

# AGENDA

## Overview and Scrutiny Committee

Date: **Monday 18 January 2010**

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Time: **9.30 am**

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

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

For any further information please contact:

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If you would like help to understand this document, or would like it in another format or language, please call Tim Brown, Committee Manager (Scrutiny) on 01432 260239 or e-mail [tbrown@herefordshire.gov.uk](mailto:tbrown@herefordshire.gov.uk) in advance of the meeting.

# Agenda for the Meeting of the Overview and Scrutiny Committee

## Membership

<b>Chairman</b>	<b>Councillor PJ Edwards</b>
<b>Vice-Chairman</b>	<b>Councillor WLS Bowen</b>
	<b>Councillor PA Andrews</b>
	<b>Councillor ME Cooper</b>
	<b>Councillor AE Gray</b>
	<b>Councillor KG Grumbley</b>
	<b>Councillor TM James</b>
	<b>Councillor RI Matthews</b>
	<b>Councillor PM Morgan</b>
	<b>Councillor AT Oliver</b>
	<b>Councillor PJ Watts</b>

## **GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS**

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

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

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

**AGENDA**

	<b>Pages</b>
<b>1. APOLOGIES FOR ABSENCE</b> To receive apologies for absence.	
<b>2. DECLARATIONS OF INTEREST</b> To receive any declarations of interest by Members in respect of items on the Agenda.	
<b>3. MINUTES</b> To approve and sign the Minutes of the meeting of the Strategic Monitoring Committee held on 2 December 2009.	1 - 4
<b>4. MEDIUM TERM FINANCIAL STRATEGY 2010-13</b> To seek the Committee's views on the draft Medium Term Financial Strategy (MTFS) 2010/13.	5 - 54
<b>5. COUNCIL AND NHS HEREFORDSHIRE JOINT CORPORATE PLAN</b> To consider whether to make any comments to Cabinet on the draft joint Council and NHS Herefordshire Corporate Plan.	55 - 60
<b>6. SUSTAINABLE COMMUNITY STRATEGY (REFRESH)</b> To consider whether to make any comments to Cabinet on the refresh of Herefordshire's Sustainable Community Strategy covering the period 2010 – 2013.	61 - 96
<b>7. WORK PROGRAMME</b> To consider the work programmes of the scrutiny committees.	97 - 114



HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Wednesday 2 December 2009 at 2.00 pm**

**Present:** Councillor PJ Edwards (Chairman)  
Councillor WLS Bowen (Vice Chairman)

Councillors: PA Andrews, ME Cooper, TM James, RI Matthews, PM Morgan, AT Oliver and PJ Watts

**In attendance:** Councillor JP French (Cabinet Member – Corporate and Customer Services and Human Resources.)

**27. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors AE Gray and KG Grumbley. Apologies were also received from Councillor RJ Phillips.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 2 December 2009 be confirmed as a correct record and signed by the Chairman.

**4. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY**

There were no suggestions from members of the public.

**5. ACCOMMODATION STRATEGY**

The Committee received a presentation on the key principles informing the new accommodation strategy.

The Head of Asset Management and Property Services (HAMPS) gave the presentation. He explained that the Joint Corporate Property Strategy was one of the first combined Council and National Health Service property strategies in the Country. The development of the Strategy had taken account of the Comprehensive Area Assessment and the Use of Resources assessment, the Government's Operational Efficiency Programme (OEP) and the Total Place assessment. He emphasised that the Strategy was flexible to allow account to be taken of future change.

The aims were to achieve a hub and spoke model for administrative offices, a strong shared administrative centre based at Plough Lane, a series of co-locality offices based around the Market Towns and Golden Valley, better ways of working and improved outcomes for local people.

The benefits would be Asset/Property Rationalisation, lower total capital investment/expenditure needed, a reduction in reactive repairs and maintenance over 3-5

year cycles, a reduction in the growing backlog of maintenance liabilities, capital receipts from asset disposals for redirection to priorities, a reduction in annual running costs, lower costs for property and facilities management support services, carbon footprint reduction and safeguarding and improvement of local services.

The intention was to submit the Strategy to the NHS Herefordshire Board and Cabinet in mid-December and then to begin to implement the Strategy.

In discussion the following principal points were made:

- Asked about the timetable for implementation the HAMPS explained that the Strategy covered all property, not just office accommodation, but included a number of major projects. The projects within the office accommodation section would take 3-5 years to complete.
- Clarification was sought on the acquisition of the Plough Lane site. The HAMPS confirmed that the contract was to be signed within the next few days.
- It was requested that a new name should be found for the Plough Lane site.
- It was asked whether it was sensible to dispose of assets in the present market. The Director of Resources said that the Council had a duty to get best value and careful consideration was given to the timing of disposals.
- The HAMPS confirmed that joint working with the NHS was taking place. The options appraisal had looked at the scope to share office accommodation in particular. The savings identified to date did not take into account NHS savings.
- Asked about CO2 emissions and travel to work plans the HAMPS said that a mapping exercise was being undertaken looking at where people lived and the impact of office changes. He noted, however, that 18,000 homes were to be built over the next few years which would have implications.
- The HAMPS confirmed that the intention with new buildings was for them to achieve a sustainability rating of very good or excellent and provide the most sustainable buildings possible within the limited resources available.

#### **RESOLVED:**

**That: the development of the Joint Accommodation Strategy be endorsed, whilst highlighting the importance of close working with partners, the importance of exploring all modes of transport to new office locations and the need to find a new name for the Plough Lane office.**

## **6. INTEGRATED CORPORATE PERFORMANCE REPORT**

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

The report to Cabinet on 26 November was appended.

The Corporate Policy and Research Manager (CPRM) presented the report. He noted that the format of the integrated corporate performance report had been revised, taking account of comments made by the Committee on 19 October and views expressed by Cabinet and officers.

He commented that performance against the affordable housing target now had better prospects and that performance against target NI 159 (Initial assessments for children's social care carried out within seven working days of referral) had improved significantly and was now ahead of target. On the other hand street cleanliness targets were not on track, or improving on the previous year, but remedial action was in hand.

There had been significant improvement in relation to the Local Area Agreement targets. The majority of LAA indicators were on track, and remedial action was being taken in respect of others, particularly as regards healthier communities and older people, for which action plans were now in place or being developed.

In discussion the following principal points were made:

- Concern was expressed about performance against a number of the education attainment targets as set out on page 28 of the agenda papers. It was proposed that the Children's Services Scrutiny Committee should investigate performance against these targets in more detail.
- Concern was also expressed about the provision of affordable housing it being observed that even achieving the target would only go a small way towards meeting the need for such housing within the County. It was noted that the Adult Social Care and Strategic Housing Scrutiny Committee would be giving further consideration to this issue in the New Year.

The Director of Resources commented that the possibility of using the site of the former care home, Elmhurst, in Hereford for affordable housing was being investigated. However, it would be important to ensure that value for money was obtained.

- Further to questions asked by the Committee in October about performance against the local indicator on customer satisfaction the CPRM reported that he had reviewed the survey methods and was satisfied that the approach was robust.

#### **RESOLVED:**

- That (a) the report and points raised by the Committee be noted; and**
- (b) performance against a range of education attainment targets as set out on page 28 of the agenda papers should be referred to the Children's Services Scrutiny Committee for further investigation**

*(The Committee adjourned between 2.55 pm and 3.30 pm to discuss informally some of the outcomes of the change transformation programme 2009. A number of change champions attended to present and discuss their work.)*

#### **7. BUDGET MONITORING REPORT 2009**

The Committee considered September's budget monitoring information, an indication of estimated outturn for both revenue and capital budgets and treasury management activities in the first six months of 2009/10.

The Head of Financial Services reported that the projected overspend had reduced from £556k to £400k as at the end of October. There were significant projected overspends on the budgets for the Children and Young People's and Integrated Commissioning directorates. Recovery plans had been put in place. The projected overspend on the Children and Young People's budget had reduced from £945k to £500k.

In discussion the following principal points were made:

- Clarification was requested on the over expenditure on children taken into care, noting that the budget set by the Directorate had not reflected realistic expenditure levels based on the previous year's costs. It was agreed that a briefing note would be provided.
- The number of debts written off was questioned. The Director of Resources replied that whilst every effort was made to collect debts sometimes it was simply not possible. Performance in debt collection remained good compared with other local authorities.
- It was noted that on the current projections all of the social care contingency reserve would be used. The Director confirmed that if there was an overall underspend that money could be allocated to the contingency fund. The funding position for 2010/11 was as yet unclear but the draft Medium Term Financial Strategy did not provide for a social care contingency reserve. He added that the level of the General Reserve was higher than provided for in the current Strategy but he did not propose to reduce it given the financial pressures likely to be faced.

The Committee noted the position.

## **8. SCRUTINY OF EXTERNAL COMMUNICATION**

The Committee considered a proposal to scrutinise an aspect of external communication.

A scoping statement for the review was appended to the report.

### **RESOLVED:**

- That**
- (a) the scoping statement for the review as appended to the report be approved as the basis for the review, subject to refinement at the first meeting of the Review Group; and**
  - (b) the Councillors PA Andrews, PJ Edwards, TM James and PJ Watts be appointed to serve on the Review Group with an invitation to be extended to invite a fifth Member from one of the other Scrutiny Committees to join the Group; and**
  - (c) the Review Group be authorised to appoint a Chairman of the Group.**

## **9. WORK PROGRAMME**

The Committee considered its work programme.

**RESOLVED: That the current work programme serve as a basis for further development.**

The meeting ended at 4.45 pm

**CHAIRMAN**



<b>MEETING:</b>	<b>OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>18 JANUARY 2010</b>
<b>TITLE OF REPORT:</b>	<b>MEDIUM TERM FINANCIAL STRATEGY 2010-13</b>
<b>PORTFOLIO AREA:</b>	<b>RESOURCES</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide.

### **Purpose**

To seek the Committee's views on the draft Medium Term Financial Strategy (MTFS) 2010/13.

The Committee's views will be considered by Cabinet on 21 January, when they will make recommendations to Council on 5 February about the budget, including the level of council tax for 2010/11 and the financial strategy for 2010/11 to 2012/13.

### **Recommendation(s)**

**That Overview and Scrutiny Committee comments on the contents of the Medium Term Financial Strategy so that Cabinet is informed of its views.**

### **Alternative Options**

- 1 Joint Management Team (JMT) have approved a balanced budget for 2010/11 and this is summarised in the Financial Resource Model (FRM) in the attached MTFS. It incorporates inflation, service pressures and other spending requirements, the financing of which has been identified from within the Formula Grant, service efficiencies and council tax.
- 2 No other alternative has been provided.

### **Reasons for Recommendations**

- 3 The proposed MTFS, shown in Appendix A provides a financial planning framework for the next three years.
- 4 A proposed council tax increase of 2.9% facilitates budget setting for 2010/11.

### **Introduction and Background**

- 5 Cabinet will consider the budget proposals set out in the MTFS, in order to make a recommendation to Council for setting the 2010/11 revenue budget and set a level of council tax increase.

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

- 6 The provisional local government settlement was announced on 26<sup>th</sup> November 2009. It confirmed the final year of the three-year Comprehensive Spending Review 2007 (CSR07), the key components were:
- The Formula Grant, which includes Revenue Support Grant and Redistributed Business Rates, is set at £57.584m, an increase of 4%, equating to £2.232m. It is unlikely there will be changes to this figure when the final settlement is published in late January 2010.
  - Area Based Grant is set at £10.128m. This now includes the Supporting People Grant and from October 2010 will have additional funding to mitigate the income loss from the implementation of the proposals in the Personal Care at Home bill.
  - The baseline budget has not been adjusted for Adult Learning Disability budgets that have been transferred from health to social care; the Primary Care Trust will continue to receive the funding in 2010/11 and transfer it through to the council.
  - Indicative figures have not been provided on government department spending limits after 2010/11. At the same time it was announced front-line schools, hospitals and policing would receive real-terms increases, whilst overall public spending growth would shrink to 0.8% by 2013/14. This suggests a much tighter financial picture for local government. Headline changes that will affect future budgets include:
    - Public sector pay settlement increases will be capped at 1% from 2011.
    - 5% increase in National Insurance contributions for employers from April 2011
    - Free school meal provision will be extended to 500,000 school children not previously eligible
- 7 Dedicated Schools Grant (DSG) is estimated (as at 21<sup>st</sup> December) at £88.237m, based on pupil numbers of 22,703. This figure will be revised for the January pupil census, although the outcome will not be published until June 2010. Schools are currently budget planning using September 2009 pupil numbers of 22,517.

## Key Considerations

- 8 The Council operates within the discipline of a MTFs. It is the framework within which cash resources follow corporate priorities, supporting the achievement of the council's overall objectives and delivery of services.
- 9 The financial model (FRM) at the heart of the MTFs has been updated and includes the following:
- a. Directorate pressures;
  - b. Directorate savings;
  - c. A change management reserve of £915k;
  - d. A spend to save contingency of £150k;
  - e. A revenue contingency of £300k;
  - f. Updated capital financing costs;

- g. Shared services savings of £1m in 2010/11 rising to £4.8m by 2012/13.
- 9 The MTFS facilitates longer term financial planning to reflect the changes that emerge from central government as well as changing local priorities and emerging service pressures. The changing nature of central government's priorities needs to be incorporated as local government is an important partner for central government, and is often used to deliver new services as well as delivering changes to existing services.
- 10 The overall approach to financial management, especially at a time of financial pressure, must be supported by clarity and transparency around financial policy and resources. The necessary financial discipline includes cash limited directorate budgets, supported by appropriate reserves that need to be managed as part of the overall financial management strategy.
- 11 Over the last three years the level of local government funding provided by central government has remained stable as a result of CSR07. The overall increase in 2010/11 Formula Grant for Herefordshire, based on a year-on-year increase, has been 4%, however this must fund inflation, service development, and increased demand for services across the council. There is also a requirement to deliver ongoing efficiency targets, with 4% cashable efficiency savings needed in 2010/11. This equates to £6.7m.
- 12 JMT also confirmed that in recommending the MTFS to cabinet it will enable the delivery of the targets and key projects that JMT members have proposed for the joint corporate plan 2010/13.
- 13 The proposed MTFS builds on last year's significant review of the strategy's content by putting in place an approach to support the move towards a joint financial strategy with NHS Herefordshire. The joint MTFS will be the key financial document for both organisations and the relevant council elements will be clearly identifiable to support council tax setting. The move to a joint approach is timely given the deepening partnership between both organisations; the Total Place agenda; the drive to deliver greater efficiencies across the public sector and the impact of World Class Commissioning on the integrated commissioning of services.
- 14 The government has signalled a significant reduction in capital expenditure because of the tightening of public expenditure over forthcoming years. This is likely to see reduced capital grants for major projects and other capital funding support. This means it is appropriate to carry out a fundamental review of the existing capital programme to provide assurance that the existing programme supports future priorities and models of service delivery. Therefore indicative funding for the capital programme is included but decision making on expenditure will follow the review that will assess whether our existing programme is suitable for the new joint corporate plan and also whether previous decisions meet new service delivery models.

### **Economic Downturn**

- 15 Since the last MTFS there has been the continuation of the downturn in the economy and clarity about how the "credit crunch", has impacted across the world. In order to mitigate the effects of the downturn the UK Monetary Policy Committee has been injecting money into the UK economy since March 2009. This policy, known as "quantitative easing", has seen £200 billion injected from purchasing gilts and other assets, but the Bank of England has now signalled this will end.
- 16 To reduce the UK's deficit the Treasury is proposing cuts to public sector spending over the

coming years. Public spending may need to reduce by up to 15% and tax rises are also possible. The outcome of the 2010 General Election may see this position change further.

- 17 The economic downturn has affected the assumptions in the Treasury Management Strategy that covers borrowing and investment activities. Since the collapse of the Icelandic Banks we have implemented a more risk averse strategy resulting in tightening investment practices and only lending balances (over a shorter period of time) to highly credit rated establishments. This has had a significant impact on investment income and is not set to improve until 2011/12, when interest rates are predicted to rise.

### **Shared Services / Herefordshire Connects**

- 18 The Shared Services initiative has subsumed the Connects project into the wider Transformation Project. The overall approach is to view all corporate efficiency activity as part of the programme, so that maximum efficiencies are realised. In the 2010/11 budget the programme is to realise £1m of savings, with an additional £1.6m in 2011/12. This confirms the key role the programme will make to the council's overall financial position at a time when central government funding is likely to reduce.
- 19 As was explained in the Cabinet report on 18<sup>th</sup> December, further financial savings are likely to be delivered from Shared Services and improved procurement processes, but additional costs may also be incurred. A further report providing greater detail will be presented in March 2010.

### **Financial Resource Model 2010/13**

- 19 The FRM is central to the MTFs, as it contains a series of assumptions and assessments that shape the financial plan. These are:

- a) Future Council Tax Increases: The government has been clear that it expects to see Council Tax increases "substantially" below 3%, but as in previous years has been unwilling to define a precise figure below which councils will not face capping.

As a result, it is recommended that a 2.9% council tax increase assumption is now included for the 2010/11 budget and the two remaining years of the MTFs up to 2012/13.

- b) Inflation Uplifts: The Government's Pre Budget report on the 9<sup>th</sup> December specified all public sector pay settlement increases will be capped at 1% (except for members of the armed forces) from 2011. As a result the council has now moved to a general approach to inflation to allow greater flexibility and therefore an overall cash limited sum covering all inflation is now included.

- 20 It is proposed that a number of services receive funding for inflation pressures, resulting from either contracts or market pressures:

- |  |       |
|--|-------|
| • Children and Young Peoples Directorate | £60k  |
| • Integrated Commissioning               | £714k |
| • Environment and Regeneration           | £170k |

- 21 The current FRM assumes inflation on client and customer receipts budgets of 2.0%. A review of the policy for income is underway, identifying where more appropriate charges for services

can be considered ensuring, where possible, tariffs are set at levels that fully recover costs so that subsidies for service provision do not occur. A policy will be presented to Cabinet in Spring 2010.

- a. Base Budget Adjustments: As in previous years, the FRM is continually reviewed to refine the budget using up-to-date information. The approach taken this year is to allow directorates to present pressures that require adjustment. The following are the recommended adjustments for 2010/11:

	<b>£'000</b>
Legislative changes	807
Inflation uplifts to key contracts	1,024
Economic downturn – impact on impact	180
Demographic changes	591
Frontline service pressures	1,572
Service modernisation pump priming	566
Other service changes	489
	<b>5,249</b>

- b. To help balance the budget the following efficiencies have been identified:

	<b>£'000</b>
Vacancy Management	762
Impact of full cost recovery for charging	225
Rationalisation of Property Services	180
Business process improvements	227
Implementation of new commissioning plan	450
Implementation of care brokerage	84
Reduction in unit costs for in-house services	159
Directorate reductions	2,528
	<b>4,615</b>

## Use of Reserves

- 22 For the 2009/10 budget the council temporarily used general fund balances to ease financial pressure over more than one year. This helped demonstrate the value of financial planning over more than one year. In line with the decision taken for the 2009/10 budget the FRM reimburses reserves used to set the previous year's budget:
- £1m was used to fund service pressures, which is now backfilled and an additional £1m is used to top up the reserve to its 2008/09 level
  - LPSA reward grant support of £712k is back filled and covers its use in 2009/10
- 23 At a forecast level of £5.9m as at 31<sup>st</sup> March 2010, the general reserve is in excess of the council's policy of having a minimum general fund reserve balance of £4.5m (3.5% of net revenue budget) to provide adequate cover for demand pressures that are volatile, difficult to predict or unforeseen at the time the budget is set. Given the likely pressures from 2011/12 when central government funding will reduce it is appropriate to hold a higher level of balances.

- 24 There are expected to be specific reserves of £15.3m, a significant proportion belong to schools and cannot be used to pay for non-schools services.

## **Community Impact**

- 25 The budget proposals continue to support front line service delivery, partnership working and sustaining economic growth.

## **Financial Implications**

- 26 If Cabinet agrees the approach contained in this report, the updated FRM for 2010/13 indicates capacity figures as follows:-

- |    |         |   |                               |
|----|---------|---|-------------------------------|
| a) | 2010/11 | - | Balanced position             |
| b) | 2011/12 | - | £13k deficit                  |
| c) | 2012/13 | - | Financial capacity of £1.485m |

These figures assume a 5% reduction in central government Formula Grant from 2011/12.

## **Legal Implications**

- 27 Local authorities must decide every year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on services. Because they decide on the council tax before the year begins and can't increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:

- making prudent allowance in the estimates for services; and
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

- 28 Local government legislation requires an authority's chief finance officer to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so members will have authoritative advice available to them when they make their decisions.

