

AGENDA

Cabinet

Date: **Thursday 18 October 2012**

Time: **2.00 pm**

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

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

For any further information please contact:

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Agenda for the Meeting of the Cabinet

Membership

Chairman

Councillor JG Jarvis

Councillor H Bramer

Councillor PM Morgan

Councillor RJ Phillips

Councillor PD Price

Councillor RB Hamilton

Councillor GJ Powell

AGENDA

	Pages
1. APOLOGIES FOR ABSENCE To receive any apologies for absence.	
2. DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on the Agenda.	
3. MINUTES To approve and sign the minutes of the meeting held on 11 October 2012. <i>(To Follow)</i>	
4. BUDGET MONITORING REPORT 2013/15 To report the financial position for both Revenue and Capital to 30 September 2012. The Treasury Management position is also included.	1 - 24
5. CORPORATE PLAN 2013/15 To agree proposals for the council corporate plan 2013/15 for recommendation to Council.	25 - 36

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HEREFORDSHIRE COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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MEETING:	CABINET
DATE:	18 OCTOBER 2012
TITLE OF REPORT:	BUDGET MONITORING REPORT 2012/13
PORTFOLIO AREA:	CORPORATE STRATEGY & FINANCE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To report the financial position for both Revenue and Capital to 30 September 2012. The Treasury Management position is also included.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT:

- (a) **Cabinet note the report and the forecast position;**
- (b) **Note that the Leadership Team have undertaken to deliver a further level of savings for 2012/13; and**
- (c) **Taking account of recommendation (b) Cabinet note the requirement that Directors deliver recovery plans to ensure a balanced revenue budget;**
- (d) **Note the mid-year Treasury Management report at Appendix C.**

Key Points Summary

- As at 30 September 2012 the overall budget position shows a projected overspend of £2.4m
- The council has a good record of delivering an overall balanced budget by the end of the year in order to protect its financial reserves.
- The Treasury Management mid year report indicates that the Council's approach to managing its investments and borrowing is in line with agreed policy.

Considerations

1. The detailed revenue budget monitoring report is at Appendix A. the budget reflects the overall savings of £10.8m required to meet the reduced funding levels from central government. There is continuing pressure on Adult Social Care budgets within the Peoples Services Directorate. Demographic pressure resulting in a growth for packages continues to put pressure on resources.
2. The Directorate is taking significant steps to identify savings such as reduced placement costs, vacancy management and using available capitalisation grant. The Directorate's overall position is assisted by identified savings within Children's Services where significant reductions in residential and agency placements have been identified.
3. The Places & Communities Directorate is projecting a relatively small overspend of £178k. Further savings opportunities are being identified to help offset the expenditure incurred by the adverse weather conditions in June and July. The council has registered a "Bellwin" claim for eligible expenditure but there is a threshold of £460k that must be met from existing budgets.
4. The overall position is mitigated by projected savings on borrowing and investments. The underspend is projected at £235k.
5. The Corporate Services Directorate has reviewed its budgets and put in actions to deliver a £741k contribution to mitigate the position.
6. Further mitigation is from the £1m revenue contingency agreed as part of the budget process.

Community Impact

7. Not applicable.

Financial Implications

8. These are contained in the report.

Risk Management

9. Effective financial reports, used to facilitate robust budget monitoring are an essential element in the management of risks and the delivery of the Council's priorities.

Legal Implications

10. None.

Alternative Options

- There are no Alternative Options.

Appendices

Appendix A – Revenue Budget Monitoring

Appendix B – Capital Monitoring

Appendix C – Treasury Management

REVENUE BUDGET MONITORING
Summary

- The following table summarises the 2012/13 projected outturn based on the financial position as at 30th Sept 2012.

£'000	Budget	Projected (over) or under spend
People's Services	72,448	(3,805))
Places and Communities	36,514	(178)
Corporate Services	22,116	741
Directorate Position	131,078	(3,242)
Capital funding	16,072	310
Investments	(352)	(75)
WMS Profit Share	(624)	(624)
Centrally Held Budgets (net)	453	196
Government grants	(4,623)	0
Contingency	1,000	1,000
Transfer to/from Reserves	355	0
Total	143,359	(2,435)

- As of the end of September 2012 the overall revenue budget position for 2012/13 shows a projected £2.435 million overspend. This is approximately 0.17% of the council's £143.4m revenue budget (excluding Dedicated Schools Grant funding).
- The 2012/13 budget includes savings targets of £10.8m, approved in the council's Financial Resource Model as part of the budget setting process. A further target of £5.6m was allocated to adult social care as part of the recovery plan to bring the budget into balance, resulting in a savings plan for adult social care of £7.9m. In addition, there was slippage on the procurement savings programme from 2011/12 of £1.5m plus a top-slice to cover consultancy costs. The £1.5m procurement target includes £483k of social care projects which are being monitored as part of the £7.9m recovery plan. These targets are included in the Directorate budget monitoring projections detailed in this Appendix.
- In addition to the revenue overview the forecast outturn spend on capital schemes is £40.73m (detailed in Appendix B).
- The Treasury Management projected out-turn is an underspend of £310k on borrowing costs due to slippage on the capital programme in 2011/12 requiring a lower level of provision for debt repayment in 2012/13. Appendix C includes a detailed analysis.

Revenue Reserves Position

6. The general reserve balance as at 31st March 2012 was £6.1m. This amount is above the council's policy of maintaining a minimum of £4.5m of general reserves as a contingency against unforeseen emergencies and events.
7. At 1st April 2012 the council held £13.5m of earmarked reserves, which are detailed in the table below. The specific nature of those reserves means that some are not available for reclassification as general reserves. One such example is the balance held for schools.

Earmarked Reserves

	31st Mar 2012
	£000
Schools balances	5,789
Grange Court	83
Commuted sums	36
Industrial Estates - maintenance	413
Schools Insurance	495
Schools sickness	84
ICT	91
Members ICT	40
Planning	24
Community Centre	180
Waste Disposal	2,407
Hereford Futures	125
Whitecross school PFI	321
Schools Rates Reserve	106
Economic Development	163
Pool car reserve	10
Three Elms Industrial Estate	362
Unused Grants carried forward	2,729
	13,458

PEOPLE'S SERVICES DIRECTORATE

Overall Projected Outturn

£'000	Annual Budget	Under / (Over) spend
Peoples Commissioning – Adults Social Care	46,345	(5,105)
- - Commissioning	9,750	395
Sub Total Peoples Commissioning	56,095	(4,710)
Health & Wellbeing- Env Health & Trading Standards	1,842	210
Children's and Young People Provider Services	14,711	895
Sub Total	72,648	(3,605)
HERS Root and Branch Savings target (tbc)	(200)	(200)
Total	72,448	(3,805)

Executive Summary

8. The projected overspend for People's Services peaked in June at £5,482k and has shown reductions in each subsequent month as savings opportunities have been identified. The current projected outturn is for an over spend of £3,805k a total reduction of £1,677k.
9. All services have been instructed to freeze discretionary expenditure and non-essential vacancies.
10. The Adult Social Care projection includes the capitalisation of relevant expenditure against the Social Care capital grant of £470k. it also allows for some income from the changes to charging.
11. Savings within commissioning budgets principally relate to carrying vacant posts.
12. Significant savings have been identified within Provider Services delivering £895k of savings through reductions in placement costs (£349k), severances (£300k) with the balance arising from vacancy management and freezing all discretionary spend.
13. Savings within Environmental Health and Trading Standards relate to holding vacant posts and proposed adjustment to the contribution to Public Health.
14. Savings delivered on the Adults transformation plan at the end of August have achieved £1,508k of the total target of £7,956k (19%) which is £57k ahead of the profiled savings target.
15. A number of the savings schemes to deliver the transformation scheme remain at "Amber" status, but a monthly review meeting chaired by the Director of People's Services monitors delivery of the schemes and identifies and resolves potential issues affecting delivery.
16. The forecast for Children's Provider Services is also being reviewed in the light of pressures associated with safeguarding activity.

