

# AGENDA

## Cabinet

Date: **Thursday 24 October 2013**

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Time: **2.00 pm**

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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:

**Heather Donaldson, Governance Services**

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If you would like help to understand this document, or would like it in another format or language, please call Heather Donaldson, Governance Services on (01432) 261829 or e-mail [hdonaldson@herefordshire.gov.uk](mailto:hdonaldson@herefordshire.gov.uk) in advance of the meeting.

# **Agenda for the Meeting of the Cabinet**

## **Membership**

**Chairman**

**Councillor AW Johnson**

**Councillor H Bramer**

**Councillor JW Millar**

**Councillor PM Morgan**

**Councillor RJ Phillips**

**Councillor GJ Powell**

**Councillor PD Price**

**(Vacancy)**

## AGENDA

	<b>Pages</b>
<b>1. APOLOGIES FOR ABSENCE</b>	
To receive any 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 held on 19 September 2013.	
<b>4. BUDGET MONITORING REPORT</b>	5 - 42
To provide Cabinet with assurance on the robustness of budgetary control and monitoring across the Council, to highlight key financial risks within directorates and identify mitigation to bring the authority within its overall approved budget.	
<b>5. SERVICE AND BUDGET PLANNING</b>	43 - 52
To note the outcome of the recent review of the Council's priorities, and to confirm the budget and corporate planning arrangements for 2014/15 in light of the ongoing significant financial challenge.	
<b>6. DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT</b>	53 - 88
To approve publication of the statutory annual report of the Director of Public Health, on the health of people of Herefordshire as required by the Health and Social Care Act 2012.	
<b>7. ADULT SOCIAL CARE IN HEREFORDSHIRE: LOCAL ACCOUNT 2012-13</b>	89 - 108
To approve the publication of the Local Account of Adult Social Care and Support 2012-13.	





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

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<b>MEETING:</b>	<b>CABINET</b>
<b>MEETING DATE:</b>	<b>24 OCTOBER 2013</b>
<b>TITLE OF REPORT:</b>	<b>BUDGET MONITORING REPORT - AUGUST 2013</b>
<b>REPORT BY:</b>	<b>CHIEF OFFICER – FINANCE DESIGNATE</b>
<b>CABINET PORTFOLIO:</b>	<b>CORPORATE STRATEGY AND FINANCE</b>

## 1. Classification

Open

## 2. Key Decision

This is not a key decision

## 3. Wards Affected

County-wide

## 4. Purpose

To provide Cabinet with assurance on the robustness of budgetary control and monitoring across the Council, to highlight key financial risks within directorates and identify mitigation to bring the authority within its overall approved budget.

## 5. Recommendations

**THAT:**

- (a) Cabinet notes the projected overspend of £3.9m for 2013/14 and the potential impact on reserves and the 2014/15 budget; and**
- (b) Cabinet supports the continuing action by Directors to identify further financial savings to mitigate the impact; and**
- (c) Directors and financial resources are focussed on identifying savings for the remainder of 2013/14 and future savings for 2014/15 to 2016/17**

## 6. Alternative Options

6.1 There are no alternative options that do not radically effect the provision of services.

## 7. Reasons for Recommendations

- 7.1 The council continues to forecast an overspend for the year, at August approximately £3.9m or 2.5% of its net budget. The key pressure relates to Adults Wellbeing; either savings slipping or not being able to be delivered and pressures from the Department of Health. The projected overspend in Adult Wellbeing of £4.3m represents 8% of their net budget. Mitigations have been put in place to recover the position and these are currently estimated to be approximately £0.4m, which would improve the reported position.
- 7.2 The council has a limited level of reserves; to such an extent that any overspend in year would need to be recovered in 2014/15, adding to already significant savings forecast at approximately £12m or 8% of its net budget.
- 7.3 Local authorities are not legally permitted to borrow to support revenue overspends and the low level of reserves put this position at risk unless urgent action is taken. Additional action is therefore recommended, to bring forward additional savings proposals from across the council, to minimise the potential overspend.

## 8. Key Considerations

- 8.1 This report sets out the reasons for the major variances and actions taken to date. Moving forward the Council will need to radically change its approach to delivering services in order to meet its future savings targets.

8.2

Service	Budget Exp.	Budget (Income)	Net Budget	August Forecast Outturn	Projected (Over)/ under spend
	£'000	£'000	£'000	£'000	£'000
Adults Wellbeing	68,781	(14,868)	53,913	58,190	(4,277)
Children's Wellbeing	42,989	(14,431)	28,558	28,466	92
Economy, Communities and Corporate	112,137	(67,986)	44,151	44,177	(26)
Chief Executive and Organisational Development	8,285	(689)	7,596	7,513	83
Public Health	7,745	(7,753)	(8)	(270)	262
<b>Total Directorates*</b>	<b>239,937</b>	<b>(105,727)</b>	<b>134,210</b>	<b>138,076</b>	<b>(3,866)</b>
Treasury Management	15,372	(259)	15,113	15,113	0
Change management	2,000		2,000	2,000	0
Government grants		(3,710)	(3,710)	(3,710)	0
Contingency	773		773	773	0
Other central budgets	220	(310)	(90)	(90)	0
Transfer to general balances	2,000		2,000	2,000	0
<b>Total Budget</b>	<b>260,302</b>	<b>(110,006)</b>	<b>150,296</b>	<b>154,162</b>	<b>(3,866)</b>

- 8.3 The Adults over spend of **£4.3m** comprises:

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Further information on the subject of this report is available from  
Peter Robinson, Chief Officer – Finance Designate on (01432) 383319

	<b>£m</b>
▪ Outstanding budget decisions ECC directorate	1.2
▪ Savings Scheme slippage	2.3
▪ Department of Health Funding Pressures	0.5
▪ Other	<u>0.3</u>
<b>Total</b>	<b>4.3</b>

8.4 Children's – Pressures relate to:

- Home to school transport of £417k
- Children's social care, including reliance on agency social workers and increased court costs £304k
- Mitigated by the unbudgeted Education Support Grant net £1.7m

8.5 Further detail is included in the Directorate Control meeting reports in appendices A to E.

8.6 **IMPACT ON 2014/15**

- The current Finance Resource Model (FRM) for 2014/15 indicates savings required of £11.6m
- If the current level of overspend continues this would require £15.5m of savings on the base budget to be found in 2014/15, plus a replenishment of reserves of £3.9m. The overall reduction in 2014/15 of £19.4m represents 13% of 2013/14 projected spend;

	<b>£m</b>
Savings in FRM against budget	11.6
Budget overspend	3.9
<b>Savings required against 2013/14 spending (projected as £154m)</b>	<b>15.5</b>
Repay prudential/minimum balance	3.9
<b>Total reduction in 2014/15</b>	<b>19.4</b>

- The level estimated level of reserves includes a budgeted £2m transfer to general reserves in 2013/14 and the potential overspend in 2013/14;

	<b>31.3.14</b>
	<b>£m</b>
Prudential/minimum acceptable balance*	4.5
General reserves	2.2
Potential overspend in 2013/14	(3.9)
Earmarked reserves	7.2
<b>Council reserves</b>	<b>10.0</b>
Schools balances	5.3
<b>Total reserves</b>	<b>15.3</b>

\* Each authority's S151 Officer must determine a minimum acceptable working balance which recognises potential unforeseen/unbudgeted financial risks e.g.

Further information on the subject of this report is available from Peter Robinson, Chief Officer – Finance Designate on (01432) 383319

flooding, natural disaster or unforeseen litigation. In Herefordshire this has been assessed and approved by the External Auditor as 3% of the net revenue budget. If used it must be replenished the following financial year.

- The earmarked reserves include an estimated £5.3m of schools balances, which are not available for general use, and £2.6m waste disposal reserve.

### ONE-OFF COSTS

- Funding for change management, mostly one-off severance costs, is as follows;

8.7

	<b>£,000</b>
Budget for 2013/14	2,000
Contingency	773
Earmarked reserve	142
	<b>2,915</b>

- In addition, there is a provision of £440k for severance costs committed in 2012/13 but incurred in 2013/14.
- Current estimates are for redundancy and actuarial strain to be within budget.
- The Government has issued the rules and procedures for applying for a capitalisation direction in 2013/14, where “an extremely strong case can be made that the expenditure is applicable for capitalisation”. A threshold, based on spending and reserves, has been set (£2.29 million for Herefordshire) and only spend above that level could be capitalised (if successful). Applications have to be submitted to the Department for Communities and Local Government by 31 October 2013. If Herefordshire makes a bid and this is approved it would mitigate the overall revenue position in 2013/14 but add to our borrowing costs for future years. For example, if one-off costs of £3m were identified the £700k could be capitalised at a future cost of around £116k per year if paid over 7 years. Decisions will be issued by the Government department in January 2014.

8.8 Appendix F includes the position on the capital programme for 2013/14. It shows that the projected capital out-turn is £54.1m funded from capital grants (£30.6m), borrowing (£19.7m) and capital receipts (£3.8m).

8.9 The Treasury Management position is projected to break even in 2013/14. Appendix G includes a detailed analysis.

## 9. Community Impact

9.1 Savings measures may impact on the community but will be subject to consultation before implementation.

## 10. Equality and Human Rights

10.1 The recommendations do not have a direct equality implication; however, resulting actions will need to consider these.

## 11. Financial Implications

11.1 These are contained within the report.

## **12. Legal Implications**

- 12.1 The chief finance officer of a relevant authority shall make a report under this section if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure (Ref: 1988 Local Government Finance Act).

## **13. Risk Management**

- 13.1 Monthly budget control meetings are chaired by the Chief Officer Finance to give assurance on the robustness of budget control and monitoring, to highlight key risks and to identify any mitigation to reduce the impact of pressures on the council's overall position.

## **14. Consultees**

- 14.1 None

## **15. Appendices**

- 15.1 Appendix A – Adults Wellbeing Budget Control meeting  
Appendix B – Children's Wellbeing Budget Control meeting  
Appendix C – Economies, Communities and Corporate Budget Control meeting  
Appendix D – Chief Executive and Organisational Development Budget Control meeting  
Appendix E – Public Health Budget Control meeting  
Appendix F – Capital Monitoring  
Appendix G – Treasury Management

## **16. Background Papers**

- 16.1 None identified.





# ADULTS WELL- BEING APPENDIX A

## BUDGET CONTROL MEETING UPDATE REPORT

### AUGUST 2013

MEETING DATE:

25<sup>TH</sup> SEPTEMBER 2013

**Purpose** - To provide the Chief Officer Finance with assurance on:

- the robustness of budget control and monitoring within the Adults Well- Being directorate
- to highlight key risks within the directorate
- to identify any mitigation which can be achieved to reduce the impact on the overall Council budget for 2013/14.

### Key Messages

1. This report reflects the new structure and now includes Housing and Independent Living services.
2. The Directorate currently reports an over spend of **£4.3m**, which is broadly in line with the position reported in July. The key areas of this overspend are as follows:

	£m
Outstanding budget decisions	1.2
Savings Schemes slippage	2.3
Department of Health Funding Pressures	0.5
Other	0.3
	4.3

### 1. Current Status – Revenue Budget by Service

Service	Budget expenditure	Budget (Income)	Net Budget	August Forecast Outturn	Projected (over)under spend
	£'000	£'000	£'000	£'000	£'000
Mental health	10,623	(2,215)	8,408	7,428	980
Learning Disabilities	17,230	(1,318)	15,912	15,920	(8)
Older People	17,656	(5,050)	12,606	14,183	(1,577)
Physical Disabilities	7,969	(753)	7,216	7,680	(464)
Adult Commissioning	1,017	0	1,017	1,248	(231)
Other Services	11,103	(4,660)	6,443	8,246	(1,803)
<b>Adult social care excluding outstanding decisions</b>	65,598	(13,996)	51,602	54,705	(3,103)
Planned savings schemes outside the directorate	(1,204)	£0	(1,204)	0	(1,204)
<b>Total for adult Social care</b>	64,394	(13,996)	50,398	54,705	(4,307)
Homelessness	2,872	(210)	2,662	2,662	0
Housing Needs and Development	280	(8)	272	272	0
Homepoint	285	(285)	0	(20)	20
Management	225	£0	225	215	10
Healthy Housing	725	(369)	356	356	0
<b>Housing and Independent Living</b>	4,387	(872)	3,515	3,485	30
<b>Adults Well-being Directorate</b>	68,781	(14,868)	53,913	58,190	(4,277)

## 2. Budget Variances

### a) Outstanding Budget decisions £1.2m

Until Cabinet decisions are made there is a current assumption that none of the savings schemes identified within the Economy, Communities and Corporate Directorate, to address the £1.2m shortfall within adult savings schemes will be achieved. The table below demonstrates the current pending cabinet decisions that will affect any such transfer, and the expectation of realisable savings in 13/14.

Scheme	At Risk 13/14 £000	Anticipated 13/14 £000	Anticipated FYE £000	Status of Decision
<b>ADDITIONAL SAVINGS TO BE VIRED TO ADULTS WELL-BEING</b>				
Heritage Services Review	194	48	239	Cabinet Decision 19th September (Option2)
Library Services Review	250	86	97	Cabinet Decision 19th September (Option2)
Planning Services cost reductions (inc	291	58	490	Cabinet Member Decision - October 2013. Note 1
Countryside Services Review	40	0	300	Cabinet Member Decision November 2013
Closure/Transfer of toilets	187	22	99	Cabinet Member Decision 16th September 2013
Increase charges for garden waste sac	80	20	40	Pending Cabinet Member Decision October 2013
CCTV Review	50	50	82	Cabinet Member Decision 31st July 2013
Community Protection Review	150	50	101	Cabinet Member Decision 14th August - pending outcome of statutory consultation 19th October 2013
Increase car parking/on-street parking	(195)	(50)	250	Cabinet Member Decision - Awaiting Proposal from Balfour Beatty
Community Regeneration	48	48	96	Scheme revised and no longer needs Cabinet Member Decision
Members allowances	60	0	0	Unlikely to be delivered
Customer Services	80	50	251	Cabinet Decision 19th September (Option2) - mitigates original ECC savings £77k target above
Reduce Public Notices	10	10	10	Awaiting legal advice on minimum statutory requirement
Advertising & Publicity (Council wide p	150	0	0	Review concluded - note 2
<b>ADDITIONAL SAVINGS TOTAL (to be vired to Adults Well-being)</b>	<b>1,395</b>	<b>392</b>	<b>2,055</b>	

Cabinet decisions for Heritage and Library services were made on 19<sup>th</sup> September and the budget transfer once agreed between the directorates will be included in the September outturn report.

## b) Savings schemes £2.3m shortfall

Within the approved budget of £54m, savings of £8.3m were planned, (of which £7.1m relates to adult social care), £5.8m are on target to be delivered, however £2.3m are at risk (all within adult social care).

ADULTS WELLBEING		
Delivered	Anticipated	At Risk
3,192	2,742	2,365

Replacement schemes are required for previous savings plans, where slippage has occurred due to contractual implementation and consultation processes. The Table below shows the original savings schemes for adult savings schemes that are not expected to deliver their full original target.

In future reports these schemes will be reported as 'Required replacement schemes' and will then show any subsequent schemes identified.

### Savings Plans requiring replacement schemes

Ref	Scheme	Target £k	Reported at Risk £k	Risk	Estimated recoverable 13/14 £k	Expectation 14/15 £k
1	WVT Section 75 10% reduction Replacement scheme required as previous savings plan linked to S75 arrangements with Wye Valley trust.	500	404	Alternative scheme and delivery unlikely to be achieved in this financial year.	0	0
2	Next Stage integration	756	540	See detailed note below	50	756
3	Open Book Review	125	125	Implementation of price reduction now 14/15 not Jan 14 as initially assumed due to implementation approach	0	125
4	Home and Community support (formerly called Homecare)	1,000	1,000	Re-procurement in consultation for reduced rate implementation from 1 <sup>st</sup> April 2014	0	1,000
5	Liveability – This has now been replaced with supporting people contract saving	100	0	Replacement scheme identified - savings within supporting people contracts -	100	100
6	Transitions- Replacement scheme required	50	50	Alternative scheme and delivery unlikely to be achieved in this financial year.	0	0
7	Village Wardens	91	37	Alternative scheme and delivery unlikely to be achieved in this financial year.	0	54

Ref	Scheme	Target £k	Reported at Risk £k	Risk	Estimated recoverable 13/14 £k	Expectation 14/15 £k
8	Talking Book	17	7	Alternative scheme and delivery unlikely to be achieved in this financial year.		17
9	Primecare EDT/ OoH	60	60	Alternative scheme and delivery unlikely to be achieved in this financial year.		0
10	Workforce	300	42	Alternative scheme and delivery unlikely to be achieved in this financial year.		300
11	Carers Hub	100	100	Alternative scheme and delivery unlikely to be achieved in this financial year.		0
	<b>TOTAL</b>	<b>3,099</b>	<b>2,365</b>		<b>150</b>	<b>2,352</b>

### Details of Risk / Mitigation

1 – Following the decision not to actively pursue the 10% targeted contractual reduction some savings may be achieved in part through a combination of vacancy management and other expenditure controls. The latest accounts from Wye Valley indicate a net saving of £60k through these measures. The final position will be confirmed by the September outturn report.

2 - Savings target of £756k for next stage integration project now has Cabinet approval. The new structure which will deliver the planned savings is now in operation. Due to a slowdown in the redesign of community equipment and day opportunities following consolidation of services “in house” has been delayed until 2014/15 and a resulting slippage of £540k is expected of which the key components are termination costs £60k and £386k slowdown costs.

3 - The Open Book Review and the proposed changes to fees was presented to Cabinet for approval on 20th June 2013. Cabinet decided to go out to further consultation. Before this could commence thirteen providers challenged the decision making and the council received a protocol letter ahead of Judicial Review. The Council asked for providers to offer more information which could be taken into account prior to a further report to Cabinet. After providers’ views had been considered at a Task and Finish Group of HSCOSC it was determined that the further engagement with providers should be initiated and new report be presented to Cabinet to include both usual price and contract issues. These actions have delayed procurement which will not be completed until early in 2014-15.