## **Risk Management**

- 29 The report has highlighted that the economic downturn has impacted upon the council's existing MTFS. The report has indicated how risks such as reduced income are to be managed.
- 30 Clearly, there is the potential risk that the economy will be in worse shape than assumed for the purpose of budget setting. The appropriate management would be via cost reduction and a review of levels of general and specific reserves.
- 31 The additional risk that may occur is if the services currently supported through former specific grants are no longer funded because of a change in priorities. This would need to be managed over time.
- 32 It is appropriate to indicate that this year's general election may impact on the assumptions

made in the MTFS. As the MTFS is under regular review to allow for emerging pressures and legislative changes any consequences of a change in central government policy will be modelled and reported to cabinet along with advice on whether any remedial action is required.

### **Consultees**

- 33 The Joint Management Team have approved this report and attachments on 5<sup>th</sup> January 2010.
- 34 The Overveiw and Scrutiny Committee will be consulted on 18<sup>th</sup> January 2010; a verbal update will be given.
- 35 An update from the consultation with Business Rate Payers will be provided.

### **Appendices**

- 36 Appendix A – Medium Term Financial Strategy

### **Background Papers**

- Provisional Local Government Financial Settlement 2010/11
- Treasury Management Strategy 2009/10





# **Medium Term Financial Management Strategy 2010 – 13**

## **Foreword by the Council Leader & Cabinet Member (Resources)**

The Medium Term Financial Management Strategy (MTFS) is an important document because it reflects our strategic and operational intentions over a three-year time frame for Council. The strategy continues to have a significant influence on our financial culture, helping to shift thinking and financial behaviour away from short-term budget setting to a more appropriate, longer-term approach that brings stability to our support for service improvement.

The MTFS reflects on the scale of the impact of the economic downturn that has affected the world economy and how it impacts on Herefordshire. We have adapted our medium term plans to address the implications of the dramatic change in the economy. Income collection from car parking, planning fees etc has dropped and with interest rates at their lowest ever level, we continue to see less interest received from cash holdings. But, at the same time, the reduced cost of borrowing means that we take the opportunity to reschedule debt if appropriate, so that we reduce the cost of existing borrowing for future generations. It is because we have a flexible MTFS that we can make decisions as and when it is appropriate to do so.

In 2009, the council has maintained performance of its financial delivery and procedures that underpin our activity. This performance has been acknowledged by the Audit Commission with a Use of Resources score of three for “Managing Finances” that assesses the council to be “performing well” in this important area.

2010 will be challenging as a result of the economic downturn and, it is important that we continue to strengthen the partnership between the Council, PCT and the hospital trust. This deep partnership is already paying dividends and, over the next 12 months, there will be stronger evidence of its impact, with the implementation of a shared back office service and systems.

**Cllr. Roger Phillips**  
**Leader of the Council**

**Cllr. Harry Bramer**  
**Cabinet Member (Resources)**

## **Foreword by the Chief Executive and Director of Resources**

Planning the use of public money is a special accountability for Herefordshire and, as a result, it is important we continue to ensure Herefordshire has financial stability and also deploys resources to support agreed priorities. This cannot be achieved if we limit our planning horizon to a single year. The Medium Term Financial Management Strategy (MTFS) helps the council plan over a longer time framework and demonstrate how it will use its resources in the future.

The MTFS is now a key part of the way we deliver our services. It is an appropriate way to plan our expenditure and has played a part in helping maintain the council's Use of Resources score in 2009. However, we have continued to review and, where appropriate, improve the strategy.

The MTFS has helped change Herefordshire's financial management culture. It also includes a requirement that responsibility for managing individual budgets rests with our budget managers who operate within our financial policies and procedures. The MTFS helps explain the overall position, so that we all know that financial management is part of our day-to-day activity and that we must demonstrate we provide value for money at a time when the economic downturn is having a widespread effect.

**Chris Bull**  
**Chief Executive**

**David Powell**  
**Director of Resources (Council)**

# Contents

	Page
<b>1. Introduction</b>	5
<b>2. Economic Background</b>	5
2.1 Introduction	5
2.2 The Credit Crunch and Banking Crisis	5
2.3 UK Outlook	6
2.4 Summary of Current Situation in Herefordshire	7
2.5 Council Response to the Economic Downturn	8
<b>3. The National Financial Context</b>	9
3.1 Introduction	9
3.2 Pre Budget Report 2008	10
3.3 Local Government	10
3.4 Local Government Settlement 2008/09 – 2010/11	10
3.5 Local Area Agreements and Area Based Grants	11
3.6 Local Government Settlement	11
3.7 Efficiency Agenda	12
3.8 Economic Outlook	13
<b>4. Herefordshire's Financial Context</b>	14
4.1 Introduction	14
4.2 Formula Grant	14
4.3 Specific Grants	14
4.4 Dedicated School Grant	14
4.5 Area Based Grant	15
4.6 Comparative Funding Position	16
4.7 Council Tax	18
4.8 Reserves	18
<b>5. Herefordshire's Policy Context</b>	20
5.1 Introduction	20
5.2 Herefordshire Sustainable Community Strategy	20
5.3 Corporate Plan and Annual Operating Plan	20
5.4 Public Consultation	21
5.5 LAA and the Herefordshire Partnership	21
5.6 The Performance Improvement Cycle (PIC)	21
<b>6. Financial Management Strategy</b>	22
6.1 Introduction	22
6.2 Corporate Financial Objectives	23
6.3 Managing Partnership Resources	23
6.4 Managing External Funding	24
6.5 Managing Developer Contributions	24
6.6 Managing Fees and Charges	24
6.7 Managing General Fund Balance & Specific Reserves	24
6.8 Managing Financial Performance	24
6.9 Efficiency Review	24
6.10 Value for Money (VfM)	25

6.11	Financial Management Strategy for Capital Investment	25
6.12	Treasury Management Strategy	28
6.13	Key Corporate and Financial Risks	29
<b>7.</b>	<b>Medium Term Financial Resource Model</b>	<b>29</b>
7.1	Background	29
7.2	Assumptions	29
7.3	Corporate Priorities	30
7.4	Directorate Budgets	30
7.5	Shared Services/Herefordshire Connects	31
7.6	Sensitivity Analysis	31
<b>8.</b>	<b>Statutory Statement by the Chief Finance Officer</b>	<b>32</b>
Appendix A	- Specific Grants	33
Appendix B	- Council Themes and Priorities	35
Appendix C	- Corporate Risk Register	37
Appendix D	- Financial Resource Model 2010-13	40

## **1. Introduction**

- 1.1 The Medium-Term Financial Strategy (MTFS) covers the financial years 2010 to 2013 and intends to maintain financial stability, deliver annual efficiencies, support investment in priority services, whilst demonstrating value for money and maintaining service quality.
- 1.2 The MTFS is a key part of Herefordshire's integrated corporate, service and financial planning cycle. This cycle is designed to ensure that corporate and service plans are developed in the context of available resources and that those resources are allocated in line with corporate priorities.
- 1.3 A major development since the last MTFS has been the continuation of the downturn in the economy and the clarity of how the "credit crunch", has impacted across the world. This has had a direct effect on the income earned from investing council balances and income collected from the provision of council services.

## **2. Economic Background**

### **2.1 Introduction**

- 2.1.1 This section outlines the global and national economic climate. 2009 has seen the continuation of the economic downturn, although there are signs that the worst of the recession has passed.

### **2.2 Overall Picture**

- 2.2.1 The global recession provoked an immediate liquidation of investments and loss in worldwide wealth, resulting in a tightening of lending conditions, and a widespread increase in uncertainty.
- 2.2.2 By May 2009, oil prices were down 60% and non-oil commodity prices, including internationally traded food commodities, were down 35%.
- 2.2.3 Lower food and fuel prices have cushioned the impact and helped to reduce the pressure on the current accounts of oil-importing developing countries. Policy reactions to the crisis have been swift and, although not always well coordinated, have so far succeeded in preventing a broader failure among financial institutions, and thereby avoided a much more severe collapse in production.
- 2.2.4 These policy measures have come at a cost. Fiscal balances in 2009 are expected to deteriorate by about 3 percent of GDP in high-income countries, and by about 4.4 percent of GDP in developing countries. The drop in economic activity, combined with much weaker capital flows to developing countries, is placing a large number of low and middle-income countries under serious financial strain. Many countries are having difficulty generating sufficient foreign currency from exports or borrowing to cover import demand.
- 2.2.5 Despite the rapid decline in GDP in high-income countries during the first quarter of 2009, a number of indicators point to the beginnings of an economic recovery. Stabilising and even recovering stock markets, modest improvements in exports in some countries, a recovery in consumer demand and the still-to-come demand-boosting effects of discretionary fiscal stimulus measures are among the factors pointing to the beginning of recovery.

2.2.6 Indicators vary by country at the moment; however, the United States and China are enjoying an economic revival compared with Western Europe and other developing regions. Moreover, several factors point to continued weakness. Unemployment continues to rise throughout the world, housing prices in many countries are still falling and bank balance sheets are fragile. As a result, the timing and strength of the eventual recovery in the global economy remain highly uncertain. Indeed, many countries are facing growing pressure on their currencies and banking sectors. Already several high-and middle-income developing countries have entered into special borrowing agreements with the International Monetary Fund (IMF) to prevent deteriorating external and fiscal positions from getting out of hand.

## 2.3 UK Outlook

2.3.1 Following one of the deepest recessions the country has experienced there may be evidence the worst has passed.

2.3.2 The Monetary Policy Committee has been injecting money into the economy since March 2009. Quantitative easing has seen £200billion from purchasing gilts and other assets.

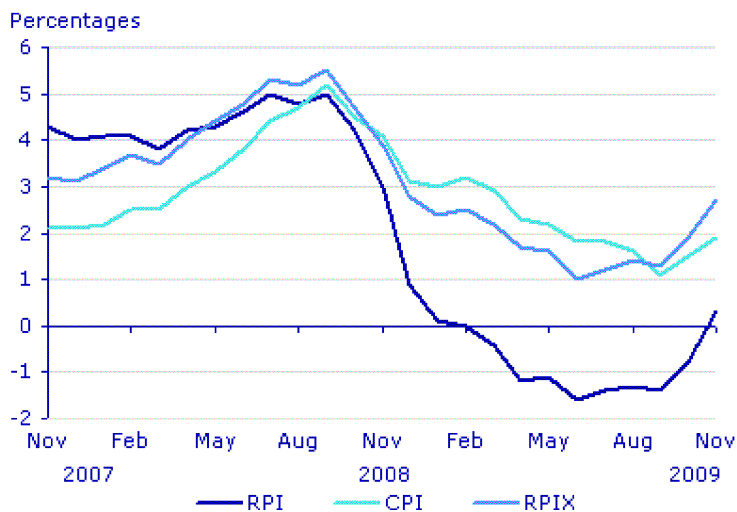
2.3.3 To reduce the UK's deficit the Treasury is proposing cuts to public sector spending, although a return to the 40% ceiling of government debt to GDP is likely to take until 2035. Public spending is expected to fall by 15% and tax rises are possible, VAT returned 17.5% in January and further rises are forecast.

2.3.4 The ratings agencies responded to the increasing government debt, Standard and Poors changed its UK ratings outlook from stable to negative based on concerns about the governments abilities to deal with the required fiscal consolidation

2.3.5 Bank base rate is at the lowest level since the Bank of England was founded, and set to continue through into 2011, finally rising as the economy recovers.

2.3.6 The Consumer Price Indices fell from 1.6% to 1.1% in September, its lowest level since 2004, it is likely to level out at an annual rate of 1.8%. The Retail Price Index currently stands at -1.4%, although in early 2010 it will move back into positive figures.

### Annual inflation rates - 12 month percentage change



2.3.7 In contrast to the continued low interest rate, share prices reached a 14 month high in November 2009. The FTSE 100 index rose by more than 50% since its low point in March 2009.

2.3.8 Unemployment increased to 2.47million in the three months to August, with the jobless rate rising from 7.6% to 7.9%, the highest since 1995. Average earnings had the lowest increase on record of just 1.9%.

2.3.9 Households are focused on repaying debt and saving rather than spending, this is set to continue. A 0.5% drop in consumer spending is forecast for 2010, and modest increases there after.

## 2.4 Summary of Current Situation in Herefordshire

2.4.1 The latest report "Impact of the Economic Downturn on Herefordshire" produced by Herefordshire Council Research Team uses facts and figures to give an overview of the effects of the down turn in the economy. In summary the findings suggest:

- The **unemployment** claimant count has been fairly stable since March, although medium and long term claimants and younger claimants seeing large increases.
- The **employment rate** for Herefordshire remains significantly higher than for the West Midland and England.
- Ongoing **redundancy** exercises are likely to lead to further unemployment, although the rate of redundancy seems to be decreasing.
- There has been an increase in numbers claiming **out of work benefits**, but this is largely a result of more jobseekers.
- A decrease in the number of claims received for **housing benefits and/or council tax benefits**, since June 09, although numbers for the over 60s remain high.
- A slight increase in the percentage of **16-18 year olds not engaged in education, employment of training** in 2008.
- No clear evidence of the impact that the recession is having (or might have) on **migrant labour** or the impact that any changes in migration flows will have on local economies.
- Local businesses reported an increase in **trading (UK markets), business confidence and employment prospects** on previous quarters.
- An improvement for **trading in Hereford City**, with fewer empty shops.
- A decrease in the number of **empty business properties** over recent months, although there are still many more than prior to the credit crunch.
- A decrease in both the number of **business rates accounts** written off due to bankruptcy, but an increase in the amount of money involved.
- Mixed picture for **tourism**, an increase in the number of visitors to attractions in Herefordshire compared to 2008.
- Positive signs in the **housing market** with a slight increase in property sales and house prices.
- Levels of **homelessness** are still high (compared with 2006).
- Increase in numbers experiencing problems with **debts** needing advice/support.
- Mixed picture for impact on **community and voluntary organisations** – evidence of increased demand for services for some organisations but still able to cope with existing resources at present.
- Decline in overall levels of **crime**, but increases in burglary, violent and anti-social crimes.

## 2.5 Council's Response to the Economic Downturn

2.5.1 The council is intervening in a number of areas to address the negative effects of the downturn in the economy.

2.5.2 The council is using its resources to stimulate the economy by:

- Reducing the payment time of invoices (target of all payments to be made within 20 days on non-disputed invoices with an aspiration for ten days)
- Revising the procurement strategy to enable local firms to be fit for purpose to win tenders
- Awareness and training seminars on tips on tendering for local firms
- Using the Herefordshire Business Portal which will publicise all council tenders above £5k to enable local firms to bid
- Support for the Citizens Advice Bureau to enable extra advice on employment and housing
- Enabling volunteering for people to develop new skills and networks when looking for new employment
- Support for sustainability of rural shops

2.5.3 The activity to address the effects of the downturn does not just support businesses, but takes a wider view of the effect of the financial climate on communities and individuals. Therefore intervention also includes additional projects and schemes to support businesses and communities:

- a) **Mortgage Rescue Schemes** – national and local scheme operate in the county, with the latter aimed at supporting those with dependent children, pregnant or, the vulnerable and caters those who do not fit the national criteria.
- b) **Grant programmes** – newly introduced Business Booster Grant and Training Voucher compliments other grant schemes including Rural Enterprise Grants that provides access to finance for small scale diversification and business development projects for the benefit of rural businesses.
- c) **Broadband improvements** - instigating an improved broadband service that will aid competitive advantage for local companies and access to service for local people.
- d) **Housing Financial Support Packages** - The Homelessness and Housing Advice Team offer a range of preventative interventions aimed at reducing the risk of homelessness.
- e) **Energy Efficiency grants** – These are promoted to support households to improve energy efficiency in their homes and tackle fuel poverty in support of the Affordable Warmth Strategy.
- f) **Benefit entitlement** – awareness campaign to ensure people are aware of their benefit entitlement. The Benefit Service is increasing training for front line staff at the Info Shops around the County to give improved benefits advice to customers, and using the council's benefit database to provide access to free school meals to children who are entitled.

2.5.4 NHS Herefordshire and Herefordshire Council are together creating 80 apprenticeships to give local people valuable experience and training and help them to gain work-based qualifications. Apprenticeships and advanced apprenticeships are aimed at people under 24 - but adult apprenticeships are available for people with more workplace experience. The scheme covers a range of occupational areas including health and social care,



business administration, customer service, IT, finance and dental nursing, and covers qualifications including NVQs at levels 2 & 3, key skills at levels 1 & 2 plus a related technical certificate. School careers and connexions advisors are publicising the scheme alongside attendance at career events by PCT and Council representatives.

2.5.5 For 2009/10 the council allocated £346k as a reserve to address the economic downturn. Schemes have been initiated and will continue in 2010 /11 with a focus on supporting recovery.

2.5.6 The potential loss of income to the council as a result of the economic downturn has been addressed in the FRM. 2010 continues to see reduced income from planning and development control fees, car park and land charges. Services are investigating new approaches to negate the shortfall, implementing new charging regimes for pre planning advice, ensuring fees are set at full cost recovery levels where possible and barrier car parking is extended.

### **3. The National Financial Context**

#### **3.1 Introduction**

3.1.1 This section of the MTFS sets out the financial context at national level for local government.

#### **3.2 Pre Budget Report 2009**

3.2.1 The Chancellor of the Exchequer's 2009 presented the Pre-Budget statement to the House of Commons on 9<sup>th</sup> December 2009. The Chancellor said the Pre-Budget Report 'takes place at a critical time for our country and the world'. The task he said was 'to ensure recovery and promote growth', he continued, the Government needs 'to maintain support until the recovery is secured'. No announcement was made on government department spending limits after 2010/11, although the report indicated front-line schools, hospitals and policing would receive real-terms increases, whilst overall public spending growth would shrink to 0.8% by 2013/14.

3.2.2 Headlines from the Pre-budget report are;

##### **The Economy**

- The UK economy will shrink by 4.75% this year, a worsening of 1.25% since April's Budget, but it is predicted to grow by 1% to 1.5% in 2010.
- Economic growth is expected to increase by 3.5% in 2011 and 2012.

##### **Public Services**

- Total public spending in 2010/11 will rise by £31bn (2.2% in real terms).
- No Departmental Expenditure Limits were set beyond 2010/11. However, current spending growth will fall to an average of 0.8% a year between 2011/12 and 2014/15.
- From 2011 there will be guaranteed minimum real terms increases in spending on 'front-line NHS and schools' for two years.
- Sufficient funding to maintain the number of police and community support officers will also be provided.
- Free school meal provision will be extended to 500,000 school children not previously eligible.

##### **Tax**

- Return of VAT rate to 17.5% on 1 January 2010 confirmed. No other changes in VAT announced.
- Corporation Tax rise of 1% for small businesses postponed for a further year.

- Inheritance Tax threshold will not be raised from £325k to £350k as originally planned; however, couples will be allowed to pool their total to £650k.
- 0.5% increase in National Insurance contributions for employers, employees and self-employed from April 2011, there will be an increase in personal allowances for those earning under £20k to offset this rise.
- Monthly duty of 50p on landlines to extend super-fast broadband provision.

### **Borrowing**

- Net debt is expected to rise to a peak of 78% of GDP in 2013/14, before decreasing.
- Public sector net borrowing will be decreased year-on-year and more than halved by 2013/14.
- Forecast borrowing will be £178bn in 2009, £3bn higher than predicted in April.
- Borrowing is estimated to be £176bn in 2010 and £140bn in 2011, falling to £96bn in 2013.
- The potential Government losses from interventions in the financial sector have been revised downwards from £50bn to £10bn.

### **Public Sector Pay and Pensions**

- From 2011 all public sector pay settlement increases will be capped at 1%, except for members of the armed forces.
- By 2012 public sector employer contributions for teachers, local government workers, NHS and the civil service employees will be capped.
- Public sector workers earning over £100k will face higher employee pension contributions.

### **Business and Employment**

- Empty commercial properties with a rateable value below £18k will continue to be exempt from business rates.
- 18-24 year olds claiming Jobseekers Allowance for six months will be guaranteed a job, work placement or work-related skills training.
- Enterprise Finance Guarantee Scheme, under which Government offers 75% loan guarantee to small businesses, will be extended to September 2010.

## **3.3 Local Government**

3.3.1 On 9<sup>th</sup> December 2009 the Government published the paper [\*Putting the Frontline First: smarter government\*](#) which contained the following measures that could affect local government finance:

- By Budget 2010 the Government will publish specific proposals to reduce ring-fencing of funding for local authorities and publish guidance on aligning and pooling local level budgets.
- The timing and co-ordination of grant payments from departments to local authorities will be aligned from 2011/12.
- Consideration will be given to single area-based capital funding, 'Total Capital', with recommendations by Budget 2010.
- The number of national indicators for local areas will be reduced by April 2010, and further reductions will be made from 2011 and, by Budget 2010, setting out plans to further align sector-specific performance frameworks across key local agencies;
- By 2010/11 the timings of all assessments, inspections and reporting arrangements which focus on similar outcomes will be coordinated; consideration will also be given to a new cross-government data gateway.
- The number of inspectorates and their work will be reviewed by Budget 2010, in order to save at least £100m.

### **3.4 Comprehensive Spending Review 2007 (CSR07)**

3.4.1 CSR07 set Departmental Expenditure Limits (DEL) for all government departments, including local government, taking account of spending plans and priorities to 2010/11. CSR07 was prepared in the context of projected lower economic growth and was tighter than the previous spending review. However it still assumed underlying economic growth and as a result CSR07 provided local government with a real increase in funding of 4% for 2010 –11, the third and final year of the review.