Adult Social Care and Commissioning

Key Points

17. The forecast overspend of £5,105k for ASC includes the £2,841k demographic pressures identified as part of the detailed budget setting plus additional in year pressures within Older People of £500k
18. The projections assume that £2,217k of savings are at risk; activity is underway to identify alternate options for further mitigation.
19. To date actual savings of £1,508k have been confirmed against a profiled budget of £1,451k. There are an additional potential savings of £163k to be audited which have not yet been included in the confirmed savings.
20. The savings identified to reduce the deficit include the assumption that £470k of costs can be capitalised against capital grants.
21. Eleven schemes are currently rated “green” and cover £1,886k of total savings target representing 23.7% of the total.

Risks

22. There remain risks within the older people budgets as year to date new packages continue to run above the planned rate. This could give rise to further pressures.

Opportunities

23. Controls have been tightened over emergency and urgent care episodes and adherence to policies has been reinforced to all staff by senior management in the council, Wye Valley and 2G. This is not anticipated to deliver cost savings but reduces the risk of additional expenditure pressures.
24. A review of voids on block contracts has been undertaken and new cases will be directed into block contracts wherever possible, but this is also a cost avoidance rather than cost saving activity.

Health and Wellbeing – Environmental Health and Trading Standards

Key Points

25. The budget for EHTS included a £200k savings target in relation to route and branch (R&B) savings from the regulatory services review. The review has now identified a number of areas for savings, but further work is required to evaluate and confirm the scale of the opportunities. Care is also required to ensure that assumed savings do not include actions which have already been undertaken to deliver savings such as the full cost recovery of the taxi licensing service.
26. A saving resulting from the timing of the appoint of the new Director of Public Health (DPH) is approximately £17k. Additional savings from recharging recruitment costs and other vacancies increase the total saving to £75k, but all are non-recurrent.
27. A savings target of £15k for reducing expenditure on landfill consultancy has also been included.
28. A proposed saving from reducing the local authority contribution to the Public Health team by 50% is included in the forecast but has still to be confirmed.

Risks

29. There may be risks in delivery of the income targets but have the potential to be offset through cost savings / vacancy management.
30. There may be a risk if the reduction in contribution to Public Health is not agreed of £120k.

Opportunities

31. No specific opportunities identified which have not already been included but on-going stringent cost control will be in place.

Children's Provider Services

Key Points

32. Children's Services have identified savings to date of £895k some of which will not be confirmed until towards year end as they relate to the use of grants.
33. Key savings have been achieved within residential and agency placements as alternative placement options have been developed where appropriate. This has delivered savings of £349k before additional other carers costs of £45k.
34. Residential and agency placements are showing significant reductions compared to the equivalent period for 2011/12 and have enable delivery of the savings. Residential placements for the end of August 2012 are 5 compared to 13 for August 2011, the equivalent agency placements are 39 and 47 respectively.
35. Savings have been identified within the severances budget of £300k due to the number of schools transferring to academy status reducing the Council's liability.
36. The current forecast assumes potential offsets to grants of £175k which will be verified before year end.
37. The balance of the savings has been identified across all services through a combination of vacancy management and freezing of discretionary spend.

Risks

38. The current forecast does not yet include the impact of the additional activities required as a result of some potential safeguarding pressures and need for some development activity in this area.
39. The Secure placements budget has been included as a saving, however if placements are made by the court these are high cost and may be lengthy, there are no current commitments.
40. Savings from offsetting costs to grants totalling £175k have been included in the projected outturn but these will not be confirmed until later in the financial year.

Opportunities

41. No specific opportunities identified which have not already been included but ongoing stringent cost control will be in place.
42. All services are being challenged to identify opportunities to bring forward savings

opportunities or cuts.

PLACES AND COMMUNITIES DIRECTORATE

REVENUE BUDGET MONITORING

Overall Projected Outturn

£'000	Annual Budget	Under / (Over) Spend
Economic, Environment and Cultural Services	6,717	(295)
Homes and Community Services	3,087	(249)
Place Based Commissioning	26,255	121
Director and Management	315	245
Total	36,374	(178)

Summary

43. The Directorate is currently showing a projected overspend of £178k for the year. This mainly relates to the pressure on the Planning and Parking income budgets. This position also assumes achievement of the Directorate Savings Plan, totals £2.7 million, of which £100k is currently at risk. This includes:

- Review of fee income from Car Parking £100k

44. The following savings targets were previously rated as high risk but further savings have been identified within the Amey contract which reduces their risk to medium.

- Contract Savings – renegotiation of current contract with Amey Wye Valley £500k
- Review of community Facilities (Public Toilets) £150k

45. Of the remaining savings target £1.06 million has a low risk rating and the remaining £1,545k, including the Amey savings above, is viewed as medium risk.

Economic, Environment & Cultural Services

46. Planning Fee income is currently 27% lower than the same period in 2011/12. This would mean a shortfall of income of £325k for the year. This pressure is partly mitigated by an expected underspend in conservation staffing costs of £30k.

47. Fees are currently set by the Government and have not been increased since 2008. The Government has therefore proposed a one-off adjustment to "up-rate" fees in line with inflation, which amounts to around 15%, in Autumn 2012. This is likely to be debated in Parliament in October/November with a view to implementing the increased charges before the end of 2012. If fees were increased on 1st January 2013, based on the income levels in previous years, this would mean an additional £50k income in 2012/13.

Homes & Communities

48. Car parking charges were increased from 1st November and income for the five months to March 2012 was 24% higher than the same period last year. Although the full year the impact of these charge increases are expected to deliver the 2012/13 savings target of

£200k, latest income projections incorporating actual income for the first quarter identify pressure on the income budgets of £320k. There is further risk on income budgets on further savings target of £100k in relation to the review of car parking at free car parks.

49. This does not take account of the effect of changes expected to be made on 1st November 2012 in relation to the parking review. Additional income of £150k is expected based on current proposals which would mitigate the £100k Savings target, currently rates as high risk.
50. There are savings in Housing budgets and Regeneration programmes in relation to reduction in discretionary spend of £71k.

Place Based Commissioning

51. The decision by Worcester County Council to grant planning permission for the new Envirecover Energy from Waste plant at Hartlebury has been agreed by Secretary of State. The impact on the current and future year budgets will be assessed as further information becomes available.
52. The Council has applied for reimbursement under the Bellwin scheme but following the adverse weather conditions during June and July, the Council has registered intent to make a claim. Before being eligible for grant, an individual authority is required to have spent 0.2 per cent of its calculated annual budget on works that have been reported to the Department as eligible for grant. This amount is the authority's "threshold" and applies to the whole financial year, not to each incident within the financial year. The threshold for Herefordshire 2012/13 is £460k and is a pressure on the revenue budget. The emergency works being carried out mainly relate to Highways. The current estimate for emergency works over the 2 months is £750k.
53. In a letter to Amey on 10th August, revenue savings have been identified in excess of £1m. These contract variations will meet the £650k savings targets, previously reported at high risk and the Bellwin threshold liability.