4 - Homecare – re-procurement is currently in consultation with providers, with implementation of reduced rate from 1<sup>st</sup> April 2014. A detailed timetable is shown below.

Activity	Timescale
Market engagement: pricing model	13 <sup>th</sup> September – 27 <sup>th</sup> September
Market engagement: commissioning approach	24 <sup>th</sup> September – 3 <sup>rd</sup> October
Market engagement meetings with providers (pricing and commissioning approach)	7 <sup>th</sup> October – 16 <sup>th</sup> October
Advertisement Date (ITT* available to Candidates)	Fri 25 <sup>th</sup> October 2013

Clarification Period Closes	Fri 22 <sup>nd</sup> November 2013 12.00 noon
All Clarifications Answered By:	Fri 29th November 2013 12.00 noon
Closing date for submission of ITT	Fri 6th December 2013 12:00 noon

**c) DOH Funding Pressures £0.5m**

Winter pressures funding of £250k had previously been assumed as this has happened in previous years, confirmation has now been approved nationally of a change in approach and Herefordshire health and social care is thought unlikely to receive any further funding.

Specific funding through the NHS for social care plans have to be agreed with the Clinical Commissioning Group, due to the extreme pressure within the health and social care urgent care system, specific projects to manage winter pressures and additional pressure on acute care now require funding and creates an additional expenditure not previously worked through the base budget of £300k. Re-ablement Health monies are expected to be improved on the original anticipated allocation so will alleviate above pressures by £34k.

**d) Other Increases/ Decreases and new cost pressures £0.3m**

- Client groups are expected in total to overspend by £69k (excluding the Homecare savings element). The table below illustrates.

Client Groups	Activity outturn Under/(overspend)	Homecare savings shortfall	Forecast Outturn August
Older people	(1,296)	(281)	(1,577)
Mental health	1,217	(237)	980
Learning Disabilities	297	(305)	(8)
Physical disabilities	(287)	(177)	(464)
<b>Total</b>	<b>(69)</b>	<b>(1,000)</b>	<b>(1,069)</b>

- The forecast overspend for the older people client group is £1.577m, due to the high demand on nursing and residential placements, which have been assumed to continue throughout the winter months. This projection needs further validation and the impact of new winter planning schemes in reducing/ holding activity at current levels. This has improved by £783k from July due to an overall reduction in the number of residential and nursing placements provided,
- Mental Health client activities report an underspend of £980k, which is broadly in line with July and relates to a reduction in the number and cost of packages and indicates demand management interventions are having a positive impact, but projection assumptions require validation.
- Learning Disabilities reports an overspend of £8k, which includes the transition of two children's packages to adult services.
- Pressures within Physical Disabilities of £464k are forecast, due to demand on nursing and personal budgets.

6. There is an additional workforce in year cost of £88k in respect of maternity and Long-term sickness cover in ensuring continued service provision.
7. The negotiation to transfer the LD Health staff from Wye Valley to 2g identified a budget gap, which has necessitated increasing the budget allocated for this service, creating an additional £65k in year cost.

### **e) Savings on Housing and Independent Living**

Housing and independent living services are expected to underspend by £30k due to savings within the Home point partnership agreement of £20k and a £10k management charge agreed with the partnership. All other services are forecasting to come in within budget, managing pressures on homelessness from within existing budgets.

#### **Risks**

- 1) A limited provision for growth in activity or increased cost has been included within the forecasts for older people, currently £500k where initial growth in packages is anticipated, pending the cultural and financial changes becoming embedded in the overall changes to service delivery. The risk remains that other categories of Mental health, Learning Disabilities and Physical Disabilities clients include no provision for growth or increased costs.
- 2) Winter Pressures and Hospital admissions will create unfunded pressure on Adult Social care budget.
- 3) Next stage Integration currently assumes that there will be no change to current pension contributions. This risk is estimated at £74k. It also assumes that £100k is achievable through vacancy management. This is at risk if the service requires agency cover.
- 4) Demand on bed and breakfast and temporary accommodation is subject to weather and other uncontrollable elements.

#### **Opportunities**

- 1) Although the major part of Data cleansing has taken place, and is reflected within these forecasts, this is still continuing and may result in further redundant packages being removed from the forecast.
- 2) £57k administration funding through the 'Social fund' may be available if administration costs can be met within existing resources
- 3) Continued monitoring of the 'Social fund' activities to look at opportunities to release underspend of grant funding.
- 4) Capital funding of up to £300k is available and there is potential to capitalise purchases from the community equipment store, subject to eligibility.
- 5) Within the Next Stage Integration project there may be opportunities to release day opportunity staff sooner than assumed on 31<sup>st</sup> March, if it is safe to do so.
- 6) Warm Homes Healthy People funding (Get warm, stay warm project in Herefordshire) funding received last year within Housing services has now transferred to the public Health grant so opportunity to explore and access this public health funding.
- 7) A significant element of Adult social care transformation expenditure has been included in the council's bid for capital direction funding. If the bid is successful this may create an opportunity to capitalise a proportion of the revenue expenditure included in the current forecast.

- 8) By further integrating the Framework I and Agresso application, greater visibility of those packages that require attention can be identified which may result in cost reduction.
- 9) A process has been instigated to reduce high cost care plans through the active targeting of Disabled Facilities Grants towards cases where the provision of adaptations can provide short to medium terms savings.





**CHILDREN'S WELLBEING                      APPENDIX B**  
**BUDGET CONTROL MEETING UPDATE REPORT**  
**AUGUST**

**MEETING DATE:**

**23<sup>RD</sup> SEPTEMBER 2013**

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**Purpose**

To provide the Chief Officer Finance with assurance on:

- the robustness of budget control and monitoring within People's Services,
- to highlight key risks within the directorate
- to identify any mitigation which can be achieved to reduce the impact on the overall Council budget for 2013/14.

**1. Key Messages**

1. The forecast outturn is an, underspend of £92k after the use of unbudgeted £1.7m grants received. This comprises of an additional £1.9m ESG (Education Support Grant) less £200k of extended rights to schools / school transport that was budgeted for but not received. This grant is likely to reduce to circa £1.8m in 2014/15 due to the increase in academies, net £1.6m.
2. There are confirmed pressures relating to school transport of £417k, which include revised projections given the consultations that are taking place regarding post 16 SEN transport, and transport to nearest school.
3. With the exception of savings planned on residential and agency placements, savings across children's services are anticipated to deliver in line with budget expectations.
4. Pressures remain within Children's social care on looked after children's placement costs, continuing reliance on agency social workers and increased court costs which have arisen as a result of increased referrals and activity following the inadequate Ofsted report from September 2012.
5. The service is prioritising spend of the ESG on safeguarding and assurance services where caseload and capacity is not keeping pace with demand, given increases in child protection plans and LAC numbers and need to secure more cost effective ways of meeting demand. Mitigation plans are being developed within the services to address the on-going pressures in school transport and court costs.
6. A new safeguarding model has been developed including a major recruitment programme to resolve the historical recruitment and retention issues.
7. Analysis of year-to-date spend against budget is contained within Appendix 1. Variances are due to budget profiling.

## 1.1. Current Status – Revenue Budget by Service

Service	Annual budget			Aug OT Variance	
	Budget Expend	Budget (Income)	Net Budget	August Forecast Outturn	Projected (Over)/underspend
	£000's	£000's	£000's	£000's	£000's
Directorate Costs	713	(240)	473	473	(0)
<b>Directorate Costs</b>	<b>713</b>	<b>(240)</b>	<b>473</b>	<b>473</b>	<b>(0)</b>
Service Management	127	0	127	127	0
Children's Safeguarding *	12,972	(202)	12,770	13,345	(575)
Additional Needs	6,117	(3,955)	2,162	2,162	0
Locality Services	2,923	(395)	2,528	2,403	125
<b>CYP Provider Services</b>	<b>22,139</b>	<b>(4,552)</b>	<b>17,587</b>	<b>18,037</b>	<b>(450)</b>
Service Management	507	0	507	487	20
Learning & Achievement *	6,786	(2,093)	4,693	4,985	(292)
Youth Services	693	(168)	525	421	104
Children's commissioning	1,811	0	1,811	1,770	41
Performance and Business Support	1,744	(159)	1,585	1,593	(8)
Sufficiency and Capital	8,190	(7,219)	971	980	(9)
Quality and review	406	0	406	420	(14)
<b>Children's Commissioning</b>	<b>20,137</b>	<b>(9,639)</b>	<b>10,498</b>	<b>10,656</b>	<b>(158)</b>
<b>Education Support Grant</b>				<b>(700)</b>	<b>700</b>
<b>Children's Wellbeing Directorate</b>	<b>42,989</b>	<b>(14,431)</b>	<b>28,558</b>	<b>28,466</b>	<b>92</b>

The above figures do not include £100m of school budgets funded from Dedicated Schools Grant

\*Education Support Grant - £1m for Safeguarding and £0.2m for Transport within Learning and Achievement.

## 1.2. Savings Plans

CHILDRENS WELLBEING		
Delivered	Anticipated	At Risk
£000's	£000's	£000's
3,889	1,347	50

Legislative changes and increased numbers of looked after children put achievement of the planned reductions in residential and agency foster care placements at risk. This is currently mitigated by the use of ESG.

### 1.3. Savings Schemes – RED status

Ref	Scheme	Target	Reported at Risk	Risk	Estimated recoverable 13/14	Expectation 14/15
		£000's	£000's		£000's	£000's
1	Sale of outdoor equipment	50	23	Did not achieved estimates at auction	0	0
2	Discretionary Provision / Fee School Transport	97	27	Reduction in no's using transport	0	0
	<b>TOTAL</b>	<b>147</b>	<b>50</b>		<b>0</b>	<b>0</b>

#### Details of Risk / Mitigation

1 – Sale of equipment did not achieve the value expected. The closure of youth centres has identified other savings.

2 – Transport savings were identified through Root and Branch. Stepped fee increases were approved to move towards full cost recovery and used to set the budget for 2013/14. Fee increases have led to a number of parents choosing to use alternative transport methods which has reduced anticipated income. The Admissions and Transport Manager had identified mitigation through route reviews and denomination transport arrangements within Herefordshire. However, retendering of existing routes due to contractor giving notice, plus the requirement to put on more routes for SEN has meant that this has increased the pressure on the budget. As further mitigation the service is investigating adjusting the current framework agreement to increase competition and achieve in-year savings, and working with providers on their current costs.

## 2. Headlines by Service Area

### 2.1. Children's Provider Services – overspend £179k

#### Key Points

##### Locality Services

- Underspend of £125k within locality services due to new re-structure and not filling vacant posts. An allowance has been made for the transfer of funding for two posts within the Performance Team.

##### Safeguarding

- External placement pressure currently stands at a gross pressure of £240k, reduced to £15k after offsetting by ESG funding. This is as a direct result of increased referrals and case numbers following the Ofsted inspection in September 2012.
- The current agency staff forecast overspend is £764k, (this includes £493k identified in July and mitigated by ESG plus £271k pressure for all agency to be in place until 31<sup>st</sup> March).
- Court costs currently predicting an, overspend of £305k, which is in part due to the requirement for specialist legal advice on two complex cases.
- In house fostering is predicting an underspend of £82k due to vacancies within the fostering team, and in house placement costs of give the service a total underspend of £0.1m

#### Risks

- Continued increases in referrals.
- Complex needs cases currently operating at budget capacity, there are circa 5 cases that could come to panel before the end of the financial year.

## Opportunities

8. Mitigation opportunities are limited but the service has in place task and finish groups to review, develop and look at reducing pressures. These are;
  - LAC Task and Finish Group – this group reviews residential, agency fostering and complex needs placements.
  - Multi-Dimensional Foster Care Programme - where intervention is being considered and the cost effectiveness of the current service for this population. This includes specialist foster carers.
  - Recruitment – Leads on the current social workers recruitment campaign and workforce sustainability.
9. Work is progressing with the legal team to understand in more detail the cases coming through in order to drive down the costs.
10. More detailed analysis is being completed on the 16+ budget where YTD spend versus budget indicate there may be some capacity.

## 2.2. Children's Commissioning – overspend £158k

### Key Points

11. School transport has pressures of £417k. This is primarily due to the budget being set anticipating £200k as a result of transporting to nearest school only, and charging for post 16 SEN transport provision. Both areas are subject to consultation, which has now begun, and if approved will not deliver the financial saving anticipated for 2013/14, but would for the year after. £36k has been identified as loss of parental contributions where they have sought other methods of travel due to the increase in fees. In addition the service is experiencing increased pressures on SEN transport and the need to increase routes. An operator has withdrawn from service provision, which has required some retendering of several routes, that has resulted in increased costs. This service is now carried out through a single team located in the Economy, Community and Corporate Directorate. Formal transfer of the budget is due in October 2013. The Council plan is that savings across the total transport budget will be achieved through this integration of approach, with the majority of identified savings coming through in 2014/15.
12. There is an underspend within early years of £153k due to vacancies. A review of this service has been completed in order to provide a more integrated approach.
13. Youth Services currently shows a £103k underspend due to staff vacancies and closure of the service.
14. There is a remaining net £3k arising from staff vacancies and contract spend offset by shortfall in Service level Agreement income.

### Risks

15. Bus operators, withdrawal from another 5 school transport routes which will cause an additional pressure of circa £50k.
16. Further work is required with some budget holders to review and confirm savings delivery, and this will be done in accordance with new forecasting cycle.

## Opportunities

17. The use of circa £50k Dedicated Schools Grant against eligible expenditure currently not fully utilised within Admissions.
18. A robust review is due to take place on school transport by the Head of Service in order to identify areas to reduce cost and maximise income.



# ECONOMY, COMMUNITIES AND CORPORATE      APPENDIX C

## MONTHLY BUDGET CONTROL REPORT

MEETING DATE:

24<sup>TH</sup> SEPTEMBER 2013

### Purpose

To provide the Chief Officer Finance with assurance on:

- the robustness of budget control and monitoring within Places & Communities Directorate
- to highlight key risks within the directorate
- to identify any mitigation which can be achieved to reduce the impact on the overall Council budget for 2013/14.

### Key Messages

- The Directorate currently reports an over spend of **£26k**, which is slightly worse than the position reported in July, mainly due to the expected pressure on Land Charges.
- Cabinet have budgeted additional savings schemes to assist Adults Well-being pressures of £1.2m. It is anticipated that if all decisions are approved this will result in £392k of this being achieved and transferred to Adult Well-being. £127k of this amount is included in the ECC projections which will bring the Directorate over spend to £153k.

### 1.1 Current Status – Revenue Budget

The current revenue budget position based on the results to the end of August 2013 are summarised in the table below:

Service	Budget Expend £000	Budget (Income) £000	Net Budget £000	Net Forecast Outturn £000	Projected Under / (Over) spend £000
<b>Economic, Environment and Cultural Services</b>	12,766	(8,716)	4,050	3,939	111
Place Based Commissioning	32,585	(4,920)	27,665	27,589	76
Law, Governance & Resilience	3,718	(890)	2,828	3,160	(332)
Chief Finance Officer & Corporate Management	51,999	(48,056)	3,943	3,656	287
Property Services	6,191	(4,673)	1,518	1,700	(182)
Community & Customer Services	4,605	(695)	3,910	3,932	(22)
Director & Management	273	(36)	237	201	36
<b>Economy, Communities &amp; Corporate</b>	<b>112,137</b>	<b>(67,986)</b>	<b>44,151</b>	<b>44,177</b>	<b>(26)</b>

## 1.2 Savings Plans – Summary

The total savings plan for the Directorate is £7.6m of which £5.9m is included in the within the approved budget of £44m.

The plan includes additional savings schemes of £1.4m which are subject to Cabinet or Cabinet Member approval. Once these schemes have been agreed the budget will be vired to help meet pressures in Adults Well-being.

This plan also includes £300k in relation to procurement savings managed within the Directorate but held centrally. Commercial Board has agreed this target to be achieved through procurement projects in 2013/14 include printing, stationery, cash collection and mail services.

£1.5m of the savings is at risk which includes £1.4m of savings schemes not yet approved.

## 1.3 Savings Schemes – RED status

The following schemes have been identified as at high risk of non delivery.

The anticipated savings reflect the latest expected amounts achievable in 2013/14 based on plans developed to date.

Scheme	At Risk 13/14 £000	Anticipated 13/14 £000	Anticipated FYE £000	Status of Decision
Customer Services	77	77	77	Mitigated following Cabinet Decision 19th September (Option 2)
Emergency Planning	18		18	Potential funding from Public Health grant to be agreed
<b>ORIGINAL SAVINGS TOTAL (included in current budget)</b>	<b>95</b>	<b>77</b>		



Scheme	At Risk 13/14 £000	Anticipated 13/14 £000	Anticipated FYE £000	Status of Decision
<b>ADDITIONAL SAVINGS TO BE VIRED TO ADULTS WELL-BEING</b>				
Heritage Services Review	194	48	239	Cabinet Decision 19th September (Option2)
Library Services Review	250	86	97	Cabinet Decision 19th September (Option2)
Planning Services cost reductions (inc	291	58	490	Cabinet Member Decision - October 2013. Note 1
Countryside Services Review	40	0	300	Cabinet Member Decision November 2013
Closure/Transfer of toilets	187	22	99	Cabinet Member Decision 16th September 2013
Increase charges for garden waste sac	80	20	40	Pending Cabinet Member Decision October 2013
CCTV Review	50	50	82	Cabinet Member Decision 31st July 2013
Community Protection Review	150	50	101	Cabinet Member Decision 14th August - pending outcome of statutory consultation 19th October 2013
Increase car parking/on-street parking	(195)	(50)	250	Cabinet Member Decision - Awaiting Proposal from Balfour Beatty
Community Regeneration	48	48	96	Scheme revised and no longer needs Cabinet Member Decision
Members allowances	60	0	0	Unlikely to be delivered
Customer Services	80	50	251	Cabinet Decision 19th September (Option2) - mitigates original ECC savings £77k target above
Reduce Public Notices	10	10	10	Awaiting legal advice on minimum statutory requirement
Advertising & Publicity (Council wide p	150	0	0	Review concluded - note 2
<b>ADDITIONAL SAVINGS TOTAL (to be vired to Adults Well-being)</b>	<b>1,395</b>	<b>392</b>	<b>2,055</b>	
<b>TOTAL ECCSAVINGS AT RISK</b>	<b>1,490</b>	<b>469</b>	<b>2,055</b>	
Note 1 - Total saving anticipated is £582k however £92k of saving offsets existing HERS savings schemes				
Note 2 - Review has now concluded that the original estimate was over optimistic and this level of savings cannot be delivered. Further work will be carried out to identify what can be delivered and the cost associated with generating advertising income.				

