trust Board approvals. A supporting communications plan includes member / non-executive director, staff and Trade Union briefings. A Trade Union Staff consultative forum is in place, inaugural meeting in April 2010.	October
Improve customer service	Customer Strategy	To be confirmed	Deputy Chief Executive	The Customer 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 in January 2010.	October

	Performance	Target	Latest Performance	Judgement		Direction of Travel		Commentary
	2008-09	2009-10		December	March	December	March	
STRONGER COMMUNITIES								
NI 1 - % of people who believe people from different backgrounds get on well together	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 4 - % of people who feel they can influence decisions in their locality	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.
NI 6 - Participation of regular volunteering	29%	32.5% (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 32.5%. Work is progressing in line with the action plan.
NI 9 - Use of Libraries	47.90%	51% (2010-11)	42.8% (November)	1	1	n/a	▼	Although work is progressing in line with the action plan, interim results from the Active People 3 Survey have been released and show that performance has fallen from previous levels and is not on track to achieve the LAA targets.
<i>Local Indicator</i> NI 11 - Engagement in the Arts	46.40%	49.5% (2010-11)	46.3% (November)	2	2	n/a	▼	Over the period visits to libraries have increased. However, this indicator is derived from a national telephone survey of adults only and measures their use of the library service, which includes visits to libraries as well as other services, such as those available on-line.
NI 155 - Number of affordable homes delivered (gross)	208	182	185	2	3	▼	▼	The Target for NI 155 has been achieved despite the continuing impact of the economic downturn. There is limited evidence of an upturn in new build activity emerging, however focus will remain on maximising delivery via planning gain where possible.
NI 156 - Number of households in temporary accommodation	98	82	79	1	3	▲	▲	The target has been achieved and reflect positive progress on homelessness prevention and temporary accommodation management.
<i>Local Indicator</i> 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%		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. Work is progressing in line with the action plan.

	Performance	Target	Latest Performance	Judgement		Direction of Travel		Commentary
	2008-09	2009-10		December	March	December	March	
<p><i>Local Indicator</i> 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.</p>		see indicator on left		3	3	n/a	n/a	<p>Recovery: The Recovery Plan has been reviewed against the Government's revised guidance. Over 50 Parish councils attended the Emergency Coordinators Information evening to hear about this innovative scheme partnered by HALC, the Joint Emergency Planning Unit and the Community Regeneration (Parish Liaison) department of Herefordshire Council. This initiative has been developed to promote and activate community self-help. Business Continuity: The Joint Emergency Planning Unit (JEPU) has been 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. A pool of non-critical staff has been identified. The Crisis Management Team has met on three occasions to manage major IT outages, 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 BCPs are in place.</p>
SAFER COMMUNITIES								
<p>NI 19 - Rate of proven re-offending by young people</p>	126	1.17	0.39 (as at December)	3	4	n/a	n/a	<p>All tasks are on target. This is the number of re offences per young person in the cohort after 6 months. The 2005 baseline figure for the same period was 0.73. Year end outturns are still being calculated for submission to the Youth Justice Board.</p>
<p>NI 21 - Dealing with local concerns about anti-social behaviour and crime issues by the local council and police</p>	25.40%	30.4% (2010-11)		3	3	n/a	n/a	<p>Progress against action plan maintained</p>
<p>NI 30 - Re-offending of prolific and priority offenders</p>		21% (79)	25 PPOs in custody at the end of September	3	3	n/a	n/a	
<p>NI 40 - Drug users in effective treatment</p>		541	530 (as at December)	2	2	n/a	n/a	<p>Harm Reduction Strategy complete with Hidden Harm Conference held in December. Mercia Net training commenced. Review of drug treatment services also completed in December.</p>
<p>NI 47 - People killed or seriously injured</p>	115 (3 year average)	116 (year-end) (3 year average of 114)	105	3	3	▼	▼	<p>Although higher than in 2008, performance in 2009 has resulted in a 3-year average of 110.33, better than the LAA target for the year. All tasks in Transportation have either been completed or are progressing as planned, towards achievement of the final LAA target, which is for a 6.5% improvement on the current 3-year average.</p>
HEALTH AND WELL-BEING								
<p><i>Local Indicator</i> NI 39 - Alcohol harm related hospital admission rates</p>	1,249	1,237	994.5 (as at December)	2	1	▼	▼	<p>Performance continues to be in excess of target. Projected outturn 1326.</p>

	Performance	Target	Latest Performance	Judgement		Direction of Travel		Commentary
	2008-09	2009-10		December	March	December	March	
NI 121 - Mortality rate from all circulatory diseases at ages under 75	63.8	57	Data not available until the end of 2010	2	2	n/a	n/a	An action plan has been developed and is being implemented. Outturn for 2009 is not available until late 2010. Performance in the previous years was 61.53 (2006), 58.14 (2007) and 65.59 (2008). In order to achieve the final LAA target, performance in 2010 needs to be 56. Projected performance for this indicator is that outturn will be around 50 by the end of the year.
NI 123 - Stopping smoking	355	814.8	414 (as at January)	1	1	▼	▲	An action plan has been developed and is being implemented. Performance should improve in the final quarter and be closer to target, with further activity planned for 2010 which should lead to achievement of the final LAA target.
NI 130 - Social Care clients receiving Self Directed Support (Direct Payments and Individual Budgets)		21%	5.18%	1	1	n/a	n/a	We have recognised we need to improve our current performance against this target, and now have a clear 'Personalisation programme' in place and Programme Manager, and are moving forward on several initiatives e.g. the council are currently upgrading the Resource Allocation System in line with other councils, to be completed Q4 2009/10. A project around external brokerage has been started supported by the Joint Improvement Partnership to increase the level of personal budgets - to report by Q4 2009/10 - the Department of Health have stated that the 30 per cent target (2011-12) is unlikely to be reached if we are not achieving more than 10 per cent by the end of 2009/10 - we believe we are on track to reach this - despite struggling to hit 10 per cent target by the end of the year.
NI 135 - Carers receiving needs assessment or review and a specific carer's service, or advice and information	13.30%	20.40%	22.43%	2	3	n/a	▲	There has been a significant improvement over the last year from 13.3% to 22.43% – it is expected that the end of LAA target will be met. This improvement has been due to a variety of Carers initiatives and conferences.
NI 136 - People supported to live independently through social services (all ages)	3,635	3,763	3,734.7	2	2	▼	▲	This is a Key indicator for the Council, but has not previously recorded, to date, all the activity going on, particularly with respect to the work commissioned from the 3rd sector for older people. We anticipate that Herefordshire performance will be comparable with other local authorities once the data is refined. We recognise this however as a priority target and we will be ensuring we have a clear understanding of our performance in this area, that we are capturing all relevant data and where necessary building on the improvement plans we have in place.
NI 142 - Number of vulnerable people who are supported to maintain independent living	90.5	97.41%	98.48	3	3	▲	▲	
CHILDREN AND YOUNG PEOPLE								
NI 51 - Effectiveness of child and adolescent mental health (CAMHS) services	15	16	15	3	1	n/a	◀▶	The CAMHS mapping exercise was completed by the end of February 2010. The conditions required to meet the requirements of this indicator have been reviewed and although performance is marginally below target, it is expected that the LAA target will be achieved within the next 6 months..
NI 56 - Obesity among primary school age children in Year 6	16.20%	15.70%	12.85%	4	4	n/a	▲	
NI 57 - Children and young people's participation in high-quality PE and sport	95%	95%	97%	3	3	n/a	n/a	Results are currently being validated by Sport England. All tasks are on target.