3.4.2 Within CSR 07 the key challenges identified for local government were;

- Adult Social Care – rising demands due to long-term demographic changes
- Education – including capital investment
- Waste – pressure to reduce household landfill
- Communities – increasing place-shaping role for councils
- Services – rising expectation for modern and personalised services

3.4.3 Local authorities were expected to develop services within this funding regime by a rigorous pursuit of the efficiency agenda. Public services were set a target of achieving at least 3% per annum (and 4% for 2010-11), net cash releasing gains over the CSR07 period. Cashable efficiency savings of £4.9bn were expected from local government, mainly from better procurement and business processes.

3.4.4 As part of the CSR07 framework announcements around the performance framework for local government included;

- A single set of local government priorities in Public Service Agreements
- 198 national performance indicators
- A maximum of 35 national targets negotiated through Local Area Agreement.

### **3.5 Local Area Agreements (LAA) and Area Based Grants**

3.5.1 LAAs are three year agreements between central and local government, designed to meet national targets as well as local priorities. They are intended to devolve more power to local communities combining area based funding streams into an area based grant to give local authorities and their partners more flexibility to make funding decisions in response to local needs and priorities. This funding is used alongside mainstream budgets to support the achievement of specific 'improvement targets' identified in LAAs. Each LAA includes up to 35 of such targets, negotiated through the Government Office and subsequently designated by the Secretary of State

### **3.6 Local Government Settlement 2010/11**

3.6.1 The Provisional 2010/11 Local Government Finance Settlement was presented to the House of Commons on 26th November 2009.

3.6.2 The settlement was previously announced in January 2009 as the final year of the three-year settlement.

3.6.3 In summary the headline changes between the two Provisional 2010/11 Settlements are

- No change for **any** authority in Formula Grant allocations, between the 2010/11 settlement announced in January and today;
- No increase in the total amount of Formula Grant allocated;
- No change to the relative block sizes;
- No change to the damping mechanism;
- No further transfers in/out of the 2009/10 baseline; *and*

- No Amending Report issues.

3.6.4 The headline changes **between the Provisional 2010/11 and the Final 2009/10** are:

- Average 2.65% increase in Formula Grant across England;
- Formula grant will total £28.3bn in 2009/10 and £29bn in 2010/11, increases of 2.8% and 2.6% respectively.
- Total funding for councils, including specific grants, would be £73.4bn in 2009/10, and £76.3bn in 2010/11, an increase of 4.0%.
- Specific grants including Area Based Grant and PFI increased by 4.7%, from £49.4bn in 2009/10 to £51.6bn in 2010/11.

3.6.5 There have been a number of changes in specific and general grants subjects to legislation being passed. Local authorities will receive funding to implement free personal care for elderly people with the highest needs from 1 October 2010.

3.6.6 The Government noted that the average Band D Council Tax increase was 3.0% in 2009/10 and said the Government 'expects to see it fall further next year while authorities protect and improve front line services. It was stated we expect the average Band D Council Tax increase in England to fall to a 16 year low in 2010/11'.

### **3.7 Efficiency Agenda**

3.7.1 The local government settlement has been accompanied by a strong focus on value for money, improving efficiency and cutting down on waste. Over the 2004 Spending Review period, departments over-delivered on the Government's value for money target by 20 per cent, achieving savings of £26.5 billion.

3.7.2 Over the 2007 Comprehensive Spending Review (CSR) period the Government has committed to a cash-releasing value for money target worth £35 billion by the end of 2010-11. Departments are making good progress towards their 2007 CSR targets and the 2009 Pre-Budget Report announces that £8.5 billion of efficiencies have been delivered so far. This includes savings reported in 2008-09 departmental annual reports and, where available, departmental savings reported in the first half of 2009-10.

3.7.3 Budget 2008 announced the next stage of the Government's programme of value for money reforms, setting up the Operational Efficiency Programme (OEP) and the Public Value Programme (PVP) to capitalise on best practice and leading thinking in the private and public sectors. Budget 2009 accepted the recommendations of the OEP reviewers that the Government could achieve £15 billion of additional efficiency savings a year by 2013-14 compared to 2007-08, in back office and IT, collaborative procurement, asset management, property and local incentives and empowerment. Budget 2009 also set out details of the early savings from the PVP and announced that the programme would be expanded to ensure demanding value for money reviews are conducted across a minimum of 50 per cent of each department's budget. Initial savings options identified by the PVP are set out later in this chapter.

### **3.8 Economic Outlook**

- 3.8.1 The indication for local government is that there will be increasing pressure on services. Demand for services including housing, social services and economic development will increase. Regeneration will be a key priority.
- 3.8.2 The next pension fund valuation takes place in 2010. Most local authority pensions schemes will have suffered a reduction in their book value since the collapse of the stock market. A recent rally in the stock market may negate some of the loss, but most will still have significant shortfalls and it is likely that Pension contributions will rise from April 2011.

Draft

## 4. Herefordshire Council's Financial Context

### 4.1 Introduction

4.1.1 This section of the MTFs describes Herefordshire's financial position. It is important to set the scene locally before considering the best approach to the high-level management of the council's financial resources to ensure cash follows priorities.

### 4.2 Formula Grant

4.2.1 The final year of the three year settlement under CSR07 was confirmed in November 2009 with the Formula Grant uplift remaining at 4%. It is likely that future years will see a grant reduction, and the FRM assumes a reduction of 5% per annum from 2011.

	2010-11	2011-12	2012-13
Formula Grant	£57.6m	£54.7m	£52.m
Increase on like-for-like basis	+4%	-5% (assumed)	-5% (assumed)

### 4.3 Specific Grants

4.3.1 The allocation of specific grants was confirmed in December 2009 including Dedicated Schools Grant. The figures for Herefordshire are shown in Appendix A.

### 4.4 Dedicated Schools Grant

4.4.1 The Dedicated Schools Grant (DSG) is paid as a ring-fenced specific grant and must be used in support of the Schools Budget. It is the main source of income for the Schools Budget and can be used for no other purpose. The Schools Budget is made up of the Individual Schools Budget and a number of central services for pupils. DSG is based upon a per pupil formula using the actual pupil numbers from the January School Census data each year. Government sets a fixed amount per pupil for Herefordshire which is multiplied by the total pupil numbers to determine the final grant. There are specific grant certification and audit requirements to ensure appropriate use of the grant and any under or overspends must be carried forward to the next financial year. DSG cannot be used to fund general council expenditure. Funding is delegated to schools through a funding formula that is agreed with Schools Forum.

4.4.2 National funding reflects factors such as deprivation, sparsity and area cost adjustments which affect urban and rural areas in different ways. Herefordshire has one of the lowest funding levels of the nationally distributed DSG at an overall ranking of 147 out of 149 authorities receiving the grant. Herefordshire will receive £4,002 per pupil in 2010/11 compared to the England national average of £4,398 and the £4,027 received by Worcestershire.

4.4.3 The current grant methodology ("Spend Plus") underlying the allocation of DSG to individual authorities is determined by central government and has been used for the three years. A national review of the distribution formula for DSG is currently being undertaken and is expected to be in place from 2011-12. Authorities will be consulted on the proposed changes in DSG during Spring 2010. No information on the amounts per pupil for 2011-12 onwards has been published by government pending the outcome of the DSG review although all the evidence suggest that there could be a reduced settlement for schools.

4.4.4 The council has always sought to maintain the relative budgets of schools in Herefordshire. The most recent comparative data from the Department for Children, Schools and Families for 2008-09 shows that within our family group of 11 comparable authorities Herefordshire passport the third highest amount per pupil to schools whilst retaining the third lowest amount per pupil for central DSG services.

#### 4.5 Area Based Grant

Area Based Grant (ABG) is a general grant allocated directly to local authorities as additional revenue funding to areas. It is allocated according to specific policy criteria rather than general formulae. Local authorities are free to use all of this non-ringfenced funding as they see fit to support the delivery of local, regional and national priorities in their areas.

4.5.1 Area Based Grant has increased for 2010-11, a large proportion of the increase is due to the implications of the Personal Care at Home bill. A consultation published in December confirms that subject to legislation being passed before the end of Parliament, LAs will receive funding via ABG to implement free personal care for elderly people with the highest needs from 1 October 2010. Other transfers include the anticipated move of the Supporting People grant into ABG from 2010/11. Details are shown in the table below:

<b><u>ABG 2010-2011 as per Nov 2009</u></b>	<b>£</b>
<b><u>DEFRA</u></b>	
Environmental Damage Regulations	319
<b>Total DEFRA</b>	<b>319</b>
<b><u>Home Office</u></b>	
Community Call for Action/Overview Scrutiny Committee	2,000
Stronger Safer Communities	182,283
Young People Substance Misuse Partnership	30,568
<b>Total Home Office</b>	<b>214,851</b>
<b><u>Department for Transport</u></b>	
Detrunking	526,486
Road Safety Grant	325,645
Rural Bus Subsidy	944,776
<b>Total DfT</b>	<b>1,796,907</b>
<b><u>DCSF</u></b>	
School Development Grant	82,000
Extended Schools Start-Up Grants	334,158
Primary National Strategy - Central	115,250
Secondary National Strategy - Central co-ordination	140,930
Secondary National Strategy - Behaviour and Attendance	68,300
School Improvement Partners	108,240
Education Health Partnerships	54,796
School Travel Advisers	32,000
Choice Advisers	20,140
School Intervention Grant	69,900
14 - 19 Flexible Funding Pot	47,577
Sustainable Travel - General Duty	15,516
Extended Rights to Free Transport	330,411
Connexions	1,394,246
Children's Fund	357,170
Child Trust Fund	2,807
Positive Activities for Young People	111,608
Teenage Pregnancy	99,000

Children's Social Care Workforce	39,901
Care Matters White Paper	130,821
Child Death Review Processes	16,897
Young Peoples Substance Misuse	27,293
Designated Teacher Funding	14,891
<b>Total DCSF</b>	<b>3,613,852</b>

#### **Department of Health**

Adult Social Care Workforce	523,344
Carers	895,610
Child & Adolescent Mental Health	225,230
Learning & Disability Development Fund	131,888
Local Involvement Networks	119,134
Mental Capacity Act & Independent Mental Capacity	103,916
Mental Health	464,768
Preserved Rights	1,409,312
<b>Total DH</b>	<b>3,873,202</b>

#### **CLG**

Cohesion	75,000
Economic Assessment Duty	65,000
Supporting People Administration	101,811
Supporting People	5,592,972
<b>Total CLG</b>	<b>5,857,283</b>

**Total ABG** **15,356,414**

4.5.2 ABG represented a significant shift in the Government's approach to funding when it was introduced in 2008/09. It is important to stress this is not 'new' money. It is a change to the way existing grant schemes are presented and can be used. The challenge faced by all local authorities is one of transition from funding existing services using specific grants that become part of ABG. To help the transition Herefordshire's approach is that all grants automatically stay within existing service areas for the year immediately following their inclusion in ABG. Thereafter the funding decisions are part of the governance arrangements of the Herefordshire Partnership.

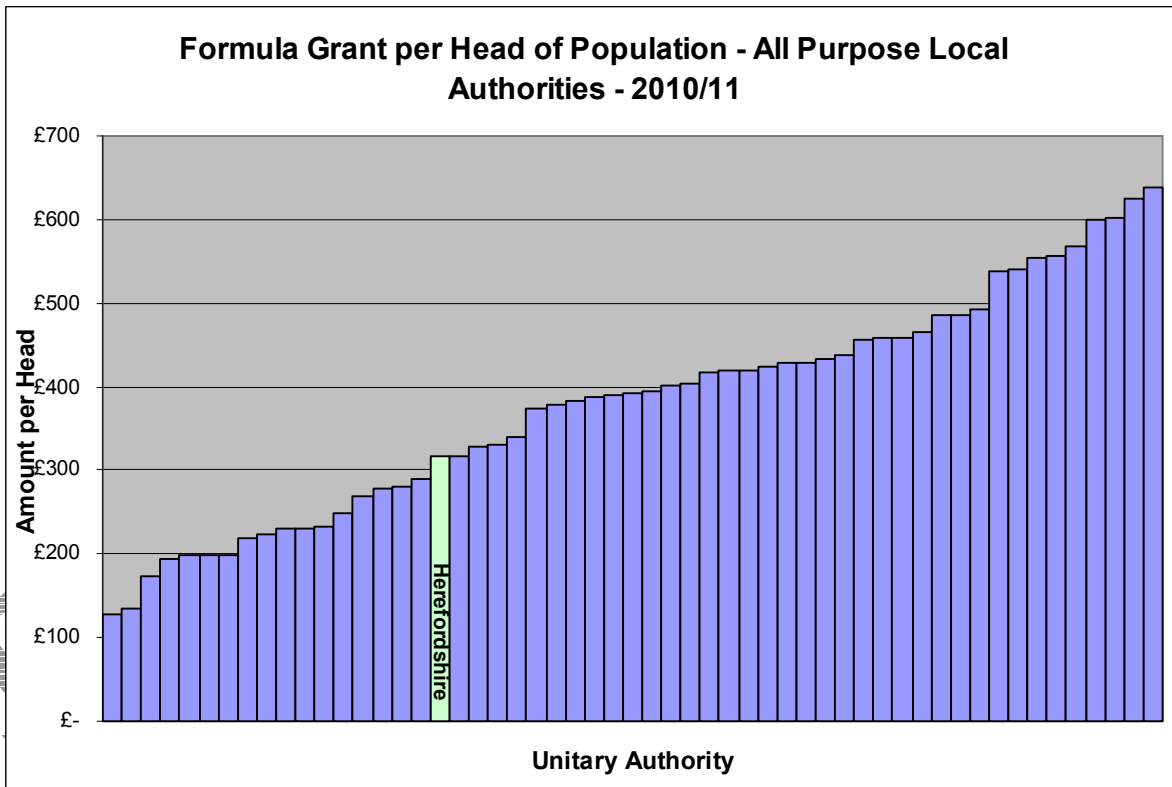
## **4.6 Comparative Funding Position**

4.6.1 Herefordshire does not get a fair share of central Government funding and this continues to be the case. The 2010/11 settlement figures show that:

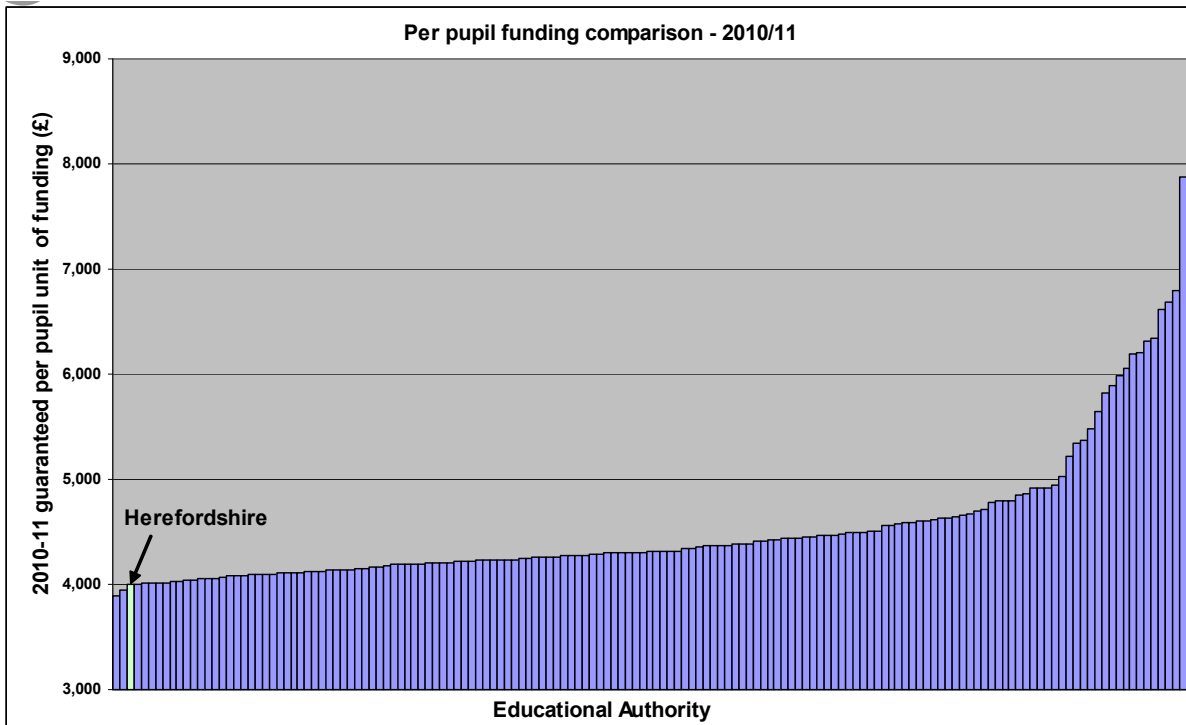
- a) Formula Grant per head of population is £317 – 17% below the unitary authority average of £378
- b) Dedicated Schools Grant per head of pupil is £4002 – 9% or £396 below the average of £4,398 for all English
- c) Formula Grant plus indicative DSG per head of population is £802 – 16% below the unitary authority average of £972.

4.6.2 The graph below shows Formula Grant per head of population for all unitary councils for 2010/11. It shows that Herefordshire is 38th out of 55 unitary authorities.





4.6.3 The graph below shows DSG per pupil. Herefordshire is 147<sup>th</sup> out of 149 authorities, £68 per pupil less than the average of comparable education authorities including our neighbours Shropshire and Gloucestershire.



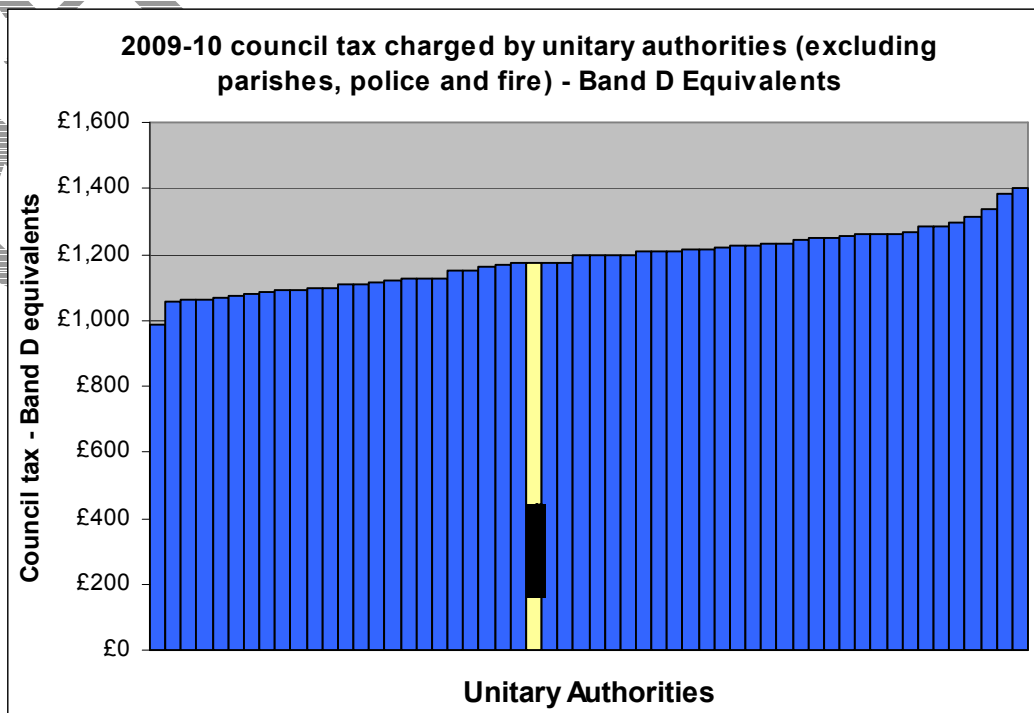
## 4.7 Council Tax

4.7.1 In December the Government stated that councils are expected to agree council tax increases of substantially less than 3% in 2010-11.

4.7.2 The previous section clearly demonstrated that Herefordshire does not get a fair share of central government funding. This lack of funding is not at the expense of above average levels of council tax. In fact Herefordshire Council's council tax for 2010/11 is below average as shown below;

	Average Council Tax excl. Parish Payments (Band D)	Difference	% Difference	Including parishes, police & fire
Herefordshire	£1,175.24	-	-	£1,454.53
Unitary authorities	£1,191.01	£15.77	1.3%	£1,428.99

4.7.3 The following graph shows Herefordshire's council tax position in relation to other unitary authorities;



## 4.8 Reserves

### 4.8.1 Revenue Reserves

4.8.2 Herefordshire has 2 main sources of reserve funding to support the day to day spending that is recorded in the revenue account, the General Fund balance and Specific Reserves. As the titles suggest, the latter are held for a specific purpose whilst the former could be considered a general contingency.