## 1.4 Headlines by Service Area

This budget represents the new directorate, in line with the Chief Executive's restructure which took effect from 1 August 2013. The budget is made up as follows:

	<b>Net Budget £000</b>
<b><u>Directorate</u></b>	
Places & Communities	39,024
Corporate Services	16,237
<b>Sub- total</b>	<b>55,261</b>
<b>Less: Budgets allocated to other Directorates</b>	
Chief Executive	(408)
Organisational Development (incl ICT & HR)	(7,188)
Adult Wellbeing (Housing Services)	(3,514)
<b>Economy, Communities &amp; Corporate</b>	<b>44,151</b>

As previously reported, there is a projected overspend for the year in relation to Legal Services. This has reduced since last reported mainly due to funding identified from Public Health grant. The overspend of £116k reflects the increased cost of additional in house expertise in key areas of planning, childcare and employment law and will lead to reduced outsourcing of legal work to solicitors and counsel which, in previous years, has cost the authority in excess of £400k p.a. across the organisation.

The Corporate Management budget includes a base budget of £314k for Non -Discretionary Rate Relief. Further guidance on the rates retention scheme indicates that this is not now required to be paid into the Collection Fund.

There is currently a pressure of £182k on Property budgets for 2013/14. This includes the risks to the Property Service budgets in relation to savings schemes held in all Directorates that include closure or transfer of services and have an impact on Council buildings. These schemes will be closely monitored by Property Services through the office moves programme to ensure this impact is managed within the overall savings targets.

Legal proceedings were commenced against the Council (and other Councils) by private search companies which could result in this Council having to repay around £200k putting pressure on 2013/14 budgets. The outcome of this claim will have an impact on the way we deliver this service in the future.

## 1.5 Other Risks & Opportunities

There is a risk in relation to disputed items in the Amey contract.

# CHIEF EXECUTIVE & ORGANISATIONAL DEVELOPMENT TEAM

## MONTHLY BUDGET CONTROL REPORT

MEETING DATE:

24 SEPTEMBER 2013

### Purpose

To provide the Chief Officer Finance

- the robustness of budget control and monitoring within Places & Communities Directorate
- to highlight key risks within the directorate
- to identify any mitigation which can be achieved to reduce the impact on the overall Council budget for 2013/14.
- This report reflects the new structure and now includes Housing and Independent Living services.

### Key Messages

- The directorate currently reports an underspend of £83k which is broadly in line with the position reported in July 2013.

### 1.1 Current Status – Revenue Budget

The current revenue budget position based on the results to the end of August 2013 are summarised in the table below:

Service	Budget Expend £000	Budget (Income) £000	Net Budget £000	Net Forecast Outturn £000	Projected Under / (Over) spend £000
<b>ICT</b>	<b>5,402</b>	<b>(495)</b>	<b>4,907</b>	<b>4,882</b>	<b>25</b>
<b>Human Resources</b>	<b>1,456</b>	<b>(132)</b>	<b>1,324</b>	<b>1,324</b>	
Communication & Web	622	(62)	560	560	
Management & Support	397		397	397	
<b>Organisational Development Team</b>	<b>7,877</b>	<b>(689)</b>	<b>7,188</b>	<b>7,163</b>	<b>25</b>
<b>Chief Executive</b>	<b>408</b>	<b>0</b>	<b>408</b>	<b>350</b>	<b>58</b>
<b>Chief Executive &amp; ODT</b>	<b>8,285</b>	<b>(689)</b>	<b>7,596</b>	<b>7,513</b>	<b>83</b>

### 1.2 Savings Plans – Summary

The total savings for this area total £2.5m made up of the original savings plus additional savings recently identified, as part of the Chief Executive Review.

### **1.3 Savings Schemes – RED status**

All saving are delivered or anticipated excluding £160k. This relates to the changes in the agreed Employment Reward Proposals from 3 days unpaid leave to 2. This is a Council wide savings target and will not be achieved.

### **1.4 Headlines by Service Area**

None

### **1.5 Other Risks & Opportunities**

Whilst a reduced service level agreement for 2013/14 has been agreed with Hoople in relation to training and is expected to deliver a saving of £120k, the impact of this variation is currently being assessed to evaluate any related pressures.

# PUBLIC HEALTH APPENDIX E

## BUDGET CONTROL MEETING UPDATE REPORT

### AUGUST

MEETING DATE:

23<sup>RD</sup> SEPTEMBER 2013

#### Purpose

To provide the Chief Officer Finance with assurance on:

- the robustness of budget control and monitoring within Public Health
- to highlight key risks within the department
- to identify any mitigation which can be achieved to reduce the impact on the overall Council budget for 2013/14.

#### 1. Key Messages

- 1 The current underspend of £262k reflects consultants and other vacancies. A consultation on a review of the establishment has just been launched and the assumptions are based on all posts filled during October 2013.
- 2 There is a further risk of £0.5m in relation to cervical cytology. This is not included within the outturn above but is a material risk to achieving a balanced budget. This issue is currently being worked through the system.

##### 1.1. Current Status – Revenue Budget by Service

Service	Budget Expend	Budget (Income)	Net Budget	August Forecast Outturn	Projected (over)/ Underspend
	£000's	£000's	£000's	£000's	£000's
Public Health Grant	0	(7,753)	(7,753)	(7,753)	0
Pay Budget	1,873	0	1,873	1,689	184
Commissioning Budget	5,522	0	5,522	5,517	5
Contingency Budget	350	0	350	277	73
<b>Public Health Directorate</b>	<b>7,745</b>	<b>(7,753)</b>	<b>(8)</b>	<b>(270)</b>	<b>262</b>

#### KEY POINTS

- 1 A consultation on the outcome of a review of the public health establishment has been launched this week that ensures it is fit for purpose. There are currently four posts going through the recruitment process. The current underspend reflects vacancies up to 30<sup>th</sup> September.
- 2 Commitments have been set against the contingency budget; £97k to support children's wellbeing, £138k, costs not included within transition from NHS and £41k for additional overheads.

The net budget reflects the corporate savings target relating to 2 days additional leave. This does not apply to those TUPED over on NHS terms and conditions.

## **Risks**

1. The £0.5k risk in relation to cervical cytology testing is currently being worked through.
2. Wye Valley Trust have informed the Commissioners that the School Nursing Service will now concentrate on safeguarding only due to the number of cases. A working group has been set up to review the service for 2014/15 with a new service specification and performance indicators in place aligned to public health outcomes and grant conditions.

## **Opportunities**

3. There is currently £100k allocated for the obesity programme with no current plan.
4. The CCG have agreed to managed residential placements within a £17k budget for 2013/14 only. The budget is currently based 2012/13 spend of circa £150k.
5. Slippage in the recruitment process.
6. Use of transition funding currently in reserves against agency consultant.
7. Redesign of inherited contracts and programmes for 2014-2015.

## Capital Forecast

1. The capital outturn forecast for 2013/14 as at the end of August totals £54.1 million a small decrease of £0.1m from July's projected outturn. A summary by directorate is provided in Table A below.

**Table A – Capital Outturn Forecast & Funding Summary**

Directorate	2013/14 Capital budget £'000	Capital spend to end of August £'000	Profiled original budget to end August £'000	Spend variance to original budget £'000	Projected outturn £'000
Adults Wellbeing	3,422	398	961	(563)	3,422
Childrens Wellbeing	9,508	3,472	2,835	637	9,586
Economy, Communities & Corporate	41,828	9,073	12,408	(3,335)	39,603
Chief Executive & Organisational Development	1,248	(23)	163	(186)	1,248
Contingency	242	90	-	90	242
<b>Total</b>	<b>56,248</b>	<b>13,010</b>	<b>16,367</b>	<b>(3,357)</b>	<b>54,101</b>
<b>Capital Grants</b>	<b>30,463</b>				<b>30,594</b>
<b>Prudential Borrowing</b>	<b>21,905</b>				<b>19,645</b>
<b>Capital Receipts</b>	<b>3,819</b>				<b>3,801</b>
<b>Reserve funding</b>	<b>61</b>				<b>61</b>
<b>Total</b>	<b>56,248</b>				<b>54,101</b>

## 2. Table B - Schemes with an outturn forecast exceeding £500k in 2013/14

Scheme	Spend to end August £'000	Profiled Budget to end August £'000	2013/14 Annual Forecast £'000	Comments
<b>Adults Wellbeing</b>				
Disabled Facilities Grants	402	373	1,119	Individual grants awarded through an application process, enabling independent living
Adult social care	3	-	636	Single capital pot grant funding for capital spend
Affordable Housing Grants	48	204	612	Various grants awarded to approved schemes
<b>Childrens Wellbeing</b>				
Leominster Primary School	846	-	3,507	Works started on site, new school to open in October 2014
Blackmarstons Special School	1,990	2,050	2,719	Refurbishment scheme physically complete
Condition property works	306	-	1,634	Annual programme of works at various school sites committed on a highest need first basis
<b>Economy, Communities &amp; Corporate</b>				
Local Transport Plan including additional maintenance allocation	4,192	3,520	11,376	Annual programme of capital works to highways, footways and bridges
Corporate accommodation	867	1,529	8,490	Works started at Plough Lane and the new heritage, archive and record centre with Civic hub 2 works to start later in the year
Fastershire broadband pilot	-	1,333	4,000	Survey work underway on providing faster broadband service to rural areas, first funding claim yet to be approved
Masters House, Ledbury	261	692	2,076	Refurbishment works have commenced and will continue into next year
Link road	359	762	1,921	Anticipate one year construction programme expected to start in late summer of 2014
Connect 2	1,195	534	1,695	New bridge on site with continuing works leading to an opening before Christmas
Hereford Enterprise Zone	209	-	1,566	Utilities, access and public realm works underway to enable plot sales
Marches Redundant Building Grant Scheme	136	541	1,300	Grant funded grant awards following an approval process
Garrick House multi storey	930	955	1,146	Works to complete and car park to re-open before Christmas trade
LED street lighting	29	-	1,131	Improvements will generate revenue cost savings
Car Parking Strategy	2	416	999	Includes works underway at station approach



Solar Photovoltaic panels	-	43	979	Installations will generate energy revenue cost savings
Unavoidable backlog maintenance including smallholding estate	-	250	600	Programme of essential property estate improvement works allocated on a highest need basis
<b>Chief Executive &amp; Organisational Development</b>				
Electronic Record & Document Management System	15	-	800	Information Management Programme improvement to systems works supporting flexible working
<b>Sub Total</b>	<b>11,790</b>	<b>13,202</b>	<b>47,506</b>	
<b>Schemes with a budget &lt;£500k in 2013/14</b>	<b>1,220</b>	<b>3,165</b>	<b>6,595</b>	
<b>Total</b>	<b>13,010</b>	<b>16,367</b>	<b>54,101</b>	

### Capital Receipts Reserve

- The opening capital receipts reserve balance totalled £2.7 million as at 1st April 2013. This has been increased by £0.4m from the sale of a smallholding and £0.4m from the auction of a portfolio of smaller investment properties held. This funding will fund 2013/14 capital spend, the majority on Hereford Enterprise Zone, which is expected to generate sales receipts in the near future.



This report ensures the council demonstrates best practice in accordance with CIPFA's recommendations in their Code of Practice for Treasury Management, by keeping members informed of treasury management activity.

**1. The Economy**

1.1. Recent economic events and statistics show the following:

- GDP growth in the first quarter was 0.3% with the second quarter being confirmed at 0.7%. Growth is likely to continue to strengthen with estimates for the third quarter being close to 1%.
- The year-on-year Consumer Price Index (CPI) has been fairly stable in recent months. In August the CPI was 2.7% compared to 2.8% in July.
- Last month's report noted that good economic data from the US led to an expectation that there will be a reduction in the Federal Reserve's bond-buying programme towards the end of the year. However, more recently the Federal Reserve stated that the economic outlook was not considered strong enough to start winding down its monthly \$85 billion bond-buying programme. This announcement on 18<sup>th</sup> September was partly responsible for a recent fall back in gilt yields and hence PWLB rates.

**2. The Council's Investments**

2.1 At 31<sup>st</sup> August 2013 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	0.50%	3.66	
Royal Bank of Scotland	N/A	N/A	0.70%	2.50	6.16
<u>Instant access Money Market Funds:</u>					
Ignis	N/A	N/A	0.43%	3.39	
Prime Rate	N/A	N/A	0.42%	3.28	6.67
<u>95 day notice accounts</u>					
Royal Bank of Scotland	N/A	N/A	0.95%	5.00	
Santander	N/A	N/A	1.10%	7.00	12.00
<u>1 month notice account</u>					
Close Bros	N/A	N/A	1.00%	5.00	5.00
<u>Fixed Term Deposits:</u>					
Nationwide	273 days	11/09/13	0.76%	2.00	
Bank of Scotland	156 days	25/09/13	0.76%	4.00	
Lloyds	186 days	25/10/13	0.80%	3.00	
Nationwide	107 days	25/10/13	0.45%	3.00	
Barclays	365 days	01/11/13	1.07%	2.00	
Gateshead Council	549 days	18/11/13	1.10%	2.00	
Lloyds	111 days	25/11/13	0.70%	3.00	
Barclays	364 days	29/11/13	1.00%	1.00	
Barclays	365 days	05/12/13	1.00%	1.00	
Barclays	367 days	21/04/14	0.87%	1.00	22.00
<b>Total</b>			<b>0.81%</b>		<b>51.83</b>
Shaded investment represents a term deposit made in August 2013.					

2.2 The council's current eligible UK counterparties, together with the maximum maturity periods (as recommended by the council's treasury advisers, Arlingclose), are as follows:

Counterparty	Maximum maturity period from:	
	01/04/13	05/07/13
Close Brothers Ltd	100 days	100 days
Santander UK	100 days	100 days
Nat West and RBS	6 mnths	Overnight
Bank of Scotland and Lloyds TSB	6 mnths	6 mnths
Nationwide	12 mnths	12 mnths
Barclays	12 mnths	12 mnths
HSBC and Standard Chartered Bank	12 mnths	12 mnths

2.3 The council's treasury management advisers, Arlingclose, have issued the following forecast of the Bank Base Rate (forecast issued 30<sup>th</sup> September 2013). As previously reported, Arlingclose believe that it could be 2016 before the first increase in the Bank Base Rate, a view now supported by the forward guidance issued by the MPC not to raise the rate until the unemployment rate has fallen below 7%.

Bank Rate	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Upside risk		+0.25	+0.25	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.75
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

2.4 The council has earned interest on its investments as follows:

Month	Amount invested		Average rate of interest earned		Amount of interest earned / Forecast £	Budget £	Actual Surplus / Forecast £
	Actual / Forecast £m	Budget £m	Actual / Forecast %	Budget %			
Apr-13	30.41	30	0.85%	0.70%	20,987	17,500	3,487
May-13	50.50	40	0.86%	0.70%	37,098	23,000	14,098
Jun-13	52.57	40	0.84%	0.70%	36,360	23,000	13,360
Jul-13	51.18	40	0.84%	0.70%	36,744	23,000	13,744
Aug-13	49.75	35	0.83%	0.70%	35,156	20,000	15,156
					166,345	106,500	59,845
Sep-13	50.52	35	0.82%	0.70%	34,100	20,000	14,100
Oct-13	45.00	30	0.70%	0.70%	26,250	17,500	8,750
Nov-13	40.00	25	0.70%	0.70%	23,300	14,500	8,800
Dec-13	35.00	20	0.65%	0.70%	19,000	11,500	7,500
Jan-14	35.00	20	0.65%	0.70%	19,000	11,500	7,500
Feb-14	30.00	15	0.60%	0.70%	15,000	8,820	6,180
Mar-14	15.00	15	0.60%	0.70%	8,750	8,750	-
<b>Original budget and outturn</b>					<b>311,745</b>	<b>199,070</b>	<b>112,675</b>
<b>Savings already declared and budget increased</b>					<b>-</b>	<b>60,000</b>	<b>(60,000)</b>
<b>Revised budget and outturn</b>					<b>311,745</b>	<b>259,070</b>	<b>52,675</b>

- 2.5 The interest received in the five months to 31<sup>st</sup> August 2013 has exceeded budget due to both the amounts invested and the average interest rates achieved being higher than the budgeted amounts.
- 2.6 In recent months interest rates on the council's instant access bank accounts have fallen sharply. In order to maintain investment income the council has been utilising notice accounts and term deposits with an increased reliance on short-term borrowing to provide liquidity. This policy is possible because the rates payable on short-term borrowing are lower than the rates earned on the council's investments. However the policy does result in both short-term investment balances and short-term borrowing being relatively high.
- 2.7 In October the rates of interest receivable on the council's 95 day notice accounts are also being cut. Interest rate reductions announced so far in 2013 are as follows:

	Rate as at 01/01/13	Date of Change	Revised Rate	Date of Change	Revised Rate
<b>Instant access accounts:</b>					
Bank of Scotland	0.85%			22/04/13	0.40%
Nat West Liquidity	1.10%	12/02/13	0.60%	19/08/13	0.50%
RBS Liquidity	1.10%			09/05/13	0.70%
Santander	0.50%			21/10/13	0.40%
Barclays	0.65%			25/03/13	0.35%
<b>95 day notice accounts:</b>					
Nat West	1.20%	20/05/13	0.80%	22/10/13	0.60%
RBS	0.95%	No change			0.95%
Santander	1.25%			22/10/13	0.55%

- 2.8 The council has given notice on all its 95 day accounts. In the case of National Westminster Bank and Royal Bank of Scotland the council needed to give notice at the beginning of July when Arlingclose reduced the recommended maturity limit to overnight.
- 2.9 Arlingclose provide quarterly benchmarking information for investments, which show that the council is earning an above average rate of return on its investments. The council only uses those counterparties recommended by Arlingclose.