	Performance	Target	Latest Performance	Judgement		Direction of Travel		Commentary
	2008-09	2009-10		December	March	December	March	
Local Indicator NI 110 - Young People's participation in positive activities	86.20%	91.00%	79.60%	3	1	n/a	▼	Results released for the Tellus survey show good performance although below the target set as part of the LAA negotiations. The 2008/2009 outturn was considerably higher than other authorities and provided an unrealistic baseline. An audit of positive activities provided in the county was carried out, as part of a national exercise, over a week in early February. The results of the audit have been analysed and will be used to plan provision for the coming year.
NI 117 - 16-18 years old who are not in education, training or employment (NEET)	5.90%	5%	5.80%	1	1	▲	▲	Additional NEET provision has been made available via the Children's Trust Economic Well-Being Group. This is as well as the current E2E and 4U provision. The economic situation continues to affect the number of jobs and work-based learning places that are available so the NEET percentage is not as low as target, although lower than last year.
ECONOMIC DEVELOPMENT								
NI 152 - Working age people on out of work benefits	8.80%	2.9% better than the All England average	10.2% (to September)	1	1	▼	▼	Progress against actions: ESF funded project 'Engage' focused at getting long term unemployed from priority wards into employment - now operational. Future Jobs Fund money now secured and recruitment of the Employment Placement Officer is underway. The project will run from Oct 09 until March 2010. This project is also aimed at getting worklessness young individuals back into work. Successfully secured ABG funding to encourage individuals to access support and advice. Connections to Opportunities funding is now secured. This will enable a further project aimed at lone parents and those on incapacity benefits- to be progressed. £50K Connecting Communities funding has also been secured which will enable further tailored provision in the Newton Farm and Golden Post areas of South Wye. Follow-n Future Jobs Funding could be applied for if the initial project is successful. This would run to 2011 and permit more beneficiaries.
NI 163 - Working age population qualified to at least level 2 or higher		74.8% (2009)		3	3	n/a	n/a	All action plan activity is taking place and on target.
NI 168 - Principal roads where maintenance should be considered	4%	5%	5%	3	3	▼	▼	Action plan being delivered to programme to impact on next year's target.
NI 169 - Non-principal roads where maintenance should be considered	11%	9%	9%	3	3	▲	▲	Action plan being delivered to programme to impact on next year's target.

	Performance	Target	Latest Performance	Judgement		Direction of Travel		Commentary
	2008-09	2009-10		December	March	December	March	
NI 171 - New business registration rate	59.2	41.8 (2009)	49.7 (2008)	4	4	▼	▼	<p>2009 data not available until December 2010.</p> <p>All activity is taking place as planned- Summary of activity:</p> <ul style="list-style-type: none"> - Creation of business start up grants and business growth grants. - Business Booster Grant now operational, approved 9 grants. - Training Voucher all available funding has been committed. <p>Retail Support in Rural areas and Market Towns</p> <ul style="list-style-type: none"> - Skillsmart providing retail analysis of Market Towns (AWM Funded), is an ongoing programme of events. <p>Conversion of existing businesses to VAT and PAYE registration.</p> <ul style="list-style-type: none"> - Holding VAT registration roadshows with HMRC, have held four this calendar year and a future four between January and March, targeted at those businesses not VAT registered who could make the change. - Funding secured for roadshows, first round of these has been held, a small scale review of these will occur before the next round of four roadshows. These will publicise benefits of VAT and PAYE registration.
NI 178 - Bus services running on time	80%	71%	86%	3	4	n/a	▲	
ENVIRONMENT								
NI 186 - CO2 reduction in the LA area	9.4 tons (2005)	13.1% (2010)		3	3	n/a	n/a	The action plan to achieve this target is being delivered to programme.
NI 191 - Residual household waste per household	690.01kg	720kg (LAA: 759kg) (year-end)	645.46 kg	3	4	▲	▲	
NI 197 - Improved local biodiversity - active management of local sites	36% (33 sites)	38.30%	43.20%	3	4	n/a	▲	Of the 858 sites within Herefordshire, 371 are under positive conservation management.

MEETING:	CABINET
DATE:	17 JUNE 2010
TITLE OF REPORT:	FINAL REVENUE AND CAPITAL OUTTURN 2009/10
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide.

Purpose

The purpose of this report is for Cabinet to consider and approve:

- a. The final outturn position for 2009/10.
- b. The creation of new reserves in the 2009/10 accounts.

Key Decision

This is not a Key Decision.

Recommendation(s)

That Cabinet approves:

- a) **The final outturn for 2009/10;**
- b) **The movements to new reserves outlined in the report;**
 - **Insurance Reserve**
 - **Pool Car Reserve**
 - **Local Development Framework**
 - **Area Based Grant**
- c) **The allocation of £1.5m from the capital programme for the maintenance and refurbishment of Hereford leisure pool; and**
- d) **The allocation of £0.25m for disabled facilities grants.**

Further information on the subject of this report is available from
Anne Phillips, Head of financial Services, on (01432) 383173

Key Points Summary

- The Council delivered a balanced budget for 2009/10. The overall position includes the use of reserves and other central budgets.
- The capital outturn for 2009/10 totalled £69.7m.
- The Treasury Management update confirms a surplus of £644k largely due to savings in the cost of borrowing, due to slippage on the capital programme.
- Savings of £700k arising from Herefordshire Connects were delivered.

Alternative Options

- 1 There are no alternative options.

Reasons for Recommendations

- 2 Whilst work continues on the range of tasks necessary to prepare the council's statutory Statement of Accounts for 2009/10, it is sufficiently advanced for Cabinet to consider the final outturn for the revenue account.
- 3 On 29 June 2010 the full Statement of Accounts for 2009/10 will be presented to the Audit and Governance Committee for formal approval. This will ensure that the council meets the statutory deadline for the approval of accounts in advance of the external audit.

Introduction and Background

- 4 The Council's revenue and capital position is reported to Cabinet quarterly throughout the year. The information provides an indication of the Council's performance against budgets and allows Cabinet to recommend remedial action and monitor recovery plans.
- 5 CIPFA best practice recommends Members are informed of Treasury Management activities on a regular basis. Cabinet receive an update every quarter.
- 6 It is confirmed that the Connects programme delivered to their £700k target, thus contributing to the delivery of an overall balanced budget.

Key Considerations

- 7 Appendix A includes the budget outturn position for 2009/10.
- 8 The capital programme budget monitoring is provided at Appendix B. The capital outturn for 2009/10 totalled £69.7m.
- 9 A Treasury Management update is included at Appendix C, confirming a surplus of £644k from savings in the cost of borrowing, due to slippage on the capital programme.
- 10 Savings of £700k arising from Herefordshire Connects were delivered and a detailed report is included at Appendix D.