4.8.3 The following table shows the year end balance on the General Fund and the level of Specific Reserves for the last 4 financial years plus an indicative forecast of the position at the end of 2009/10.

Balance as at:	General Fund £000	Specific Reserves		Total £000
		Schools	Other	
31st March 2006	14,525	8,739	5,203	28,467
31st March 2007	8,023	8,137	11,637	27,797
31st March 2008	6,728	5,657	10,915	23,300
31st March 2009	6,390	5,476	10,588	22,454
31 <sup>st</sup> March 2010 (forecast)	5,890	5,200	10,100	21,190

4.8.4 A significant proportion of the Specific Reserves belong to our schools and cannot be used to help pay for non-schools services.

4.8.5 The council's policy is to maintain the General Reserve at a minimum of £4.5m (approximately 3.5% of the net revenue budget). This level of General Reserve balance is in line with recommended best practice and is consistent with the approach other similar authorities take. The Director of Resources is content to make his statutory declaration that this level of General Reserves is prudent as it provides adequate cover for demand pressures that are volatile, difficult to predict or unforeseen at the time the budget is set and that are not covered by an earmarked reserve.

#### 4.8.6 Capital Reserves

4.8.7 There is one capital reserve that represents cash available to support spending on the creation or enhancement of assets that is recorded in the capital account. It is known as the Usable Capital Receipts Reserve.

4.8.8 The following table shows the level of usable capital receipts for the last 4 financial years and an estimate for 2009-10;

Balance as at:	£000
31st March 2006	20,070
31st March 2007	22,426
31st March 2008	17,945
31st March 2009	17,558
31st March 2010	7,204

4.8.9 The council has an asset management plan which has recently seen the purchase of Plough Lane, to house up to 1,600 Council and NHS employees. A dozen older buildings will be sold, releasing revenue savings and generating any capital receipts to repay the prudential borrowing.

4.8.10 The council has a policy that ensures capital cash resources are used effectively in support of corporate priorities. As a result all capital receipts are a corporate resource and not 'owned' or earmarked for directorates unless allocated for a specific purpose.

## **5. Herefordshire's Policy Context**

### **5.1 Introduction**

5.1.1 This section of the MTFs describes the local policy context for Herefordshire.

### **5.2 Herefordshire Sustainable Community Strategy**

5.2.1 *The Herefordshire Sustainable Community Strategy 2006 to 2020* sets out what the council and its partners aim to achieve to make the county an even better place to live and work. Priorities are closely aligned with central government priorities for public services. *The Local Area Agreement (LAA)* between the council, its partners and the Government is at the heart of delivering the strategy.

### **5.3 Corporate Plan and Annual Operating Statement**

5.3.1 The current Corporate Plan sets out what the council aims to achieve over the years 2008 to 2011, including what it will do to make a reality of the *Herefordshire Sustainable Community Strategy (HSCS)* and how the aims will be delivered through the LAA.

5.3.2 The Corporate Plan contains the current overall targets, milestones and actions, together with the current budgets and other resources to achieve them, over the coming years.

5.3.3 The council's Corporate Plan themes are:

- a) Children and Young People
- b) Health and Well Being
- c) Older People
- d) Economic development and enterprise
- e) Safer and stronger communities
- f) Sustainable communities
- g) Organisational improvement and greater efficiency

5.3.4 The council's top priorities are:

- The best possible life for every child, safeguarding vulnerable children and improving educational attainment
- Reshaped adult health and social care, so that more older and other vulnerable people maintain control of their lives
- The essential infrastructure for a successful economy, enabling sustainable prosperity for all
- Affordable housing to meet the needs of local people
- Better services, quality of life and value for money, particularly by working in partnership with the Herefordshire Primary Care Trust and other local organisations

5.3.5 The table in Appendix B illustrates the interrelationship between the council's themes and top priorities.

5.3.6 Annual plans for individual directorates set out how their services will contribute to the corporate plan and achieve relevant targets. These flow into the plans of individual teams, with objectives and targets set annually for individual managers and their staff.

## 5.4 Public Consultation

- 5.4.1 In September 2008 the “Place Survey” was posted out to 4,200 households in Herefordshire. The “Place Survey”, known locally as the “Herefordshire quality of life survey”.
- 5.4.2 The aim of the survey is to find out what people think of the quality of life in Herefordshire, to monitor the performance of local public services, and to gather data for the new National Indicator (NI) set.
- 5.4.3 Of the 4,150 which were successfully delivered, 1,907 were complete and returned, giving a response rate of 46%. This is an improvement from the 40% seen in 2007.
- 5.4.4 From a list of 20 items, the things most frequently seen as important in **making somewhere a good place to live** were the level of crime, health services and affordable decent housing.
- 5.4.5 The things most often seen as being **in need of improvement** in the local area were road and pavement repairs, activities for teenagers and the level of traffic congestion.
- 5.4.6 The items seen as **priorities for local people** (i.e. those seen as both important and in need of improvement) were affordable decent housing, clean streets and public transport.
- 5.4.7 There has been a significant improvement in satisfaction with the **local area as a place to live** (87% satisfied, up from 69% in 2007), putting Herefordshire in the best quartile nationally (the “best quartile” means the top quarter of all authorities’ scores). There was also an improvement in satisfaction with the local community as a place to live (79% to 86% satisfied), and 92% were satisfied with their home as a place to live. 89% of over 65s were **satisfied with both their home and their neighbourhood**, which puts Herefordshire in the best quartile nationally.
- 5.4.8 66% of respondents felt they **belonged to their immediate neighbourhood** either fairly or very strongly, which puts Herefordshire in the best national quartile.
- 5.4.9 76% agreed that people from **different backgrounds got on well together** in the local area, which has seen no change since 2007, though a slight drop in national scores means Herefordshire has moved from the worst to the 3<sup>rd</sup> quartile.

## 5.5 LAA and the Herefordshire Partnership

- 5.5.1 To achieve the LAA vision, the Herefordshire Local Strategic Partnership was established, membership includes local organisations, groups and service providers, specifically:
- a) Chamber of Commerce Herefordshire and Worcestershire, and Business Link West Mercia.
  - b) Herefordshire Association of Local Councils.
  - c) Herefordshire Council.
  - d) NHS Herefordshire.
  - e) Learning & Skills Council, Herefordshire and Worcestershire.
  - f) Third Sector Organisations.
  - g) West Mercia Constabulary.
  - h) Fire Rescue Service

5.5.2 Five important principles have been embraced by the Herefordshire Partnership they are:

- Ensure an equal and inclusive society
- Integrate sustainability into all our actions
- Realise the potential of Herefordshire, its people and communities
- Build on the achievements of partnership working and ensure continual improvement
- Protect and improve Herefordshire's distinctive environment

## **5.6 The Performance Improvement Cycle (PIC)**

5.6.1 The council links its financial planning and monitoring with corporate and LAA priorities through the annual Performance Improvement Cycle (PIC) process. The purpose of the PIC is to enable the council to:

- a) link directly, at all stages of planning and performance management, the allocation of resources with the delivery of the council's priorities in terms of measurable outputs and outcomes
- b) make informed choices about the trade-offs between investment in different services
- c) achieve the best possible value for money, overall and in respect of individual services
- d) make cash-releasing and non-cash-releasing savings to meet Government requirements and deliver service improvements in priority areas
- e) drive continuous performance improvement for better customer services across the council
- f) take account of what it needs to contribute to the Herefordshire Community Strategy
- g) maximise the benefit of the developing public service arrangements with the PCT.

5.6.2 To these ends, the processes for corporate, service and financial planning are fully integrated into the cycle.

## **6. Financial Management Strategy**

### **6.1 Introduction**

6.1.1 This section of the MTFs describes Herefordshire's corporate financial objectives given the national and local context. It also covers Herefordshire's financial management proposals to achieve these objectives. This section also describes the financial management strategies for:

- a) Revenue spending.
- b) Capital investment.
- c) Efficiency review and improving Value for Money.

d) Treasury management.

6.1.2 Active risk management is a key component of the council's corporate governance arrangements. This section of the MTFS therefore sets out the key corporate and financial risks the council will be monitoring to ensure it stays on course to deliver its overall objectives.

## **6.2 Corporate Financial Objectives**

6.2.1 Herefordshire's corporate financial management objectives are to:

- a) Ensure budget plans are realistic, balanced and support corporate priorities.
- b) Maintain an affordable council tax – the Financial Resource Model (FRM) in the MTFS assumes a 2.9% increase.
- c) Manage spending within budgets – Directorates have a 'non- negotiable' pact to manage outturn expenditure for each financial year within budget.
- d) Ensure sustainable balances, reserves and provisions, within a reasonable limit, consistent with the corporate financial risks and without tying up public resources unnecessarily.
- e) Create the financial capacity for strategic priorities for service improvement.
- f) Support a prudent level of capital investment to meet the council's strategic requirements.
- g) Maintain a strong balance sheet position.
- h) Deliver and capture year on year efficiency and Value for Money improvements.
- i) Ensure an integrated approach to corporate, service and financial planning in full consultation with key stakeholders.
- j) Ensure a whole-life costing approach is taken to both revenue and capital spending decisions.

## **6.3 Managing partnership resources**

6.3.1 Herefordshire welcomes the opportunity to work with strategic partners to improve outcomes. However, to achieve its corporate financial management objectives, we will always seek to ensure:

- a) The financial viability of partners before committing to an agreement.
- b) Clarity of respective responsibilities and liabilities.
- c) Accounting arrangements are established in advance of operation.
- d) Implications of terms and conditions on any associated funding are considered in advance of operation

6.3.2 Area Based Grant brings together a number of existing grants and is part of a three year financial strategy designed to take the ringfencing off funding from government departments. Decision making is devolved down to the local area; in the case of Herefordshire to the six Policy and Delivery Groups which make up the Herefordshire Partnership Structure.

## **6.4 Managing external funding**

6.4.1 External funding provides another opportunity to increase financial capacity. The MTFS will be to pursue actively such opportunities, providing that:

- a) Match funding requirements are considered in advance.
- b) They support, or do not conflict or distract from, corporate priorities.
- c) They have no ongoing commitment that cannot be met by base budget savings.
- d) They do not put undue pressure on existing resources.
- e) The net cost overall is not excessive

## **6.5 Managing Developer Contributions**

- 6.5.1 This is another source of external funding that can be secured through the planning system. It may be possible to secure funding to support the cost of day-to-day services (e.g. commuted sums for maintenance of public open spaces). Support for capital infrastructure can also be achieved in this way (e.g. developer contributing to cost of new access roads).
- 6.5.2 The MTFS aims to maximise the potential for increasing financial capacity and managing growth in volumes through s106 agreements, where possible.

## **6.6 Managing Fees and Charges**

- 6.6.1 The council is currently developing a charging strategy with the aim of implementing a corporate charging policy.
- 6.6.2 The policy will recognise the potential for discretionary charges to fund services and ensure full cost recovery where feasible and minimise the subsidy from council budgets

## **6.7 Managing the General Fund Balance and Specific Reserves**

- 6.7.1 Herefordshire's General Fund opening balance for 2009/10 was £6.39m. This is in excess of the current policy in place to maintain a minimum balance of £4.5m.
- 6.7.2 Herefordshire's financial management strategy is to maintain specific reserves to deal with the key corporate financial risks reducing the need for a higher level of General Fund balances. This strategy ensures there is complete transparency about what is resourced, for corporate financial risks that, if realised, would affect the council's financial standing. It represents an 'open-book' approach to accounting.
- 6.7.3 All Directorates are expected to manage budget pressures within the overall requirement to deliver an outturn at or below budget. Any in-year budget pressures must be managed by use of a recovery plan, which is approved at Joint Management Team.
- 6.7.4 The need for the range and level of specific reserves and the policy for minimum General Fund balances is continually reviewed as part of the financial planning, monitoring and outturn processes. The strategy described here provides cover for the key corporate financial risks.

## **6.8 Managing financial performance**

- 6.8.1 Maintaining strong financial control is a prerequisite to achieving the council's corporate priorities and the integrity of the MTFS. Good systems and procedures are in place for regularly reporting on financial performance to Cabinet, Strategic Monitoring Committee and Scrutiny Committees as part of the integrated performance framework.

## **6.9 Efficiency Review**

- 6.9.1 Herefordshire's strategy for securing efficiency gains is to seek continual improvement in the productivity of all our resources, including people, land, property, ICT and cash.



6.9.2 Herefordshire has had a good track record delivering to the government's efficiency targets. For 2010/11 this rises to 4%. £6.7m.

6.9.3 Efficiencies identified in the FRM for 2010-11 include:

	<b>£'000</b>
Vacancy Management	762
Impact of full cost recovery for charging	225
Rationalisation of Property Services	180
Business process improvements	227
Implementation of new commissioning plan	450
Implementation of care brokerage	84
Reduction in unit costs for in-house services	159
Directorate reductions	2,528
	<b>4,615</b>

## **6.10 Value for Money (VfM)**

6.10.1 Herefordshire is committed to routinely using VfM information and benchmarking data to review and challenge VfM throughout services and corporately, supporting continuous service improvement and the drive for efficiencies. This is an integral component of the Performance Improvement Cycle.

6.10.2 We support the drive for VfM through the following mechanisms:

- a) Ensuring service managers deliver the outputs and outcomes agreed for their service area within budget, managing within budget is a key responsibility for all budget holders embedded in our staff review and development procedures.
- b) Support from the Procurement through efficient tender and other procurement processes that ensure robust quality and price.
- c) Integrating corporate, service and financial planning processes.
- d) Planning over the medium-term as well as the short-term.
- e) Developing our routine financial performance monitoring reports for Cabinet to include VfM data over the coming year.
- f) Benchmarking our costs and activities, year on year and with other authorities.
- g) Through internal and external audit reviews.
- h) Through scrutiny reviews.

## **6.11 Financial Management Strategy for Capital Investment**

### **National Picture**

6.11.1 The council has received indicative funding notifications from central government for 2010/11. Supported Capital Expenditure allocations (borrowing supported by Revenue Support Grant) for 2010/11 totals £13.21m, split £0.89m towards children's services and £12.31m towards environment and culture.

6.11.2 Funding announcements for 2011-12 onwards are still awaited. Indications from central

government are that, following the much publicised credit crunch, planned capital funding allocations are set to be halved by 2013-14 with the majority of central government available capital funding already being allocated to the Building Schools for the Future capital programme. Councils are therefore under increasing financial pressure to find financial savings to shore up the funding gap.

6.11.3 Over the longer term authorities are expected to generate income from selling surplus assets and reduce the costs of running their property portfolios by providing efficiencies including reducing carbon emissions from their capital stock. At the same time there is increasing pressure to provide cross-cutting co-located services to provide a one-stop service provision to the public which is steering authorities to share buildings, pool resources and jointly plan strategic capital programmes with local agencies, private companies, voluntary sector and community organisations. For local authorities to deliver their priorities within the financial constraints officers must demonstrate creativity using greater innovation and ideas, to deliver services differently.

### **Herefordshire Capital Funding**

6.11.4 The FRM for the revenue account reflects the new borrowing requirement implied by the Treasury Management Strategy to support the capital programme.

6.11.5 The capital receipts reserve totalled £17.56m as at 1st April, 2009, this is likely to fall to just over £7.2m by the end of the financial year. Capital receipts reserve funding of £5.82m has been committed to fund the 2010/11 capital programme.

6.11.6 In addition the council can fund additional borrowing to the extent it considers it is affordable and prudent to do so (Prudential borrowing).

6.11.7 The financial management strategy for increasing capital investment capacity centres on:

- a) Maximising developers' contributions as outlined in the financial management strategy for the revenue account.
- b) Effective project management of capital schemes to ensure they stay within budget.
- c) Creating the capacity to implement the property review arrangements set out in the Asset Management Plan to see what further opportunities there are for rationalising property assets and releasing resources (capital and revenue).
- d) Maintaining our successful track record for innovative capital investment schemes.
- e) Attracting external funding such as the grant allocation under the government's Building Schools for the Future programme.

6.11.8 The financial management strategy for capital investment also focuses on making sure the available resources are allocated in line with corporate priorities. To achieve this we will:

- a) Treat property assets as a corporate resource
- b) Ensure that corporate assets (including property assets and ICT infrastructure) are not neglected.
- c) Develop a corporate approach to maintaining and developing corporate assets.

### **Capital Programme 2010/11**

6.11.9 The 2010/11 capital programme represents funding indications received to date. This is subject to change following allocation of resources including additional capital grant funding announcements.

6.11.10 The following table summaries the existing capital investment programme updated for slippage, utilising in full Supported Borrowing allocated for 2010-11.

	2010/11	2011/12
	£'000	£'000
<b>Investment by directorate:-</b>		
Children's Services	39,089	5,667
Resources	10,100	2,872
Deputy Chief Executive	10	39
Adult Social Care	539	-
Regeneration	8,570	1,719
Environment & Culture	18,452	2,003
	<b>76,760</b>	<b>12,300</b>
<b>Which is funded by:</b>		
Supported Capital Expenditure (Revenue)	13,210	1,200
Prudential Borrowing	13,675	2,813
Revenue Contribution	-	-
Capital Receipts Reserve	5,820	500
Government Grants & Contributions	44,055	7,787
	<b>76,760</b>	<b>12,300</b>

6.11.11 The current revenue budget allows for additional prudential borrowing of £2,741k to be allocated to capital schemes in 2010-11, this is not reflected within the above table. If this funding wasn't allocated it would improve the revenue budget position by approximately £250k per annum.

6.11.12 The prudential borrowing could be utilised to fund capital budget pressures identified below:

- **Current backlog:** Backlog maintenance – a high level indication of funding requirement across all service areas totals £17,750k, of these £95k represent urgent works and £500k is required for urgent works on Halo properties. This list would need to be reviewed further to ensure the expenditure meets the definition of capital expenditure before any capital funding could be allocated.
- **Legionella works** – last years funding allocation has proved to be insufficient to fund all works required so an additional funding request of £150k is requested.
- **Landfill sites** – there are increased liabilities at Stretton Sugwas and Leominster closed landfill sites representing replacing defective gas extraction systems, methane stripping and increased costs relating to a leachate drain at Leominster. £83k is required in 2010-11.
- **Rotherwas Futures** – an additional £1,680k borrowing requirement has been identified to meet expected costs, this amount should be repaid from expected future capital receipts which should total £4m however £2.4m of this amount would be repaid to AWM under the original funding investment agreement.
- **Disabled Facilities Grant** – this statutory grant is currently under enormous pressure. A bid was submitted last year for funding of £672k to be required in 2010-11 however this could be reduced to reflect slippage of funds from this financial year due to the late notification of budget and delays due to the approval of applications process.

6.11.13 Potential new funding requirements for 2011-12 have been identified, but at this stage no funding is requested:

- **Edgar Street Grid** – there is no capital budget for this scheme, current forecasts suggest that a possible funding (mainly in relation to infrastructure works) may be required over the next 3 years however this is dependant on a number of factors that cannot be confirmed at this time.
- **Model Farm, Ross on Wye** – funding has been allocated to enable feasibility works up to planning permission. Following this the scheme recommended will require capital funding which has not been awarded to date.
- **Hereford Centre** – a new Hereford centre is required to accommodate front office staff for the Council, PCT and police.
- **Butter market** – this site requires refurbishment works, partly due to backlog maintenance issues mentioned earlier, initial indications are that the cost of these will be in excess of £3m and no funding has been identified for this. The Councils VAT partial exemption limit must be reviewed before any capital funding is awarded to this scheme.

## 6.12 Treasury Management Strategy

6.12.1 The council is required to approve an annual treasury management strategy each year as part of the budget setting process. Herefordshire's Treasury Management Strategy for 2010/11 complies with the detailed regulations that have to be followed.

6.12.2 The Treasury Management Strategy is a key element of the overall financial management strategy. It supports achievement of several corporate financial objectives, including creating financial capacity within the revenue account as it aims to optimise investment and borrowing decisions.

6.12.3 In summary, the Treasury Management Strategy sets out the council's strategy for making borrowing and investment decisions during the year in the light of its view on future interest rates. It identifies the types of investment the council will use and the limits for non-specified investments. On the borrowing side, it deals with the balance of fixed to variable rate loan instruments, debt maturity profiles and rescheduling opportunities.

6.12.4 Since the 'credit crunch' a more cautious approach to investment has been implemented. This has resulted in reduced interest on investments used to support council budgets.

6.12.5 The council's treasury adviser assists the council in formulating views on interest rates. They are predicting that the bank rate will remain at 0.50% until autumn 2010 when it will gradually rise to reach 4% by the end of 2011. These predictions are reflected in the Financial Resource Model (FRM), which includes a continued reduction in the investment income budget for 2010-11, improving by £0.6m in 2011-12.

6.12.6 The Treasury Management Strategy also sets the Prudential Code limits for the year. These limits define the framework within which the council self-regulates its borrowing based on long-term affordability. These link back to the overall size of the capital investment programme and the FRM.