### **3. The Council's Borrowing**

#### **Short-term borrowing**

- 3.1 The council is continuing its policy of utilising short-term borrowing from other local authorities to fund its capital programme and for short-term liquidity needs. These short-term interest rates are significantly below levels available from other sources.
- 3.2 Historically the council has always borrowed for longer periods at fixed interest rates. Whilst achieving stability in the amount of its interest payments, the council currently has a large cost of carry when comparing its fixed interest debt to current investment rates.
- 3.3 It is considered good practice to have an element of variable rate borrowing that removes or reduces this cost of carry and, to the extent that the level of short-term debt does not exceed the level of the council's investments, when interest rates rise increased investment income provides a hedge against increased borrowing costs.

- 3.4 The council's Treasury Management Strategy includes various prudential indicators as required by CIPFA's Prudential Code. One of the indicators is the upper limit for variable interest rate exposure. This limit is set with the approval of the council's treasury adviser and in recent years the limit has been set at 25%.
- 3.5 The Treasury Management Strategy Statement (TMSS) for 2013/14 forecast that further borrowing of £34 million would be needed for 2013/14 and the borrowing budget was based on this figure. Even if the whole of this years borrowing was short-term the would still be within our approved limits for variable borrowing.
- 3.6 If the council has variable rate debt at the same level as its variable rate investments, it is deemed to have no variable rate exposure.
- 3.7 The council can only borrow up to its Capital Financing Requirement, which represents the need to borrow for capital spend, and cannot borrow beyond this to finance the revenue budget.
- 3.8 At the end of August 2013 short-term borrowing from other local authorities consisted of ten loans totalling £34 million. These loans were for periods ranging from 58 days to 364 days with interest rates varying from 0.33% to 0.44% and averaging 0.38% (including brokers commission).

**Long-term borrowing**

- 3.9 No long-term loans have been taken out in the period to date.
- 3.10 In mid-September PWLB rates peaked but they have since fallen back. For example on 11<sup>th</sup> September the 20 year EIP rate reached a peak of 4.03% but today (30<sup>th</sup> September) the "Standard Rate" stands at 3.69%.
- 3.11 This fall back in rates is partly due to the US Federal Reserve announcing a continuation of its bond-buying programme, at least for the time being, when the market was expecting an announcement to be made regarding reducing the monetary stimulus. Also, as noted in the last report, Arlingclose believed that the earlier climb in rates was overdone considering the global economic outlook.
- 3.12 Arlingclose have issued the following forecast of the interest rate on a PWLB 10 year maturity loan, which also approximates to a 20 year EIP loan (forecast issued 30<sup>th</sup> September). (An EIP loan is repaid in equal instalments every six months over the period of the loan and so the average term and average amount outstanding for an EIP loan is the same as for a maturity loan of half the duration.)

	<b>Dec-13</b>	<b>Mar-14</b>	<b>Jun-14</b>	<b>Sep-14</b>	<b>Dec-14</b>	<b>Mar-15</b>	<b>Jun-15</b>	<b>Sep-15</b>	<b>Dec-15</b>	<b>Mar-16</b>
<b>Upside risk</b>	+0.50	+0.50	+0.50	+0.65	+0.75	+0.85	+1.00	+1.00	+1.00	+1.00
<b>Central case</b>	<b>3.55</b>	<b>3.60</b>	<b>3.65</b>	<b>3.70</b>	<b>3.75</b>	<b>3.80</b>	<b>3.85</b>	<b>3.90</b>	<b>4.00</b>	<b>4.10</b>
<b>Downside risk</b>	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.75

The above table is a forecast of Standard PWLB rates. The council is able to borrow at the "Certainty Rate" which was introduced from November 2012 and is 0.20% less.

Arlingclose's forecast is unchanged from that issued the previous month..

- 3.13 As noted in the previous report, the “central case” of Arlingclose’s forecast shows that they still believe that current rates are over-inflated, however, the upside and downside risk margins reflect the difficulty in making the forecast. Arlingclose expect rates to be volatile.
- 3.14 The Treasury Management Strategy for 2013/14 estimated that additional new loans of £34 million may be needed to cover both borrowing required for the 2013/14 capital programme and the forecast fall in council reserves (which mean that the council has to externalise internal borrowing from previous years). The current position is summarised below.

<b>Summary of Borrowing Budget</b>	<b>Revised Budget</b>	<b>Forecast</b>	<b>(Over-spend) / Saving</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Minimum Revenue Provision</b>	9.58	9.58	-
<b>Interest on existing PWLB and bank loans (January 2013 position)</b>	5.65	5.65	-
<b>Variable rate borrowing for 2013/14</b> Rollover £12 million of short-term LA loans taken out for 2012/13 at an interest rate of 0.60%	0.07	0.07	-
Additional £17 million of short-term LA loans for 2013/14 (at an interest rate of 0.60%)	0.10	0.10	-
<b>Fixed rate borrowing for 2013/14</b> Budget: £17 million of EIP loans at 3.20% taken out mid-year	0.27	0.27	-
<b>Slippage in capital programme</b> Slippage of £7m of capital spend compared to the specific schemes included in original budget (£3m relating to Broadband)	-	(0.08)	0.08
<b>Reduction in budget contributions from service areas</b>	(0.13)	-	(0.13)
<b>Less capitalised interest (see note below)</b>	(0.30)	(0.30)	-
<b>Forecast overspend compared to budget</b>	<b>15.24</b>	<b>15.29</b>	<b>(0.05)</b>

- 3.15 The above reflects the position regarding the current approved capital programme. However, the capital programme for the current year is being reviewed and may be amended to incorporate slippage and possibly new capital schemes.
- 3.16 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. As can be seen from the table above, capitalised interest of £300,000 has been included in the 2013/14 budget for capital financing costs.

**4. Summary of Outturn Position**

4.1 The current net treasury position, compared to budget, is estimated to be break-even with an overspend on the borrowing side being offset by a surplus on investment income.

<b>Summary of Budget underspend</b>	<b>£m</b>
Investment income receivable	0.05
Interest payable on borrowing	(0.05)
<b>Total (overspend) / savings</b>	<b>0.00</b>





<b>MEETING:</b>	<b>CABINET</b>
<b>MEETING DATE:</b>	<b>24 OCTOBER 2013</b>
<b>TITLE OF REPORT:</b>	<b>SERVICE &amp; BUDGET PLANNING</b>
<b>REPORT BY:</b>	<b>ASSISTANT DIRECTOR ORGANISATIONAL DEVELOPMENT &amp; CHIEF OFFICER FINANCE</b>
<b>CABINET PORTFOLIO</b>	<b>CORPORATE STRATEGY AND FINANCE</b>

## 1. Classification

Open

## 2. Key Decision

This is not a key decision.

## 3. Wards Affected

County-wide

## 4. Purpose

To note the outcome of the recent review of the Council's priorities; and to confirm the budget and corporate planning arrangements for 2014/15 in light of the ongoing significant financial challenge.

## 5. Recommendation(s)

**THAT:**

- (a) in light of the outcome of the review of the council's priorities, no changes to the Corporate Plan 2013/15 be recommended to Council;
- (b) the timetable for budget setting, including consultation arrangements as set out at Appendix B be approved; and
- (c) The chairmen of the two overview and scrutiny committees be invited to build into their workplans consideration of the budget proposals.

## 6. Alternative Options

- 6.1 The constitution requires Cabinet to make recommendations to Council on any changes proposed to the council's corporate plan, to recommend budget proposals to Council, and to publish its timetable for making such proposals including arrangements for consultation. It is open to Cabinet to agree an alternative timetable but regard must be had to the statutory requirement for councils to set a council tax before 11 March.

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

## **7. Reasons for Recommendations**

- 7.1 The council made a commitment to being open and transparent about the challenges it faces and to engage with people about the ways in which we will have to deal with these. This report aims provide an update on this work and seeks agreement to the consultation and engagement approach to be adopted in relation to the budget proposals.

## **8. Key Considerations**

- 8.1 The funding reductions facing local government continue to prove a significant challenge; for Herefordshire Council the latest prediction is that a further £33m savings will need to be achieved in the next three years. The challenge in Herefordshire is compounded by having extremely low reserves, significant predicted growth in the elderly population and the need for performance improvements in the areas of children's safeguarding.
- 8.2 As agreed at the May 2013 Council meeting, cross party work has been taking place to review the council's priorities; a summary of the outputs from this work is attached at Appendix A.
- 8.4 The conclusion reached when the outcomes of this work were tested against the current Corporate Plan 2013/2015 was there was no need to recommend any amendments to the priorities within the plan. The value of this critical work is that the council is better placed to describe the potential impact on services of focussing what resources we have on supporting these priorities.
- 8.5 The outcome of this work was then taken into further detailed "star chamber" sessions aimed at establishing a better understanding of the impact of directing resources to the priority areas in order to develop budget proposals for consultation.
- 8.6 Attached at Appendix B is the proposed timetable for budget setting, including consultation on the budget proposals.

## **9. Community Impact**

- 9.1 The Corporate Plan is central to achieving the positive impact the council wishes to make across Herefordshire and all its communities; given the decreasing financial resources available to the council, it is essential that all remaining resources are focussed on delivery of those priorities and statutory obligations of the council.
- 9.2 Where the council is no longer able to support services at their current level, or at all, it is vital that communities and partners are given as much notice as possible so that, where there is a desire from the community to retain these services, alternative ways of maintaining them can be established. The cross party work undertaken over the summer was informed by the broad body of evidence captured within Understanding Herefordshire, as well as current financial and service performance information.

## **10. Equality and Human Rights**

- 10.1 There are no specific implications in this report. In demonstrating due regard to the council's Public Sector Equality Duty (PSED) in our decision making processes we ensure that individual directorates and service areas assess the potential impact of any proposed project, leading to fairer, transparent and informed decisions being made. A high level impact assessment of the budget proposals will be published alongside the budget proposals for consultation; and will continue to be updated as proposals are developed and move to implementation. When the council seeks to remodel services decision-makers must understand the needs of their customers

and how changes will affect them, particularly if there will be any disproportionate impact on any group sharing a protected characteristic.

## 11. Financial Implications

- 11.1 The council is legally required to set a budget and set a council tax by 11th March 2014 and manage its service delivery within that budget. In line with the Financial Management Strategy, a planning assumption has been made that council tax will rise by 2%.
- 11.2 The costs of consultation can be met from within existing budgets.

## 12. Legal Implications

12.1 The courts expect consultation to:

- take place at a formative stage of the decision-making process
- provide consultees with sufficient information to allow an informed view (it is not enough to talk about reducing expenditure in the abstract – consultees need to understand how such a reduction will change the delivery of a service)
- allow sufficient time for consultees to respond
- allow the decision maker enough time to give proper consideration to the outcome of the consultation

The remodelling of council services has generated several legal challenges in recent years.

- 12.2 These legal challenges have tended to turn on whether the authority has complied with its obligations under the Equalities Act 2010 - the public sector equality duty (PSED). This duty imposes a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the PSED **when taking any decisions on service changes**. However, the courts also recognise that local authorities have a legal duty to set a balanced budget and that council resources are being reduced by central government.
- 12.3 Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively. This means that the adverse impact must be explained as part of the formal decision making process and attempts to mitigate the harm need to be explored. If the harm cannot be avoided, the decision maker must balance this detrimental impact against the strength of legitimate public need to pursue the service remodelling to deliver savings. The more serious the residual detrimental impact, the greater the financial savings must be to justify the decision. The harm can only be justified if it is proportionate to the financial benefit and if there have been reasonable efforts to mitigate the harm.

## 13. Risk Management

- 13.1 A robust budget setting process mitigates the risk that the council is unable to deliver essential services within the resources available. It also ensures that the broadest level of understanding exists amongst partners, business and the community about the need for change and the likely shape of those changes..

- 13.2 The financial challenge and capacity to deliver the transformation necessary to both improve outcomes for people and deliver savings remains the most significant risk. This is a particular challenge in the areas of adult social care and children's safeguarding where change must be made at a pace which ensures that vulnerable people remain safe.

#### **14. Consultees**

- 14.1 There has been cross party member engagement in the future priorities work. The consultation proposals included at Appendix B meet the requirements of the constitution.

#### **15. Appendices**

- 15.1 Appendix A – Outcome from priorities work  
Appendix B – Budget setting process

#### **16. Background Papers**

- 16.1 None identified.

## Summary of outputs from the cross party sessions.

### At its meeting on in May 2013 Herefordshire Council resolved

*As part of the budget setting process for 2014/15 that Cabinet engages fully with all Members, Overview & Scrutiny Committees, Council Staff, Parish Councils, Business, the Third Sector, Residents of Herefordshire and local media to ensure a good, consistent understanding of the Councils financial position and its priorities including its income and expenditure, revenue and capital position; to enable an effective dialogue that ensures that the Council has a good understanding of peoples' priorities and those that are valued by the wider community*

To begin the process of engaging fully with members a number of seminars and working groups have been meeting.

### A seminar was held on 18th July 2013 involving representatives from cabinet, scrutiny and from each political group supported by senior managers.

Participants agreed:

- They were united in understanding the difficulties facing the council, particularly the need to plan for the medium term with a third less funding, with further reductions in the longer term.
- There was a need to communicate with Herefordshire residents so that these difficulties are clearly understood – and that they are not simply viewed as 'the council's problem'.
- Not to allow past political divisions to get in the way.
- There was a need to establish the conditions for a strong county economy and a wish to ensure that nothing that the council does gets in the way of economic growth. The need also to work through what the enablers for growth in Herefordshire are/will be, and to build on our strengths with an effective Local Enterprise Partnership.
- There is a need for a good, and a sustainable system for supporting vulnerable adults, where our county's communities understand the need for greater community support for those vulnerable adults, and places less reliance on the current unsustainable model where the council provides much more than it can afford.
- There is a need for a good, and a sustainable system for keeping safe and support children and young people.
- Political leaders and senior managers committed themselves to take whatever steps necessary to move to a position where the council can demonstrate it has efficient & effective systems and processes in place.
- More broadly, the need for communities to play a much bigger role – and that the councils task was to find the way to enable them to do so.

### Following on from this seminar a number of smaller cross party working groups were established

There was a group focusing on each of the following areas:

- Establishing the conditions for a strong county economy
- A good sustainable system for supporting vulnerable adults;
- Children's and young people
- All other services
- The community playing a much bigger role

These groups worked to identifying the priorities within these areas, how these would be achieved and, in order to focus on those priority activities, what services the council would no longer fund, or fund less of.

**A further seminar was held involving representatives from cabinet, scrutiny and from each political group supported by senior managers was held on the 25th September 2013.**

This seminar concluded

Given that

- We face unprecedented cuts and huge increases in demands for our services, and
- We want to help people live safe healthy, and independent lives in supportive communities
- The Council's existing corporate plan has the aim to engender a successful economy and enable residents to be independent and lead fulfilling lives whilst operating efficiently and effectively. This remains the Council's aim

The council will focus on the following priorities

- make sure people get the (care) support they need to live as independently as they can
- keep children safe and give them a great start in life
- support local employers to provide better jobs and higher wages

To meet our priorities we will need to

- help individuals, communities and organisations do more for themselves and contribute more to their local community
- ensure the services that we provide are the most cost effective
- radically reduce the costs and level of services in other areas

There was a agreement about many aspects of our approach to meeting those priorities.

Our broad approach will be

To make sure people get the care/support they need to live as independently as they can we will:

- Work effectively with local communities, care providers and the health service to reduce people's need for social care
- Work with local care providers to make sure when people need care it is available, affordable and of high quality
- Provide better services for people in a crisis
- Provide the information people need to be able to make their own decisions

To keep children safe and give them the best start in life we can we will:

- Work harder to make sure young people are able to influence our decisions
- Work with our partners to target our work to support families so that fewer children need safeguarding
- Work with communities and organisation across Herefordshire to provide good safeguarding services by 2016
- Work with schools, colleges and early years providers to improve the education of vulnerable children

To support local employers to provide better jobs and higher wages we will:

- Invest in the infrastructure needed to enable businesses and third sector organisations to invest and grow
- Help local people get better skills
- Commission services in a way that helps the economy thrive
- Work closely with our partners in the Local Enterprise Partnership and in other areas to maximise the investment that can be brought into the county

To help more communities deliver more of their own services we will:

- Be clear about what services we will not provide in local communities
- Help communities and groups and organisations within communities make effective use of our assets and their own
- Insist that people we commission to provide services work effectively with local communities
- Target support to communities and groups and organisations within communities that really need it

To radically reduce costs in non-priority areas we will

- Radically reduce the costs and level of services not in our priority areas
- Increase the income we raise to fund our services
- Make the best use of our assets and the assets across the county
- Support individuals and communities to do more for themselves
- Get out of the way where someone else can provide the service





## Budget Setting Timeline

Activity	Date
Cabinet approves budget setting timeline and affirms corporate priorities.	24/10/13
Budget proposals consultation commences, to include:	28/10/13
<ul style="list-style-type: none"> <li>• Online budget consultation</li> <li>• Paper based consultation available via libraries/customer service centres and posted to specific groups</li> <li>• Briefing of political groups</li> <li>• Meeting for local councils</li> <li>• Meeting with local business representatives</li> <li>• Meeting with HVOSS members</li> <li>• Service/sector specific engagement (youth council, LAC community, carers, families with disabilities, council tax benefit recipients; schools etc.)</li> <li>• Health &amp; Wellbeing Board – review proposals alongside partners' commissioning plans in light of Health &amp; Wellbeing Strategy</li> <li>• Staff</li> <li>• Trade Unions</li> <li>• Cross-party priority thematic groups reconvened to emerging review consultation themes</li> </ul>	
Public consultation on budget proposals consultation closes. (Note: consultation on detailed proposals will continue through the budget setting process)	20/12/13
Analyse results, complete budget equalities impact assessment	6/12/13 to 03/01/13
Cross party priorities working groups consider feedback and implications for proposals	16, 17 & 18 Dec
Cabinet workshop; consideration of headline results and changes to proposals & implications for budget	19/12/13
Overview & Scrutiny Committees review proposals including headline consultation results	6/01/14*
Cabinet considers outcome of budget consultation, government settlement, equalities impact assessments and recommends budget proposals (including Treasury Management Strategy, Capital Programme and level of council tax increase) to Council	23/01/14
Council approves budget proposals	7/02/14
Council sets Council Tax	7/03/14
Cabinet approves 2014/15 Delivery Plan	13/03/14

- This date is a GOSC scheduled date – it is open to GOSC/HSCOSC members to agree whether to use this date as a joint meeting or to convene an additional meeting.