Capital Programme

- 11 When the Medium Term Financial Strategy was published £2.7m available prudential borrowing was unallocated. Since then £1m has been allocated to highways to assist repairs following damage to roads caused by severe winter weather. A further £0.25m is allocated to disabled facilities grants.
- 12 The unallocated £1.5m of prudential borrowing will contribute towards refurbishment of Hereford Leisure Pool. Necessary routine maintenance work will be undertaken alongside a building extension to remedy a number of building non compliances such as Health and Safety and Disability Discrimination Act 1995. It will deliver lower CO2 output, remove DDA non compliances and replace outdated plant extending the life of facility for up to 15 years.
- 13 Following a review of the existing capital programme the scheme for Ross Library will proceed but it will be less extensive and a further assessment of the Ledbury Master's House project will also be carried out reflecting the need to carefully manage existing resources as the council moves into a more challenging environment.

Financial Implications

- 14 These are contained in the report.

Legal Implications

- 15 None.

Risk Management

- 16 The Council is required to ensure the closure of accounts by 30th June 2010. Failure to do so carries a reputational risk for the council in relation to its corporate governance role.

Consultees

- 17 The relevant officers have been consulted. No external consultation was considered necessary. This report will be presented at Overview and Scrutiny Committee. Individual Directorate reports are also presented to other Scrutiny Committees.

Appendices

- 18 Appendix A - Budget Outturn Position 2009/10
Appendix B - Capital Programme
Appendix C - Treasury Management Update
Appendix D - Herefordshire Connects

Background Papers

- None identified.

2009/10 REVENUE BUDGET MONITORING
Summary

1. The following table summarises the 2009/10 projected outturn as at the 31st March 2010.

Area	2009/10 Budget £000	Projected net over or under (-) spend £000
Integrated Commissioning	45,243	2,731
Children & Young People	41,695	137
Deputy Chief Executive	4,299	-89
Environment and Culture	40,343	242
Regeneration	16,554	-65
Central Services	5,482	0
Resources	991	-360
Directorate Position	154,607	2,596
Borrowing	16,236	-644
Investments	-249	-5
Revenue contributions to Capital	548	0
LABGI	0	-87
Pay Award Savings	553	-553
Social Care Contingency	0	-772
Winter Maintenance Reserve	0	-500
WMS Profit Share	-615	-35
Area Based Grant and other grants	-10,535	0
Recharges, FRS17 and other year end adjustments	-21,251	0
Transfer from Earmarked Reserves to meet agreed purposes	-1,576	0
Total Budget	<u>137,718</u>	<u>0</u>

2. The Council delivered a balanced budget for 2009/10. The overall position includes the use of reserves and other central budgets.

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

3. The underspend on the council's borrowing, exceeded expectation at £644k, due to slippage on the 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.
4. The agreed 1% pay award was less than the 2% budgeted and resulted in a saving of £553k, which was held centrally to support the overall position.
5. Savings of £700k arising from Hereford Connects were delivered (these are discussed further at Appendix D).
6. The overall figures reflect the requirement to allocate internal recharges to comply with CIPFA's Best Value Accounting Code of Practice (BVACOP). This makes the accounts comparable across all local authorities by ensuring services report their full costs, including overheads.

Revenue Reserves Position

General Reserves

7. The general reserve balance as at 1st April 2009 was £6.4 million. £1m was allocated to balance service budgets in 2009/10, as part of the budget setting process, reducing the closing balance as at 31st March 2010 to £5.4m. This has been fully replenished in 2010/11 via the FRM.

Earmarked Reserves

8. At 1st April 2009 the council held £16.064 million of earmarked reserves. This includes ring-fenced school balances reserves of £5.476m. This has been reduced to £14.236 million as at 31st March 2010, with Services instigating movements both to and from their specific reserves.
9. As highlighted in the table below, a number of earmarked reserves have been utilised for the purposes for which they were specified:
 - Winter maintenance £500k
 - Social care contingency £772k
10. Additional reserves have been established as part of the year end process including:
 - Insurance Reserve £544k
In previous years a provision has been created for outstanding insurance claims. To comply with Audit recommendations this has now been amended, keeping a provision based on the level of current year claims and a reserve which represents the potential of both current and future year's claims, the latter subject to a less defined estimate.
 - Pool Car Reserve £10k
This reserve was created from the surplus generated from running the fleet of pool cars. It enables a replacement programme to commence, funding new vehicles in future years and sustaining pool car availability.
 - Local Development Framework £270k
The underspend on the Housing Planning Delivery Grant will be allocated towards the costs to deliver the Local Development Plan "Shaping our Place 2026", and has been approved by the funding body.
 - Area Based Grant £53k

A small amount of the ABG grant identified for the Children's Trust was unspent. Approval was given to utilise the funding in 2010/11, thus the money has been ringfenced for this purpose

The following table summarises the earmarked reserves held:

Earmarked Reserves	1st April	31st March
	£'000	£'000
Commuted sums	78	78
Schools balance in hand	5,476	5,497
Industrial Estates – maintenance	333	372
Support Services & Equipment renewals	80	0
Schools Balance of Risk	85	173
Winter maintenance	500	0
Planning	24	24
College Hill Community Centre	180	180
Waste Disposal	2,774	2,774
LSC	32	0
Wye Valley ANOB (AONB)	104	94
Invest to Save/Initiatives fund	1,079	1,331
Contingent liabilities	300	300
Social care contingency	926	154
Modernisation plans	454	0
Edgar Street Grid	150	691
Whitecross School PFI	202	281
LPSA 2 reward grant	1,482	224
Carbon Reserve	30	20
Schools Redundancies	294	10
Service Delivery Review	112	0
Schools Rates Reserve	869	869
Economic Development	346	266
Herefordshire Safeguarding Children Board	21	21
Accommodation	133	0
Insurance Reserve	0	544
Pool Car Reserve	0	10
Local Development Framework	0	270
Area Based Grant	0	53
Total	<u>16,064</u>	<u>14,236</u>

11. 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 31st March 2010

£'000	Annual Budget	(Under) / Over spend
Learning Disabilities	11,798	1,415
Mental Health	7,259	178
Older People	14,602	1,146
Physical Disabilities / Sensory Impairment	3,925	478
Section 75 Arrangements	966	137
Adults	4,647	60
Commissioning Directorate	1,674	-83
Other Services	372	-600
Total	45,243	2,731

Overview

12. 2009/10 is the first full year of the implementation of Personal Budgets and Clients have been encouraged to take Personal Budgets where appropriate. There has been some corresponding reduction in the number of residential care packages and direct payments - 19 clients have transferred from residential care and 13 from direct payments. There have also been 53 new clients entering the system. The average cost of a Personal Budget package is approximately £320 per week giving a yearly spend of £849k full year for new clients where no budget provision exists.
13. Residential care is the most expensive category of care but in general terms the numbers are falling due to the move to Personal Budgets, apart from Older People which was at a relatively consistent level.
14. Learning Disabilities over spend of £1,415k.
15. The in year recovery plan delivered a saving of £10k. There was a contribution from Supporting People of £43k for use on housing related support.
16. The full year over spend relate to increased costs in:
 - The use of expensive packages for nursing and residential care, resulting in a total overspend of £1,016k. More complex needs have meant that the costs of packages have increased and although the numbers have decreased, this will cause pressure in 2010/11.
 - An increase in the number of new clients choosing to take personal budgets caused over spends of £648k.
 - 2009/10 budgets assumed numbers of clients would be at previous year's level. There have been three new clients with residential care packages, 23 new personal budgets approved and four new clients in supported accommodation.
 - The number of domiciliary care packages has increased with a £459k over spend.
17. The over spends are offset by under spends on staffing of £106k and Day Care £117k where there have been staff vacancies this year. These vacancies are expected to be filled next year.