Director and Management

54. There is currently underspend in relation to the Directorate's annual non pay inflation budget which is will be used to mitigate the pressures within the Directorate with further discretionary spend savings of £70k.

CORPORATE SERVICES DIRECTORATE

Overall Projected Outturn

£'000	Annual Budget	Under / (Over) Spend
Customer Services and Communications	2,943	431
People, Policy and Partnership	7,692	100
Law, Governance and Resilience	2,813	60
Chief Finance Officer and Commercial	5,403	100
Corporate Management	1,910	0
Directors	479	50
Total	21,240	741

Summary

55. The Directorate is currently expected to underspend by £741k in 2012/13 although there are a number of significant risks already identified which will need to be managed in the year.
56. In order to help mitigate the Council's overall budget deficit position, the Directorate Management team met and agreed service targets for in year savings. This are made up as follows:

Description of Savings	Savings target £000
Customer Services & Communications	
Discretionary Spend Savings	71
Staff vacancy savings	60
Capitalisation of costs relating to Customer Organisation Project	300
People, Policy & Partnership	
Discretionary Spend Savings	100
Law, Governance & Resilience	
Increases in Hoople income	10
Staff vacancy savings	50
Chief Finance Officer & Commercial	
Accommodation Savings	60
Halt on Planned maintenance	40
Deputy Chief Executive	
Discretionary Spend Savings	50
Total	741

57. This position includes achievement of the Directorate Savings Plan, (£1.4 million), of which £30k is currently at high risk. This relates to income target for provision of Legal Services as part of the Shared Service.
58. Of the remaining savings target £1.07 million has a low risk rating and £300k has medium risk.

Customer Services & Communications

59. The Customer Organisation project continues in 2012/13 introducing a new system and review of our business processes for delivering front line services.
60. A minimum of £100k savings are expected in 2012/13 in Customer Services as part of the Root and Branch Review.

People, Policy and Partnership

61. The service is currently reviewing all discretionary spend budgets to identify savings for the year in excess of £100k target above.

Law, Governance and Resilience

62. Along with the high risk of not being able to achieve £30k income from partners, there is further risk on achieving £50k of the service total savings target of £125k from staff savings. This is due to slippage in the Legal Services restructure and the proposed transfer of Registration Service to Customer Services, which is has now been agreed by General Register Office. The transfer of staff is now expected to take place imminently and the risk of achieving the associated savings is mitigated.
63. Legal proceedings have been commenced against the Council (and other Councils) by private search companies which could result in this Council having to repay around £200k. The outcome of this claim will have an impact on the way we deliver this service in the future.

Chief Finance Officer and Commercial

64. The annual budget for Property Services is currently expected to spend on budget for the year although a number of risks have been identified in Property Services which could lead to a pressure of £500k is spending continues at the current level. Meetings, chaired by Chief Officer for Finance & Commercial, are currently taking place to identify necessary actions required to address these risks and ensure spend is managed within the current year budget and in year savings of £100k identified above are achieved.
65. The pressure relates to reactive maintenance costs. A review of non-emergency maintenance for the year and capital works is currently taking place in order to mitigate this pressure.
66. There are a number of further pressures including energy costs are currently estimated to put further £100k pressure on the budget for the year.

Capital Forecast

1. The capital outturn forecast for 2012/13 as at the end of September totals £40.73m. A summary by directorate and funding source is provided in Table A below.

Table A – Funding of 2012/13 Capital Outturn Forecast

Directorate	2012/13 Forecast £'000	Prudential Borrowing £'000	Grants & Contributions £'000	Capital Receipts Reserves £'000
People's Services	9,123	647	8,412	64
Places & Communities	25,753	6,636	15,842	3,275
Corporate Services	5,480	5,395	56	29
Contingency	370	370	-	-
Total	40,726	13,048	24,310	3,368

2. **Table B - Schemes with an outturn forecast exceeding £500k in 2012/13**

Scheme	Spend to end Sept £'000	2012/13 Forecast £'000	Comments
People's Services			
Blackmarstons	530	2,425	SEN school extension, submitted to planning
Basic Need – Schools	253	1,748	This funding has been allocated to schools through a structured bidding process
Condition property works	695	1,267	Annual programme of works at various sites committed on a highest need first basis, the funding has decreased in 12/13 as a result of schools converting to academies
Hampton Dene	492	706	SEN school specialist unit works
Leominster Primary school	114	520	Scheme in planning period
Places & Communities			
Local Transport Plan	3,929	9,985	Annual programme of capital works to highways, footways and bridges, this funding has been cut by 5% from 2011/12s funding allocation
Link Road	5,964	4,559	Property purchase
Connect 2	(11)	1,736	Non-motorised connection between the city centre and Rotherwas
Disabled Facilities Grant	306	1,658	There is a large demand for these grants, applications are progressed through an approval process
Grange Court	316	1,152	Refurbishment works underway, expected completion date slipped by contractor
Garrick House multi storey car park	60	918	Essential lift and enhancement works

Putson Community Building	22	765	S106 funded new build
Marches Redundant Building Grant Scheme	14	750	New LEP grant funded scheme
Affordable Housing Grants	31	729	Various grants awarded to approved schemes
Hereford Active Travel Schemes	-	623	Detailed design works commenced
Ledbury Library	212	591	Phase 2 restoration works start February 2013
Broadband	-	500	Expected investment in rural broadband infrastructure
Corporate Services			
Corporate accommodation	756	4,580	Work on a significantly reduced project is planned to start in 2012/13 at Plough Lane and on the new heritage, archive and record centre
Hereford Leisure Pool	948	756	Phase 1 complete, phase 2 works nearing completion
Sub Total	14,631	35,968	
Schemes with a budget <£500k in 2012/13	1,847	4,758	
Total	16,478	40,726	

Prudential Borrowing

3. A summary of the forecast Prudential Borrowing (PB) position is set out below. This indicates our expected use of borrowing in 2012/13.

	£'000	£'000
2012/13 Original Prudential Borrowing Forecast		11,905
Less: Slippage into 2013/14	(1,350)	
Removal of Halo driving range funding	(346)	
Add: Revenue financed IKEN capital scheme	65	
Slippage from 2011/12	<u>2,774</u>	
		1,143
Expected use of Prudential Borrowing in 2012/13		13,048

Capital Receipts Reserve

4. The opening capital receipts reserve balance was £2.9m as at 1st April 2012; this has been increased by £1.4m to £4.3m from the capital receipt share from the sale of West Mercia Supplies. £3.4m of this is to be used to fund capital expenditure in 2012/13 with the balance of £0.9m earmarked to fund future year's capital expenditure.

1. Introduction

- 1.1 The council's Treasury Management Strategy has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Treasury Management 2011, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.
- 1.2 The Code also recommends that members are informed of Treasury Management activities at least twice a year by providing a mid-year report and an annual outturn report. This report therefore ensures the council is meeting Best Practice in accordance with CIPFA's recommendations.
- 1.3 The following provides background information as well as performance to date.

2. Economic Background

2.1 Growth

Global economic growth continues to remain subdued. The UK and the Eurozone (with the exception of Germany) struggled to show growth whilst the US economy grew slowly. The UK economy contracted by 0.30% in the first calendar quarter of 2012 and by 0.40% in the second.

2.2 Inflation

Inflation has started to fall in contract to 2011 when it remained high. In May annual CPI was below 3% for the first time in two and a half years; in June it fell to 2.40% which was the lowest level since November 2009.