<b>MEETING:</b>	<b>CABINET</b>
<b>MEETING DATE:</b>	<b>24 OCTOBER 2013</b>
<b>TITLE OF REPORT:</b>	<b>DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT 2013</b>
<b>REPORT BY:</b>	<b>DIRECTOR OF PUBLIC HEALTH</b>
<b>CABINET PORTFOLIO</b>	<b>HEALTH AND WELLBEING; CHILDREN'S WELLBEING</b>

### 1. Classification

Open

### 2. Key Decision

This is not a key decision

### 3. Wards Affected

County-wide

### 4. Purpose

To publish the statutory annual report of the Director of Public Health on the health of people of Herefordshire as required by the Health and Social Care Act 2012;

To set out three priority areas for improving the health of the population and reducing inequalities in health that also address the Staying Healthy workstream priorities of Herefordshire's Health and Wellbeing Board. These are addressing inequalities in health outcomes in our most deprived communities, tackling alcohol harm to communities and families, and supporting informal carers' health and wellbeing;

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

## **5. Recommendation(s)**

### **THAT:**

- (a) the Director of Public Health Annual Report 2013 is received by the Council and is published as required by the Health and Social Care Act 2012;**
- (b) the three priorities and recommendations of the Annual Report, which have links to the Health & Wellbeing Strategic Approach and the council's priority to enable people to be independent and lead fulfilling lives are noted; and**
- (c) the report's recommendations and the proposed approach and actions highlighted in the report are used to inform service development and commissioning during the next planning cycle and in the medium term.**

## **6. Alternative Options**

- 6.1 There are no alternative options to receiving and publishing the Director of Public Health's Annual Report as the Annual Report is a statutory requirement. If the Cabinet does not accept the recommendations, the implication would be that the Director of Public Health would not be able to carry out her duties to meet the proposed health and wellbeing outcome measures for Herefordshire.

## **7. Reasons for Recommendations**

- 7.1 The report is required to provide the Director of Public Health's view on important issues affecting the health of the population of the local authority and fulfil the requirement that the report is published by the local authority. The recommendations have been made based on Herefordshire's joint strategic needs assessment, Understanding Herefordshire, and in collaboration with Herefordshire's Health and Wellbeing Board Staying Healthy priority. Cabinet is asked to support the recommended approach and actions to improve the health and wellbeing of the county's population.

## **8. Key Considerations**

- 8.1 This is the first annual report of the Director of Public Health since the transition of public health responsibilities to the local authority under the Health and Social Care Act 2012;
- Progress has been made in implementing the recommendations from the 2012 report and the longer term strategic actions from that report are now embedded in current strategic and operational plans across the health and social care community;
  - An update on the recommendations from the 2012 report is given as part of the current report;
  - The topics highlighted in the report are important to the decision making process about local priorities for public health for the next planning cycle and beyond;
  - This year, the report outlines issues and recommendations relating to:

- addressing inequalities in health outcomes in our most deprived communities;
- tackling alcohol harm to communities and families;
- supporting informal carers' health and wellbeing .

A seminar for all members was held in September 2013 outlining both the findings and recommendations of the DPH report, and the role of the Council in relation to public health.

## **9. Community Impact**

9.1 The three priority areas were chosen based on information from Understanding Herefordshire that shows those things that potentially most affect our population's health and wellbeing. Addressing these has the potential to positively impact on the health and wellbeing of those affected individuals, communities, and families. The recommendations in the report link directly to the priorities of the Health and Wellbeing Strategic Approach, and are given below:

### **Staying healthy**

- To develop our understanding of people's behaviours and influences on behaviour in Herefordshire, gaining insight through social marketing;
- To develop and utilise the wider public health workforce;
- To review existing services and commission healthy lifestyle behaviour change services such as for stop smoking and weight management.

### **Integrated pathways from a user perspective**

- The needs of informal carers should be considered in the scoping of the 2013/14 Herefordshire Integrated Needs Assessment;
- Evidence of good practice should be reviewed for approaches to best support effective and sustainable informal care;
- When allocating resources, health economics principles should be applied to efficiently meet the needs of informal carers and benefit the wider health and social care system.

### **Communities**

- To seek out opportunities for collaboration and work together on lifestyle behaviour change;
- To gain a better understanding of our communities and work with them to reduce the social gradient in health;
- That the Health and Wellbeing Board and partner organisations across Herefordshire continue to give priority to reducing alcohol-related harm and to developing our strategic intelligence about the complexities of alcohol harm in our community, focusing on identifying areas of overlap where combined efforts have the potential to make the most impact.

### **Families**

- That partner agencies commit to contributing their data and intelligence in order that we can build a comprehensive understanding of alcohol use and

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Further information on the subject of this Report is available from Elizabeth Shassere, Director of Public Health on Tel (01432) 260668

- the consequences of alcohol misuse in Herefordshire;
- That partner agencies commit to a more coordinated approach to working together to address alcohol-related harms so that resources can be targeted following a strategic and evidence-based approach;
- That the Alcohol Harm Reduction Group provides a forum to bring together plans for tackling the influence of alcohol as it impacts on domestic violence and abuse, offender management and Families in Need.

The recommendations also link with the Council's corporate plan priorities for people, which are:

- People are physically and mentally healthy and stay healthy for longer;
- Outcomes for children and young people improve;
- There is increased equality of opportunity and access, to reduce inequality in health and wellbeing outcomes;
- There is access to excellent education and learning opportunities at all levels (includes early years/schools/FE/HE/adult learning)
- People are able to take more responsibility for themselves (includes making healthy choices and focuses on prevention);
- People are active in their communities and look out for the more vulnerable so that they can live independently;
- Public services are prioritised to support those in need of services to maintain their independence or stay safe;
- People stay safe.

## 10. Equality and Human Rights

The report is the Director of Public Health's view of the needs of the county's population experiencing greatest inequalities and poorest health outcomes. This includes examining equitable access to services. The recommendations support the Public Sector Equality Duty, under section 149 of the Equality Act 2010, which are to:

- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act;
- Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it;
- Foster good relations between people who share a relevant protected characteristic and those who do not share it.

The protected characteristics are:

- age;
- disability;
- gender reassignment;
- marriage and civil partnership;
- pregnancy and maternity;
- race;
- religion or belief;
- sex;
- sexual orientation.

With the transition of Public Health to Herefordshire Council, a range of Equality Impact Assessments will be undertaken as an integral part of planning and implementation of specific recommendations within the Annual Report. An example of where the recommendations from the Annual Report will have an impact on protected characteristics is around alcohol misuse in Herefordshire. The commissioned services will include a focus on young people under the age of 18 at risk of alcohol misuse (age) and women and men at risk of domestic abuse/violence (sex).

## **11. Financial Implications**

- 11.1 The report itself has no financial implications and commits no funding, but sets out a programme of work to inform commissioning decisions regarding resource allocation over the next year. Meeting the recommendations will have financial implications determined in services' business planning processes. The Public Health settlement is a key resource for service delivery to meet the recommendations in the Annual Report.

## **12. Legal Implications**

- 12.1 The production of the Director of Public Health Annual Report 2013 meets our statutory requirement. The report has been cleared by Legal Services.

## **13. Risk Management**

- 13.1 If not addressed, issues raised in the report will have an impact on the achievement of health and wellbeing targets to reduce inequalities in health. The main risks revolve around the implementation of service transformation and challenge to traditional practices. The transition of Public Health to the local authority gives opportunities to change how services are delivered to ensure support is delivered appropriately.

## **14. Consultees**

- 14.1 Public Health Department staff; Health and Wellbeing Board members; key council contacts; community partners leading on areas of collaboration.

## **15. Appendices**

- 15.1 Director of Public Health Annual Report 2013

## **16. Background Papers**

- 16.1 None identified.





# Director of Public Health Annual Report 2013

Collaborating for health in Herefordshire



# Contents

<b>Foreword</b>	
Alistair Neill, Chief Executive, Herefordshire Council	3
<b>Introduction</b>	
Elizabeth Shassere, Director of Public Health, Herefordshire Council	4
<b>Chapter 1</b>	
Tackling health inequalities: a community asset based approach	6
<b>Chapter 2</b>	
Working together to reduce alcohol-related harm	11
<b>Chapter 3</b>	
Public Health and carers	16
<b>Recommendations</b>	22
<b>Recommendations</b>	
Summary of 2013 recommendations	
Progress update on recommendations from Director of Public Health Annual Report 2012	23
<b>Acknowledgements</b>	28

# Foreword

I am delighted to introduce the first Director of Public Health Annual Report as part of Herefordshire Council's new statutory duties under the Health & Social Care Act 2012. It has been over six months since Herefordshire Council took on the responsibility for the public health function from the former Primary Care Trust. We are still getting to know each other fully, though we have worked closely with public health as a council for many years. With a new prospect of a changing health and social care architecture and with public and third sector partners facing limited and reducing resources, it is more important than ever that we work collaboratively with all agencies as well as with the people of Herefordshire on this important agenda.

Health is everyone's business; individuals have a responsibility to themselves and their families, services have a responsibility to create health-supporting environments to provide services to the most vulnerable residents, and to meet population health needs. In this report you will learn about three key examples of work being scoped out to do just this – linking with the police on alcohol and reducing the harm it does to families, understanding the role that carers play in supporting services to better meet health need, and building on community assets to promote health in some of our most deprived neighbourhoods so that everyone has equal opportunities for good health.

As the new Chief Executive of Herefordshire Council, I am pleased we have a good foundation for public health and the council is committed to playing its full role in protecting, promoting and improving the health of the population of Herefordshire.

**Alistair Neill**  
Chief Executive  
Herefordshire council  
September 2013

# Introduction


It has now been about six months since the implementation of the Health and Social Care Act 2012 that legislated for the transfer of public health responsibilities into local authorities from primary care trusts. Here in Herefordshire, we had a strong history of joint working by public health with the PCT and the local authority. We have taken this to another level while working to embed the new health and social care architecture to maximise the positive impact of the changes on the population's health and wellbeing. There is still much to be done, and while we find our feet post-transition we are identifying ways to amplify the collaborative working between public health and our partners in the community – both internal and external to Herefordshire Council.

In this year's annual report, I want to highlight not only the opportunities for collaborative working for health and wellbeing but the necessity of it in the age of shrinking resources. It is more important than ever that we align those resources and efforts to maximise our positive impact on health and reduce health inequalities. No individual or community or group of people exists in isolation. No professionals or services work in isolation either. We need to work together to the extent of our ability to support our communities to enjoy the best possible health and wellbeing. An important part of this is to truly understand the need and what data and information tell us. One of our key priorities this year will be to look at our approach to 'strategic intelligence' - this is the way that we bring all of our data and information capabilities together to draw the most accurate picture possible of what it is like to be a resident of Herefordshire, including health outcomes, use of services, and community characteristics. This provides the backbone to any piece of work that commissioners and providers of services may want to do to better understand how to make services best meet the needs of the population with the minimum amount of resource. Three of these pieces of work that are getting underway are described in this annual report.

This year I will focus on these three examples of areas that really do need our collaboration based on the information from the 2013 integrated needs assessment, Understanding Herefordshire. We will aim to scope out the scale of the issue and determine the impact it is having, and begin to think about what action can be taken to address them. These are:

- Taking a partnership, asset-based approach to addressing the health inequalities that exist between our most affluent and most deprived communities in Herefordshire. We need to understand more about why those of our residents living in the most deprived areas of our county are 33% more likely to die of cancer and 60% more likely to die of coronary heart disease, by using "strategic intelligence" to better design services that support healthy lifestyle behaviour change and create health supporting environments. The success of these services depends on using community-based services that build on the assets within a community;
- Developing our "strategic intelligence" around the complexities of alcohol harm in our community by looking at how alcohol-related admissions to hospital, domestic abuse, and families in need intersect and how they are inter-related;
- Applying a "strategic intelligence" view in order to better understand the evidence at hand about the role that carers play in our county and the impact they have on health and wellbeing outcomes for vulnerable people, and therefore what services can do to support this valuable human resource more.

The purpose of an annual report is to comment on the year we are bringing to an end, in this case 2013, and make recommendations for action for the coming year – 2014. These chapters include recommendations for action against these health needs identified that we will take forward over the next year. I will report back on the progress made on these in my annual report for 2014.



I have also included here a progress report on recommendations from my last report.

If you have any interest in any of the areas covered and would like to speak to a member of the public health team about them, please do get in touch. The collaboration required to tackle some of these challenging issues can't be underestimated, and we welcome interest in helping us all as a community work to improve the health and wellbeing of all of our population.

**Elizabeth Shassere**  
Director of Public Health  
Herefordshire Council  
September 2013



# Chapter 1

## Tackling health inequalities: a community asset based approach

Gwen Ellison, Health Improvement Programme Manager and Mandy Evans, South Wye Regeneration Manager

### What's the problem?

Our healthy lifestyle choices are important because health problems or ill health as a result of poor choices regarding the food we eat, how much we drink, how physically active we are or whether we smoke, have already reached alarming levels. These choices are influenced by a complicated range of factors – personal, social and environmental.

It is vital to reverse the upward trend of lifestyle related health problems, not only because of the risks they present to health but also because of the costs on local government, on the NHS, on the benefits system and on employers, affecting us all.



Photo: Making Every Contact Count (MECC) booklet

### Who's affected most?

The more socially deprived people are, the higher their chance of premature mortality, even though this mortality is also most avoidable. This so-called 'social gradient' in health is shown in Herefordshire by a 'gap' in life expectancies between the best and worst performing 10% of the County's population of 6.2 years for males and 5.9 years for females.<sup>1</sup> Lifestyle choices contribute to these inequalities in health outcomes. For Herefordshire, these are:

- **Smoking**
  - 309 smoking related deaths in 2012 in those aged 35+
  - Adults residing in the most deprived areas of the County are over 40% more likely to die as a result of smoking than the population of Herefordshire as a whole
- **Alcohol**
  - Approximately 60 alcohol related deaths in 2012
  - A person residing in the most deprived quartile of the County is four times as likely to be admitted to hospital as a direct consequence of their alcohol consumption
- **Obesity**
  - Adult obesity prevalence is 25.3% compared to 24.2% nationally
  - 34% of adults were classified as overweight (a BMI of 25 to 30) and a further 20% of adults were classified as obese (a BMI of 30 and over), using self-reported height and weight<sup>2</sup>
  - 36% of adults reported eating the recommended five or more portions of fruit and vegetables on the previous day and only one in three adults reported meeting the guidelines for physical activity in the past week<sup>3</sup>

<sup>1</sup> Understanding Herefordshire 2013, Inequalities within Herefordshire

<sup>2</sup> For adults BMI (Body Mass Index) is used to calculate whether a person is underweight, healthy weight, overweight or obese for their height. The calculation divides the adult's weight in kilograms by their height in meters squared. BMI allows for natural variation in body shape, giving a healthy weight range for a particular height.

<sup>3</sup> [http://factsandfigures.herefordshire.gov.uk/docs/research/hwbs\\_themed-healthy\\_lifestyles.pdf](http://factsandfigures.herefordshire.gov.uk/docs/research/hwbs_themed-healthy_lifestyles.pdf)

Lifestyle risk factors in the young are particularly worrying as it is possible to predict future increases in incidence of disease such as diabetes, stroke and heart disease if current trends continue. A Herefordshire version of the modelling used by the Marmot Inquiry into health inequalities showed that if the future pensionable age increases to 68 years as planned between 2026 and 2046, average disability-free life expectancy would only exceed 68 years in one out of 23 Middle Super Output Areas. It showed that for every 10% increase in the percentage of the population experiencing income deprivation, there was an approximate two year reduction in average life expectancy at birth and an even wider gap of a 4.5 year reduction in average disability-free life expectancy at birth. It means that preventative action and early intervention is needed now to increase disability-free life expectancy at birth, including promoting healthy lifestyle choices across the life course.

### What can be done?

Identifying and understanding the problem does not fix it. An asset based approach is a different way of thinking. It values the capacity, skills, knowledge, social connections and potential in a community to help find the solutions and finds ways of mobilising these assets. The Public Health White Paper noted that 'our health and wellbeing is influenced by a wide range of factors – social, cultural, economic, psychological and environmental – across our lives'.<sup>2</sup> It is estimated that only 15-20% of inequalities in mortality rates can be directly influenced by health interventions that prevent or reduce risk.<sup>3</sup> The wider social determinants of health such as housing, educational attainment and employment are the major influences.