18. A new pressure has emerged recently with the change in criteria for Independent Living Funding (ILF) funding. This will reduce future numbers eligible for funding.
19. **Mental Health. Over spend £178k.**
20. The over spend for nursing and residential care was £227k, and the main pressure is from dementia clients. The policy to put clients into residential care only where they have significant needs is in line with the move to supporting the more people with at home packages.
21. Reviews are taking place to ensure that current packages of care are appropriate according to assessed need. The government's "Putting People First" programme seeks to support for people within their own home as much as possible.
22. **Older People. Total over spend £1,146k.**
23. Supporting People money was approved for extra care facilities to the value of £155k. A further £94k was also attributed to aid Supported Living and for the home check facilities.
24. A £221k over spend relates to increased costs in residential and nursing care where there are more expensive and complex packages put into place. The number of nursing and residential care packages has increased since the start of the year from 260 to a high of 278, but at year end this fell to 252.
25. Domiciliary care over spent by £1,023k, due to a rise in the number of hours and packages.
26. The numbers of personal budgets approved rose by 26 (24 of which are new clients). This caused an over spend of £232k.
27. The Older People position is offset by vacancy under spends (£28k), Hereford Homecare (£114k), Promoting Independence (£60k), the Starrs team (£87k) and Roving Nights (£6k).
28. **Physical Disabilities The full year over spend of £478k.**
29. This is due to personal budgets £562k and domiciliary care increases of £108k, offset by the reduction in residential and nursing costs of £54k.
30. The number of personal budgets has risen from 2 at the start of the year to 40 in February. 24 of these are new clients and 13 have been transferred from direct payments. Residential and nursing packages have reduced from 28 to 24 year to date.

Recovery Plan

31. Recovery measures to the value of £1,088k were achieved and this is a continuing process.

2010/11

32. The consequences of the 2009/10 overspend is likely to affect the starting financial position for 2010/11.

CHILDREN AND YOUNG PEOPLE'S SERVICES DIRECTORATE (CYPD)

Directorate Summary as at 31st March 2010

£'000	Total Budget 2009/10	Actual Net over / Underspend ()
Improvement & Inclusion	5,383	-73
Safeguarding and Assessment	13,003	889
Planning, Performance & Development	16,540	-806
Community Operations	154	20
Central Directorate, grants, savings to be agreed	6,615	107
Total	41,695	137

33. The final outturn for 2009/10 shows a net over spend of £137k, the improvement is as a result of actions taken to maximise use of grants and capital.
34. As previously reported the key area of concern within Children's Services is the increasing demands for Safeguarding and looked after children, which is consistent with national trends. The costs of agency fostering and residential placements comprised £681k of the total Safeguarding overspend, with the other major overspend relating to the associated court costs at £153k. This is of particular concern as the Safeguarding spend represents over 50% of the total local authority spend on Children's Services. Costs for placements increased by £72k from the last projection due to some emergency placements in March.
35. Numbers of children in agency and residential placements have shown an increasing trend over the past three years, with a peak of 47 in May 2009, although numbers have remained stable since January 2010 at 42.
36. Previous reports flagged the impact of a court ruling (Homeless 16/17 year olds re: RG v Southwark LB) which resulted in a requirement for Children's services to provide accommodation for homeless 16/17 year olds. The cost of £95k was covered by the Supporting People fund. This is an ongoing requirement and additional funding will be sought in 2010/11.
37. As reported above court costs for referrals and other court matters were overspent by £153k, but will continue to be an ongoing service pressure due to the close link to referral numbers.
38. Overspends in Safeguarding and central costs were offset by savings elsewhere. The most significant savings were in Planning Performance & Development (PP&D) where expenditure was £806k below budget. The principle area of underspend was within schools transport £761k. This was through a variety of factors including one off adjustments for snow closures (approx £116k), additional income (£117k), utilisation of grants (£100k) and route savings.
39. Additional savings were achieved within PP&D through staff vacancies and the maximisation of various grants including Contact Point, Workforce Development and Think Family to offset expenditure.
40. Improvement and Inclusion delivered savings of £73k. Savings were achieved through a combination of managing vacancies and utilisation of grants. Key savings areas were School Improvement (£115k), Youth Services (£61k), Youth Offending (£21k), SEN (£21k), Education Psychology (£26k).

41. In addition the joint agency managed budget achieved savings of £34k, although this was significantly less than the previous year's under-spend. This reflects the increasing demands within the Safeguarding area. This is a high cost area and one placement can cost in excess of £200k per annum.

Dedicated Schools Grant (DSG)

42. The Department for Children, Schools and Families (DCSF) confirmed DSG at £84.526 million for 2009/10 School balances of £5,497k have been carried forward to the new financial year – this is an increase of £21k from the previous year. Primary school balances are £2,882k (a net reduction of £54k), high school balances are £1,853k (a net reduction of £139k), special school balances are £179k (a net increase of £115k). Pupil Referral Units and Extended schools account for the remaining increase of £99k.
43. At the end of 2009/10 six schools were in deficit Dillwyn, Broadlands, St Weonards, Weobley, Aylestone and Brookfield, the total deficit was £233k compared previously with 6 schools and a total deficit of £262k at the end of 2008/09. Recovery plans will be agreed with those schools newly entering a deficit position.
44. As required by DSG grant regulations, a DSG under spend of £727k has been carried forward to 2010/11.
45. Additionally, £70k was carried forward for Governor Services and a deficit of £160k for the Music Services was carried forward. The Music Service is currently working to a deficit recovery plan to recover the deficit.

DEPUTY CHIEF EXECUTIVE DIRECTORATE

Directorate Summary as at 31st March 2010

£'000	Total Budget 2009/10	Net projected over or (-) under spend
Herefordshire Connects	-48	0
Herefordshire Partnership	430	18
Communications	23	-23
Director and Administration	-324	329
Legal and Democratic	2,559	261
Customer Services	782	-123
Policy & Performance	19	29
ICT Services	590	-619
Corporate Programmes	47	-34
Human Resources	221	-222
Shared Services	0	295
Total	4,299	-89

46. The directorate underspend by £89k but some significant pressures were also evident. Legal and Democratic Services faced significant budget pressures. These included:
- a. A shortfall in staffing budget within Members Services which has been resolved as part of the budget setting process for 2010-11
 - b. A judicial review of a previously held inquest has been ordered, which is likely to result in a £90k additional costs.
 - c. A shortfall in income for land charges of £75k. This is due to external economic conditions affecting the housing market and competition from the private sector.
47. The withdrawal of funding from Learning Skills Council and West Mercia Police has caused overspends in both Herefordshire Partnership and Policy & Performance. Both services are currently identifying external funding to ensure the services are able to deliver activities in 2010/11.
48. Shared Services costs have been met by the savings within the Directorate. There will be a payback against this outlay when the project is implemented in late 2010.