6.12.7 The Treasury Management Strategy assumes that, as far as possible, external borrowing for the capital programme will be delayed and will be funded by borrowing from internal reserves until the economic situation improves. In the current climate long term borrowing would be at considerably higher rates than investment income can generate and the number of counter parties has reduced due to poor credit ratings.

## 6.13 Key Corporate & Financial Risks

- 6.13.1 Herefordshire sees risk management as an essential element of the corporate governance framework. All formal reports include a risk management assessment. The Cabinet receives regular updates on the corporate risk register as part of our Performance Reporting arrangements.
- 6.13.2 Service Plans for each directorate provide a section on both short and long term risk, assessing the feasibility of delivering their objectives against barriers for delivery.
- 6.13.3 The most recent update of the Corporate Risk Register is provided for information at Appendix C.

## 7. Medium-Term Financial Resource Model (FRM)

### 7.1 Background

- 7.1.1 The FRM shown in Appendix D takes into account the corporate financial objectives and MTFs approach set out in this document. The FRM is designed to provide an assessment of the overall resource availability for the revenue account over the medium-term. It sets the financial context for the corporate and service planning so that the two planning processes are fully integrated. It covers the period from 2010 to 2013.

### 7.2 Assumptions

- 7.2.1 The FRM includes the following assumptions;

- a) **Council Tax**  
The Government's expectation for council tax increases is substantially below 3%. The actual increase for 2009-19 was 3.9%. Currently 2.9% is assumed for 2010-11, and the following two years.
- b) **Formula Grant** – the FRM reflects the final year of the three year local government finance settlement, providing 4% for 2010-11. Currently no indication of levels beyond 2010/11 is available. Given the likely reduction in our funding a reduction of 5% per annum is included and -5% then on.
- c) **Inflation**  
The 2010/11 base budget included an assumption of a 0.75% pay award, the trade unions are demanding 2.45%, which will be negotiated over the coming months. The following two years assumes a pay award of 1%.

The current FRM includes no inflationary uplift on non pay expenditure. This challenging policy ensures that managers:

- Negotiate appropriate contracts for the provision of services.
- Manage contracts and contractor performance effectively.
- Continually review service delivery arrangements to ensure improvements in efficiency and value for money.

- d) **Employers' superannuation costs** – the FRM includes increases in employers' contributions rates in line with latest actuarial advice. The next three year valuation commences in 2010 and based on current stock market valuations a significant increase in employer contributions may be necessary, but at this time are not included in the FRM.

The last valuation was completed in 2007. At that time the Fund was 72% funded (compared to 64% in 2004). The valuation provides for the Council, as an employer, to make pension contributions at a rate sufficient to eliminate the deficit on the fund over 22 years. It is also possible that a future review of the scheme will impact on the contribution level.

- e) **National Taxation** – the FRM assumes there will be an increase in national insurance contributions in 2011/12 in line with the Pre-budget report.
- f) **Interest Rates** – the FRM reflects interest rate assumptions for investment income and new borrowing costs in line with the Treasury Management Strategy for 2009/10 and forecasts for 2010-11.

### 7.3 Corporate Priorities

7.3.1 The FRM includes the following key growth items and budget pressures identified as corporate priorities

<b>Cost Pressure</b>	<b>£'000</b>
Legislative changes	807
Inflation uplifts to key contracts	1,024
Economic downturn – impact on impact	180
Demographic changes	591
Frontline service pressures	1,572
Service modernisation pump priming	566
Other service changes	489
	<b>5,249</b>

7.3.2 **Capital Investment** – the FRM reflects the revenue implications of the approved capital programme (see Section 6.11)

### 7.4 Directorate Budgets

7.4.1 2010/11 presents Directorates with a series of financial challenges and also a requirement that they support the council's overall budget position to deliver a balanced budget.

7.4.2 The Performance Improvement Cycle (PIC) as described in Section 5.8, has seen extensive involvement of the Joint Management Team (JMT). Directors have been involved in a rigorous challenge process around spending and savings proposals.

7.4.3 The final proposals by Directors is summarised in the table below;

Directorate	Spending requirement £000	Estimated savings £000
Integrated Commissioning	2,097	827
Children's and Young People	1,555	540
Deputy Chief Executive	444	983
Environment and Culture	503	1,369
Regeneration	200	502
Resources	450	394
	<b>5,249</b>	<b>4,615</b>

7.4.4 The overall position is a net contribution of £634k, which is included in the FRM.

## 7.5 Shared Services/Herefordshire Connects – AP to complete

7.5.1 The Shared Services initiative has subsumed the Connects project into the wider Transformation Project. The overall approach is to view all corporate efficiency activity as part of the Herefordshire Connects Programme, so that maximum efficiencies are realised. In the 2010-11 budget the programme is to realise £1m of savings, with an additional £1.6m in 2011-12. This indicates the key role the programme will make to the council's overall financial position.

## 7.6 Sensitivity Analysis

7.6.1 The projected budgets make assumptions about likely levels of funding. The variable nature of these factors could impact on the budget and the following gives an indication of the extent of the possible changes:

- a) An increase or decrease of 0.5% in the council tax base impacts the budget by £427k in 2010/11.
- b) 1% variance in council tax inflation impacts the budget by £830k for 2010/11.
- c) £100k increase in budget increases council tax by up to 0.12%.
- d) A 0.5% variance on investment interest rates equates to £83k in 2010/11.
- e) If the pay settlement varies by 1% from the FRM's assumption this has an impact of approximately £553k.

## 8. Statutory Statement by the Council's Chief Finance Officer

The purpose of this statement is to comply with the requirements of the Local Government Act 2003 whereby the Chief Finance Officer, in the council's case the Director of Resources must report on the:

- a) Robustness of the estimates made for the purposes of the budget calculations.
- b) Adequacy of the proposed financial reserves.

Section 25 of the Local Government Act 2003 requires the Director of Resources to report to the council when it is setting the budget and precept (council tax). The council is required to take this report into account when making its budget and precept decision. The Director of Resources' report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.

The Director of Resources states that to the best of his knowledge and belief these budget calculations are robust and have full regard to:

- The council's corporate plans and strategies;
- The council's budget strategy;
- The need to protect the council's financial standing and manage corporate financial risks;
- This year's financial performance;
- The Government's financial policies;
- The council's medium-term financial planning framework;
- Capital programme obligations;
- Treasury Management best practice;
- The strengths of the council's financial control procedures;
- The extent of the council's balances and reserves; and
- Prevailing economic climate and future prospects.

**David Powell**  
**Director of Resources**



## Appendix A

### Specific Grants

Specific Grants	REVISED as at Dec 09	REVISED as at Dec 09
	2009-10	2010-11
	£	£
Dedicated Schools Grant	84,292,000	88,079,000
Schools Standards Grant (including Personalisation)	5,078,000	5,175,000
Ethnic Minority Achievement	47,000	47,000
Music Services	293,000	292,000
Extended Schools	513,000	723,000
Extended Schools Subsidy Grant	91,000	492,000
School Development Grant	7,148,000	7,244,000
School Meals	239,000	230,000
1-2-1 Tuition	383,000	729,000
Targeted Support for Primary & Secondary Strategy	1,184,000	1,032,000
Free Entitlement for 3-4 Year Olds	370,000	1,183,000
Sure Start, Early Years and Childcare	3,770,000	4,422,000
Youth Opportunity Fund	90,000	90,000
Short Breaks (Aiming High for Disabled Children)	177,000	537,000
Targeted Mental Health in Schools	220,000	150,000
Think Family Grant	349,000	349,000
Two Year Old Offer - Early Learning and Childcare	133,000	167,000
<b>Adult's Personal Social Services</b>		
Social Care Reform	712,000	886,000
Stroke Strategy	89,000	89,000
Aids Support Grant	160,000	
<b>Others</b>		
Concessionary Fares	555,000	
Supporting People	5,887,000	
Homelessness Basic Revenue	81,000	60,000
Growth Areas : Revenue	171,000	<i>not available</i>
<b>Capital Grants</b>		
Devolved Formula Grant	2,745,000	2,143,833
Extended Schools	321,000	166,130
Harnessing Technology Grant	1,225,000	1,091,000

Modernisation Grant		608,576
Intervention Centre	850,000	<i>not available</i>
Sure Start, Early Years & Childcare Capital Grant	1,257,000	1,010,347
TCF 14-19 diplomas & SEN projects	2,000,000	6,000,000
Youth Capital Fund	76,000	75,900
Building Schools for the Future	7,882,000	<i>not available</i>
Academy funding	9,146,000	<i>not available</i>
Aiming High		166,300
Fairplay - Playbuilders		593,177
LA Basic needs		458,156
Locally co-ordinated VA programme		435,233
Schools access initiative		285,904
<b>DEFRA</b>		
Waste Infrastructure	312,000	115,000
<b>Dept of Health</b>		
Mental Health Grant	96,000	95,000
Social Care	96,000	96,000
Improving Management Information	59,000	63,545
<b>Dept for Transport</b>		
Local Transport Plan Highways Maintenance (part -PRN bridges & Exceptional Schemes)	100,000	125,000
Local Transport Plan Integrated Transport (Part)	748,000	714,333
Road Safety	74,000	72,000
<b>Home Office Capital Grants</b>		
Safer Stronger Community Fund	44,000	44,000
<b>CLG</b>		
Disabled Facilities Grant	468,000	<i>not available</i>
Housing Market Renewal	734,000	<i>not available</i>

How the council's themes and priorities relate to the Herefordshire Sustainable Community Strategy and the Local Area Agreement.

HSCS themes	The Corporate Plan themes	The Council's top priorities	LAA priorities
Children and young People	Children & young people	Maximise the health, safety, education, economic well-being, achievements and contribution of every child	<ul style="list-style-type: none"> <li>• Children and young people are healthy and have healthy life-styles, with less obesity and substance mis-use, and better dental and sexual health</li> <li>• Children and young people are safe, secure and have stability</li> <li>• Children and young people achieve educational, personal, social and physical standards</li> <li>• Children and young people engage in further education, employment or training on leaving school</li> <li>• Children and young people engage in positive behaviour inside and out of school</li> <li>• Improved services for children, young people and their families through the work of Herefordshire's Children's Trust</li> </ul>
Healthier communities and older people	Health and well-being Older People	Improve people's health and well-being, and reduce health inequalities, enabling people to be independent and active and to contribute to their local communities	<ul style="list-style-type: none"> <li>• People have longer, healthier lives, with reduced inequalities between different groups and localities</li> <li>• Older people living fulfilled lives as active members of their communities</li> <li>• Vulnerable people able to live safely and independently in their own homes</li> <li>• Enhanced emotional well-being, with fewer suicides</li> <li>• Personalised health and social care services, which offer people much greater choice and influence over their care</li> <li>• Improved dental health</li> <li>•</li> </ul>
Economic development and enterprise	Economic development and enterprise	Improve infrastructure and learning and employment opportunities, enabling business growth and sustainable prosperity for all	<ul style="list-style-type: none"> <li>• Higher quality, better paid jobs and reduced unemployment</li> <li>• Increased participation in learning and higher levels of skills and achievement</li> <li>• More and higher-spending visitors to the county</li> <li>• Improved quality &amp; availability of business accommodation and employment land</li> <li>• Better roads, reduced traffic congestion, with more people walking, cycling or using public transport</li> <li>• Improved dental health</li> <li>•</li> </ul>
Safer and stronger communities	Safer & Stronger communities	Make Herefordshire an even safer place to live, work and visit	<ul style="list-style-type: none"> <li>• Reduced levels of crime</li> <li>• Reduced levels of anti-social behaviour</li> <li>• Reduced harm from drugs and alcohol</li> <li>• Communities to have enhanced resilience and recovery from emergencies through effective partnership planning and co-ordination</li> <li>• Fewer accidents and injuries</li> <li>• People feel as safe as they would like to be</li> </ul>

	Sustainable communities		
Organisational improvement and greater efficiency		Being recognised as top-performing organisations that deliver value for money and ensure excellent services	<ul style="list-style-type: none"> <li>• The highest standards of leadership, governance and integrity</li> <li>• Demonstrable value for money</li> <li>• Streamlined, efficient operations, including the integrated delivery of services across the boundaries of different organisations</li> <li>• High levels of customer and citizen satisfaction</li> <li>• A highly skilled, highly motivated workforce that works in effective partnership with other organisations</li> <li>• Highly rated under Comprehensive Area Assessment and World Class Commissioning, and recognised as exemplars regionally and nationally</li> <li>•</li> </ul>
Stronger Communities		Stronger, vibrant, more inclusive communities in which people enjoy a good quality of life and feel they have influence over their lives and decisions that affect them	<ul style="list-style-type: none"> <li>• Cohesive communities in which people feel accepted, confident and empowered, regardless of race, disability, gender, sexual orientation, age, religion or belief</li> <li>• Communities and individuals participating in local decisions and influencing them</li> <li>• Affordable housing appropriate to people's needs and less homelessness, with support for vulnerable people to live independently</li> <li>• Fair access to the services residents need, including high quality sporting, cultural and recreational facilities and activities</li> <li>• People are able to participate in, the life of their communities</li> <li>• People feel as safe as they would like to be</li> <li>•</li> </ul>
The Environment		The protection and enhancement of Herefordshire's distinctive environment, and tackling climate change	<ul style="list-style-type: none"> <li>• Reduced waste and increased recycling</li> <li>• Reduced CO<sup>2</sup> emissions and successful adaptation to unavoidable impacts of climate change</li> <li>• Increased biodiversity</li> <li>• Natural resources are conserved and landscape character maintained, with sustainable land management</li> <li>• Investment in high quality streets, public spaces and the built environment</li> <li>•</li> </ul>

CORPORATE RISK REGISTER

APPENDIX C

Risk Details					Existing Controls	Current Risk Rating					
Risk Reference Number	Corporate Objectives	Risk Description	Likelihood	Potential Consequences (Severity)	Risk Score	Controls In place	Likelihood	Consequences (Severity)	Residual Risk Score	Risk Owner	Cost of Mitigation
CR49	The best possible life for every child, safeguarding vulnerable children and improving educational attainment	Inadequate procedures in place to ensure safeguarding of children which could lead to closer scrutiny and in extreme cases a 'Baby P' case in Herefordshire. (Related NI 65 % of children becoming subject of a Child Protection Plan for a second or subsequent time)	5	5	25	External review within CYPD undertaken in 2008, reported in January 2009. Clear, robust action plan now in place monitored through the Herefordshire Safeguarding Children Board. Revised governance arrangements for the HSCB and quality assurance framework in place, including regular quality audits of cases. Multi agency procedures in place and regularly reviewed through HSCB. Programme of case audits in place and rolling out for children subject to child protection plans.	2	5	10	SM	2
CR50	The best possible life for every child, safeguarding vulnerable children and improving educational attainment	Reduction in central funding unless we address surplus places, resulting in lack of resources and subsequent decline in quality of lessons delivered	4	5	20	Herefordshire Schools Task Group has been created to explore the options taking into consideration cluster working, school leadership, sustainable schools, finance and national strategies. Paper for Cabinet consideration expected in November 2009.	3	5	15	SM	

Risk Details						Existing Controls	Current Risk Rating				
Risk Reference Number	Corporate Objectives	Risk Description	Likelihood	Potential Consequences (Severity)	Risk Score	Controls In place	Likelihood	Consequences (Severity)	Residual Risk Score	Risk Owner	Cost of Mitigation
CR51	Reshaped adult health and social care, so that more older and other vulnerable people maintain control of their lives	Significant budgetary pressures particularly in Learning Disabilities and Older People. Risk of reduced or poorer services thus inability to reach the Council's top priorities for health & well being. (Related NI's are 136, 142 and 125)	4	5	20	Additional funding from the MTFs, outcome of the PIC process allocated additional funding, efficiency savings of £300k arising from Hereford Connects are expected, increase in the Social Care Reform Grant. Other measures are in place, for full details see the report to Adult Social Care and Strategic Housing Scrutiny Committee dated 22 June 2009.	3	5	15	IW	
CR52	Reshaped adult health and social care, so that more older and other vulnerable people maintain control of their lives	Failure to make improvements in the key areas as identified by the CQC and as reported in the Performance Assessment Notebook, thus leading to the Council not meeting its absolute duty in safeguarding adults. (Related NI's are 125, 130, 132, 133, 136 and 142)	3	5	15	Implementation of the joint health and social care commissioning plans; ensure self-directed care and personalised services are offered to the majority of service users; increase range and availability of support to carers; integrate health and social care across front line services; develop and implement Older People's Strategy.	2	5	10	IW	

Risk Details						Existing Controls	Current Risk Rating				
Risk Reference Number	Corporate Objectives	Risk Description	Likelihood	Potential Consequences (Severity)	Risk Score	Controls In place	Likelihood	Consequences (Severity)	Residual Risk Score	Risk Owner	Cost of Mitigation
CR53	Organisational improvement and greater efficiency	Local Government settlements will become more severe. 2010-11 is the last year of the current three-year settlement but it cannot be guaranteed that it will not be re-opened. It is clear that the position for 2011-12 will be restricted within a range from standstill (at best) to a series of year-on-year reductions. The challenge will be to improve services whilst managing funding reductions.	5	5	25	The shared services project will help release savings and address some of the predicted shortfall. The current Value for Money training project will contribute to greater awareness of VfM issues in the organisation. The Council is working with the PCT on scenario modelling to calculate the scale of financial risk.	3	3	9	DP	
CR54	Economic Development & Enterprise	ESG Project. This is a complex project with a range of risks associated with it which have been exacerbated by the economic downturn. These risks include reputational, funding and delivery.	4	4	16	The ESG board has risk management arrangements in place in order to address each aspect of risk. Advantage West Midlands and Herefordshire Councils senior officer group are also in place to ensure progress.	4	3	12	NS/AA/RG	
CR55	Organisational improvement and greater efficiency	Inadequate procedures in place to ensure data quality which could lead to prolonged scrutiny from regulators / inspectorates (lower UoR and organisational assessments), poorer quality decisions and reduced public accountability.	4	4	16	Data quality action plan, internal audit work plan, Information management training programme, UoR annual (self) assessment and the Performance Improvement Network in place.	3	3	9	AF	

## Medium Term Financial Strategy 2010-13

MTFRM	2010/2011 Budget £'000	2011/2012 Budget £'000	2012/2013 Budget £'000
<b>Base Budget</b>	<b>137,718</b>	<b>142,980</b>	<b>143,017</b>
Total Inflation	2,194	3,303	2,898
	<b>139,912</b>	<b>146,283</b>	<b>145,915</b>
<b>Deliverable Efficiency Gains</b>			
- Inflation efficiency savings	(2,370)	0	0
<b>Transfers to/from RSG</b>			
- Student Finance	(27)	0	0
<b>MTFMS Changes</b>			
- Waste management - PFI Contract	0	500	500
- Whitecross PFI requirement (net of schools contribution)	200	0	0
- Local Development Framework	(100)	(275)	0
<b>Herefordshire Connects/Shared Services</b>			
- Revenue Costs	(1,292)	(204)	56
- Capital Financing	725	290	(48)
- Herefordshire Connects Savings	(1,000)	(1,600)	(2,200)
- Core team costs (rev)	245	9	(479)
- Core team costs (capital financing)	90	(6)	(6)
- System maintenance	166	64	0
- System staffing	124	144	0
<b>Capital Financing Costs</b>			
- Cost of borrowing	1,664	1,905	1,755
- Cashflow management	0	0	1,000
<b>Emerging Pressures</b>			
- Student Finance	(68)	(70)	(15)
- Income shortfall	0	(200)	(300)
- Carbon emissions	0	180	0
- Management change reserve	915	0	0
- Spend to save reserve	150	0	0
- Contingency	300	0	0
- Statutory changes creating pressures	1,581	1,064	569
- Base budget funding issues	1,771	856	907
- Other service pressures	1,897	1,490	885
<b>Efficiencies &amp; Savings</b>			
- Disinvestment in services	(60)	(200)	0
- Directorate reductions	(4,555)	(7,200)	(6,727)
<b>General reserves</b>	<b>2,000</b>	<b>0</b>	<b>0</b>
<b>LPSA reserve</b>	<b>712</b>	<b>0</b>	<b>0</b>
<b>Capacity to achieve desired Tax increase</b>	<b>0</b>	<b>(13)</b>	<b>1,485</b>
<b>TOTAL BUDGET</b>	<b>142,980</b>	<b>143,017</b>	<b>143,297</b>
<b>Council Tax increase</b>	<b>2.90%</b>	<b>2.90%</b>	<b>2.90%</b>



Draft





<b>MEETING:</b>	<b>OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>18 JANUARY 2010</b>
<b>TITLE OF REPORT:</b>	<b>COUNCIL AND NHS HEREFORDSHIRE JOINT CORPORATE PLAN</b>
<b>REPORT BY:</b>	<b>CORPORATE POLICY AND RESEARCH MANAGER</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide.

### **Purpose**

To consider whether to make any comments to Cabinet on the draft joint Council and NHS Herefordshire Corporate Plan.