2.3 Employment

Employment was more positive with employment increasing by 236,000 in the three months to July; the employment rate reaching its highest level since the three months to April 2009.

2.4 Measures taken by the Bank of England

The lack of growth and the fall in inflation resulted in the Bank of England agreeing a further £50 billion of asset purchases in July, taking total Quantitative Easing to £375 billion. The possibility of a cut in the Bank Base Rate from 0.50% was discussed at the Bank's Monetary Policy Committee meetings in June and July however reference to it was subsequently dropped suggesting that this policy option had left the table for the immediate future. The government's Funding for Lending initiative (intended to lower banks funding costs) commenced in August. The Bank of England will assess its effectiveness in easing the flow of credit before committing to further action.

- 2.5 Interest Rates: With no change in the Bank Base Rate (and debate over whether the rate could fall further) together with the impact of additional funding provided to banks through the Funding for Lending Scheme, the interest rate obtained on the council's investments has remained low and available interest rates have tended to fall.

- 2.6 Gilt yields have also fallen making the interest rates on loans from the Public Works Loan Board cheaper.

3. The Council's Investments

3.1 At 30th September 2012 the council held the following investments:

Investment	Term	Maturity Date	Interest Rate	Amount invested	
				£m	£m
<u>Instant Access Bank Accounts:</u>					
National Westminster	N/A	N/A	1.10%	4.45	
Santander	N/A	N/A	0.80%	2.00	6.45
<u>Instant access Money Market Funds:</u>					
Prime Rate	N/A	N/A	0.61%	2.90	
Ignis	N/A	N/A	0.65%	4.07	6.97
<u>Fixed Term Deposits:</u>					
Lloyds	91 days	30/10/12	1.35%	2.00	
Barclays	100 days	01/11/12	0.73%	2.00	
Bank of Scotland	99 days	06/11/12	1.40%	2.00	
Bank of Scotland	100 days	09/11/12	1.40%	2.00	
Bank of Scotland	102 days	20/11/12	1.40%	1.00	
Lloyds	99 days	30/11/12	1.38%	0.50	
Lancashire C C	364 days	06/03/13	0.85%	2.00	
Gateshead Council	549 days	18/11/13	1.10%	2.00	13.50
Total			0.99%		26.92

- 3.2 In June the credit rating agency Moody's completed its review of global banks. As a result of this review the long-term ratings of many of the banks were downgraded including Barclays, HSBC and the Royal Bank of Scotland. Separately the agency also downgraded the ratings of Lloyds Bank, Bank of Scotland, Nat West and Santander. None of the long-term ratings of the banks on the council's lending list were downgraded below the minimum credit rating stipulated in the council's Treasury Management Strategy for 2012-13. However, the short-term ratings for the Royal Bank of Scotland and Nat West were downgraded to just below the council's minimum criteria.
- 3.3 As a result of the downgrade in the short-term rating the council withdrew funds from the Royal Bank of Scotland and is now only using an instant access deposit account with Nat West, as permitted in the Strategy.
- 3.4 Our treasury advisor (Arlingclose) has the view that in the capital markets, the perceived credit standing of an institution is assessed by reference to its long-term credit rating which represents an agency's view of an institution's capacity to honour its financial obligations and its vulnerability to foreseeable events over the medium-term. The long-term rating is the principal driver of a bank's funding costs and perceived creditworthiness internationally, and hence market sentiment towards that institution. It is for this reason that although a number of ratings are considered (long-term, short-term, support, viability), the long-term rating should take precedence over other ratings.
- 3.5 For this reason Arlingclose recommend revising the 2012-13 Treasury Management Strategy to remove reference to a minimum short-term credit rating. Whilst the council will continue to

take account of the short-term rating as part of the available information when assessing investment counterparties, the short-term rating would not be specified in the minimum criteria.

- 3.6 It should be noted that the Council does not place over-reliance on credit ratings alone and takes additional factors into account when assessing an institution's overall creditworthiness such as credit default swaps, share prices, sovereign support mechanisms and economic fundamentals (a country's net debt/GDP) as well as on corporate developments and/or news of market sentiment towards counterparties.
- 3.7 Since the beginning of the year the council's eligible UK counterparties, together with the maximum maturity periods (as recommended by the council's treasury advisers Arlingclose), have been as follows:

	Date revised				
	1st April	3rd May	18th May	1st June	30th July
Santander UK	35 days	35 days	overnight	overnight	35 days
Nat West and RBS	100 days	35 days	35 days	overnight	35 days
Bank of Scotland and Lloyds TSB	100 days	35 days	35 days	overnight	100 days
Nationwide	100 days	100 days	100 days	100 days	100 days
Barclays	100 days	100 days	100 days	100 days	100 days
HSBC and Standard Chartered Bank	6 months	6 months	6 months	6 months	12 months

- 3.8 The rate of interest received on the council's investments has generally been falling since the start of the new financial year. For example, interest rates on the following investments have been as follows:

Investment	2nd Apr	2nd Jul	28th Sep
Prime Rate Money Market Fund (instant access)	0.87%	0.69%	0.61%
Ignis Money Market Fund (instant access)	0.82%	0.72%	0.65%
Nationwide	E.g. 3 month term deposit	0.98%	0.60%
Barclays	E.g. 3 month term deposit	0.91%	0.83%

- 3.9 The prime policy objective of investment management is the security and liquidity of funds, however, once the safest of the counterparties have been identified (with the assistance of the council's treasury adviser Arlingclose) the council does then consider the return available from alternative investments.
- 3.10 In recent weeks the council has not invested with Nationwide or Barclays because the interest rates offered on term deposits for up to 100 days has fallen short of the interest rates earned on alternative instant access investments.
- 3.11 It is hoped that further stabilisation in financial markets within the next few months will see a lengthening in the recommended maturity periods to compensate for the lower rates.
- 3.12 Although the council can invest with HSBC for twelve months no funds have been placed on term deposit because the interest rates offered by HSBC are relatively low. The interest rate offered on a one year term deposit with HSBC is currently 0.60%.

- 3.13 The one year deposit rate offered by Standard Chartered Bank is higher at around 0.90% however the council is unable to invest with this bank directly. On the recommendation of Arlingclose, the council is in the process of opening a custody account with investment firm King and Shaxson. A custody account will enable the council to use a number of alternative approved investment instruments and diversify the investment portfolio. Such instruments include Treasury Bills, Certificates of Deposit (including deposits with Standard Chartered) and Gilts.
- 3.14 Arlingclose has issued the following forecast of the Bank Base Rate (issued 28th September 2012). Arlingclose believe that it could be 2016 before the first increase in the Bank Base Rate.

Bank Rate	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Upside risk				+0.25	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- 3.15 The council has earned interest on its investments as follows:

Month	Amount invested		Average rate of interest earned		Amount of interest earned £	Budget £	Under/ (Over) Spend
	Actual £m	Budget £m	Actual %	Budget %			
Apr-12	22.11	30	1.15	0.90%	20,643	22,500	(1,857)
May-12	31.94	40	1.09	0.90%	29,247	30,000	(753)
Jun-12	32.57	45	1.07	0.90%	28,657	33,750	(5,093)
Jul-12	32.34	50	0.93	0.90%	25,676	37,500	(11,824)
Aug-12	31.33	45	0.98	0.90%	26,116	33,750	(7,634)
Sep-12	28.82	45	0.99	0.90%	23,472	33,750	(10,278)
Total to 30 September 2012					153,811	191,250	(37,439)
Oct-12		45		0.90%		33,750	
Nov-12		40		0.90%		30,000	
Dec-12		35		0.90%		26,250	
Jan-13		35		0.90%		26,250	
Feb-13		30		0.90%		22,500	
Mar-13		30		0.90%		22,500	
Total						352,500	

- 3.16 The interest received in the first half of the year has fallen short of the amounts budgeted by £37,439. Whilst the average rates achieved each month have been higher than the budgeted rate of 0.90% the average amounts invested have been lower.
- 3.17 The investment budget was set on a consistent basis with the borrowing budget assuming that the council may take out further borrowing totalling £11.5 million at the end of 2011/12 and/or at the beginning of 2012/13. The postponement of this borrowing has caused investment income to fall but the reduction in income is outweighed by savings made on the borrowing side.