ENVIRONMENT & CULTURE DIRECTORATE

Directorate Summary as at 31st March 2010

£,000	Total Budget 2009/10	Net over or (-) under spend
Highways	12,353	744
Environmental Health and Trading Standards	2,134	151
Waste Management	13,261	-982
Culture & Leisure	10,884	-254
Directorate Management & Support	875	182
Emergency Planning	233	60
Community Safety	850	2
Managing Agent Contract (MAC) Client Team	128	-36
MAC Services	-375	375
Total	40,343	242

49. The overall outturn position for Environment & Culture is a net overspend of £242k.
50. 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. The amount includes an element of central services reductions.

Highways

51. As previously reported, following the severe winter weather in early 2010, there was an overspend of £975k on the Winter Maintenance budget. This is slightly better than previously predicted following lower than forecast number of gritting runs in February and March. The Winter Maintenance Reserve of £500k helped to meet costs incurred due to such conditions. This was replaced as part of the 2010/11 budget.
52. A saving of £85k through staff vacancy management was achieved in Highways mainly due to the recruitment freeze pending the service delivery review.
53. Within the overall Highways revenue budget of approximately £12m, there was a limited underspend on budgets which are managed on the Council's behalf by Amey Herefordshire of £70k on roads maintenance and £77k on Street Lighting. This reflects the redirection of resources to manage the extreme winter condition in January and the subsequent emergency repair works.

Environmental Health & Trading Standards

54. Environmental Health and Trading Standards' outturn for 2009/10 was a net overspend of £151k.
55. Markets and Fairs over spent by £92k, largely due to a shortfall in income on the Hereford

Butter Market. The market lost a major trader last year.

56. Whilst income from the Crematorium & Cemeteries outperform the income budget by £90k, additional energy and building maintenance costs were incurred resulting in a net underspend of £14k.
57. Parking budgets outturn exceeded budget by £60k, although income targets for the year from Car Parking additional costs in relation to rent and rates had to be met.

Waste Management

58. The final outturn on the joint Waste Disposal PFI contract for 09/10 was an underspend of £850k.
59. A provision has been made in 2009/10 accounts to reflect the risk that if waste growth/reduction between Herefordshire and Worcestershire vary by more than 1% to the detriment of Herefordshire then an increase of £330k would be incurred by Herefordshire. The current tonnage figure indicates a 0.8% move of overall tonnages in Worcestershire's favour. The final reconciliation for 2009/10 will be done when the actual figure will be known.
60. The new Waste Collection contract extends recycling services to all residents in the County. Previously only 75% of residents had a recycling collection from their home. The Household Waste Recycling Act requires all waste collection authorities to provide a comprehensive kerbside recycling service by the end of December 2010. The range of recyclables to be collected has also been extended. The aim is for us to achieve our National Indicator target of 40% by the end of 2010. Recycling outturn for 2009/10 year was 33.92% and our current standing is 35.40%.
61. There was an underspend on the Waste Collection contract of £125k and income from Trade Waste exceeded income target by £115k, this helped mitigate additional costs incurred in relation to the marketing and publicity costs incurred in relation to the introduction of the new contract in 2009/10.

Culture & Leisure

62. Culture & Leisure expenditure was expected to overspend by £25k in 2009/10, but due to the underspend on Parks Countryside and Public Rights of Way and also Halo budgets the final outcome was £254k underspend
63. The outturn for Parks and Countryside is an underspend of £179k
64. There is a an underspend of £60k on Public Rights of Way, due to the recruitment freeze leading up to the service delivery review and subsequent vacancy management.
65. The Libraries budget was overspent by £96k relating to employee costs and the building running costs. It should be noted that Library visitors have fallen by 4% for the year 2009/2010 compared with the previous year 2008/2009.

Managing Agent Contract Services

66. Savings achievable following the Service Delivery Review reflect on the transfer date of 1st September 2009 and are pro rata against the guaranteed annual savings of £1m. Whilst the annual operational saving target of £900k was not expected to be achieved in 2009/10 due to delays in contract negotiations, staff savings of £120k were achieved through vacancy management prior the staff transfer. The £100k savings in overheads that make up the balance of the £1m have been achieved.

REGENERATION DIRECTORATE

Directorate Outturn Summary as at 31st March 2010

	Total Budget for 2009/10 £000	Net over or (-) underspend £000
Tourism	792	79
Planning & Transportation	7,425	-27
Econ. & Com. Regeneration	2,574	18
Strategic Housing	4,797	-52
Management & Admin	966	-83
Total	16,554	-65

67. Following the successful delivery of a recovery plan that addressed a projected overspend the overall outturn position for Regeneration is an under spend of £65k.

Tourism

68. The outturn for Tourism was an over spend of £79k. This was due to a number of factors including staffing costs. Added to this sales income levels from Tourist Information Centres were lower than anticipated in the final quarter of the year.

Planning and Transportation

69. The overall outturn position spend for Planning and Transportation was an under spend of £27k.
70. The number of valid planning applications received for the Year to 31st March 2010 was 2,789 compared to 2,625 for the year to 31st March 2009. This represents an increase of approximately 6%. Despite this improvement in numbers of applications, planning fees, income fell short of meeting its budgeted target by £129k.
71. The new Civica system was implemented during the financial year. However the need for existing document scanning continued throughout the year and resulted in an overspend of £65k for the year. A further overspend of £61k was incurred for document storage and retrieval costs.
72. Within Transportation the current downturn in concessionary fare passengers continued throughout the last financial year and resulted in an under spend of £155k for the year.
73. Several bus contracts were renegotiated during the year and a net saving of £29k was achieved on the Transport route subsidies budget. Further renegotiations and potential savings are expected in the next financial year.
74. Staff vacancies in Transportation amounted to £32k and surplus income of £33k on section 38 fees were also achieved.