Many people can be prompted and supported to change their behaviour and adopt a healthy lifestyle. The aim is to encourage a voluntary response to change, with particular focus on the importance of social norms and habits and on empowering people to make healthy choices. To do this it is necessary to:

- **Mobilise the capacity of people and assets of people and place**

Community development competencies and NICE guidance on community engagement can be utilised carefully to create sustainable change. It is also vital that those people who are working with communities and supporting people through the process of making healthier lifestyle choices have the skills and knowledge to do the job. Practitioners need to begin with a focus on what communities have (their assets) rather than what they don't have (their needs). Individual change can have an impact at a wider community and population level to develop social capital and encourage positive social norms that help to sustain and strengthen communities, building healthier communities.

<sup>2</sup> Healthy Lives, Healthy People

<sup>3</sup> The NHS Belongs to the People, A call to action

- **Understand behaviour change**

NICE guidance on behaviour change recommends drawing on a number of concepts from the psychological literature to design interventions, services and activities that helps people achieve changes in behaviour. This information is valuable to individuals and communities that are enabling people to make positive lifestyle choices. The concepts are:

- To understand the health consequences of their behaviours;
- To feel that the behaviour change being promoted is personally relevant to them;
- There has to be a reward or positive effect from making the change;
- People need to believe in their ability to change and desire it (self-efficacy);
- People need to have a visible positive role model or image, to compare to or aspire to;
- People need to feel part of a group or someone significant to them as motivation to make the change (social approval/ a reference group);
- Use must be made of our developing understanding of people's behaviours and influences on behaviour.

Social marketing, such as the Change4Life programme is applying behavioural science and this is increasingly being used to empower people to make healthier lifestyle choices.

**A view of how we can build on the strengths of individuals and the assets of communities:**

*South Wye Regeneration Partnership has worked closely over many years with the South Wye community to address health inequalities but this remains a challenging issue. We act as a community hub of information and advice for a range of community organisations in the area and aim to improve the life chances of residents. The residents and their community organisations are assets that can be tapped and they have expertise to contribute. We cannot address one issue without addressing a number of other key factors that affect the quality of life of those in our deprived community with health as one of the most important factors. We work with our partners to improve the life chances of those in our community.*

*We meet people on a daily basis in our neighbourhoods, at our community hubs and support healthier lifestyles and targeting vulnerable groups. With our partners, we provide lots of classes and activities for people to join to meet others and increase their understanding and take action. For example, the drug and alcohol partnership raises the issues about the risks of drug and alcohol misuse. There are also lots of events and activities for all age groups that encourage people to make healthy lifestyle choices such as increasing physical activity levels. Much is and can be done to encourage use of our beautiful green spaces, so close to the community. We build good relationships with people, organisations, our many volunteers and groups to do this work.*

*All of this is part of an asset based approach to improve community health and well-being across the county where best practice can be shared.*

**Mandy Evans, South Wye Regeneration Manager**





Photo: South Wye Amateur Gardeners (SWAG), courtesy Jo Pewsey, HVOSS

### What have we done?

During 2013 we supported the implementation of Making Every Contact Count (MECC) across NHS Herefordshire. MECC is the systematic delivery of health improvement through staff using consistent and simple healthy lifestyle advice, known as brief advice, combined with appropriate signposting to lifestyle services, information and advice.<sup>4</sup>

The Healthy Lifestyle Trainer Service has also been launched offering lifestyle behaviour change support to those most at risk from their lifestyle choices.<sup>5</sup>

We will build on these initiatives by developing a package of evidence based lifestyle change interventions.

<sup>4</sup> <https://www.herefordshire.gov.uk/health-improvement/>

<sup>5</sup> <https://www.herefordshire.gov.uk/health-and-social-care/health-and-medical-advice/healthy-lifestyle-trainer-service/>

## Recommendations

This chapter sets out the challenge of achieving the health and wellbeing outcomes within the public health outcomes framework that are affected by lifestyle choices. The problem is highly apparent in our hard-pressed communities but also in small pockets of deprivation across the county. The issue is urgent. Effective action is needed to reverse the trends that are affecting and will further affect population health. The idea is to utilise as many opportunities as possible across the county to prompt conversations to provide support and activities that lead people to make and maintain healthy lifestyle choices, and change the social norms that drive this problem. By connecting to community assets and sharing evidence of what works we will start to address a complex problem and make a big impact. It is time to seek the full engagement of communities, agencies, and the wide range of organisations affected by this issue.

Our recommendations are therefore:

- To seek out opportunities for collaboration and work together on lifestyle behaviour change as described here;
- To gain a better understanding of our communities and work with them to reduce the social gradient in health;
- To develop our understanding of people's behaviours and influences on behaviour in Herefordshire, gaining insight through social marketing;
- To develop and utilise the wider public health workforce;
- To review existing services and commission healthy lifestyle behaviour change services such as for stop smoking and weight management.

# Chapter 2

## Working together to reduce alcohol-related harm

Dr Alison Merry, Assistant Director/Consultant in Public Health and Ivan Powell, Superintendent, Herefordshire, West Mercia Police

### Introduction

Alcohol has a prominent role in the country's social, cultural and economic life and the majority of people who drink alcohol do so safely and responsibly. However, alcohol is also responsible for causing, or contributing to, a wide range of health and social problems including preventable illness and premature death, crime and disorder, violence and injury including domestic violence and abuse, and risky sexual behaviour.

In Herefordshire, we have identified the need to take a more coordinated approach to tackling alcohol-related harm, particularly as this relates to domestic abuse and violence, the integrated management of offenders and the Families in Need agenda.<sup>6</sup>

This chapter looks at how alcohol misuse affects individuals, families and communities in Herefordshire, reviews the work undertaken in 2013 and looks forward to our plans for 2014. It makes recommendations for how we can make a bigger difference by coordinating our efforts to understand what the data tells us about alcohol misuse and by working collaboratively to address the multitude of harms arising from alcohol misuse.



Photo: Herefordshire: home of artisan cider production; also cheap alcohol promotions

<sup>6</sup> Families in Need is Herefordshire's approach to the national Troubled Families Programme.

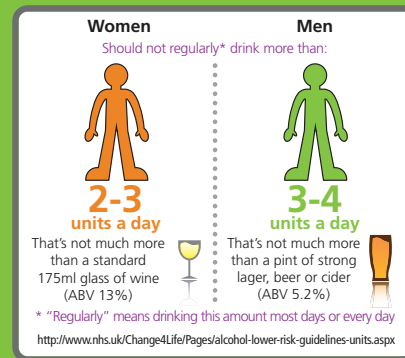
## What does drinking behaviour in Herefordshire look like?

In Herefordshire, most people who drink alcohol stay within recommended limits, but estimates suggest that 28% of the drinking population drink at increasing or higher risk levels and 20% of adults binge drink. These figures are slightly, although not significantly, higher than those for the West Midlands as a whole (26% drinking at increasing or higher levels and 19% binge drinking).<sup>7, 8</sup>

Photos: Making Every Contact Count provides advice on alcohol consumption

### **GUIDELINES: WHAT COUNTS?**

- Any drinking has some amount of risk attached. However, by keeping within the lower-risk guidelines below, you can have a low risk of causing harm.



If you are a dependant drinker, no drinks are safe, but before stopping, seek advice from a specialist alcohol worker or your GP.

### **MAKE A CHANGE!**

#### **Why not try some of these ideas?**

- Know your units - find out how many units are in your usual drink. Keep track of your drinking on your desktop or on the go with the NHS Drinks Trackers



- Try for 2 alcohol free days each week
- If you tend to have a drink at a certain time of day, try to plan other activities and tasks at those times
- Swap your usual for a drink with less alcohol content ("ABV" - this will be on the side of the bottle or can)
- Try a smaller drink - a small glass of wine instead of a large one
- Make a plan - before you start drinking, set a limit for how much you're going to drink
- Only take a fixed amount of money to spend on alcohol
- Have your first drink after starting to eat
- Quench your thirst with non-alcohol drinks before alcohol or alternate alcohol with water to keep hydrated

*2 alcohol free days a week*

<sup>7</sup> Increasing risk drinking is defined as consumption of between 22 and 50 units of alcohol per week for males, and between 15 and 35 units for females. Higher risk drinking is defined as consumption of 50+ units of alcohol per week for males, and 35+ units for females. Binge drinking is the consumption of at least twice the daily recommended amount of alcohol in a single session (8+ units for men and 6+ for women).

<sup>8</sup> Local Alcohol Profiles for England. See <http://www.lape.org.uk>

## Health impacts

Alcohol misuse is a risk factor for a variety of health conditions and is the third greatest overall contributor to ill health and premature death after smoking and raised blood pressure.

In the five year period 2007–2008 to 2011–2012 there was 25% increase in alcohol-attributable hospital admissions amongst Herefordshire residents, with over 3,500 such admissions recorded in 2011–2012. On average, there are around 65 alcohol-attributable deaths per year with major variation in mortality rates between the most deprived communities in the county and the county population overall.<sup>9</sup>

In recent years, Herefordshire has had significantly higher rates of alcohol-specific admissions among under 18 year olds compared to the England average, ranking 266th out of 326 local authorities on this indicator.<sup>10</sup>

## Community impacts

In addition to the impact of alcohol on health, there are close links between alcohol and crime, disorder and violence.

Nationally nearly a half of all violence is thought to be committed by those who are under the influence of alcohol and a fifth of all violence occurs in or around premises where alcohol is consumed.

In Herefordshire:

- Violent crime accounts for 11% of total recorded crime in Herefordshire – slightly above the West Mercia police force percentage;
- Around half of all recorded cases of “violence against the person with injury” involve alcohol, increasing to around two thirds of those cases which occur between 10pm and 7am;
- Night-time between 10pm and 7am, particularly on Fridays and Saturdays, are the peak times for alcohol-related violent crime.<sup>11</sup>

## Impacts on individuals and their families

Alcohol misuse has serious consequences for people's personal and family relationships. The impact of parental alcohol misuse on children is one of alcohol's “hidden” harms and can lead to children being more likely to be excluded from school, involved in anti-social or criminal behaviour and to become substance misusers themselves. Domestic violence and abuse, the management of offenders and Families in Need are three issues which take up considerable public resources from a range of agencies, and in which alcohol misuse is often implicated.

## Domestic violence and abuse

There is a close and complex relationship between alcohol and domestic violence and abuse, although it is important to understand that alcohol acts by triggering rather than causing domestic violence and abuse.<sup>12</sup>

Almost a fifth of the incidents and crimes attended by West Mercia police are cases of domestic abuse and alcohol misuse has been found to be a factor in 40% of these.<sup>13</sup> As well as being a trigger for perpetrators, alcohol may provide a coping strategy for survivors: women experiencing domestic violence are up to fifteen times more likely to misuse alcohol.

## Integrated Offender Management

The Integrated Offender Management programme aims to reduce crime and disorder by working intensively with young offenders to address the root causes of their offending. Whilst many factors influence offending behaviour amongst this group, alcohol misuse is frequently amongst them.

<sup>9</sup> Understanding Herefordshire – <http://factsandfigures.herefordshire.gov.uk/1326.aspx>

<sup>10</sup> <http://www.lape.org.uk>

<sup>11</sup> <http://www.eviper.org.uk/>

<sup>12</sup> DVA is also closely associated with substance abuse and mental health problems. There is also a strong correlation between DVA and child abuse.

<sup>13</sup> Only a fraction of DVA cases are reported to the police.



## Families in Need

This agenda supports families that face multiple problems and whose complex needs require a lot from local public services. Alcohol misuse and domestic abuse are amongst the multiple problems many of these families face.

Agencies are working together to tackle each of the three examples above, but until recently this work has been disjointed and not tied into the other local work on alcohol harm reduction. Whilst these issues are distinct, they share areas of overlap: they may affect the same people and families, the same agencies are involved with addressing them and alcohol is often an underlying factor.

## What have we done in 2013?

During 2013, responsibility for commissioning alcohol misuse services transferred from Herefordshire Primary Care Trust to Herefordshire council as one of the local authority's new public health responsibilities. We have been working closely with our providers, with other commissioners, and with Public Health England to review and improve these services. For example a workshop was held in April to review alcohol misuse services and pathways.

The multi-agency Alcohol Harm Reduction Group has reviewed progress, broadened its membership and refreshed its strategy for the next three years. The group has overseen a variety of new initiatives during the year including the introduction of Street Pastors to Hereford and the continuation of taxi marshalling – and the implementation of Making Every Contact Count (brief advice by frontline staff on healthy lifestyles including advice on alcohol).



Photo: Taxi marshalling to ensure people safely find a taxi to take them home on weekend nights



Photo: Hereford Street Pastors' mission is to 'help young people have a good time and get home safe'

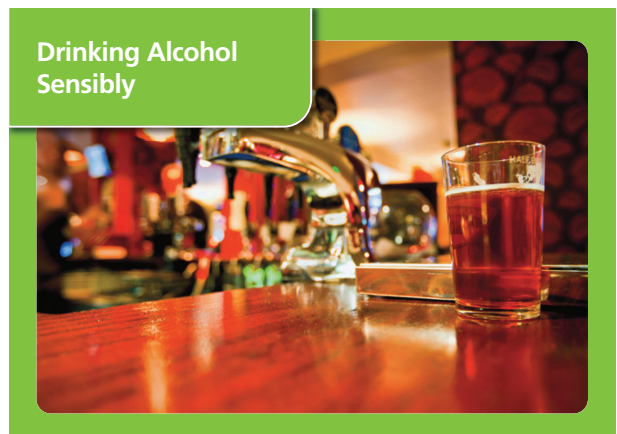


Photo: Making Every Contact Count leaflet – advice on healthy lifestyle choices

## Our plans for 2014

Looking to the future, we have identified the need for better coordination of our strategic intelligence and planning so that we can:

- bring information and intelligence together from multiple sources to give us a fuller picture of what the data tells us and a better understanding of need;
- ensure a coordinated, evidence-based approach to our strategies for tackling alcohol-related harm;
- progress alcohol harm reduction on a much broader footing and maximise cost-effectiveness by combining effort, aligning resources and avoiding duplication.

Alcohol harm reduction is a key element of the Demand Management workstream of the Health and Wellbeing Strategy and the Health and Wellbeing Board has the potential to bring considerable leverage to advancing this agenda as a priority. The integrated needs assessment, Understanding Herefordshire, provides a vehicle for bringing data from multiple sources together and enabling partners to understand both levels of need and what the evidence tells us about which interventions are the most effective. During 2014, the Alcohol Harm Reduction Group will be further exploring how we can share data and intelligence, in line with data governance guidelines, to develop our understanding of the use, misuse and impact of alcohol and to inform our work plan over the coming months and years.

## Recommendations

No single agency can solve the problems associated with alcohol on its own – the only solution is a joint effort involving all of the relevant parties. Although good partnership working is already in place in Herefordshire, this needs to be improved so that we can be sure of having the greatest possible impact and so that we can make best use of shrinking resources.

Our recommendations are therefore:

- That the Health and Wellbeing Board and partner organisations across Herefordshire continue to give priority to reducing alcohol-related harm and to developing our strategic intelligence about the complexities of alcohol harm in our community, focusing on identifying areas of overlap where combined efforts have the potential to make the most impact;
- That partner agencies commit to contributing their data and intelligence in order that we can build a comprehensive understanding of alcohol use and the consequences of alcohol misuse in Herefordshire;
- That partner agencies commit to a more coordinated approach to working together to address alcohol-related harms so that resources can be targeted following a strategic and evidence-based approach;
- That the Alcohol Harm Reduction Group provides a forum to bring together plans for tackling the influence of alcohol as it impacts on domestic violence and abuse, offender management and Families in Need.

# Chapter 3

## Public Health and carers

Philip Daniels, Speciality Registrar in Public Health, West Midlands Deanery, and Jacqui Bremner, Chief Executive, Herefordshire Carers Support

### Introduction

The Wellbeing of informal carers is an important public health issue: The healthcare and social care services could not function without the willingness and ability of people to freely provide care to others.

Informal care allows people to remain in their own homes, delays and prevents crises that might result in specialist and/or hospital treatment and enables people who have needed hospital care to come home when they are ready.

The majority of care in Herefordshire is provided by informal carers. However, this takes its toll on those who care. In order to continue to support others, carers themselves need support.

By reducing demand on formal providers, informal care allows resources to be used elsewhere. By supporting, involving and empowering informal carers and recognising their expertise, services can continue to be effective, safe and sustainable.

Over the next 12 months, Public Health will be working with partners to identify the needs of carers in order to help services target support where and when it is needed.

### Who cares?

There is no such thing as a typical carer. Many may not even identify themselves as "a carer", but as a wife, husband, child, parent, partner, spouse or friend. An informal carer is anyone who cares, unpaid, for a friend or family member who due to illness, disability, mental health problem or addiction cannot cope without their support.<sup>14</sup>

A young carer is an individual under the age of 18 whose life is in some way restricted because of the need to take responsibility for the care of someone who is ill, has a disability is experiencing mental distress or is affected by substance misuse.<sup>15</sup> Due to their age, young carers and their needs are frequently overlooked.

The 2011 census shows that 20,676 people in Herefordshire provide unpaid care of at least one hour per week. This represents 11.3% of the population, a larger proportion than the England and Wales average of 10.3%.

However, the 2011 Herefordshire Health and Wellbeing Survey reports 19% of people over the age of 16 in Herefordshire deliver some sort of unpaid care. Whichever figure is used, despite 3,800 carers being registered with Herefordshire Carers' Support, the vast majority of carers are not receiving support with the care they provide.

According to the Herefordshire Adult Carers Survey (2011), 53% of carers care for their spouse or partner, 24% cared for their child, 21% for their parent(s), with the remainder caring for friends or neighbours. Nationally, women make up 60% of carers and have a 50% chance of being a carer by the time they are 60. In contrast, men have a 50% chance of being a carer by the time they are 75.<sup>16</sup>

14 Carers Trust, 2013

15 Carers UK, 2013

16 Carers UK, 2012



## Where?

The distribution of people who report a caring responsibility is not uniform across the county. According to 2011 census data, the proportion of people providing at least one hour of unpaid care is highest in rural areas with the lowest reports of care in urban areas. This in part reflects the younger age structures in urban areas, but may also reflect the access people have to formal services.