### **.Recommendation**

**THAT the Committee considers whether it wishes to make any comments to Cabinet.**

### **Introduction and Background**

1. The joint Council and NHS Herefordshire Corporate Plan forms part of the Council's Budget and Policy Framework. The Committee is invited to submit comments to Cabinet for its consideration on 21 January. Cabinet will then make recommendations on the Plan to Council on 5 February.
2. The report to be submitted to Cabinet on 21 January is appended.

### **Background Papers**

- None identified.

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Further information on the subject of this report is available from Steve Martin, Corporate Policy and Research manager, on (01432) 261877



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**DRAFT**

<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>21 JANUARY 2010</b>
<b>TITLE OF REPORT:</b>	<b>COUNCIL AND NHS HEREFORDSHIRE JOINT CORPORATE PLAN</b>
<b>PORTFOLIO AREA:</b>	<b>CORPORATE STRATEGY &amp; FINANCE</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To invite Cabinet to consider the draft joint Council and NHS Herefordshire Corporate Plan and commend it to Council for approval.

### **Key Decision**

This is not a Key Decision.

### **Recommendation**

**THAT Cabinet recommends to Council the approval of the Joint Corporate Plan**

### **Key Points Summary**

- The Council's current corporate plan is out-of-date and a new one is required for 2010-13
- A joint corporate plan between the Council and NHS Herefordshire is needed to specify the shared aims and objectives of their close partnership and provide the basis for effective performance management.
- The Plan has been prepared to be affordable within the Medium Term Financial Strategy.

### **Alternative Options**

- 1 The Council's constitution requires there to be an up-to-date Corporate Plan. This could, as in the past, be for the Council alone. However, the uniquely close partnership established with

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**DRAFT** Further information on the subject of this report is available from Steve Martin, Corporate Policy and Research Manager, on (01432) 261877

with NHS Herefordshire requires a sound basis for the specification and performance management of joint aims and objectives. The Joint Corporate Plan will provide this.

## **Reasons for Recommendations**

2 As for Alternative Options.

## **Introduction and Background**

3 The Council's existing corporate plan is out-of-date. To provide a sound basis for the close partnership with NHS Herefordshire a joint plan is needed.

4 The draft Joint Corporate Plan 2010-13 is at Appendix 1 (enclosed separately).

5 As a Policy Framework item, the Corporate Plan needs to be approved by Council. It will be invited to do so at its meeting on 5<sup>th</sup> February 2010.

6 The PCT Board will be invited to approve the Plan at its meeting on 28th January 2010.

## **Key Considerations**

7 The draft Plan has been considered and commended by the Herefordshire Public Services Steering Group. The draft Plan has also been considered and commended by the Joint Management Team, in the context of the Medium Term Financial Strategy.

## **Community Impact**

8 The Corporate Plan sets out what the Council and HNS Herefordshire intend to achieve over the coming three years to improve services and the quality of life for the people of Herefordshire.

## **Financial Implications**

9 None. The plan is designed to be deliverable within the Medium Term Financial Strategy and budget proposals.

## **Legal Implications**

10 None.

## **Risk Management**

11 The major risk is that future levels of Government funding and controls of local authority and NHS expenditure could make the Plan unaffordable. The Plan has been prepared so as to be affordable within the cautious assumptions about future funding in the medium term financial strategies of the Council and NHS Herefordshire. If these were to prove unfounded, the Plan would need to be reviewed.

## **Consultees**

12 The Herefordshire Public Services Steering Group and the Joint Management Team.

13 Overview & Scrutiny Committee will be consulted on 18<sup>th</sup> January; a verbal update will be given.

## **Appendices**

Appendix 1: Joint Corporate Plan (enclosed separately)

## **Background Papers**

None.







<b>MEETING:</b>	<b>OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>18 JANUARY 2010</b>
<b>TITLE OF REPORT:</b>	<b>SUSTAINABLE COMMUNITY STRATEGY (REFRESH)</b>
<b>REPORT BY:</b>	<b>HEAD OF PARTNERSHIP SUPPORT</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide.

### **Purpose**

To consider whether to make any comments to Cabinet on the refresh of Herefordshire's Sustainable Community Strategy covering the period 2010 – 2013.

### **Recommendation**

**THAT the Committee considers whether it wishes to make any comments to Cabinet.**

### **Introduction and Background**

1. The Sustainable Community Strategy forms part of the Council's Budget and Policy Framework. The Committee is invited to submit comments to Cabinet for its consideration on 21 January. Cabinet will then make recommendations on the Strategy to Council on 5 February.
2. The report to be submitted to Cabinet on 21 January is appended.

### **Background Papers**

- None identified.



<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>21 JANUARY 2010</b>
<b>TITLE OF REPORT:</b>	<b>SUSTAINABLE COMMUNITY STRATEGY (REFRESH)</b>
<b>PORTFOLIO AREA:</b>	<b>CORPORATE STRATEGY &amp; FINANCE</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To recommend to Council the approval the refresh of Herefordshire's Sustainable Community Strategy covering the period 2010 – 2013.

### **Key Decision**

This is not a key decision.

### **Recommendation**

**THAT Cabinet recommends to Council the approval of the refreshed Sustainable Community Strategy.**

### **Key Points Summary**

- The Herefordshire Sustainable Community Strategy is a key long-term planning document for improving the quality of life and services in Herefordshire.
- Every Local Authority is required to have a Sustainable Community Strategy which has been developed and agreed with its Local Strategic Partnership. Herefordshire Partnership is the Local Strategic Partnership for Herefordshire, representing local public services, businesses, and voluntary and community sector organisations.
- The current strategy covers the period up to March 2010 and is now due to be refreshed in light of achievements to date and new challenges that Herefordshire is currently facing.

### **Alternative Options**

- 1 There are no Alternative Options every Local Authority is required to produce a Sustainable Community Strategy agreed by its Local Strategic Partnership.

## **Reasons for Recommendations**

- 2 To ensure the Sustainable Community Strategy is refreshed and the priorities identified for 2010-2013 are approved by Cabinet prior to adoption by the Herefordshire Partnership.

## **Introduction and Background**

- 3 The original Community Strategy for Herefordshire was formulated and adopted four years ago. The priorities of the refreshed Herefordshire Sustainable Community Strategy need to be incorporated into organisational plans and activities in order to achieve Herefordshire's Vision – "Herefordshire will be a place where people, organisations and businesses working together within an outstanding natural environment will bring about sustainable prosperity and well being for all".
- 4 The Herefordshire Sustainable Community Strategy sets the overall strategic direction and long-term vision for the economic, social and environmental wellbeing of Herefordshire in a way that contributes to sustainable development. It sets Herefordshire in context and offers the distinctive Vision and ambition of the area, backed by clear evidence and analysis (for example the State of Herefordshire Report).
- 5 The 2000 Local Government Act charged local authorities with preparing a local Community Strategy with their partners through a Local Strategic Partnership, and Herefordshire's first version was known as the Herefordshire Plan. The Community Strategy for Herefordshire was subsequently published in 2006 and in recognition of emphasising the importance of sustainability, this refreshed version has been renamed the Herefordshire Sustainable Community Strategy.
- 6 The Strategy published in 2006 highlighted a number of key local issues which led to the formulation of desired outcomes for the County. These were identified as a result of a comprehensive consultation process undertaken during 2005. The Herefordshire Sustainable Community Strategy has been developed from the last Community Strategy and refreshed by looking at the wealth of information gathered since 2005, detailed in background papers, and through consultation with partners.

## **Key Considerations**

- 7 Taking into account the County's key characteristics and all other sources of information a draft list of priorities for Herefordshire has emerged. These have been grouped under the following six themes:
  - Children and Young People
  - Economic Development and Enterprise
  - Environment
  - Healthier Communities and Older People
  - Safer Communities
  - Stronger Communities
- 8 During the process of refreshing the Herefordshire Sustainable Community Strategy three key values emerged. These will be known as guiding principles and will be embedded into the way Herefordshire Partnership works to ensure a co-ordinated long term approach is taken to delivering the priorities of the six themes. The

guiding principles are:

**Everyone is Someone**

- Value everyone's contribution
- Challenge prejudice and discrimination
- Support people and promote an equitable County

**Safeguard our Future**

- Value our environment and the future of our young people enough to act now
- Think creatively about the bigger picture, and assess how issues will affect us, the resources and the assets at our disposal
- Develop solutions that build sustainability into our economy, our communities and in the infrastructure and natural environment on which we all depend

**Work across Boundaries**

- Think, plan, act and share responsibility
- Seek solutions which have mutually positive benefits
- Make new alliances and look beyond the obvious

9 A summary of the aims and priorities of the six themes is detailed below:

*Children and Young People*

Aim - to improve the lives of children and their families, and enable all children and young people to develop the knowledge, skills and judgement they need to lead a fulfilling life. Priorities to focus activity:

- Children and young people are healthy and have healthy lifestyles
- Children and young people are safe, secure and have stability
- Children and young people achieve educational, personal, social and physical standards
- Children and young people engage in positive behaviour inside and out of school
- Children and young people engage in further education, employment and training on leaving school

*Economic Development and Enterprise*

Aim- to create an environment for enterprise to thrive, and to enable business growth and prosperity for all. Priorities to focus activity:

- Sustain existing businesses with advice and guidance to minimise job losses and work with partners to support employment
- Develop a more adaptable and higher skilled workforce
- Support businesses and home working through better Broadband services
- Improve business accommodation and employment land quality and availability
- Attract high quality and better paid employment into the County and encourage entrepreneurship and innovation

- Promote Herefordshire as a place with a diverse business base, building on its distinctiveness and heritage.
- Reduce traffic congestion and improve health through integrated transport provision, including opportunity for maximising cycling, walking and public transport
- Encourage businesses to consider the environment and make savings through sustainable working practices

### *Environment*

Aim - to protect and enhance Herefordshire's distinctive environment and address climate change. Priorities to focus activity:

- Reduce waste and increase recycling
- Act to mitigate climate change and its consequences including promoting adaptation where necessary and appropriate
- Protect and enhance biodiversity within the County
- Maintain landscape character
- Encourage investment in high quality streets, public spaces and the built and historic environment
- Assist local communities to identify, retain and develop local distinctiveness
- Protect and improve water resources and the quality of rivers, streams and lakes, and encourage responsible water use
- Promote sustainable land management

### *Healthier Communities and Older People*

Aim - to work with people and their communities to enable them to lead healthy and fulfilled lives. Priorities to focus activity:

- Support smokers to quit, particularly young, pregnant and long-term smokers
- Support people to maintain a healthy weight
- Reduce the level of harmful alcohol use, particularly among young people
- Work with local people to enhance emotional wellbeing and intervene to reduce suicide, accidents and injuries
- Support people with assessed social care needs to live independently in their own homes wherever possible, with accessible services and information they need

### *Safer Communities*

Aim – to work together to make Herefordshire an even safer place to live, work and visit. Priorities to focus activity:

- Further reduce anti-social behaviour
- Further reduce crime through offender management, particularly violent crime and domestic abuse
- Provide community reassurance on anti-social behaviour, disorder and crime so that Herefordshire is a safe County.
- Reduce drug and alcohol related harm
- Promote and deliver increased road safety

### *Stronger Communities*

Aim – to develop stronger, vibrant, more inclusive communities in which people enjoy a good quality of life and feel they have influence over the decisions that affect them. Priorities to focus activity:

- Provide affordable housing and address homelessness
  - Ensure vulnerable people have access to a range of housing options, including support and the ability to live independently
  - Provide accessible, high quality sporting, cultural and recreational facilities and activities
  - Ensure fair access to the services which Herefordshire residents need
  - Raise awareness and understanding of volunteering, promoting mutual benefits to the individual and the wider community
  - Encourage communities and individuals to participate and influence local decisions which affect them
  - Promote a County where people feel accepted, confident and empowered
  - Ensure communities are more resilient and recover from emergencies through effective partnership planning and co-ordination
- 10 The Herefordshire Sustainable Community Strategy will be delivered through many organisations, networks, sectors and groups working together as part of Herefordshire Partnership's three tier structure:
- Herefordshire Partnership Board - sets the vision for Herefordshire based on a sound understanding of the County, local issues and a responsibility to ensure delivery of efficient, high quality services.
- Herefordshire Partnership Management Group – responsible for delivering the Herefordshire Sustainable Community Strategy by ensuring resources are utilised to address the identified priorities.
- Herefordshire Partnership Policy and Delivery Groups – six groups (one for each of the six themes) who formulate and commission work to address the priorities in the Herefordshire Sustainable Community Strategy, based on comprehensive information of local need. They report progress on their work to the Management Group.

### **Community Impact**

- 11 The vision and priorities of the Herefordshire Sustainable Community Strategy aim to improve the quality of life and service delivery in all areas of the County. Community engagement is at the heart of the work of Herefordshire Partnership in informing these priorities and driving service improvement in the locality.

### **Financial Implications**

- 12 None. Priorities identified will be delivered from within existing sources of funding.

### **Legal Implications**

- 13 None.

## **Risk Management**

- 14 Delivery of the priorities within the Herefordshire Sustainable Community Strategy through the Herefordshire Partnership will be a key area of assessment for the Comprehensive Area Assessment and as such forms part of the corporate performance management system.

## **Consultees**

- 15 The six Policy and Delivery Groups have been consulted and wider input through their networks has been encouraged. In addition, consultation of the third sector via Herefordshire Voluntary Action and Herefordshire Alliance. Their comments are reflected in the final draft.

## **Appendices**

- 16 Draft Sustainable Community Strategy 2011-2013.

## **Background Papers**

- The State of Herefordshire Report
- Local Development Framework
- The Herefordshire Quality of Life Survey



# **The Herefordshire Sustainable Community Strategy 2010 - 2013**

**Text only, images to be added when text is finalised**



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# The Herefordshire Sustainable Community Strategy

## Contents

Contents	Page
Foreword and Vision	5
The Herefordshire Sustainable Community Strategy – What it is and why we need it	6
How the Priorities were established	8
What we have achieved so far	10
Priorities for 2010 – 2013 and Guiding Principles	11
<b>Children and Young People</b> Improve the lives of children and their families, and enable all children and young people to develop the knowledge, skills and judgement they need to lead a fulfilling life	12
<b>Economic Development and Enterprise</b> Create an environment for enterprise to thrive and enable business growth and prosperity for all	14
<b>Environment</b> Protect and enhance Herefordshire’s distinctive environment and address climate change	16
<b>Healthier Communities and Older People</b> Work with people and communities to enable them to lead healthy, fulfilled lives	18
<b>Safer Communities</b> Work together to make Herefordshire an even safer place to live, work and visit	20
<b>Stronger Communities</b> Develop stronger, vibrant, more inclusive communities in which people enjoy a good quality of life and feel they have influence over decisions that affect them	22
How the Herefordshire Sustainable Community Strategy will be delivered	24
Key work which links with the Herefordshire Sustainable Community Strategy	25
Glossary	26

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## **Foreword**

**It is five years since the original Community Strategy for Herefordshire was formulated and adopted. To achieve Herefordshire's Vision for 2020 our refreshed strategy reflects and encompasses the changing conditions and circumstances facing Herefordshire.**

**Herefordshire people enjoy relatively low unemployment, good health and education standards. Our recent Comprehensive Area Agreement - an independent assessment which reports how well local public services are tackling the major issues in the County – indicated that 87 per cent of people are satisfied with their immediate local area as a place to live.**

**However, the full impact of the current economic downturn and climate change are still to be felt and will undoubtedly challenge us all and this refresh of the Strategy emphasises the importance of sustainability, hence the inclusion in the title.**

**The three basic elements of people, place and actions remain at the heart of the Strategy. Put a slightly different way the social, environmental and economic strands weave their way through the Strategy in a way that binds it all together and makes it work.**

**It is the responsibility of all of us to ensure that the priorities and guiding principles of this refreshed Herefordshire Sustainable Community Strategy are incorporated in all of our plans and activities.**

**Herefordshire people, working together in their unique way, in line with this Strategy, can only improve their quality of life and thus achieve our Vision for 2020.**

**Respectively,**

**Councillor Roger Phillips  
Chair  
Herefordshire Partnership Board**

### **Our vision for Herefordshire is that by 2020:**

**Herefordshire will be a place where people, organisations and businesses working together within an outstanding natural environment will bring about sustainable prosperity and well being for all**

# **The Herefordshire Sustainable Community Strategy –**

## **What it is and why we need it**

### **Overview of the Herefordshire Sustainable Community Strategy**

The Herefordshire Sustainable Community Strategy is a key long-term planning document for improving the quality of life and services in Herefordshire. Every Local Authority is required to have a Sustainable Community Strategy which has been developed and agreed with its Local Strategic Partnership. Herefordshire Partnership is the Local Strategic Partnership for Herefordshire, representing local public services, businesses, and voluntary and community sector organisations.

### **Purpose of the Herefordshire Sustainable Community Strategy**

The Herefordshire Sustainable Community Strategy sets the overall strategic direction and long-term vision for the economic, social and environmental wellbeing of Herefordshire to achieve our Vision for 2020, in a way that contributes to sustainable development. It sets Herefordshire in context, outlines our distinctive Vision and ambition for the area, and is backed by clear evidence and analysis, for example through The State of Herefordshire Report.

### **Why we have the Herefordshire Sustainable Community Strategy**

The Local Government Act 2000 charged local authorities with preparing a Community Strategy with their partners through a Local Strategic Partnership, and Herefordshire's first version was known as the Herefordshire Plan. The Community Strategy for Herefordshire was subsequently published in 2006 and in recognition of emphasising the importance of sustainability, this refreshed version has been renamed the Herefordshire Sustainable Community Strategy.

Noting the key issues previously established in the 2006 Community Strategy and testing these against current information and evidence has been vital in identifying local priorities. As processes for these have improved, so has the role of this document in understanding the changing needs of our communities. Herefordshire's Sustainable Community Strategy, to which partners are fully committed, is essential to ensure the development and delivery of our Local Area Agreement. The Local Area Agreement is explained on page 7.

### **How the Herefordshire Sustainable Community Strategy can be used**

The Herefordshire Sustainable Community Strategy can be used in a range of different ways:

- Firstly, and most importantly, local organisations will use the Community Strategy to inform the planning of their own services both now and in the future.
- Regional and national organisations will use the document to identify key issues facing the County, and direct resources accordingly.
- Local groups with innovative ideas for projects can link their funding applications to the Strategy in support of their applications.

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# How the Priorities were established

## Introduction

The Community Strategy for Herefordshire published in 2006 highlighted a number of key local issues which led to the formulation of desired outcomes for the County. These had been identified as a result of a comprehensive consultation process undertaken during 2005. This Herefordshire Sustainable Community Strategy has been developed from the last Community Strategy and refreshed by looking at the wealth of information gathered since 2005, detailed below and overleaf, and through consultation with partners.

## Key Characteristics of the County of Herefordshire

Herefordshire has beautiful unspoilt countryside, distinctive heritage, remote valleys and rivers, including the River Wye which flows east through Hereford City, the Malvern Hills on the border with Worcestershire and the Black Mountains in the south west. Parts of two Areas of Outstanding Natural Beauty (AONBs) fall into Herefordshire, covering the Malvern Hills and the lower section of the Wye Valley. Herefordshire is a predominately rural county of 842 square miles situated in the south-west corner of the West Midlands region bordering Wales. The City of Hereford is the major location in the County for employment, administration, health, education facilities and shopping. The five market towns of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington are the other principal centres.

Herefordshire has limited access to the motorway network via the M50, which starts near Ross-on Wye and joins the M5 north of Tewkesbury in Gloucestershire. The other main road links, include the A49 running north to south, the A465 north-east to south-west, and the A4103 east to west, all of which pass through Hereford City.

Within Herefordshire, Hereford, Ledbury, Leominster and Colwall have railway stations, connected by two lines: the Cardiff – Manchester line passes through Hereford and Leominster, while the line from Hereford to Birmingham, passing through Ledbury and Colwall, is single track for much of the journey. This line has a direct link to London.

The nearest major international airport is at Birmingham, about 50 miles (80 km) from Hereford. Herefordshire has no ports; deep water facilities are available at Newport docks, or the Bristol Channel, about 35 miles (56 km) from Hereford.

With 179,300 residents, Herefordshire has the 4<sup>th</sup> lowest population density in England (0.8 persons per hectare) and a particular challenge for service delivery is the County's scattered population. According to measures used in the calculation of the Local Government Finance Settlement, no other English county-level authority has a greater proportion of its population living in 'very sparse' areas than Herefordshire (25%). Over half (54%) of the County's residents live in areas defined as rural. About one-third of the population lives in Hereford City, a little more than a fifth in the market towns and almost half elsewhere.

The number of people aged 85+ is expected to more than double, from 5,200 in 2008 to 10,200 in 2026. Herefordshire has a small but growing ethnic minority population and there has been a dramatic increase in numbers of migrant workers coming to Herefordshire since the expansion of the European Union in 2004.



## Sources of information

**The State of Herefordshire Report** provides a wealth of statistics relating to the County - its people, environment and economy. It is a digest of information that describes the County, linked to the themes of the Herefordshire Sustainable Community Strategy. The aim of the report is to provide a resource for those working for organisations involved with the Herefordshire Partnership, both reflecting and informing local strategic thinking. It is used for a variety of purposes including developing and monitoring strategies, programmes and projects, funding bids and research activities.