3.18 If financial markets do not improve, with interest rates remaining low and the council only able to invest for short periods, actual investment income may fall short of the amount budgeted by around £75,000. However, continuing improvement in financial markets and an easing of financial constraints would reduce this shortfall.

4. The Council's Borrowing

Short-term borrowing

4.1 During the first six months of the year the council has taken out short-term loans from other local authorities as follows:

Date Borrowed	Council	£m	Period (days)	Date Repayable	Interest Rate*	Interest Paid
01/05/12	Worcestershire	3.00	7	08/05/12	0.29%	£166.85
02/05/12	Rhondda	3.97	8	10/05/12	0.29%	£252.34
08/05/12	Worcestershire	3.50	7	15/05/12	0.29%	£194.66
10/05/12	Coventry	3.50	21	31/05/12	0.28%	£563.84
28/05/12	Caerphilly	3.00	10	07/06/12	0.28%	£230.14
24/08/12	Leicester	2.00	83	15/11/12	0.26%	£1,182.47
24/08/12	London Borough of Hammersmith & Fulham	2.00	52	15/10/12	0.27%	£769.32
12/09/12	East Renfrewshire	2.00	50	01/11/12	0.27%	£739.73
Total interest paid to 30 September 2012						£4,099.35
Loan repaid						
*In addition to interest the council also pays broker commission at 0.10% per annum.						

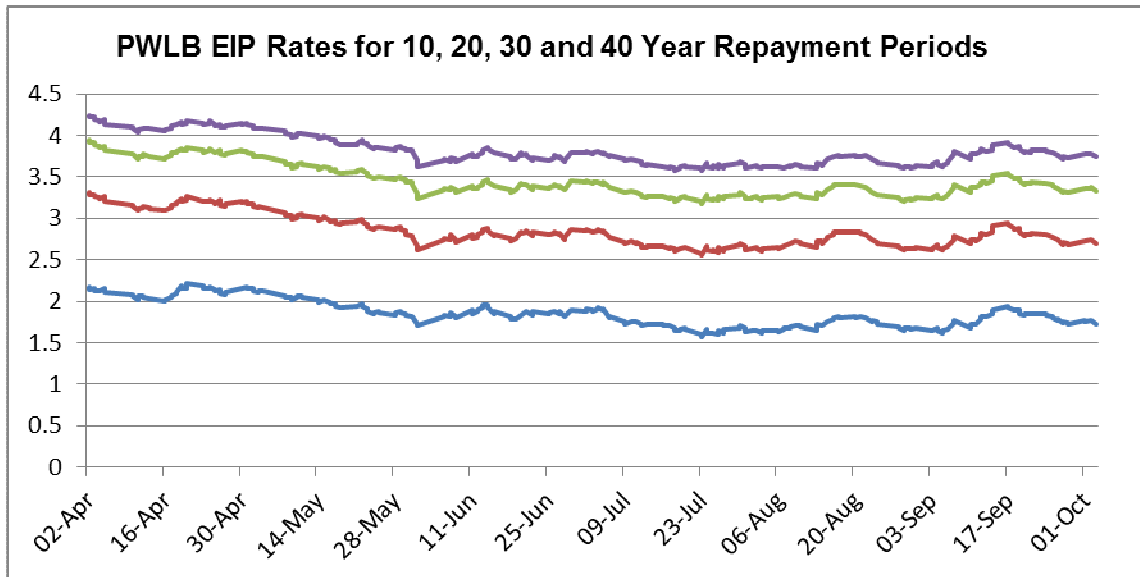
4.2 Short-term loans taken out in May were to provide additional liquidity at a time when balances were relatively low. More recent borrowing was to fund capital expenditure (including the Rockfield purchase). It is intended that short-term borrowing will continue to be renewed so long as there are good quality investment opportunities available and until such time as the funding is replaced by longer term borrowing from the Public Works Loan Board.

Long-term borrowing

4.3 No long-term loans have been taken out in the year to date.

4.4 The Public Works Loan Board (PWLB) remains an attractive source of borrowing for the council as it offers flexibility and control. The large downward movement in gilt yields in the second quarter resulted in PWLB rates falling across all maturities.

4.5 The graph below shows the interest rates available on new loans from 1st April 2012 to date. The interest rates shown are those relating to "Equal Instalments of Principal" (EIP) loans which are repaid in equal instalments over the period of the loan. As can be seen below, since falling in April and May 2012, interest rates have remained relatively low.



4.6 There are currently good reasons to postpone further borrowing from the Public Works Loan Board, including:

- The expectation that PWLB rates will remain low for some months to come;
- The 0.20% cut in PWLB rates which will take effect from 1st November 2012;
- The large differential between PWLB rates and the amount currently earned on the council's investments;
- The availability of cheap short-term loans from other local authorities, and
- The flexibility offered by short-term borrowing in terms of repaying loans and reducing investments should financial conditions deteriorate.

4.7 Regarding the second point above, the 20 points reduction was initially announced in the March 2012 Budget with the discounted rate being available to local authorities who provide additional information regarding their borrowing plans. Further clarification was provided in August with the announcement that the rate would apply from 1st November 2012. The council has already submitted information concerning its likely borrowing requirements over the next three years so that it may benefit from the new lower rates.

4.8 The council's borrowing budget was based on taking out new loans of £11.50 million. The longer the council can postpone taking out these loans the greater will be the underspend for 2012/13. The current underspend, which is based on postponing taking out any new PWLB loans until 2013 (and so recognising nine months of savings), can be estimated as follows:

Summary of Borrowing Budget	Budget	Forecast	Surplus
	£m	£m	£m
Minimum Revenue Provision	9.95	9.81	0.14
Interest on existing loans (January 2012 position)	5.76	5.76	-
Provision for borrowing of £5.50m to be taken out before the end of 2011/12 at 4.00%	0.22	0.06	0.16

Borrowing requirement for 2012/13 of £6m, included at an interest rate of 4.00%	0.24	0.06	0.18
Interest payable on short-term borrowing in lieu of longer-term loans		0.02	(0.02)
Additional budget towards property disposal costs	0.05	0.05	-
Original budget	16.22	15.76	0.46
Budget adjustment relating to a reduction in capital financing contributions from directorates	(0.15)	-	(0.15)
Forecast budget surplus as at 31 March 2013	16.07	15.76	0.31

5. Summary of Outturn Position

- 5.1 The outturn position will depend upon the timing of any new long-term borrowing and any improvement in the financial markets. However, the forecast at the end of September is for an underspend of £235,000. This forecast assumes postponement of PWLB borrowing until 2013 and that difficulties in the financial markets will persist on the investment side. The underspend comprises a borrowing underspend of £310,000, as detailed above, but a shortfall on interest earned of around £75,000.
- 5.2 The council is able to capitalise interest costs relating to interest paid on borrowing used to fund large capital schemes that take substantial periods of time to get to the point at which the assets may be utilised. Such interest, incurred at the construction or installation phase, may be added to the cost of the associated asset. It is difficult to provide an estimate at this stage, however, any interest that the council is able to capitalise will increase the underspend noted above.