Economic and Community Development

75. Economic Development overspent by £18k due to extra costs identified in respect of Model Farm Enterprise Park in Ross on Wye.
76. An amount of £96k received from the Area Based Grant (ABG) was used to address the economic downturn. Within Economic Development this funding was used to support a number of initiatives.
77. The Business Booster grant, was aimed at supporting the growth or diversification of established local businesses by enabling the businesses to carry out a range of initiatives including research and development, marketing, product development, diversification, construction etc. This scheme has helped 11 businesses by awarding grant of £35k in support of a range of initiatives. It was anticipated that 17 jobs would be created.
78. The training voucher scheme provided financial support for businesses to send employees on training that will make a difference to the viability or diversification of the business. This scheme successfully helped 16 businesses by awarding a total grant of £10k in support of a range of training activity. It was anticipated 72 people would benefit, either directly or indirectly, from the training. A Business Portal is also being developed to enable local companies to be aware of public service contracts.
79. The Economic Development Team administers a Rural Enterprise Grant scheme for the whole of the region on behalf of Advantage West Midlands (AWM). To date 944 enquiries have been received and grants totalling £367k have been awarded to Herefordshire businesses. AWM also provide funding to the council to cover costs incurred in administering of the scheme.
80. 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 was awarded and to date 17 enquiries, 7 applications and 5 approved projects to the value of £431k have been made.

Strategic Housing

81. The outturn result for Strategic Housing was an under spend of £52k
82. Homelessness is under spent by £32k at financial year end. This is due to under spends on the Prevention Fund and Homelessness Temporary Accommodation (which includes bed and breakfast). The average use of B&B per month has been 8.5 in 2009/10 compared with 22.75 in 2008/09.
83. Private Sector Housing underspent by £41k, mainly due to the receipt of extra grant income from Supporting People. In 2009/10 the team were involved in the processing of over 2,000 grants for energy efficiency, care alarms, repairs on prescription, minor rapid-response, Kickstart and handyman materials.
84. Homepoint is showing a balanced budget. During the year the team advertised 1,214 properties, processed nearly 55,000 telephone calls, dealt with 21,531 visitors to the front office and administered 17,679 bids (for properties) received from clients

Management & Admin

85. Directorate Management made savings of £83k due in the main to vacant posts and the secondment of an officer to Housing that was not backfilled.

CORPORATE BUDGETS

Summary as at 31st March 2010

£'000	Total Budget 2009/10	Net over or (-) underspend
Central Services	5,482	0

87. These areas include the budget and spend for the Audit Commission, bank charges, insurance, corporate subscriptions and levies. No issues were identified at year end.
88. The Council's share of the organisational development costs is included in Central Services. The PCT contributed to the cost. This budget funded leadership training which both organisations' senior teams participated in.
89. A significant part of this budget is for the accounting entries made to service budgets as part of the FRS17 year end adjustments, which has no real impact on the financial bottom line.

RESOURCES DIRECTORATE

Directorate Summary as at 31st March 2010

	Total Budget 2009/10 £'000	Net over or (-) underspend £000
Asset Management & Property Services	-23	-19
Financial Services	-115	115
Audit Services	-34	34
Benefits and Exchequer Services	1,167	-494
Central	-4	4
Total	991	-360

Asset Management & Property Services

90. Net expenditure was in line with previous reports. Key savings were generated from administrative buildings and income that offset overspends on property maintenance.
91. The purchase of the Plough Lane offices led to an overall part year rental saving of £146k.
92. Better than anticipated property rental income accounted for an excess of income over budget of £136k. Pressure on corporate pooled property maintenance costs led to an overspend of £331k.

Audit

93. Additional audit costs and one off agency costs created an over spend on Audit budgets.

Benefit and Exchequer

94. The underspend on Benefits and Exchequer relates to benefits subsidy and administrative savings.
95. Benefits subsidy was higher than expected due to the level of authority error being within Department for Works & Pensions (DWP) threshold limits, the successful recovery of overpayments and the increased level of benefit claims. This area is difficult to estimate and a prudent approach meant this surplus was not predicted in year.
96. Administrative savings arose from lower than estimated IT costs releasing £45k and staff vacancies saving £38k.

Financial Services

97. Key areas of overspend in Financial Services were due to the use of interim staff in Procurement prior to the recent appointment of a Procurement Manager. An upgrade to software also produced financial pressure.

Capital Outturn Summary

- The capital outturn for 2009/10 totalled £69.7m, a summary of directorate spend and funding thereof is provided in Table A below. The original forecast spends totalled £67.6m. Various changes to the capital forecast have been identified and reported to Cabinet through the year. The main change from the original forecast to the outturn represents the accelerating of children's services capital schemes funded by DCSF capital grants. No conditional funding resources have been lost.

Table A – Funding of 2009/10 Capital

£'000	2009/10 Outturn	SCE(R)	Prudential Borrowing	Grant	Revenue Contribution	Capital Receipts Reserves
Children's Services	31,952	2,372	150	29,387	-	43
Resources	5,824	-	2,852	177	146	2,649
Deputy Chief Executive	3,129	-	3,085	43	1	-
Adult Social Care	3,167	-	64	2,895	-	207
Regeneration	7,580	-	2,299	3,266	-	2,015
Environment & Culture	18,055	11,195	1,919	4,797	145	-
Total Outturn	69,707	13,567	10,369	40,565	292	4,914
<i>Original Forecast</i>	<i>67,577</i>	<i>13,567</i>	<i>16,588</i>	<i>34,154</i>	<i>-</i>	<i>3,268</i>

- Details of total capital scheme costs, funding, outturn position and any potential issues for capital schemes with an outturn for 2009/10 exceeding £500k are provided in Table B below.
- This report has been presented to the Capital Strategy Working Group, whose remit is to focus and investigate any exceptional deviations from the scheme. In 2010/11 all budget virements now require full documentation and sign off, these virements will be reported to Cabinet.

Prudential Borrowing Outturn

- A summary of the Prudential Borrowing position is set out below.

	£'000	£'000
2009-10/Original Prudential Borrowing Forecast		16,588
Add: Slippage from 2008/09	5,127	
New funding allocations	3,136	
		8,263
Less: Slippage into future years	(13,281)	
No longer required	(1,202)	
		(14,483)
Use of Prudential Borrowing in 2009/10		10,368

Included in the £13.3m slippage into future years is £4.2m for corporate accommodation, £2.8m for the Herefordshire Connects programme and £2.5m for Masters House, Ledbury.

Capital Receipts Reserve

5. The capital receipts reserve totalled £13.3m as at 31st March 2010. Commitments over the next three years include funding Rotherwas Futures, strategic housing, smallholding improvements and the provision of a cattle market.