Figure 1: Percentage of population reporting a caring responsibility

## When?

Herefordshire has an aging population. More than half (53%) of carers in Herefordshire, and two thirds of those they care for, are 65 years old or older.<sup>17</sup> In addition, due to improved care, people are living longer with mental and physical disabilities, leading to increased numbers of elderly parents continuing to care for disabled adult children.

The prevalence of dementia in Herefordshire could almost double over the next 20 years. Two thirds of people with dementia are cared for at home, supported by an unpaid carer.<sup>18</sup>

Nationally, it is estimated that demand for unpaid care from spouses and children will more than double by 2041.<sup>19</sup> Already, the number of people with caring responsibilities in Herefordshire is increasing faster than the population is growing, with the greatest increase being in those who care for 50 hours or more per week.

## How much?

In caring for others, carers manage long term conditions, delay and prevent admissions to hospital and support discharge when people are ready to come home.

Care may take a variety of forms. The majority of carers help by doing shopping, preparing meals and doing the laundry, but more than a third perform sensitive tasks such as personal care, physical help and giving medicines.<sup>20</sup>

Across the UK, carers provide care worth an estimated £119bn per year.<sup>21</sup> Using the same methodology, unpaid carers in Herefordshire represented 11,850 full time equivalent jobs, or £410 million in 2011.



Photo: care comes in many forms

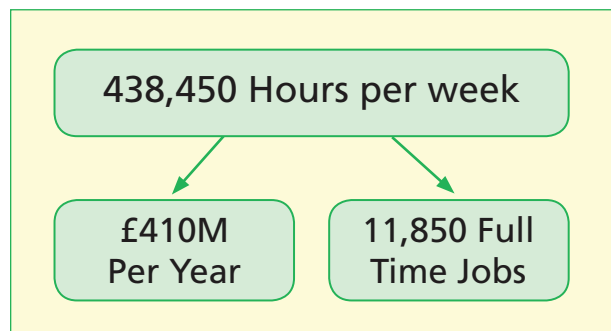


Figure 2: value of caring in Herefordshire

17 Herefordshire Adult Carer's Survey, 2011

18 Dementia UK, 2007

19 Personal Social Services Research Unit, 2008

20 Health and Social Care Information Centre, 2011

21 Carers UK, 2011.

## What is the impact of caring on carers?

Caring produces enormous strain for individuals and families.

In a national survey conducted for Carer's Week in 2012, more than 80% of carers reported caring had a negative impact on their mental and/or physical health; 39% had delayed their own necessary treatment due to caring responsibilities and 37% had needed to cease working to care.

Half of those responding to the Herefordshire Adult Carers Survey (2011) felt that their health was fair or poor and 71% felt they had inadequate social contact – a major risk factor for vulnerability.

Young carers are particularly at risk of poor health and development as a result of their caring. Young carers often assume practical and emotional responsibilities that would be demanding even for adults. Young carers therefore need specific support to engage with education, work and social development – to simply be young people.

Public health has a key role to play in identifying the needs of populations and supporting partners to meet those needs.

## Framing care

The need to recognise and support the invaluable role played by informal carers is recognised in national and local legislation and guidance.

The Carer's Bill, currently in the report stage, asserts the requirement to assess the needs of carers, as well as those they care for.

Carer involvement and support is central to recommendations of the Francis, Berwick and Keogh reports and the NHS mandate to Clinical Commissioning Groups, all published in 2013.

The National Strategy for Carers, updated in 2010, outlines the steps by which carers will be recognised for the support they provide, and in turn be supported to balance their roles as carers and as equal citizens.

Locally, the Herefordshire Carers' strategy (2012), building on the Herefordshire's Carers' Charter (2011), has as its vision that:

*"Carers will be recognised, valued and respected as Key Care Partners within Herefordshire and all agencies will work in partnership with carers to provide reliable, flexible and appropriate provisions of care, support and guidance.*

*Carers in Herefordshire will have access to flexible and innovative support services to meet their needs and have timely assessments to ensure support is provided at the appropriate point".*

The Herefordshire Health and Wellbeing Board recognises, actively promotes and supports the contribution made by family, friends, the community and other services in helping people to achieve good health and wellbeing, with support from professional services when required.

Supporting carers is an important part of the Health and Wellbeing Board's demand management work stream, which is led by Public Health. Ensuring support for carers will also support the sustainability of the whole health and social care system.

### Caring what happens

The Herefordshire Carers' Strategy outlines five priorities to support carers:



Figure 3: Herefordshire Carers Support priorities

### Caring for carers

Carers do a great deal without outside help, but they often need support to continue caring, to engage with work and education and to re-engage after they have stopped being carers.

There is evidence that timely and effective carers' support can protect the physical and mental health of carers, delay admissions and reduce overall care spending.<sup>22</sup>

Herefordshire has excellent support structures in place from a rich patchwork of statutory, voluntary and community providers. However, as Herefordshire's 2013 integrated needs assessment, understanding Hereford, highlights, there is a need to work more effectively across services and organisations.

If services are to continue to improve and maintain the safety and dignity of patients and users, the voices of carers need to be listened to.



Photo: Pamper day for carers at Hereford Town Hall (photo courtesy Herefordshire Carers Support)

## Recommendations

Carers are a key part of our health and social care system. Across the county, the proportion of people with caring responsibilities is increasing; carers are also getting older. Carers require support for their own needs, to remain healthy and to continue to care.

For health and social care services to continue to function, we need to be smarter in how we support carers.

Public Health is committed to applying its strategic intelligence and population perspective to help make the best use of the resources available, enabling the people of Herefordshire to continue to live independently, with the highest possible levels of health and dignity.

Our recommendations are therefore:

- The needs of informal carers should be considered in the scoping of the 2013/14 Herefordshire integrated needs assessment, understanding Hereford.
- Evidence of good practice should be reviewed for approaches to best support effective and sustainable informal care;
- When allocating resources, health economics principles should be applied to efficiently meet the needs of informal carers and benefit the wider health and social care system.



# Recommendations

## Recommendations

The recommendations from the individual chapters are given below in summary form to act as a quick reference for checking progress as the public health team becomes embedded in the local authority.

### Chapter 1: Tackling health inequalities: a community asset based approach

- To seek out opportunities for collaboration and work together on lifestyle behaviour change;
- To gain a better understanding of our communities and work with them to reduce the social gradient in health;
- To develop our understanding of people's behaviours and influences on behaviour in Herefordshire, gaining insight through social marketing;
- To develop and utilise the wider public health workforce;
- To review existing services and commission healthy lifestyle behaviour change services such as for stop smoking and weight management.

### Chapter 2: Working together to reduce alcohol related harm

- That the Health and Wellbeing Board and partner organisations across Herefordshire continue to give priority to reducing alcohol-related harm and to developing our strategic intelligence about the complexities of alcohol harm in our community, focusing on identifying areas of overlap where combined efforts have the potential to make the most impact;
- That partner agencies commit to contributing their data and intelligence in order that we can build a comprehensive understanding of alcohol use and the consequences of alcohol misuse in Herefordshire;

- That partner agencies commit to a more coordinated approach to working together to address alcohol-related harms so that resources can be targeted following a strategic and evidence-based approach;
- That the Alcohol Harm Reduction Group provides a forum to bring together plans for tackling the influence of alcohol as it impacts on domestic violence and abuse, offender management and Families in Need.

### Chapter 3: Public Health and carers

- The needs of informal carers should be considered in the scoping of the 2013/14 Herefordshire Integrated Needs Assessment;
- Evidence of good practice should be reviewed for approaches to best support effective and sustainable informal care;
- When allocating resources, health economics principles should be applied to efficiently meet the needs of informal carers and benefit the wider health and social care system.

# Recommendations

## Progress update on recommendations, September 2013

CHAPTER 1: A NEW FRAMEWORK FOR PUBLIC HEALTH Council Members and Senior Officers	
RECOMMENDATION	PROGRESS
<ul style="list-style-type: none"> <li>Understand the full range of the council's public health responsibilities across all three domains of health improvement, health protection and healthcare public health.</li> </ul>	<ul style="list-style-type: none"> <li>Familiarised ourselves with all legislation and guidance, conferred with others to share understanding and interpretation, confirmed this with colleagues across sectors.</li> </ul>
<ul style="list-style-type: none"> <li>Understand the council's general duty to improve health and reduce health inequalities and the potential to address this through a range of approaches to lifestyle behaviour change and wider determinants of health.</li> </ul>	<ul style="list-style-type: none"> <li>Explored models for programmes for behaviour change and have continued to invest in the development of the Healthy Lifestyle Trainer Service.</li> <li>Conversations ongoing with those services that have influence over wider determinants – eg Environmental Health and Trading Standards (EHTS) about alcohol and tobacco, housing and its impact on health.</li> </ul>
<ul style="list-style-type: none"> <li>Understand their own role and the role of the democratic process in improving and protecting the health of local people and in the local council meeting its public health responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Informed council of new roles and responsibilities, engaged with new Cabinet member for Health &amp; Wellbeing, delivered all member briefing session, Cabinet reports and presented the annual report.</li> </ul>
<ul style="list-style-type: none"> <li>Understand how the three domains of public health operate and how these are underpinned by the discipline of health intelligence.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed the health intelligence function of the Public Health department and designed a Strategic Intelligence function with other data and research functions of the council to serve us all better. Implementation of this function is in progress.</li> </ul>
<ul style="list-style-type: none"> <li>Understand the role of the director of public health supported by the public health team and its consultants, specialists and practitioners in achieving health and wellbeing outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed public health function and changes are being made. Describing this to members and other partners will be a major part of the Director of Public Health Annual Report briefing and all member briefing session in September 2013.</li> </ul>

**CHAPTER 1: A NEW FRAMEWORK FOR PUBLIC HEALTH**  
**Council Members and Senior Officers**

RECOMMENDATION	PROGRESS
<ul style="list-style-type: none"> <li>Understand the role of the director of public health as “accountable officer”.</li> </ul>	<ul style="list-style-type: none"> <li>The 2012 DPH Annual Report includes a description of the DPH role. The Council Constitution has been amended to reflect the new role of the Director of Public Health. The duties of the DPH have been described in Cabinet papers and other reports and in presentations to various bodies, including the Health &amp; Wellbeing Board, the CCG Board and other multi-agency partnership forums.</li> <li>Live examples have been published in weekly Members’ Update e-newsletter to describe the new responsibilities.</li> <li>One to one advisory sessions have been held with the CCG and internal council partners.</li> <li>Communication about “hot” topics goes out through a range of media.</li> <li>Assurance has been sought from partners on a range of issues, including heatwave and emergency response action planning.</li> </ul>
<ul style="list-style-type: none"> <li>Understand the potential for the council’s new public health role to transform the way in which it approaches all of its functions.</li> </ul>	
<ul style="list-style-type: none"> <li>Be familiar with roles of the new organisations established by the Health and Social Care Act 2012 including the CCG and Public Health England and with how these interact with each other.</li> </ul>	
<ul style="list-style-type: none"> <li>Understand the council’s role in the co-ordination of the local health and social care system including the role of the health and wellbeing board.</li> </ul>	
<ul style="list-style-type: none"> <li>Understand the new arrangements for health protection during and after transition and the council’s statutory responsibility to ensure that health protection plans are in place for the local population.</li> </ul>	



CHAPTER 2: HEALTH IMPROVEMENT	
RECOMMENDATION	PROGRESS
<ul style="list-style-type: none"> <li>The fact that Herefordshire council has unanimously welcomed their new responsibilities for improving and protecting health needs to be built upon.</li> </ul>	<ul style="list-style-type: none"> <li>Work continues to support the ongoing development of the Health Improvement team. Work is continuing with partners to explore areas of opportunity for collaborative working, for instance with transportation and EHTS.</li> </ul>
<ul style="list-style-type: none"> <li>The successful use of the ladder of intervention in Herefordshire to develop an integrated approach to alcohol harm reduction should be extended to tobacco control and promoting a healthy diet.</li> </ul>	<ul style="list-style-type: none"> <li>A tobacco self-assessment is planned for later this year and work is progressing with Making Every Contact County (MECC) and Change 4 Life to promote healthy diet.</li> </ul>
<ul style="list-style-type: none"> <li>Council members and senior staff need to be made aware of the crucial importance for health and wellbeing of economic prosperity and a good start in the first few years of life and considered when funding decisions are being made.</li> </ul>	<ul style="list-style-type: none"> <li>With Children's Services, we are using the statistics in early years health to educate members and others of its importance. We are taking the opportunity to plan for the move of the responsibility for Health Visiting into Public Health in 2015 to work with a wide range of partners to review and redesign child-facing services to best effect.</li> </ul>
<ul style="list-style-type: none"> <li>A plan needs to be developed through the new system to support schools to promote healthy lifestyle choices and to develop a culture that supports children and young people to make healthy choices.</li> </ul>	<ul style="list-style-type: none"> <li>Working with Children's Assistant Directors to understand the council's new relationship with schools to better design opportunities to promote healthy school environments and take opportunities to improve children's health.</li> </ul>

## CHAPTER 3: PROTECTING PEOPLE'S HEALTH

RECOMMENDATION	PROGRESS
<p><b>Council and elected members</b></p> <ul style="list-style-type: none"> <li>• Be familiar with new health protection responsibilities placed on the council by the Health and Social Care Act 2012.</li> <li>• Be familiar with the new health protection functions of the director of public health in the council and the arrangements being put in place to discharge these functions such as the proposed health protection committee.</li> <li>• Understand the responsibilities of the NHS Commissioning Board, CCG and Public Health England in relation to health protection functions of the local council.</li> </ul>	<ul style="list-style-type: none"> <li>• Live examples have been published in weekly Members' Update e-newsletter to describe the new responsibilities.</li> <li>• One to one advisory sessions have been held with the CCG and internal council partners.</li> <li>• Communication about "hot" topics goes out through a range of media.</li> <li>• Have sought assurance from partners on a range of issues, including heatwave and emergency response action planning.</li> </ul>
<p><b>NHS Commissioning Board Local Area Team and Herefordshire Clinical Commissioning Group</b></p> <ul style="list-style-type: none"> <li>• Understand the new role and responsibilities of Herefordshire council and the director of public health in relation to health protection.</li> <li>• Understand the Emergency Planning Resilience Response functions and responsibilities in handling wider health protection issues.</li> <li>• Develop standard operating procedures with local partners in relation to responding to public health incidents and seek agreement from them.</li> </ul>	<ul style="list-style-type: none"> <li>• New relationships and responsibilities are still being explored, and many grey areas remain nationwide.</li> <li>• Have used real events and debriefs to learn more and improve our understanding and planning.</li> <li>• Public Health staff are supporting each other in one to ones to work through complicated and complex areas.</li> <li>• Working with the council's Resilience Team to seek shared understanding of roles and responsibilities, getting assurance and offering support to those developing plans and systems.</li> <li>• Representative on Local Resilience Forum to inform discussion and decisions.</li> </ul>

CHAPTER 3 CONTINUED:

RECOMMENDATION	PROGRESS
<p><b>Public Health England (PHE) West Midlands</b></p> <ul style="list-style-type: none"> <li>• Understand the new role and responsibilities of the council and director of public health in relation to health protection.</li> <li>• Develop a framework seeking local agreement on how Public Health England will provide health protection services to the NHS Commissioning Board Local Area Team, CCGs and local authorities.</li> </ul>	<ul style="list-style-type: none"> <li>• Several visits and engagement with PHE, working through areas in guidance that need better clarity.</li> <li>• Using debriefs of real live examples to assure that the areas are well covered and that the system is working properly.</li> </ul>
<p><b>Local key partner organisations</b></p> <ul style="list-style-type: none"> <li>• Understand the new role and responsibilities of the council and director of public health in relation to health protection.</li> <li>• Be familiar that the director of public health role in relation to emergency planning resilience and response is a leadership function, requiring assurance, and the NHS Commissioning Board Local Area Team is ultimately responsible for Emergency Planning Resilience Response arrangements and for providing that assurance.</li> </ul>	<ul style="list-style-type: none"> <li>• New relationships and responsibilities are still being explored.</li> <li>• Have used real events and debriefs to learn more and improve.</li> <li>• Public Health staff are supporting each other in one to ones to work through complicated and complex areas.</li> <li>• Getting assurance and offering support to those developing plans and systems.</li> <li>• Representative on Local Resilience Forum to inform discussion and decisions.</li> </ul>

# Acknowledgements

I would first and foremost like to thank the representatives from the partner organisations who have collaborated on the three main chapters in this report: Superintendent Ivan Powell from West Mercia Police, Jacqui Bremner from Herefordshire Carers' Support and Mandy Evans from South Wye Regeneration Partnership. Their attitude to partnership working and their understanding of this and their organisations' roles in promoting and protecting the health of the public make progress not only possible, but exciting and impactful. I would like to thank the members of my team who led on each chapter – Philip Daniels, Alison Merry and Gwen Ellison.

Our colleagues in Public Health have supported us on the production of the report and we couldn't have done it without them – Peter Stebbings for his skill and talent in health intelligence and presenting statistics in such a clear way, Clare Wichbold for managing the whole production process and keeping us on track, and our Business Support team for ensuring all the bits in-between actually happen.

**Elizabeth Shassere**  
Director of Public Health  
Herefordshire Council  
September 2013

[www.herefordshire.gov.uk](http://www.herefordshire.gov.uk)





<b>MEETING:</b>	<b>CABINET</b>
<b>MEETING DATE:</b>	<b>24 OCTOBER 2013</b>
<b>TITLE OF REPORT:</b>	<b>ADULT SOCIAL CARE IN HEREFORDSHIRE: LOCAL ACCOUNT 2012-13</b>
<b>REPORT BY:</b>	<b>PERFORMANCE IMPROVEMENT OFFICER.</b>
<b>CABINET PORTFOLIO</b>	<b>HEALTH AND WELLBEING</b>

**1. Classification**

Open

**2. Key Decision**

This is not a key decision

**3. Wards Affected**

County-wide

**4. Purpose**

Cabinet are asked to approve publication of the Local Account of Adult Social Care and Support 2012-13.