MEETING:	CABINET
DATE:	18 OCTOBER 2012
TITLE OF REPORT:	CORPORATE PLAN 2013/15
PORTFOLIO AREA:	CORPORATE STRATEGY & FINANCE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To agree proposals for the council corporate plan 2013/15 for recommendation to Council.

Key Decision

This is not a Key Decision.

Recommendation

THAT:

- (a) **authority be delegated to the Director of Corporate Services, in consultation with the Leader, to effect any amendments arising from the discussion at Cabinet, prior to consideration by Council: and**
- (b) **subject to the above, the corporate plan as set out at Appendix B be recommended to Council.**

Key Points Summary

- The corporate plan provides the key strategic policy framework document for the council
- The proposals within the plan are informed by a situational analysis including policy direction, current performance and a latest summary of our evidence base including Understanding Herefordshire and the Your Community, Your Say community engagement process
- The views of Overview & Scrutiny Committee will be available for the meeting, to inform Cabinet's recommendation to Council
- The plan, approved by Council in November, will provide the context for development of budget proposals, the Medium Term Financial Strategy and 2013/14 service delivery planning.

Further information on the subject of this report is available from
Jenny Lewis, Assistant Director People Policy & Partnership on (01432) 261855

Alternative Options

- 1 Not to revise the plan. The current plan reflects the joint priorities and objectives set by the council in partnership with NHS Herefordshire in early 2011. Given the changing partnerships with health, and the current evidence base, this plan becomes less meaningful as the prime strategic document for the council.
- 2 To amend the proposals. It is open to Cabinet to recommend alternatives to the vision, priorities, and outcomes to those proposed. However any alternatives should be informed by the evidence base available and the prevailing financial and policy context.

Reasons for Recommendations

- 3 The council's constitution requires Cabinet to make recommendations to Council in respect of the Budget & Policy Framework; the corporate plan forms part of this framework.

Introduction and Background

- 4 Cabinet have agreed a corporate planning cycle that enables the corporate plan, as the overarching policy document for the council, to be informed by, amongst other considerations, an integrated evidence base (considered by Cabinet in June), and in turn, to inform future service planning and budget setting. The delivery plan which underpins the corporate plan is scheduled for consideration by Cabinet in March, following the setting of the budget by Council in February.
- 5 The current plan, as well as reflecting the then joint priorities of the council and primary care trust, was found in practice to have too many themes (six) with rigidly aligned outcomes (thirty-four) which, as well as being over complex, were not reflective of the cross-cutting nature of much of the council's activity.

Key Considerations

- 6 The corporate plan does not seek to set out everything the council is seeking to achieve; however it does provide the overarching policy framework within which decisions will be taken and resources allocated.
- 7 The plan identifies the council's contribution to meeting the broader county vision set out in the Herefordshire Partnership community strategy (currently under review), and the draft Health & Wellbeing Strategy. It is underpinned by a number of key thematic strategies such as the economic development strategy, child poverty strategy, strategic delivery plan for transforming adult services, and Yes We Can the strategic plan for children and young people.
- 8 The proposals set out the identified priorities for the council on the basis of the situational analysis. The ongoing Root & Branch Review programme, scheduled to make key change proposals until September 2013, will inform the need for further refinement of the corporate plan, as the reviews aim to redefine the role of Herefordshire Council and other public services, set out the priorities for the next decade, and enable the rebuilding of budgets with clear links between spend and results.

Community Impact

- 9 Cabinet considered *Understanding Herefordshire*, the integrated evidence base and needs assessment, at its meeting on 14 June. Recommendations from *Understanding Herefordshire*

were that we:

- Be proactive about our changing demographics, identifying the predicted rise in need for services and ways to address it.
 - Develop the infrastructure, services and support networks needed to promote self-help and a sense of personal responsibility and to enable people to live independently. This will include direct service provision as well as housing and accommodation that facilitates independence, the economy, spatial planning, transport, engagement with the third sector and communities, and support for carers.
 - Continue to build on a community based approach, developing our assets of volunteers, carers, third sector organisations, active communities and statutory services.
 - Adopt this community based approach to provide comprehensive and integrated services and support for people living with Dementia.
 - Ensure that the environment and infra-structure enables people to make healthy choices such as cycling and walking, as well as supporting economic growth and improved connectivity.
 - Target preventative activities at the major causes of morbidity and premature mortality, in particular smoking, alcohol and falls.
 - Make childhood obesity a priority for all stakeholders, tackling the underlying causes as part of a joined up strategy.
 - Ensure continued improvement for Early Years and Foundation Programme, primary and secondary school children to achieve top quartile performance.
 - Ensure the various strategies targeting families living in poverty are joined up to provide an integrated response.
 - Address social inequalities through a comprehensive approach, encompassing opportunities such as employment as well as lifestyle behaviours, access to services and community engagement.
 - Undertake more in depth analysis in the following areas:
 - Domestic violence
 - The care needs of people with learning disabilities
 - Impact of changes to the welfare system, particularly on families
- 10 The summary of key findings from the Quality of Life Survey are attached at Appendix A. There was general support for the six priorities proposed in the survey, however the top three were clearly identified as **creating a successful economy, improving health and social care, and raising standards for children and young people.**
- 11 Taking into account the situational analysis, including the evidence base, the draft plan reflects two broad priorities: supporting the development of a successful economy, and improving quality of life for the people of Herefordshire. For the latter a particular emphasis is placed upon ensuring that public services are prioritised to meet the needs of the most vulnerable within our communities (i.e. those in need of services to maintain their independence or stay safe) whilst enabling an improved quality of life for the wider population less reliant upon existing models of public sector service delivery.

Equality and Human Rights

- 12 Reducing inequalities are clearly articulated outcomes within the draft corporate plan.

Individual elements of activity within the delivery plan would undergo equality impact assessments as an integral part of their planning and implementation: -

Financial Implications

- 13 There are no direct financial implications arising from this report. The corporate plan, once approved, will provide the context within which the Medium Term Financial Plan is agreed.

Legal Implications

- 14 There are no legal implications arising from this report; the budget and policy framework rules within the council's constitution have been followed in the development of this report.

Risk Management

- 15 There are risks associated with the production of any strategic plan as a time of significant change. However, without a clear indication of the strategic priorities, there is a greater risk that resources may not be directed to areas of greatest need. Risk assessment of individual activities planned to implement the corporate plan will be assessed as an integral element of the delivery planning process.

Consultees

- 16 The views of residents and the community have been captured and incorporated into the evidence base. In addition the recent 'Your Community, Your Say' engagement process began with the Quality of Life survey; a postal survey to 4,125 households in the county, stratified to reflect the three sub-localities of Hereford and the eight other localities. Fieldwork started on 21 May 2012 and at the time of the cut off for replies, 16 July, 1,346 valid responses had been received, giving a response rate of 33%. The key findings of this survey (outlined within the community impact section of this report) are being further explored through locality based engagement events being held through the early autumn to, amongst other things, gather the views of residents and partners about the future priorities for the council. These events are ongoing and the key findings from them will be reported at Cabinet.
- 17 It is possible that this exercise will highlight different priorities in different geographical areas; an issue that the Council will need to consider over the coming months as it further develops locality working.
- 18 Overview & Scrutiny Committee will be considering the draft plan on 12 October; their views will be available to inform Cabinet's decision-making.