Table B - Schemes with an outturn exceeding £500k in 2009/10

	Scheme Cost £'000	Funded by	2009-10 Outturn £,000	Comments
Children's Services				
Riverside Amalgamation	10,035	Grant, PB & receipts	2,485	Scheme substantially complete - original contractor in liquidation, use primary grant funding until anticipated receipts from sale of mobiles and part of site realised
Devolved Capital Programme	n/a	DCSF Grant	5,342	Devolved allocation of capital funding to schools
Condition property works	n/a	SCE®	1,428	Annual programme of works at various sites committed on a highest need first basis, budget for 2010-11 reduced
Minster Replacement School	20,642	DCSF Grant	11,674	Work in progress scheme on schedule both time and budget
Hereford Academy	24,414	DCSF Grant & PB	5,788	Work in progress scheme on schedule both time and budget
Children's Centres	n/a	Grant	1,044	Various schemes to complete in 2010/11
Childcare / QuAc	n/a	Grant	955	Various schemes to complete in 2010/11
Playbuilder	1,120	Grant	513	11 schemes complete, 11 to complete in 2010/11
Adult social care				
Purchase of learning disabilities properties	2,600	Grant & capital receipts	2,600	Three properties purchased
Deputy Chief Executive				
Herefordshire Connects	6,657	PB grant & receipts	2,492	Contract with Agresso recently signed, anticipated go live April 2011
Environment & Culture				
Ross on Wye Flood Alleviation	11,410	Grant	2,320	Scheme complete, a dispute resolution through adjudication process is proceeding
Rotherwas Access Road	13,352	Grant, receipts, LTP & PB	686	Road complete and in use, final compensation settlements outstanding
Road & Footway Maintenance	n/a	LTP allocation	10,506	Annual programme of Amey works

Waste Infrastructure	754	Grant	754	Scheme complete
	Scheme Cost £'000	Funded by	2009/10 Outturn £'000	Comments
Regeneration				
Rotherwas Futures Estate Development Work	4,358	Grant & capital receipts	2,322	Continued investment will be made in advance of receipt of anticipated capital receipts
Mandatory Disabled Facilities Grant	n/a	Grant, PB & capital receipts	840	This budget continues to be under huge demand, schemes are referred and committed before expenditure is recorded
Affordable Housing Grants	n/a	Capital receipts	1,024	Annual allocation of grants to various schemes
Redundant buildings	5,000	Grant	874	Various grant funded schemes
Private Sector Housing	n/a	Grant	650	Schemes will be reduced to be replaced by available Kickstart loans
Resources				
Corporate accommodation	17,112	Capital receipts & PB	4,301	Key property purchase completed in 2009-10
Total			58,598	
Schemes with an outturn 2009/10 of less than £500,000			11,180	
Total			69,778	

Treasury Management Update Quarter to 31st March 2010

Appendix C

Treasury Management Update

This quarterly report ensures the council is embracing best practice in accordance with CIPFA's recommendations, by informing members of Treasury Management activity in the quarter to March 2010.

1. The Economy

1.1. Recent economic statistics show:

- The Bank Base Rate remaining unchanged at 0.50%.
- CPI inflation being relatively high: increasing from 2.9% in December to rising 3.4% in March (VAT, gas prices and petrol prices). Despite the rise in prices, market expectations are still for the rate of inflation to fall again in the coming months to below 2% as high unemployment and weak economic growth dampen price rises.
- GDP increasing for the second quarter in succession although by only 0.2%
- House prices increased by 1.9% in January, fell by 1.6% in February and increased by 1.1% in March. The Halifax expects house prices for the remainder of 2010 to remain fairly flat.
- The number of unemployed people increased by 53,000 over the quarter to March, reaching 2.51 million, the highest figure since the quarter to December 1994.

1.2 Although some statistics have shown that the UK economy has started expanding, a slow recovery is expected. Quantitative easing has been paused and will ultimately be phased out but not until there is a sustained return to growth.

2. The Council's Investments

2.1 As at 31st March 2010 the council held the following investments:

	Rate of interest	Amount Invested
Investment - £m		
Instant access accounts:		
National Westminster	1.10%	5.00
Abbey (now Santander)	0.80%	2.92
Fixed term deposit for one year to 27 th January 2011:		
Bank of Scotland	1.82%	5.00
Total	1.31%	12.92

2.2 Apart from the term deposit with the Bank of Scotland, in the quarter to 31st March 2010 the council retained instant access to all its invested funds. This was a response both to the continued uncertainty in the financial markets and to the council's liquidity requirements as balances fell towards the year end.

Treasury Management Update Quarter to 31st March 2010

2.2 There was no change in the council's investment policy during the quarter which continued to restrict the council's list of eligible counterparties to the following institutions:

- Banks and building societies with access to the UK government's Credit Guarantee Scheme;
- AAA-rated Stable Net Asset Value Money Market Funds;
- Other Local Authorities; and
- The Debt Management Office.

2.4 The average interest rate achieved on the council's investments during the year ended 31st March 2010 was 0.737%, which compares favourably with the generally accepted benchmark of the average 7-Day London Inter-Bank Bid (LIBID) rate of 0.39%.

2.5 The year end position was as follows:

	<u>£</u>	<u>£</u>
Treasury management interest received	269,980	
Other interest received (mainly on car loans)	5,997	
Total interest received for year		275,977
Less interest paid out (on various trust funds etc held)		(21,700)
Net interest received for year		254,277

2.6 The budget for the year for net interest received was £249,070; the actual interest received exceeded the budget by £5,207.

3. Council Borrowing

3.1 Due to the falling level of council funds, and due to short-term Public Works Loan Board (PWLB) interest rates falling to their lowest level in the year to date, on 3rd March the council borrowed £10 million from the PWLB in the form of a 10 year Equal Instalment of Principal (EIP) loan at 2.96%. An EIP loan allows the council to repay the loan on a straight-line basis repaying £500,000 every six months over the term of the loan.

3.3 As at 31st March 2010 the council's long term borrowing totalled £125.147 million with maturities as follows:

<u>Principal repayable:</u>	<u>£</u>	<u>%</u>
Within the next 10 years to 31 st March 2020	29,903,165	23.89%
Between 1 April 2020 and 31 st March 2030	22,244,137	17.78%
Between 1 April 2030 and 31 st March 2040	30,000,000	23.97%
Between 1 April 2040 and 31 st March 2050	18,000,000	14.38%
Between 1 April 2050 and 31 st March 2060	25,000,000	19.98%
Principal outstanding as at 31 st December 2009	125,147,302	100.00%

3.4 The above borrowing is from the PWLB except for two bank loans totalling £12 million, which were taken out in 2004.

Treasury Management Update Quarter to 31st March 2010

- 3.5 During the year ended 31st March 2010 the council paid interest of £5.182 million on its external borrowing. Total borrowing costs including Minimum Revenue Provision (the setting aside of principal for the repayment of debt), and net of directorates contributions, were £12.537 million compared to a total budget of £13.174 million. The saving of £0.644 million relates to slippage on the capital programme resulting in savings in both interest costs and Minimum Revenue Provision.

Final position on Herefordshire Connects benefits realised for 2009/10

The report sets out the final position in achieving the £700k savings target set for 2009/10. The table below shows the final out-turn:

Benefit		Saving Achieved
Printer Rationalisation Project	Procurement	100,000
Procurement Savings – WMS Supplies	Procurement	78,000
Agency Spend	Procurement	90,000
Reduction in Transport Costs Project	Procurement	66,000
De-commissioning of Systems – QAS system – Savings of £30k	Technology & Integration	30,000
De-commissioning of Systems Savings in Adult Social Care	Integrated Environment Regeneration System Integrated Solution for Social Care	43,000 200,000
Savings in Children’s Services	Integrated Solution for Social Care	16,000
Savings in Strategic Housing (homelessness)	Integrated Solution for Social Care	10,000
Reduction in travel expenses	BPR	67,000
	TOTALS	700,000

The total savings requirement of £700k has been achieved; however, in some instances the savings identified are not recurrent. This is because delays in the programme made it difficult to fully achieve the range of savings originally assumed.