More information about the State of Herefordshire Report, including the latest facts and figures about Herefordshire, can be viewed by visiting the Facts & Figures about Herefordshire at [www.herefordshire.gov.uk/factsandfigures](http://www.herefordshire.gov.uk/factsandfigures) or contacting the Herefordshire Partnership Researchers on 01432 260893.

**Parish Plans** harness everything different and unique about a local community and its vision for the future. They provide an opportunity for the community to express its views and provide information about how people feel about where they live. The end result is a plan that reflects these views and an idea of when these things might happen

**Partners and Communities Together (PACT)** meetings offer communities the chance to tell the police, local authority and other organisations about issues causing concern and how they might be addressed. It also offers the opportunity for agencies to explain how their services operate and inform people about developments.

**Local Development Framework** consultation and engagement continues throughout the preparation of key local development documents. Major consultations on the Core Strategy were undertaken in 2007 and 2008, with further consultation planned for 2010. The results of these consultations will inform the final Core Strategy Vision and Objectives and strategic "place shaping" setting out how the County as a whole is expected to develop up to 2026. More information on the Local development Framework is on page 7.

**E-consult** draws together details of all the consultations Herefordshire Council and its partners are engaged in. It allows residents to take part in many of the consultations online. In addition partner organisations also employ a number of other means of consulting with local people and businesses, for example face-to face contacts and postal questionnaires.

**The Herefordshire Quality of Life Survey** is part of the new national **Place Survey**, which every Council in England is required to carry out every two years. The survey gathers residents' views on a range of issues which influence what Herefordshire is like as a place to live, as well as satisfaction with local public services. The results of the survey provide a valuable record of local opinions and priorities.

### **Local, regional and national partners**

The Local Area Agreement was developed in 2007/08 through discussion and agreement with local and regional partners. A list of priorities were identified which aided the choice of Performance Indicators from the National Indicator set.

**Local, regional and national strategic documents** developed by organisations around specific areas of work were analysed for the priorities for Herefordshire that they highlighted. Key local and regional documents have been listed under the relevant Priorities on pages 12 to 23.

## What We Have Achieved So Far

### Children and Young People

Educational standards are high, with good A level results and GCSE rates improving. Results in primary schools could be better. Children are generally healthier in this county than other parts of the country. They eat more fruit and vegetables and do more sports than elsewhere. Young people generally do well in getting employment, further education or training once they leave school but most of those who need higher education or university provision have to leave the county for this.

### Economic Development and Enterprise

The need for good employment opportunities and the attraction of investment and new business into the county is well recognised. There are many people with a high level of skill who move to settle in the county and set up small businesses but young people often leave the county to go onto higher education and don't return; the need for a University Centre is well recognised and funding is currently being sought for this.

### Environment

The county is clean and well kept. The amount of waste going to landfill is reducing but at a much slower rate than other authorities, placing Herefordshire within the bottom quartile of all English authorities. Recycling should improve further with the introduction of the new wheelie bin system in November 2009. CO2 emissions are high mainly due to the reliance on cars and the limited public transport available. There has been a slight reduction in the total amount of carbon emissions between 2005 and 2007. There are many special geological and sites of special scientific interest. The number of these being properly managed is increasing.

### Healthier Communities and Older People

People are healthy in the county. Many people live longer than elsewhere. There are more people over the age of 65 and most consider themselves to be in good health. Deaths from cancer and circulatory disease for people under 75 are lower than nationally and decreasing. There are particular concerns though about the number of people who die or are seriously injured in road traffic accidents.

### Safer Communities

Herefordshire is a safe place to live with already low levels of crime which are reducing further. A main concern for residents in Herefordshire is the number of people dying on Herefordshire's rural roads; multi agency work to address this is starting to show some good results.

The police force in Herefordshire is particularly good at talking to and working with small communities to help them with local problems. Safer Herefordshire plays a major role in reminding local people that crime in the county is low. It does this through community events, publicity and through the use of national campaigns. As a result fewer people fear being a victim of crime than in most parts of the country.

### Stronger Communities

The Area Assessment reported that the majority of people were satisfied with where they lived. More people volunteer to help in their communities than in many parts of the country. Housing in Herefordshire is generally expensive and many people find it hard to afford to rent or buy a home. Herefordshire Housing Ltd - the main provider of social housing - has recently made enormous improvements in the way it runs its business. Tenants are happier and their living environment has improved. Working with the police, council and community services means anti social behaviour is dealt with quickly.

## Priorities for 2010-2013

Taking into account the County's key characteristics and all other sources of information a draft list of priorities for Herefordshire emerged. This was submitted through the Herefordshire Partnership structure for scrutiny and approval. The final, agreed priorities for Herefordshire are detailed on pages xx to xx, broken down into six themes:

Children and Young People  
Economic Development and Enterprise  
Environment  
Healthier Communities and Older People  
Safer Communities  
Stronger Communities

### Each theme sets out the following information

- The main aim
- An introduction and background to this aim
- Achievements in the last 4 years
- What difference this has made to our communities
- Priorities, to focus activity
- A list of strategies and other documents linked to the priorities

## Guiding Principles

During the process of refreshing the Herefordshire Sustainable Community Strategy three key values emerged which will underpin everything we do, and these are known as our Guiding Principles. By striving to incorporate them into the way we work we will ensure we take a co-ordinated, long term approach to plans and services which impact on local people, the environment and the economy.

### Everyone is Someone

- Value everyone's contribution
- Challenge prejudice and discrimination
- Support people and promote an equitable County

### Safeguard our Future

- Value our environment and the future of our young people enough to act now
- Think creatively about the bigger picture, and assess how issues will affect us, the resources and the assets at our disposal
- Develop solutions that build sustainability into our economy, our communities and in the infrastructure and natural environment on which we all depend

### Work across Boundaries

- Think, plan, act and share responsibility
- Seek solutions which have mutually positive benefits
- Make new alliances and look beyond the obvious

## PRIORITIES FOR HEREFORDSHIRE

### Children and Young People

#### Aim

**Improve the lives of children and their families, and enable all children and young people to develop the knowledge, skills and judgement they need to lead a fulfilling life**

#### Background

This theme is concerned with ensuring that every child grows up to reach his or her full potential within a happy, healthy and secure environment, both at home and during their learning. There should be opportunities for children and young people to explore their environment through stimulating play, outdoor adventure and social and cultural experiences. Children and young people need to develop their own skills so they are better prepared for adulthood, able to manage their own affairs and inter-relate with others effectively.

Successful delivery of this theme will need co-operative working of all the partnership agencies concerned with commissioning and delivering services for children and young people in the County. This will be based on the delivery of integrated services, based around the needs of the child, young person and their family. This will be taken forward through the implementation of the “No Wrong Door” approach to locality working.

#### Priorities to focus activity:

- **Children and young people are healthy and have healthy lifestyles**
- **Children and young people are safe, secure and have stability**
- **Children and young people achieve educational, personal, social and physical standards**
- **Children and young people engage in positive behaviour inside and out of school**
- **Children and young people engage in further education, employment and training on leaving school**

#### Strategies and other documents linked to these priorities:

The Children and Young People’s Plan 2008-2011

**(images)**

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◆ Everyone is someone ◆ Work across boundaries ◆ Safeguard our future

## PRIORITIES FOR HEREFORDSHIRE

### Economic Development and Enterprise

#### Aim

**Create an environment for enterprise to thrive and enable business growth and prosperity for all**

#### Background

A flourishing and diverse local economy is vital to the development of the County and local residents. A healthy economy can also make a vital contribution towards improving health in the community and reducing health inequalities.

Partners will work together to enable enterprise through infrastructure improvements, support for business growth, inward investment and employment opportunities. This will encompass the need to create a sustainable economy building on a diverse business base while caring for the environment.

Successful delivery of this theme will require co-operation between key partners, often across boundaries, to ensure that the supply of skills, training and business support is planned, managed and delivered in a coherent, collaborative way within the framework of priorities expressed in the Regional Economic Strategy. This includes working in partnership to recover from the effects of the economic downturn.

#### Priorities to focus activity:

- **Sustain existing businesses with advice and guidance to minimise job losses and work with partners to support employment**
- **Develop a more adaptable and higher skilled workforce**
- **Support businesses and home working through better Broadband services**
- **Improve business accommodation and employment land quality and availability**
- **Attract high quality and better paid employment into the County and encourage entrepreneurship and innovation**
- **Promote Herefordshire as a place with a diverse business base, building on its distinctiveness and heritage.**
- **Reduce traffic congestion and improve health through integrated transport provision, including opportunity for maximising cycling, walking and public transport**

- **Encourage businesses to consider the environment and make savings through sustainable working practices**

**Strategies and other documents linked to these priorities:**

Herefordshire Economic Development Strategy 2005-2025

Herefordshire Local Transport Plan 2006/7 – 2010/11

Learning and Skills Council Herefordshire Local Area Statement of Need 2009/10

Access to Services in Herefordshire Report 2009

West Midlands Economic Strategy

West Midlands Regional Spatial Strategy

Herefordshire Tourism Strategy

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◆ **Everyone is someone** ◆ **Work across boundaries** ◆ **Safeguard our future**

## PRIORITIES FOR HEREFORDSHIRE

### Environment

#### Aim

**Protect and enhance Herefordshire's distinctive environment and address climate change**

#### Background

Herefordshire's environment is one of its greatest assets, underpinning the County's continuing prosperity. The interactions between natural, cultural and human influences on this asset are complex. Consequently a wide range of priorities have been defined that should be addressed in order to maintain and improve the quality of the County's environment.

Pressures from development, changes in land use and pollution are increasing. One of the biggest potential threats however, is, climate change, and although this needs to be tackled globally, local action to cut emissions and adapt to change is essential.

Efforts aimed at addressing environmental priorities within the County must be addressed through partnerships. Local communities will be engaged, in particular, through increasing awareness of issues, including the case for change. The influence that quality of the environment has upon other themes within the Community Strategy also needs to be recognised, in particular its impact on health and wellbeing.

#### Priorities to focus activity:

- **Reduce waste and increase recycling**
- **Act to mitigate Climate Change and its consequences including promoting adaptation where necessary and appropriate**
- **Protect and enhance biodiversity within the County**
- **Maintain landscape character**
- **Encourage investment in high quality streets, public spaces and the built and historic environment**
- **Assist local communities to identify, retain and develop local distinctiveness**
- **Protect and improve water resources and the quality of rivers, streams and lakes, and encourage responsible water use**
- **Promote sustainable land management**



**Strategies and other documents linked to these priorities:**

Herefordshire Biodiversity Action Plan  
River Basin Management Plan, Severn River Basin District  
Green Infrastructure Strategy  
Herefordshire Climate Change Strategy  
Herefordshire Environmental Strategy 2001-2011  
The Joint Municipal Waste Management Strategy for Herefordshire and Worcestershire  
Herefordshire Unitary Development Plan  
Local Development Framework  
West Midlands Regional Forestry Framework  
Herefordshire Council Biodiversity Strategy

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## PRIORITIES FOR HEREFORDSHIRE

### Healthier Communities and Older People

#### Aim

**Work with people and their communities to enable them to lead healthy and fulfilled lives**

#### Background

This theme is concerned with promoting how public health and social care objectives and actions are being developed to improve the health and well being of the people of Herefordshire. However, it should be understood that the wider actions being taken to make things happen under each of the individual themes within this document support each other, and all contribute to people's health and wellbeing.

The essential foundations for a healthy and fulfilled life are good physical and mental health, public safety, good education, employment and housing. This theme therefore contributes to the identification of key issues and priorities well beyond public health and social care measures. It works towards improvement in health and wellbeing and reducing health and social inequalities in Herefordshire by ensuring that relevant organisations provide the best possible services and build and maintain long term partnerships that promote the health and wellbeing of individual Herefordshire residents, whilst also recognising the role of carers.

The Public Health Annual Report highlights a number of key strategic objectives to reduce health inequalities and improve health and wellbeing by providing a better understanding of local health needs. However, the Annual report is not an end in itself. Momentum must be maintained so that the enthusiasm generated to achieve significant public health improvements is harnessed and built upon. The positive support of our local acute hospital, community and mental health sector, social care, local GP practices, schools and colleges, the voluntary sector and local business is crucial to the success of this theme.

#### Priorities to focus activity:

- **Support smokers to quit, particularly young, pregnant and long-term smokers**
- **Support people to maintain a healthy weight**
- **Reduce the level of harmful alcohol use, particularly among young people**
- **Work with local people to enhance emotional wellbeing and intervene to reduce suicide, accidents and injuries**

- **Support people with assessed social care needs to live independently in their own homes wherever possible, with accessible services and information they need**
- **Ensure vulnerable adults are kept safe by a fast and reliable service response**

**Strategies and other documents linked to these priorities:**

Public Health Annual Report (April 2009)

Joint Strategic Needs Assessment (JSNA) - October 2008 and October 2009

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◆ **Everyone is someone** ◆ **Work across boundaries** ◆ **Safeguard our future**

## PRIORITIES FOR HEREFORDSHIRE

### Safer Communities

#### Aim

**Work together to make Herefordshire an even safer place to live, work and visit**

#### Background

Herefordshire is a safe County in which to live, work and visit. Crime levels are low and reducing year on year and this is the underlying focus for the Safer Communities theme. A key consideration is the ability for partner agencies to work together to ensure priorities surrounding crime and the perception of crime, anti-social behaviour, drug and alcohol misuse and road safety are successfully addressed within Herefordshire.

Although performance is measured against different strategic priorities, the main focus around community reassurance comes from National Indicator 21 – Dealing with local concerns about anti-social behaviour and crime issues by the local Council and Police.

#### Priorities to focus activity:

- Further reduce anti-social behaviour
- Further reduce crime through offender management, particularly violent crime and domestic abuse
- Provide community reassurance on anti-social behaviour, disorder and crime so that Herefordshire is a safe County.
- Reduce drug and alcohol related harm
- Promote and deliver increased road safety

#### Strategies and other documents linked to these priorities:

Safer Herefordshire Strategic Plan 2008 – 2011  
Safer Herefordshire Strategic Priorities 2009 – 2010  
Children and Young People's Plan 2008 – 2011  
Harm Reduction Strategy 2008 – 2010  
Young People's Specialist Substance Misuse Treatment Plan 2009 – 2010 (Part 1)

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## PRIORITIES FOR HEREFORDSHIRE

### Stronger Communities

#### Aim

**Develop stronger, vibrant, more inclusive communities in which people enjoy a good quality of life and feel they have influence over the decisions that affect them**

#### Background

A strong community is one that feels empowered, confident and accepted. In order to achieve this there should be respect for each other and groups and individuals from all backgrounds need to be informed and have the opportunity to get involved in making decisions which affect their communities.

Local communities will be more sustainable if they have access to vital services and facilities which meet their needs, such as suitable housing, health facilities, leisure facilities, shops and local meeting places. For Herefordshire, access to services is particularly key in rural areas, and this could be improved through innovative solutions, for instance, better use and combining of community, public and private sector buildings and facilities.

Currently, there are challenges around tackling homelessness and being able to increase the amount of affordable housing to meet local needs and ensure the viability of neighbourhoods and communities.

Enhancing leisure opportunities in the County is one way of contributing to thriving communities and creating opportunities for social interaction between people of different ages and backgrounds, as well as promoting health and wellbeing.

Volunteers give their time, skills and knowledge to enhance the contribution of the voluntary and community sector in shaping and delivering local services and building stronger, vibrant and more inclusive communities.

An already strong record of promoting equality and tackling discrimination must be built upon as the County's population becomes more diverse. Active engagement with communities is required in order to understand the needs of all residents, particularly those disadvantaged or suffering social exclusion.

#### Priorities to focus activity:

- **Provide affordable housing and address homelessness**
- **Ensure vulnerable people have access to a range of housing options, including support and the ability to live independently**

- **Provide accessible, high quality sporting, cultural and recreational facilities and activities**
- **Ensure fair access to the services which Herefordshire residents need**
- **Raise awareness and understanding of volunteering, promoting mutual benefits to the individual and the wider community**
- **Encourage communities and individuals to participate and influence local decisions which affect them**
- **Promote a County where people feel accepted, confident and empowered**
- **Ensure communities are more resilient and recover from emergencies through effective partnership planning and co-ordination**

**Strategies and other documents linked to these priorities:**

The Herefordshire Compact and Codes of Practice  
 Herefordshire Community Development Strategy  
 Herefordshire Comprehensive Equality Policy  
 Herefordshire Cultural Strategy  
 Housing Strategy for Herefordshire  
 Herefordshire Recovery Plan  
 The Herefordshire Arts Strategy  
 Herefordshire Local Transport Plan

(images)

◆ **Everyone is someone** ◆ **Work across boundaries** ◆ **Safeguard our future**

# How the Herefordshire Sustainable Community Strategy will be delivered

The Herefordshire Sustainable Community Strategy will be delivered through many organisations, networks, sectors and groups working together to co-ordinate activity, reduce duplication and provide high quality services. Herefordshire Partnership’s structure is designed to ensure the successful delivery of the Herefordshire Sustainable Community Strategy through three tiers of management:

## Herefordshire Partnership Board

Sets a Vision for Herefordshire based on a sound understanding of the County, local issues and a responsibility to ensure delivery of efficient, high quality services.

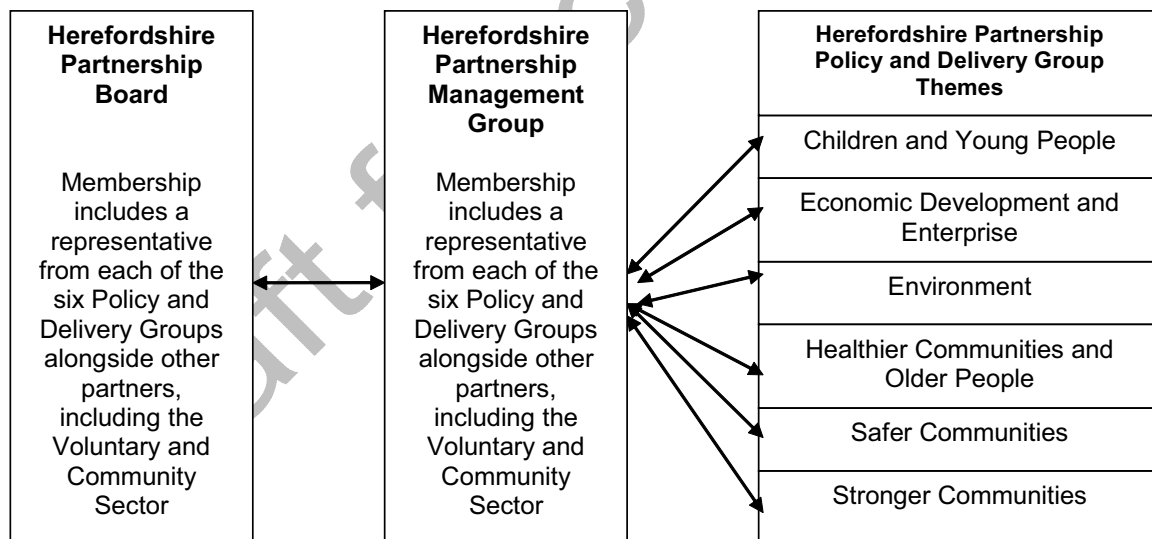
Lobbies, campaigns and champions the issues of importance to the County at regional and national levels and acts as an ambassador for the Partnership.

## Herefordshire Partnership Management Group

Takes responsibility for delivering the Herefordshire Sustainable Community Strategy by ensuring resources are utilised to address identified priorities. Accountable for the work of the six Policy and Delivery Groups through reporting their progress to the Board.

## Six Herefordshire Partnership Policy and Delivery Groups

Formulate and commission and deliver work to address the priorities in the Herefordshire Sustainable Community Strategy, based on comprehensive information of local need. They report progress on their work to the Management Group.



Membership of the Policy and Delivery Groups includes representatives from organisations who are committed to delivering high quality services which address the priorities for their group. Details of each group can be found on pages xx to xx. Contact details for people involved with each group have not been included as they change from time to time. However, should you wish to know more about the work of any of the groups please contact Herefordshire Partnership (details given on page xx). In addition, our website provides up-to-date information [www.herefordshirepartnership.com](http://www.herefordshirepartnership.com)



# **Key work which links with the Herefordshire Sustainable Community Strategy**

## **The Local Area Agreement**

The Local Area Agreement contains targets for improvement agreed by all the local partners, and delivery plans that fit within the longer term Vision and priorities agreed in the Herefordshire Sustainable Community Strategy. Our Local Area Agreement is an agreement between Herefordshire Council, Herefordshire Partnership and Central Government, with the aim of improving the quality of life for local people, organisations and businesses.