Appendices

Appendix A – Quality of Life Survey 2012: Key Findings

Appendix B – Draft Corporate Plan

Background Papers

- *Understanding Herefordshire* – integrated evidence base and needs assessment (available at: <http://www.herefordshire.gov.uk/factsandfigures/1922.aspx>)

Herefordshire Quality of Life Survey 2012

Your community-your say

Summary Results

Context

This survey is a component of the community engagement activity to support the Root and Branch Review programme. Its objective is to provide a statistically robust understanding of the views of residents within the county and to provide some insight regarding how these vary across the localities. It is based on the Place Survey conducted in 2008 with significant changes to support the needs of the Root and Branch Review programme.

The survey was a postal survey to 4,125 households in the county, stratified to reflect the three sub-localities of Hereford and the eight other localities. Fieldwork started on 21st May 2012 and at the time of the cut off for replies, 16th July, 1,346 valid responses had been received, giving a responses rate of 33%.

The overview report presents the results of the survey with the key findings shown below. It includes some analysis showing the variation of results across localities and compares it with the 2008 Place Survey.

Further reports will follow with a locality focus in addition to a full report with analysis by other aspects such as rurality and deprived areas.

Key Findings

About the local area

- The top three factors most important in making somewhere a good place to live were the **level of crime**, **health services** and **affordable decent housing**, as was seen in 2008.
- Whilst **road and pavement repairs** and **activities for teenagers** continue to be in the top 3 most needing improvement, in 2012 **job prospects** has assumed a greater need and is now ranked second compared with 6th in 2008

- When combining priorities for most important to the area and most needing improvement, the aspects standing out are **road and pavement repairs, job prospects and affordable decent housing**
- Across the localities, some variation of views on what is important to make the area a good place to live was seen. For example, **clean streets** were more important in the sub-localities of **Hereford North** and **Hereford South**, **public transport** more important in the more rural localities and **job prospects** seen as more important in **Leominster locality** than Herefordshire as a whole and less so in **Weobley locality** and **Hereford Rural**.
- Similarly, there were differences in views across the localities of what most needs improving. For example, **traffic congestion** ranked around 2nd most needing improvement in **Hereford North** and **Hereford South** and typically 10th in the localities of **Bromyard, Ledbury** and **Leominster**. Improving **job prospects** was ranked lower in the localities of the **Golden Valley, Hereford Rural** and **Weobley**, while the need to **improve sports and leisure facilities** was seen as a greater need in **Ledbury** and **Bromyard**, than the county as a whole
- 91% of respondents were satisfied with their **local area as a place to live** (up from 87%) in 2008 while 94% were **satisfied with their home**.
- While most (60%) of respondents had **contact with family, friends or neighbours** most days of the week, for one in twenty the contact is once a month or less and a similar proportion (5%) felt lonely most or all the time.

Local Public Services

- Satisfaction with **West Mercia Police** and the **local dentist** has risen significantly since 2008 to 69% and 80% respectively.
- Overall satisfaction with **the way Herefordshire Council runs things** increased significantly from 33% in 2008 to 51% in 2012. This indicator has been falling over the years and satisfaction this year is higher than that seen in 2003 when it was 48%. The proportion who were dissatisfied also fell significantly since 2008.

Priorities for Herefordshire Council

- A large majority of respondents (87%+) agree with 5 of the 6 identified high priorities for Herefordshire Council, while support for the sixth one, **promote self-reliance in local communities** was a little lower at 75%
- There was little evidence of variation across localities of support for **creating a successful economy, a resilient and flexible Herefordshire** or an **efficient and accessible Herefordshire Council**. However, compared with the county overall, there was greater support for **improving health and social care** in **Bromyard locality** and for

raising standards for children and young people in **Hereford South**. Residents of **Hereford North locality**, showed less support for **promoting self-reliance in the community** than was seen in the county overall

- Of the six high priorities listed, the top three were clearly identified as **creating a successful economy, improving health and social care** and **raising standards for children and young people**. These were broadly similar in the different localities, though some differences emerged

Helping out

- 8% of respondents give over 20 hours per week of **help or support to family members or others** due to ill-health, disability or problems related to old age. This includes 4% who provide over 50 hours per week
- **Volunteering** at least once a month through clubs and organisations has increased significantly to 34% from 29% in 2008.

Respect and consideration

- Over two-thirds (69%) of respondents agreed that **people from different backgrounds get on well together** in their local area, a significant fall from 76% in 2008. One in five (20%) felt that there is a very or fairly big problem with **people not treating each other with respect and consideration**, little changed from 2008
- The proportion who felt that they had **been treated with respect and consideration by local public services** has increased from 75% in 2008 to 80%
- Compared to 2008, significantly fewer respondents (25%) now agree that **older people get the help they need to live at home** for as long as they want to, down from 33%.

Decision making

- About 16% of respondents were a **member of one or more groups that makes decisions** that affect the local area, little changed since 2008. Also little changed, is the proportion (27%) who felt that they can **influence local decisions**
- Agreement that **communities should have a say** in the running of various service ranged from 44% to 71%, with the most interest being in **road and pavement repairs, public bus services** and **health and care services**. While the desire amongst respondents for **communities to run** certain services if they wished was markedly more muted with **facilities and activities for young children** and **for youths** receiving the most support

Community Safety

- Compared to the Place Survey in 2008, more respondents are **feeling safe in their local area**. 74% feel safe when outside after dark, significantly up from 69% in 2008 and 96% when outside during the day, up from 92%.
- Since 2008, there has been a fall in those who experience a very or fairly big problem in their local area with **speeding traffic** (43% from 50%), **teenagers hanging around the streets** (23% from 28%) and **Vandalism** (16% from 20%).
- Around half of respondents had been **visited by an uninvited seller of goods or services** and around a third of these found it to be a very or fairly big problem.
- 40% of respondents agreed that **public services are successfully dealing with crime and anti-social behaviour**, up significantly from 14% in 2008.

Accessing Services

- Of the one in five respondents who experience a difficulty **using a Post Office**, the most common cause was getting there and back. Around a quarter of respondents have difficulty **seeing their GP**, mostly due to issues with getting a suitable appointment. Of the 30% who have difficulty **seeing an NHS dentist**, the predominant cause was finding an NHS dentist with whom they could register. **Using Public Transport** represented difficulties to around a quarter of respondents most commonly due to lack of services at a suitable time
- 83% of respondents lived in a household that had a **broadband service** and while about half found it adequate for their needs, 44% found it too slow. Of the 17% of respondents living in a household with no **broadband service**, about a quarter wanted it but either had no computer or the service was not available at all or not at an affordable price

About you

- The majority of respondents (80%) said that their **general health** was good or very good, a little higher than 76% in 2008, though not a sufficient difference to be statistically significant
- Around 250 comments were made in response to the invitation to add anything further. The most prevalent, about a quarter, were concerned with the **value of the survey** and the cost that could have been better spent in other ways. Another common theme was a broad range of **transport issues** such a lack of public transport, traffic problems and road safety concerns

What Happens Next?