It is envisaged that additional savings can be achieved over and above the 2010/11 target of £1m to enable the £700k to be achieved on an on-going basis.

Examples of non-recurrent savings include the £66k within the transport project. Work on the transport project was not sufficiently advanced to deliver any contract savings in 2009/10, however a one-off procurement saving of £66k in purchasing school mini-buses has been identified to compensate for the delay in savings achievement.

The transport project is expected to deliver on-going savings in 2010-11 as opportunities for contract re-negotiation arise.

Commentary on savings realised:

- a) Detailed analysis of data produced on the new printer contract suggests significant savings are being delivered against the previous printing solution. The saving of £100k achieved is in addition to the £100k of savings pulled out of budgets in 2008/09. Further savings through on-going rationalisation are expected.
- b) Procurement compliance on the WMS contract has delivered a £78k saving in terms of increased dividends through greater usage.

- c) An overall saving of £90k has been achieved through agency procurement. At the start of the year only 51% of all agency spend was with Pertemps, but by the end of 2009/10 greater monitoring and compliance had increased the amount to 69%.

The average saving on Pertemps rates against other agency rates suggests a saving of at least £70k on the old rate, and a further £20k on the reduced rate that was introduced in January through re-negotiating the contract until March 2011. In 2010/11 increased savings are expected with a full year of the reduced Pertemps rate and further reductions in the amount of rogue agency spend.

- d) Savings in the support of the large number of legacy systems now replaced by integrated solutions achieved a total of £73k.
- e) The implementation of Frameworki has delivered £200k of staff savings within Adult Social Care and a further £16k within Children's Services. A £10k saving within Strategic Housing has been achieved through system improvements.
- f) Analysis of mileage claimed since the introduction of the new mileage form suggests significant savings are being delivered. Sampling of mileage claims shows that in general staff are claiming less.

In overall terms, directorate mileage has under-spent by over £100k. This is partly due to management action to reduce journeys; however an assessment of the mileage claim evidence produced suggests approximately £67k of savings being delivered by the new form.

MEETING:	CABINET
DATE:	17 JUNE 2010
TITLE OF REPORT:	2010/11 LOCAL GOVERNMENT SAVINGS
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide.

Purpose

To report on the 2010/11 Local Government savings package announced on 10th June 2010 by the Communities and Local Government Minister.

Key Decision

This is not a Key Decision.

Recommendations

THAT Cabinet notes the position outlined in the report.

Key Points Summary

1. 2010/11 total public sector savings are £6.2 billion of which £1.165 billion will be met by local government.

Alternative Options

2. These are central Government determined reductions in grant and as a result there is no alternative option.

Reasons for Recommendations

3. To ensure the extent of the announced 2010/11 Local Government savings is understood.

Introduction and Background

4. On 17th May the Chancellor of the Exchequer announced that the “coalition has agreed that £6 billion of savings to non-front line public services should be made this financial year”. Further details were provided on 24th May about the areas affected by the £6.2 billion cuts (slightly

Further information on the subject of this report is available from
David Powell, Director of Resources on (01432) 383519

higher than previously announced). Within the overall total the figure affecting local government is £1.165 billion to be achieved by reducing grants to local authorities.

5. On 10th June a written Ministerial Statement was laid in the House of Commons outlining Local Government savings. The next key date is 22nd June when an emergency budget may give an indication of likely areas for future savings. The comprehensive spending review to be announced in the autumn will give a clearer indication of the scale of savings to be met by local government from 2011/12 onwards.

Key Considerations

6. For local authorities the general Formula Grant has not been reduced and remains at the level approved by parliament of £29 billion. Similarly, Dedicated Schools Grant (DSG) has not been reduced.
7. The breakdown of the £1.165 billion local government savings indicates £805 million is to be found from revenue grants with the balance of £360 million coming from capital grants.
8. The 2010/11 revenue grant reductions have been capped at 2% and no local authority will face a reduction greater than this percentage. This has not been relevant to Herefordshire as our revenue grant reduction totals £1.158 million or 0.7% of grant.
9. The grants affected include those now within Area Based Grant (ABG), Kickstart Grant, Local Authority Business Growth Incentive (LABGI) scheme and Local Area Agreement (LAA) Reward grant. The known position for Herefordshire is that £1.158 million of revenue grants and £640k of capital grants will not be received.
10. The following table outlines the position for Herefordshire :

Revenue Grant (ABG)

Grant Reduction Area	£000	£000
Department for Education	934	
Supporting People Admin	102	
Cohesion	18	
Road Safety	87	
Home Office	17	
Total		1,158

Capital Grants

Grant Reduction Area	£000	£000
Integrated Transport Block	540	
PRN Network Funding	30	
Road Safety Capital Grant	70	
Total		640

11. In addition an estimated £836k of grant will not be received. However these grants were not confirmed prior to the council's budget setting and therefore their loss impacts on the ability to add to existing budgets rather than requiring reduction to existing commitments.

12. The £1.158 million revenue grant reduction falls within Herefordshire's £15.35 million ABG allocation. The majority of the reductions (£934k) come from Department for Education (DfE) sources.
13. The announcement confirmed that a series of revenue and capital grants will no longer be "ring fenced". For non schools revenue and capital funding it is estimated that ring fencing has been reduced this year from 10.7% (£4.5 billion) to 7.7% (£3.2 billion). For Herefordshire the removal of ring fencing affects the following grants.

Grant	£'000
Youth Opportunity Fund	90
Trust Family Grant	360
Stroke Strategy	89
Aids Supports Grant	16
Playbuilder grant (capital)	593
TOTAL	1,148

14. There is also a doubt over whether we will receive the "Free Swimming Programme" grant. Last year Herefordshire's 2010/11 allocation was announced as £168k including an additional 20% allocation due to offering free swimming to those over 60 and those under 16. We have yet to receive the 2010/11 payment which had been expected by now.
15. There is a lack of certainty about the impact of some of the DfE grant reductions. The areas affected are:
 - Play and Playbuilder revenue grant will cease for the 122 Playbuilder authorities. Herefordshire is scoping the extent of contracts that will not be funded.
 - The Local Delivery Support Grant has been reduced but no details have been released on the level of each authority's reduction.
 - High Performing Specialist Schools are being contacted directly by DfE about grant reductions and the council has yet to receive details.
 - Grants from the Training and Development Agency to local authorities for workforce modernisation and training for support staff in schools will be significantly reduced.

The lack of detail means that we cannot yet indicate how the reduction in DfE grants affect Herefordshire but it is clear there will be a reduced allocation.

Community Impact

16. The reduced grant will require a review of existing commitments across a range of areas.

Financial Implications

17. The revenue grant reduction total is £1.158 million and the capital grant reduction is £640k.
18. In addition an estimated £836k of grant allocation not included in the budget is likely to be removed.

Legal Implications

19. None.

Risk Management

20. By indicating the scale of the 2010/11 reduction a process of mitigating the impact will commence.

Consultees

None.

Appendices

None.

Background Papers

Written Ministerial Statement from Communities and Local Government Minister, June 10th 2010.