## **The Local Development Framework**

Every local planning authority must prepare a Local Development Framework to be consistent with national planning policy and the Regional Spatial Strategy. The Local Development Framework is the spatial expression of the Herefordshire Sustainable Community Strategy and will aim to contribute to the achievement of sustainable development. The Local Development Framework is a folder of policies and plans which reinforce the Herefordshire Sustainable Community Strategy by setting out the key spatial strategies for the area, such as house building and related infrastructure provision.

## **The Power of Well Being**

The Power of Well Being was given to Parish and Town Councils in April 2009. This power enables them to fund anything to promote or improve the social, economic or environmental well being of their area. An eligible Council must have regard to the Sustainable Community Strategy proposed by their Local Authority i.e. Herefordshire Council.

## **The Sustainable Communities Act**

The Sustainable Communities Act 2007 aims to promote the sustainability of local communities and begins from the principle that local people know best what needs to be done to promote sustainability of their area. The scope of the Act is very broad, covering economic, social and environmental issues. It does not limit the type of action that could be put forward, provided the action is within that broad scope. It is for local people to decide what they think needs to be done to promote the sustainability of their area. The Act is designed to strengthen the role of communities.

**Glossary of terms used in this document**  
(to be completed when final wording has been agreed)

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Back page

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**For further information please contact the Herefordshire Partnership Support Team  
or visit the Herefordshire Partnership website at [www.herefordshirepartnership.com](http://www.herefordshirepartnership.com)**

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<b>MEETING:</b>	<b>OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>18 JANUARY 2010</b>
<b>TITLE OF REPORT:</b>	<b>WORK PROGRAMME</b>
<b>REPORT BY:</b>	<b>COMMITTEE MANAGER (SCRUTINY)</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide.

### **Purpose**

To consider the work programmes of the scrutiny committees.

### **Recommendation**

**THAT the current work programmes be approved as a basis for further development, subject to any comment the Committee wishes to make.**

### **Introduction and Background**

1. This Committee is responsible for overseeing, co-ordinating and approving the work programmes of the scrutiny committees and approving its own annual work programme. It is also required to periodically review its and the scrutiny committees work programmes to ensure that overview and scrutiny is effective, that there is an efficient use of scrutiny resources and that potential duplication of effort by scrutiny members is minimised.
2. A report on the work programmes of all Scrutiny Committees' will be made to this Committee quarterly. A copy of this Committee's own work programme will be made to each of its scheduled meetings. Copies of the current work programmes are appended.
3. The Committee's programme may be modified by the Chairman following consultation with the Vice-Chairman and the Directors in response to changing circumstances.
4. Should any urgent, prominent or high profile issue arise, the Chairman may consider calling an additional meeting to consider that issue.
5. Should Members become aware of any issues they consider may be added to the scrutiny programme they should contact the Chairman or Democratic Services to log the issue so that it may be taken into consideration when planning future agendas or when revising the work programme.

**Progress in response to recommendations made and issues raised by the Committee**

6. A note showing progress in response to recommendations made and issues raised by the Committee at the Committee's last meeting is also appended.

**Background Papers**

- None identified.

**Overview and Scrutiny Committee – work programme 2009/10**

	<b>18 January 2010</b>
	Medium Term Financial Strategy
	<b>8 February 2010</b>
	<b>15 March 2010</b>
	<ul style="list-style-type: none"> <li>• Scrutiny Review of ICT Services – Progress report</li> <li>• Integrated Corporate Performance Report</li> <li>• Budget Monitoring Report</li> </ul>
	<b>26 April 2010</b>
	2 July 2010
	<ul style="list-style-type: none"> <li>• Presentations by Leader of the Council, Cabinet member (Corporate and Customer Services and Human Resources) and Cabinet Member (Resources)</li> <li>• Report on Scrutiny Review of External Communication</li> <li>• Monitoring of operation of new Customer Insight Unit</li> </ul>
	27 September 2010
	<ul style="list-style-type: none"> <li>• Integrated Corporate Performance Report</li> <li>• Cabinet response to Scrutiny Review of External Communication</li> </ul>
	•
	18 October 2010
	29 November 2010
	<ul style="list-style-type: none"> <li>• Integrated Corporate Performance Report</li> <li>• Budget Monitoring Report</li> </ul>
	14 January 2011
	<ul style="list-style-type: none"> <li>• Medium Term Financial Strategy</li> </ul>
	21 February 2011
	<ul style="list-style-type: none"> <li>• Integrated Corporate Performance Report</li> <li>• Budget Monitoring Report</li> </ul>
	25 March 2011
<b>Other issues</b>	
<ul style="list-style-type: none"> <li>• Herefordshire Public Services – possible consideration of effectiveness of working arrangements</li> <li>• Herefordshire Partnership</li> </ul>	

**Further additions to the work programme will be made as required**





**Adult Social Care and Housing Scrutiny Committee Work Programme 2009/10**  
**Work Programme Presented for Consideration on 14 December 2009**

<b>25 January 2010</b>	
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Review of Housing Allocation</li> <li>• Joint Strategic Needs Analysis</li> <li>• Review of Cabinet's Response to the Joint Scrutiny Review of the Transition From Leaving Care To Adult Life</li> </ul>
<b>31 March 2010</b>	
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Procurement of Mental Health Services</li> <li>• Report on a planned Scrutiny event to be held on the Affordable Housing Policy linked to the Local Development Forum</li> <li>• Report on a one day event on the Scrutiny Review of Housing Allocation</li> <li>• Review of Cabinet's Response to the Scrutiny Review of the Support to Carers in Herefordshire.</li> </ul>
<b>21 June 2010</b>	
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Action Plan Monitoring: the Scrutiny Review of the Support to Carers in Herefordshire, Joint Scrutiny Review Of The Transition From Leaving Care To Adult Life</li> <li>• Safeguarding Board, Adult Social Care – Improvement Programme</li> <li>• Presentation by the Cabinet Member (Environment and Strategic Housing)</li> </ul>
<b>26 July 2010</b>	
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Scrutiny Review of Home Care Services</li> <li>• Review of Cabinet's Response to the Scrutiny Review of Housing Allocation</li> <li>• Presentation by the Cabinet Member (Older People &amp; Social Care, Adults)</li> </ul>
<b>25 September 2010</b>	
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Safeguarding Board, Adult Social Care – Improvement Programme</li> <li>• Review of Cabinet's Response to the Scrutiny Review of Home Care Services</li> <li>• Procurement of Mental Health Services - update</li> <li>• Action Plan Monitoring: Scrutiny Review of Housing Allocation</li> </ul>

<b>13 December 2010</b>	
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Action Plan Monitoring: the Scrutiny Review of the Support to Carers in Herefordshire, Joint Scrutiny Review Of The Transition From Leaving Care To Adult Life and the Scrutiny Review of Home Care Services</li> </ul>
<b>24 January 2011</b>	
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Safeguarding Board, Adult Social Care – Improvement Programme</li> <li>• Performance Monitoring</li> </ul>
<b>21 March 2011</b>	
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Action Plan Monitoring: the Scrutiny Review of the Support to Carers in Herefordshire, Joint Scrutiny Review Of The Transition From Leaving Care To Adult Life and the Scrutiny Review of Home Care Services</li> </ul>

**Further additions to the work programme will be made as required**

**Children's Services Scrutiny Committee - Work Programme - 2009/10  
Suggested programme following the Committee on 11 Dec.09**

<b>Note:</b> All Councillors will be invited to a <b>seminar on Youth Provision</b> in the County at 9.30am Thurs 28 January 2010	
<b>Friday 19th March 2010 at 10.00am</b>	
	<ul style="list-style-type: none"> <li>• Youth Provision in the County (Note the seminar on 28 January will provide Members with a background to the issues)</li> <li>• Safeguarding and Vulnerable Children – Response to the CfPS Guide Top 10 Questions.</li> <li>• Capital Budget Monitoring.</li> <li>• Revenue Budget Monitoring</li> <li>• Performance Digest</li> <li>• Committee Work Programme.</li> </ul>
Scrutiny Reviews	-- Pupil Achievement at swimming at Key Stage 2 – awaiting data.

<b>14 June 2010 at 10.00am</b>	
	<ul style="list-style-type: none"> <li>• Annual Presentation by Cabinet Member (Children's Services)</li> <li>• Annual Presentation by Cabinet Member (ICT, Education and Achievement)</li> <li>• Mobile ICT working for Children's Social Workers – Result of pilot and timetable.</li> <li>• Capital Budget Monitoring.</li> <li>• Revenue Budget Monitoring</li> <li>• Performance Digest</li> <li>• Committee Work Programme.</li> </ul>
Scrutiny Reviews	--

<b>Note:</b> All Councillors will be invited to a seminar on (subject and date to be decided)	
<b>1 October 2010 at 10.00am</b>	
	<ul style="list-style-type: none"> <li>• Herefordshire School Task Group – Further Update</li> <li>• Travellers Children Team – update following the bringing 'in house' of the Service.</li> <li>• Capital Budget Monitoring.</li> <li>• Revenue Budget Monitoring</li> <li>• Performance Digest</li> <li>• Committee Work Programme.</li> </ul>
Scrutiny Reviews	--

<b>Note:</b> All Councillors will be invited to a seminar on (subject and date to be decided)	
<b>10 December 2010 at 10.00am</b>	
	<ul style="list-style-type: none"> <li>• Capital Budget Monitoring.</li> <li>• Revenue Budget Monitoring</li> <li>• Performance Digest</li> <li>• Committee Work Programme.</li> </ul>
Scrutiny Reviews	--

<b>11 March 2011 at 10.00am</b>	
	<ul style="list-style-type: none"> <li>• Capital Budget Monitoring.</li> <li>• Revenue Budget Monitoring</li> <li>• Performance Digest</li> <li>• Committee Work Programme.</li> </ul>
Scrutiny Reviews	--

Possible future items on:

- Consideration and contribution to the review of the Children and Young People's Plan – current draft timetable indicates this could come to Committee either October or December 2010.
- The 14 – 19 Strategy
- Foundation and Academy Schools
- Governance arrangements for the Children's Trust and partnerships.
- Delivery plans to be submitted to Committee for the Children and Young People Plan.

#### **Suggested themes or Issues identified by the Director for future agendas**

<b>Date</b>	<b>Subject</b>
To be confirmed	Be Healthy: Substance Misuse
To be confirmed	Economic Well Being: 14-19 / LSC / Connexions Changes / Plans
To be confirmed	Positive Contribution: Targeted / Integrated Youth Services
To be confirmed	Enjoy and Achieve: Attendance

In consultation with the Chairman and Vice-Chairman the Director of Children's Services is working up a programme of open seminars for Members based on defined themes.

**COMMUNITY SERVICES SCRUTINY COMMITTEE**

**WORK PROGRAMME PRESENTED FOR CONSIDERATION ON 7 DECEMBER 2009**

	<b>12 April 2010</b>
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Edgar Street Grid – Update</li> <li>• PACT Meetings – Update</li> </ul>
	<b>Other issues</b>
Scrutiny Reviews	<ul style="list-style-type: none"> <li>• Review of Festivals in Herefordshire</li> <li>• Review of Access to Services</li> </ul>
	<b>28 June 2010</b>
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Edgar Street Grid – Update</li> <li>• Action Plan Monitoring: Review of Community and Safety Drugs Partnership, Review of the Herefordshire Economic Development Strategy 2005- 25, Review of Tourism.</li> <li>• Scrutiny Review on Volunteering</li> </ul>
	<b>Other issues</b>
Scrutiny Reviews	<ul style="list-style-type: none"> <li>• Review of Festivals in Herefordshire</li> <li>• Review of Access to Services</li> </ul>
	<b>8 October 2010</b>
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Edgar Street Grid – Update</li> <li>• Review of Cabinet's Response to the Review on Volunteering</li> </ul>
Scrutiny Reviews	<ul style="list-style-type: none"> <li>• Review of Festivals in Herefordshire</li> <li>• Review of Access to Services</li> </ul>
	<b>6 December 2010</b>
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Edgar Street Grid – Update</li> <li>• Action Plan Monitoring: Review of Community and Safety Drugs Partnership, Review of the Herefordshire Economic</li> </ul>

	Development Strategy 2005- 25, Review of Tourism.
Scrutiny Reviews	<ul style="list-style-type: none"> <li>• Review of Festivals in Herefordshire</li> <li>• Review of Access to Services</li> </ul>
	<b>11 February 2011</b>
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Edgar Street Grid – Update</li> </ul>
	<b>7 March 2011</b>
Items	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Performance Monitoring</li> <li>• Edgar Street Grid – Update</li> <li>• Action Plan Monitoring: Review of Community and Safety Drugs Partnership, Review of the Herefordshire Economic Development Strategy 2005- 25, Review of Tourism and Review on Volunteering.</li> </ul>
Scrutiny Reviews	<ul style="list-style-type: none"> <li>• Review of Festivals in Herefordshire</li> <li>• Review of Access to Services</li> </ul>

**Further additions to the work programme will be made as required.**

**ENVIRONMENT SCRUTINY COMMITTEE WORK PROGRAMME**  
**Draft as at 7 January 2010 for presentation to Overview and Scrutiny Committee**

<b>IN DIARY - Monday 22nd March 2010 at 9.30am @ St Katherine's Hall Ledbury</b>	
	<ul style="list-style-type: none"> <li>• Carbon Management Performance – to include:               <ul style="list-style-type: none"> <li>• Council's intended actions to achieve the Carbon Reduction Targets.</li> <li>• Display Energy Certificates (DECs) – report on the efficiency of Council and School buildings including building profiles.</li> <li>• Reducing Energy Consumption – Street Lighting – update.</li> <li>• Environmental effect of staff travel &amp; Member travel to work arrangements.</li> <li>• Air Quality – progress in meeting NI186 (per capita reduction in CO2 emissions in the LA area)</li> </ul> </li> <li>• Management of the Council's Vehicle Fleet – further update.</li> <li>• Progress on actions following the Scrutiny Review of the Planning Service.</li> <li>• Progress Report on actions following the Scrutiny Review of the Travellers' Policy</li> <li>• Safer Roads Partnership – Update by Council's Member on SRP Board.</li> <li>• Capital Budget Monitoring</li> <li>• Revenue Budget Monitoring.</li> <li>• Report on Performance Indicators.</li> <li>• Committee Work Programme</li> </ul>
Reviews underway	<ul style="list-style-type: none"> <li>• -</li> </ul>

<b>EXTRA - APRIL 2010 (date to be confirmed) Brockington (subject specific meeting)</b>	
	<ul style="list-style-type: none"> <li>• Highway Maintenance Standards – Update .</li> <li>• Street scene –cleanliness and footway condition / performance.</li> </ul>

<b>IN DIARY – 7 June 2010 (Venue to be arranged)</b>	
	<ul style="list-style-type: none"> <li>• Annual Presentation by Cabinet Member (Environment &amp; Strategic Housing) – focusing on future issues.</li> <li>• Annual Presentation by Cabinet Member (Highways and Transportation). – focusing on future issues.</li> <li>• Progress report on actions following the Scrutiny</li> </ul>

	<p>Review of On-Street Parking.(6 months from Nov)</p> <ul style="list-style-type: none"> <li>• Community Protection Team – further update.</li> <li>• Capital Budget Monitoring</li> <li>• Revenue Budget Monitoring.</li> <li>• Report on Performance Indicators.</li> <li>• Committee Work Programme</li> </ul>
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<b>EXTRA – July 2010 Brockington (subject specific meeting)</b>	
	<ul style="list-style-type: none"> <li>• Public Rights of Way and Highway Definitive Map – to assess overall performance and consider progress in addressing various issues identified at various meetings.</li> </ul>

<b>IN DIARY – 13 September 2010</b>	
	<ul style="list-style-type: none"> <li>• Good Environmental Management (GEM) – end of year performance report.</li> <li>• Progress report on actions following the Scrutiny Review of On-Street Parking.</li> <li>• Capital Budget Monitoring</li> <li>• Revenue Budget Monitoring.</li> <li>• Report on Performance Indicators.</li> <li>• Committee Work Programme</li> </ul>

<b>IN DIARY – 26 November 2010</b>	
	<ul style="list-style-type: none"> <li>• Capital Budget Monitoring</li> <li>• Revenue Budget Monitoring.</li> <li>• Report on Performance Indicators.</li> <li>• Committee Work Programme</li> </ul>

<b>IN DIARY – 28 February 2011</b>	
	<ul style="list-style-type: none"> <li>• Capital Budget Monitoring</li> <li>• Revenue Budget Monitoring.</li> <li>• Report on Performance Indicators.</li> <li>• Committee Work Programme</li> </ul>

Items for consideration as the programme is further developed:



- The effect on Herefordshire of changes to the Single Farm Payments system (e.g. hedge cutting, drainage ditch clearance)
- Any specific issues arising from Council Strategies or Plans.
- Contribute to policy development of LTP3. Draft timetable for the policy review indicates this could come to scrutiny in September 2010.
- Consideration of revised/reviewed Flood Defence Policy.
- Consider inviting the Environment Agency to discuss the environmental impact, of the Open Windrow Greenwaste composting facility at Morton-on-Lugg. (Minute 60 – Committee work programme and Minute 64)
- Colwall Railway Bridge – review any traffic/pedestrian safety issues arising (see Minute 65 of 20.4.09)
- Street Cleaning – performance monitoring update report following the change to the Services Delivery Partnership with Amey. (see 20.4.09)



### Health Scrutiny Committee Work Programme 2009/11

The agenda will be based on:

- Quarterly Updates – Service Development
- Statutory Business including consultations
- Quality Assurance and Public Engagement
- Population Health and Equalities

<b>1 February</b>	
	<ul style="list-style-type: none"> <li>• Updates by Chief Executive of Hospitals Trust (to include Report on findings of Dr Foster report and action plan in response to it, lung cancer, stroke services.</li> <li>• WMAS update</li> <li>• NHS Herefordshire update (to include update on commissioning negotiations with WMAS, explanation of Healthcheck report (detail on targets not achieved) , LAA targets,</li> <li>• Report on progress against the Lightfoot review and action in response to the findings of the Committee's review of the ambulance service in the light of the Lightfoot Review of the West Midlands Ambulance Service in Herefordshire – Progress Report</li> <li>• Quality Assurance and Data on Patient views</li> <li>• Provider Review including Provision of Mental Health Services</li> <li>• Joint Strategic Needs Assessment</li> </ul>
	<ul style="list-style-type: none"> <li>• To be scheduled – seminar on new performance framework when framework known</li> </ul>
Scrutiny Review	<ul style="list-style-type: none"> <li>• Report of Scrutiny Review of GP Services in Herefordshire</li> </ul>
<b>29 March</b>	
	<ul style="list-style-type: none"> <li>• Follow up points from previous meeting and “need to know” information from Health Trusts</li> <li>• Population Health (Housing and Health in Herefordshire)</li> </ul>
Scrutiny Review	<ul style="list-style-type: none"> <li>• Response to Scrutiny Review of GP Services in Herefordshire</li> </ul>
<b>18 June (</b>	
	<ul style="list-style-type: none"> <li>• Updates by Chief Executives of Health Trusts</li> <li>• Population Health</li> <li>• Examination of response to Swine Flu</li> </ul>
<b>30 July</b>	
<b>20 September</b>	

	<ul style="list-style-type: none"> <li>• Follow up points from previous meetings and “need to know” information from Health Trusts.</li> <li>• Quality assurance</li> </ul>
<b>22 November</b>	
	<ul style="list-style-type: none"> <li>• Updates from Chief Executives</li> <li>• Population health</li> </ul>
<b>21 January (</b>	
	<ul style="list-style-type: none"> <li>• Follow up points from previous meetings and “need to know” information from Health Trusts.</li> <li>• Population Health</li> </ul>
<b>18 March</b>	
Updates by Chief Executives of Health Trusts	

**Progress in response to recommendations made and issues raised by the Strategic Monitoring Committee in December 2009**

<b>Accommodation Strategy</b>	
<b>Recommendations</b>	<b>Response/Action</b>
<p><b>That: the development of the Joint Accommodation Strategy be endorsed, whilst highlighting the importance of close working with partners, the importance of exploring all modes of transport to new office locations and the need to find a new name for the Plough Lane office.</b></p>	<p>Joint Accommodation Strategy approved by Cabinet on 18 December.</p> <p>Close working with partners is taking place.</p> <p>An initial travel plan for Plough Lane has been prepared for consideration by the Accommodation Board.</p> <p>Recommendation that a new name be found is registered with the Resources Directorate.</p>
<b>Integrated Corporate Performance Report</b>	
<b>Recommendations</b>	<b>Response/Action</b>
<p><b>That performance against a range of education attainment targets as set out on page 28 of the agenda papers should be referred to the Childrens' Services Scrutiny Committee for further investigation</b></p> <p>.</p>	<p>Reported to and considered by Children's Services Scrutiny Committee 11 December.</p>
<b>Budget Monitoring Report 2009</b>	
<b>Additional Actions</b>	<b>Response/Action</b>
<p>Provide briefing note on the over expenditure on children taken into care, noting that the budget set by the Directorate had not reflected realistic expenditure levels based on the previous year's costs</p>	<p>Briefing note circulated on 8 January 2010.</p>