- The results from this survey will be reported to Cabinet on 11 October 2012 as part of the first Root and Branch Review reports

- We have also produced reports for the 9 localities which will be an important way of informing of the *Your community -your say*, meetings and the other engagement activities that will take place during September and October 2012
- Finally, the overall findings from the survey and the further engagement will be fed into the budget setting process for 2013/14 along with other feedback and information

All the reports on the Quality of life survey can be found on www.herefordshire.gov.uk/factsandfigures/2056.aspx

DRAFT.....HEREFORDSHIRE COUNCIL CORPORATE PLAN 2013/2015

OUR 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.

OUR PRIORITIES TO MEET THE VISION ARE TO...

ECONOMY

Create and maintain a successful economy that:

PEOPLE

Enable residents to be resilient and lead fulfilling lives so that:

- Supports economic growth & connectivity (*includes broadband, local infrastructure, transport and economic development*)
- Has a more balanced age profile
- Has good quality housing to meet everyone's needs
- Supports the improvement in quality of our natural and built environment
- Embraces new ways of responding to changing pressures (*includes sustainable & more local water, fuel and food supplies*)
- Has vibrant town centres with shops, restaurants and leisure facilities that keep people spending locally

- Our people are healthy and stay healthy for longer
- Our people stay safe
- Outcomes for our children and young people improve
- There is increased equality of opportunity and access, and reduced inequality in health & wellbeing outcomes
- There is access to excellent education and learning opportunities at all levels (*includes early years/schools/FE/HE/ adult learning*)
- Our people are able to take more responsibility for themselves (*includes make health choices*)
- Communities are active and look out for the more vulnerable so they can live independently
- Public services are prioritised to support those in need of services to maintain their independence or stay safe

PROPOSED OUTCOME MEASURES:

- Increase GDP (or GVA) and narrow the gap between the county and the region.
- Increase earnings (gross workplace based) and narrow the gap between the county and the region
- Increase the business survival rate up to three years after registration
- Increase % of workplace jobs in knowledge intensive industries
- Improve average journey time per mile during the morning peak
- Increase the % finding it easier to use public transport
- Increase the % of existing broadband connections in Herefordshire achieving 2Mbit/s speeds.
- Lower the house price to earnings ratio (lower quartiles) to narrow the gap with the regional ratio
- Increase the % of houses in meeting condition standard in line with national rates
- Improve the average level of nitrogen dioxide (NO2) within the Air Quality Management Areas in the county'
- Reduce fuel poverty (currently measured by % of homes spending more than 10% of income on fuel) and/or improve poverty levels in the county?
- Increase the % of local sites where positive conservation management has been/is being implemented
- Increase the % of Sites of Special Scientific Interest land in favourable condition
- Reduce CO² levels per capita
- Increase the % of residents satisfied with their local area as a place to live
- Improve demographic balance in the county

- Reduce inequality in life expectancy in Herefordshire
- Reduce the numbers of years of life lost by all causes of premature death
- Reduce admissions to accident and emergency as a result of a fall
- Increase the % of residents who feel safe in their local area after dark
- Increase % pupils achieving 5 or more A*-C grades at GCSE or equivalent, including Maths & English
- Narrow the inequality gap for attainment at all key stages (in particular looked after children, those in receipt of free school meals, gender).
- Improve the attainment levels in primary school (to be in the top quartile?)
- Reduce the impacts of child poverty
- Increase the % and number of 16-18 year olds in education and training or employment
- Increase the % of working age population with qualifications
- Increase the % of working age population qualified to level 3 or higher
- increase the % of children and adults with a healthy weight
- Increase the % of adults who do not smoke
- Reduce the number of alcohol related hospital admissions
- Reduce the % of repeat incidents of domestic abuse
- Increase the % of residents who volunteer at least once a month
- Increase the % of residents finding it easy to see a GP or NHS dentist
- Increase in number of unpaid carers receiving support
- Maintain levels of satisfaction with social care
- Increase dementia diagnosis rates
- Increase in % of vulnerable people on protection plans where assessed level of risk is reducing?

HEREFORDSHIRE COUNCIL

Will support the delivery of the priorities in an efficient and effective way

TO SUPPORT THE DELIVERY HEREFORDSHIRE COUNCIL WILL OPERATE EFFICIENTLY AND EFFECTIVELY BY:

PEOPLE	RESOURCES
<ul style="list-style-type: none"> Transforming our culture, capability and capacity to deliver excellence, fairness and value for all our communities Creating an engaged, agile, flexible and responsive workforce that is resilient into the future Developing a strong, integrated performance management culture and processes that is effective in managing risk and maximising opportunity (includes linking performance outcomes to cost, risk management, corporate governance systems) 	<ul style="list-style-type: none"> Managing our finances effectively to secure value for money and deliver a balanced budget Developing a robust commissioning framework and capability (includes planning & commissioning decisions based on evidence, clear decommissioning strategies, development of markets to drive down costs, improve quality and generate inward investment) Make best use of the resources available to us in order to meet the council's priorities (includes money, buildings, IT, information) Ensuring we make the best use of funding opportunities both at national and regional level Being transparent about our resources
<p>Measures</p> <ul style="list-style-type: none"> Establishment FTE Headcount in post Apprentices Agency Headcount Agency spend Cost of workforce Sickness (long term; short term; average) Cost of sickness (estimated) Turnover Completed staff appraisals Number of redundancies Cost of redundancy Percentage of top paid 5% of staff who are: women/ from an ethnic minority/ disabled Percentage of staff who are: women/ from an ethnic minority/ disabled Employee relations (eg disciplinary/grievance) Increased participation in the employee opinion survey Improvement in employee opinion survey results 	<p>Measures</p> <ul style="list-style-type: none"> Proportion of Capital projects delivered to time and to budget Forecast outturn against budget (overall and by directorate) Borrowing Investments Progress against delivery of savings targets (overall and by directorate) Level of assurance re savings (% delivered; % assured; % at risk) Compliance with information governance requirements Unqualified accounts Unqualified value for money conclusion
CUSTOMER	SERVICE & PARTNERSHIP
<ul style="list-style-type: none"> Involving, engaging and influencing others (includes enhancing local democracy, partnership working, locality working, customer engagement, lobbying) Ensuring that all council and partner delivery services are responsive to customer needs, and enable access to services and information through the most appropriate channel, maximising self-help where possible and diverting unnecessary demand on services. 	<ul style="list-style-type: none"> Continually looking for improvement and remaining open to challenge Being focused on delivery and impact Ensuring decisions are evidence-based Maintaining openness and accountability for decision making and service delivery and impact
<p>Measures</p> <ul style="list-style-type: none"> Satisfaction with the way Herefordshire Council runs things Satisfaction with other public services (GP, hospital, dentist, police, fire service) Number of contracts with Customer Quality Schedules Increase in the % of residents who feel they can influence decisions affecting their local area Strong regional & national reputation/recognition (need to understand how this will be measured) % of issues resolved at first contact Compliments and Complaints measures % Complaints with learning points adopted Increased self- service and independence 	<p>Measures</p> <ul style="list-style-type: none"> % of service based performance indicators improving % of services based quality assurance evidencing improvement in practice % of strategic risks above tolerance level
<p style="text-align: center;">We aim to put PEOPLE at the heart of everything we do.</p> <p style="text-align: center;">OUR VALUES</p> <p>People – treating people fairly, with compassion, respect and dignity, Excellence – striving for excellence and the appropriate quality of service, care and life in Herefordshire, Openness – being open, transparent and accountable, Partnership – working in partnership, and with all our diverse communities, Listening – actively listening to, understanding and taking into account people's views and needs, Environment – protecting and promoting our outstanding natural environment and heritage for the benefit of all.</p>	