**5. Recommendation(s)**

**THAT:**

(a) the draft Local Account (at Appendix A) be approved for publication.

**6. Alternative Options**

6.1 There are no alternative options as it is a statutory requirement to publish a Local Account.

## 7. Reasons for Recommendations

- 7.1 There is a statutory requirement that a Local Account is published by all Local Authorities; the content and layout reflect best practice recommendations and has been developed in partnership and with community consultation.

## 8. Key Considerations

- 8.1 All councils with a remit for adult social care are required by government to produce an annual Local Account of services from 2012-13. This replaces the role of the regulator, the Care Quality Commission (CQC), in assessing council performance with a lighter-touch approach which emphasises local accountability and sector and peer-led assessment.
- 8.2 The purpose of local accounts is twofold: to communicate with and promote accountability to the local community; and to support benchmarking, peer review and sector led improvement.

The guidance leaves the format and content to be determined locally. The approach and requirements have been agreed as shown below:-

- Producing the document as a web based document, available online but easy to print off hard copies.
- Having a tone and style aimed at a citizen audience.
- Having the comprehensive underpinning data published separately and referenced, interwoven and analysed throughout the account. (e.g. statutory returns, user and carer surveys, complaints reports, CQC reports on providers, national census data)
- Being balanced and therefore credible – good news **and** bad news, both in context and evidence based.
- Giving the context of national policy, financial challenges and the range of organisations that deliver social care.
- Having a structure based on the national performance framework, (Adult Social Care Outcome Framework)
- Consulting and involving a range of stakeholders during the production.

## 9. Community Impact

- 9.1 This plays a fundamental part in local authorities being accountable to their communities. The Local Account specifically gives a true and fair outline of key issues and performance to residents and reflects and refers to the detailed evidence available. The document will signpost people with detailed interest to the underlying evidence base that will be made available through other media.



## **10. Equality and Human Rights**

The Local Account, and the evidence it references, reflects the Council's duty under section 149 of the Equalities Act to:-

- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

## **11. Financial Implications**

11.1 There are no financial implications

## **12. Legal Implications**

12.1 All councils with a remit for adult social care are required by government to produce an annual local account of services. Local Accounts are referred to in the Department of Health's "Transparency in Outcomes: a framework for adult social care" consultation paper (November 2010) in the context of localism and transparency, and in the subsequent Adult Social Care Outcomes Framework published in March 2011.

## **13. Risk Management**

13.1 The Local Account does not contain any specific/direct risk management implications.

## **14. Consultees**

14.1 Herefordshire Voluntary Organisations Support Service (HVOSS), and all HVOSS members;  
Herefordshire Carers Action;  
Herefordshire MIND;  
Age UK Herefordshire and Worcestershire;  
Wye Valley NHS Trust;  
All in-county providers of domiciliary or residential care;  
Council Strategic Finance;  
West Midlands Performance Network, Association of Directors of Adult Social Services.

## **15. Appendices**

15.1 Appendix A: Herefordshire's Local Account 2012-13

## **16. Background Papers**

16.1 None identified.

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Further information on the subject of this Report is available from  
Peter Sowerby, Performance Improvement Officer on Tel (01432) 383720

# Adult Social Care in Herefordshire 2012-13

## Our Local Account

Draft 5







# Contents



1. Social care in a changing world
2. Who delivers social care in Herefordshire?
3. Enhancing quality of life for people with care and support needs
4. Delaying and reducing the need for care and support
5. Ensuring that people have a positive experience of care and support
6. Safeguarding adults whose circumstances make them vulnerable, and protecting them from harm
7. Spending and service levels



# 1. Social care in a changing world

In Herefordshire we want people to have fulfilling lives with control over what is important to them. When we have to provide care and support we want these services to be safe, to afford people dignity and to enable people to continue to be part of their own communities.

People are living longer and in Herefordshire we expect the numbers of people over 85 to double by 2026. People are also living longer with long term conditions such as dementia and disabilities.

Nationally there's a big drive for communities to be more involved in providing support, so that people can remain in their own homes and communities for as long as possible, leading healthy lives. In Herefordshire there is also a need for lifestyle changes to be made so that issues such as obesity can be tackled.

We need to have systems and services in place that are sustainable and offer value for money for local residents, while giving people in Herefordshire choice and control of their lives.

There's already a lot of support provided by individuals, families and communities. Adult social care delivered by the local council and its partners, plays an important part in helping people remain independent and make choices for themselves. 35 per cent of the council's budget is spent on adult social care at the moment and while settlements from the Government continue to reduce, meeting the cost of this care and support will continue to be challenging.

To meet this challenge we need to shift from providing high cost services such as residential care to supporting people to live in their own homes and communities as far as possible. We need to work with partners and communities to develop and maintain services to be available when people need support.

We want to work with the people of Herefordshire to reduce dependency and to be clear about what they can expect from the council. We want people to always have access to high quality services to support them to be independent, and formal health and social care services when they need them.<sup>1</sup>



1 Herefordshire Council Strategic Delivery Plan for Transforming Adult Services 2012-15. May 2012



## 2. Who provides care in Herefordshire?

Adult social care and support in Herefordshire is provided by the council working with organisations like private care homes, home care agencies and other organisations to deliver services on its behalf. The quality of care is dependent on all these organisations and the council working together.



### Care working together

Mrs A is in her mid eighties and lives in a small flat in Hereford. Due to her Parkinsons Disease she has difficulty getting around, and until recently cared for her husband who has dementia. He has just moved into a care home.

At the start, social workers and an occupational therapist from Wye Valley NHS Trust and 2Gether NHS Trust assessed the needs of Mrs A and her husband and arranged their care for them.

Carers from a private agency helped Mr A with bathing and toileting while he was still living at home. The hand rails to help them get safely around the flat were fitted by the council's You at Home service; the stair lift that takes Mrs A up and down to her front door was fitted and is maintained by a local firm. Mrs A wears a pendant that she can press to activate an emergency phone call, should she fall. The response to her emergency call will come from staff at a local housing association.

Mrs A now visits her husband several times a week, in the private care home using the volunteer Dial-a-ride service to go door to door. She struggles to manage forms and paperwork and usually asks a neighbour or her son to help with this. Mr and Mrs A pay some of the costs of their care out of their own money; but the council team who worked out how much they could afford to pay also helped them claim all the welfare benefits they were entitled to, such as attendance allowance and pension credits.

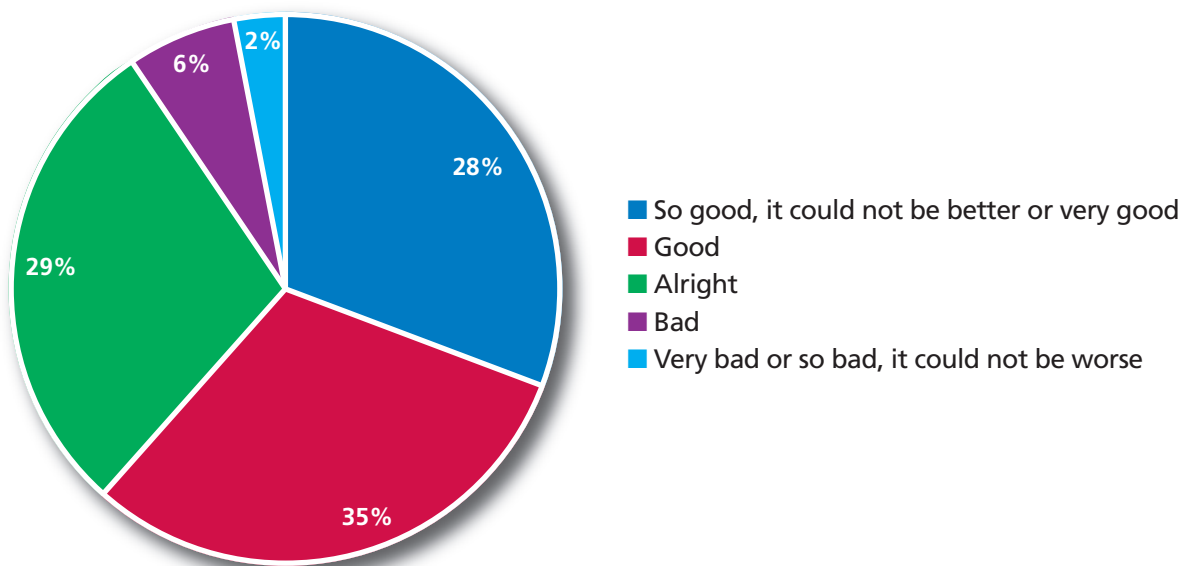
Mrs A is very pleased with the support she has received, which has come from eight different organisations as well as volunteers, family and neighbours.

### 3. Improving the quality of life for people with care and support needs

In a survey of users undertaken in 2013, most people who responded said they thought their quality of life was good and they had enough control over their lives. Herefordshire's responses have been very similar over the last 3 years and almost identical to those of England as a whole and other comparable counties.

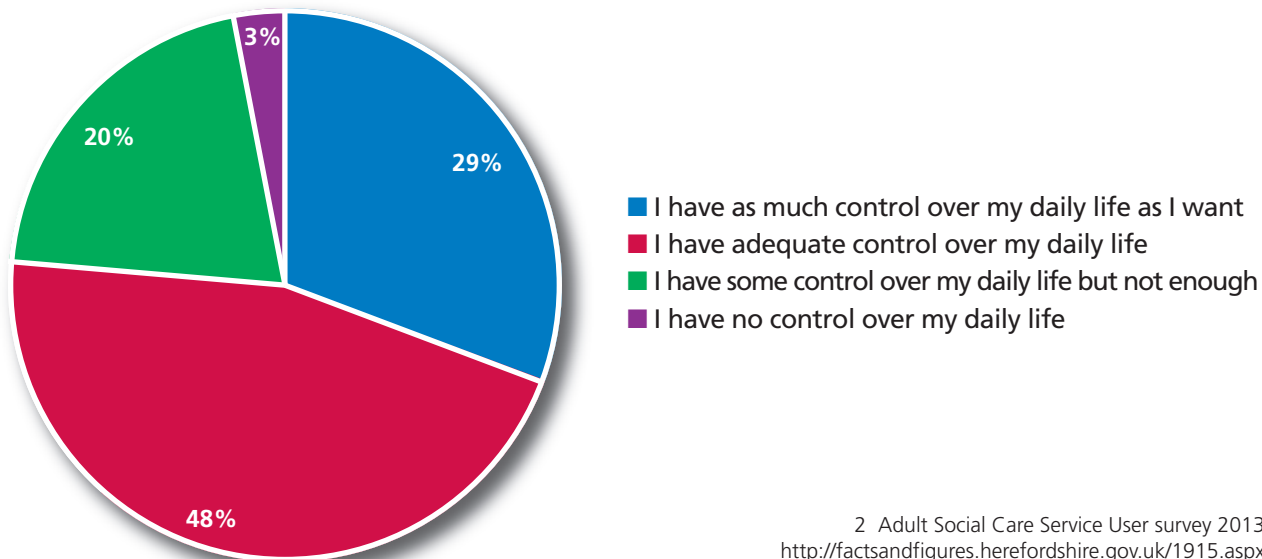
#### Herefordshire Adult Social Care Users, January 2013.<sup>2</sup>

*Thinking about all the different things in your life, good and bad, how would you say you feel about your life in general?*



#### Herefordshire Adult Social Care Users, January 2013.<sup>2</sup>

*Which of the following statements best describes how much control you have over your daily life?*



<sup>2</sup> Adult Social Care Service User survey 2013  
<http://factsandfigures.herefordshire.gov.uk/1915.aspx>



In 2012-13 the number of people given more control over their care services increased.

As a result of a revised assessment process introduced in April 2012, everyone who had an assessment or review of their services was told how much budget is likely to be needed to meet their needs. This is a "personal budget" that they can choose to receive in cash as a "direct payment" to arrange their own care; or they can ask their social worker to organise this care on their behalf. In 2012-13 39% of people supported in their own homes had been allocated a "personal budget" (1500 people) and 7% of them had taken a "direct payment" (300 people).<sup>3</sup>

Being in paid employment and having a settled place to live are important for adults of working age with learning disability or mental health problems. Herefordshire does comparatively well in helping users achieve this.

A key group of people in need of support are those who give significant amounts of their own time to care for others – usually relatives. 21,000 people identified themselves as carers in the 2011 census.<sup>4</sup> 3500 of these are registered with Herefordshire Carers Support



and a small number of these ask for and receive support from Herefordshire Council. When carers who receive support from the council were asked about their quality of life<sup>5</sup>:

- 11% agreed that "I have enough time to do things for myself that I value."
- 28% said "I meet people socially as much as I would like."
- 53% said "I have enough time to eat, sleep and take care of myself"

These low figures reflect the impact of caring but also the age of the carers – 61 per cent were over 65 themselves and 52 per cent reported some illness or disability themselves. The carers who are receiving adult social care services probably represent the carers in most need of support.

## Herefordshire Carers Support is

a well established local voluntary organisation largely funded by Herefordshire Council to provide networks of support, advice and information to carers. It reaches many more people than those assessed or supported by Herefordshire Council. There are 3500 carers registered with the group.

*"When I started attending the Adult Carer Forum (organised by Herefordshire Carers Support), as with anything new, I was a little apprehensive – but I was given a warm welcome and now have new friends. I can't thank you enough for your support and advice and for giving me a step up to getting back my self worth" Marlene, (Herefordshire Carers Support newsletter winter 2012)*

<sup>3</sup> The figures in these paragraphs are from the official return - Referrals, Assessments and Packages of Care - RAP. Full figures from the return are available from the Dept of health

<sup>4</sup> 7000 of these carers provide care for more than 19 hours per week. Fuller details of the census are available on <http://factsandfigures.herefordshire.gov.uk/1346.aspx>

<sup>5</sup> Figures from a survey of carers receiving services from the council in December 2012. Full report the survey is available at <http://factsandfigures.herefordshire.gov.uk/1915.aspx>

## 4. Delaying and reducing the need for care and support

Getting the right information at the right time is often what people and their carers need to continue living with maximum independence. Feedback from user and carer surveys shows that different people get information from different places – doctors' surgeries, voluntary groups like Age UK and Herefordshire Carers Action, community nurses – as well as directly from social workers and the council.

About half of the people who contacted the council's adult social care services received advice, information and signposting and didn't need further assessment or support.<sup>6</sup> Most people who used this service reported that information had been easy to find but a significant minority reported having trouble finding what they needed. A quarter of users and 38 per cent of carers who looked for information, found it hard to get.<sup>7</sup>

Herefordshire's signposting service linked partner organisations, including the police, fire service, voluntary groups and various council services, so that when vulnerable people made contact with one agency their needs could be passed on to the others. This meant that residents could access services ranging from home safety advice, handyman services, benefits advice and home energy to heating advice.



Care and support funded through adult social care is concentrated on those who meet the eligibility criteria to receive services. There is also care and support available for people who do not meet this criteria from a range of other organisations and council services. For example, people pay care homes and care agencies directly for care; third sector organisations run day centres and lunch clubs and provide activities and advice with a mixture of grants from the council and their own fundraising.

### Spreading the support - day services

Herefordshire MIND runs a range of day services which are available to people with mental health problems who do not have to meet the council's criteria for services. Over a period of 12 months MIND supported about 500 people, some of whom might also have received adult social care services. They are funded in part by a grant from Herefordshire Council but also use money they raise from other sources and volunteers.

*"MIND has made a huge difference because I've met friends here. Before I would never go out and socialise. Since coming here it has given me the social skills to be able to dare to make friends with people; and now I've got a social network outside of MIND as well. I think that it's given me the support and the confidence I need too – I went and did a bit of voluntary work and I'm looking at more now and its because I've got this homebase."* Joan – service user of MIND's Recovery and Wellbeing Service.

<sup>6</sup> Figures from R tables of official RAP return

<sup>7</sup> Figures from surveys of User and Carers <http://factsandfigures.herefordshire.gov.uk/1915.aspx>

Other local voluntary groups which provide support to people without the need for a council assessment include:-

- Community Transport Network
- British Red Cross
- Age UK
- Women's Royal Voluntary Service

Maximising income for vulnerable people with limited means is an important way of helping them stay independent. Making sure that people receive all the benefits they are entitled to is the work of the Welfare Benefits team. The team is jointly run by Herefordshire Council and the Pensions Service and helps people claim benefits such as Attendance Allowance and Pension Credit and Disability Living Allowance.

### Reablement

Providing short term support to help someone regain their independence is a key way to reduce the need for long term care. Reablement can be provided in a person's own home or in a care home depending on their needs. Reablement programmes are planned by a therapist and provided in people's homes by Wye Valley Trust's reablement teams and 2Gether NHS Trust's intermediate care teams. Residential reablement beds are commissioned from the Shaw Trust and Blanchworth Care.

### From hospital to care home and back to the family.

Mr F was involved in a traffic accident that left him physically injured and badly shook his confidence. After his initial hospital treatment he was discharged into a care home. This was deeply frustrating to Mr F who had a young family, but at first it was not clear that he or his family would be able to manage him living back with them. It was here that re-ablement input led by therapists from the Wye Valley Trust made a big difference. A short programme of planned, intense exercise training and support gave Mr F back the physical skills and confidence he needed to move home. Now the support he needs is provided by a cash Direct Payment from Herefordshire Council which he uses to pay for a day service from a local charity.



# 5. Ensuring that people have a positive experience of care and support

The theme from user surveys\* and comments made to the council is that the quality of care is mostly judged to be good, although there is still room to improve.

The satisfaction among Herefordshire users is similar to most social care users across England.<sup>8</sup>

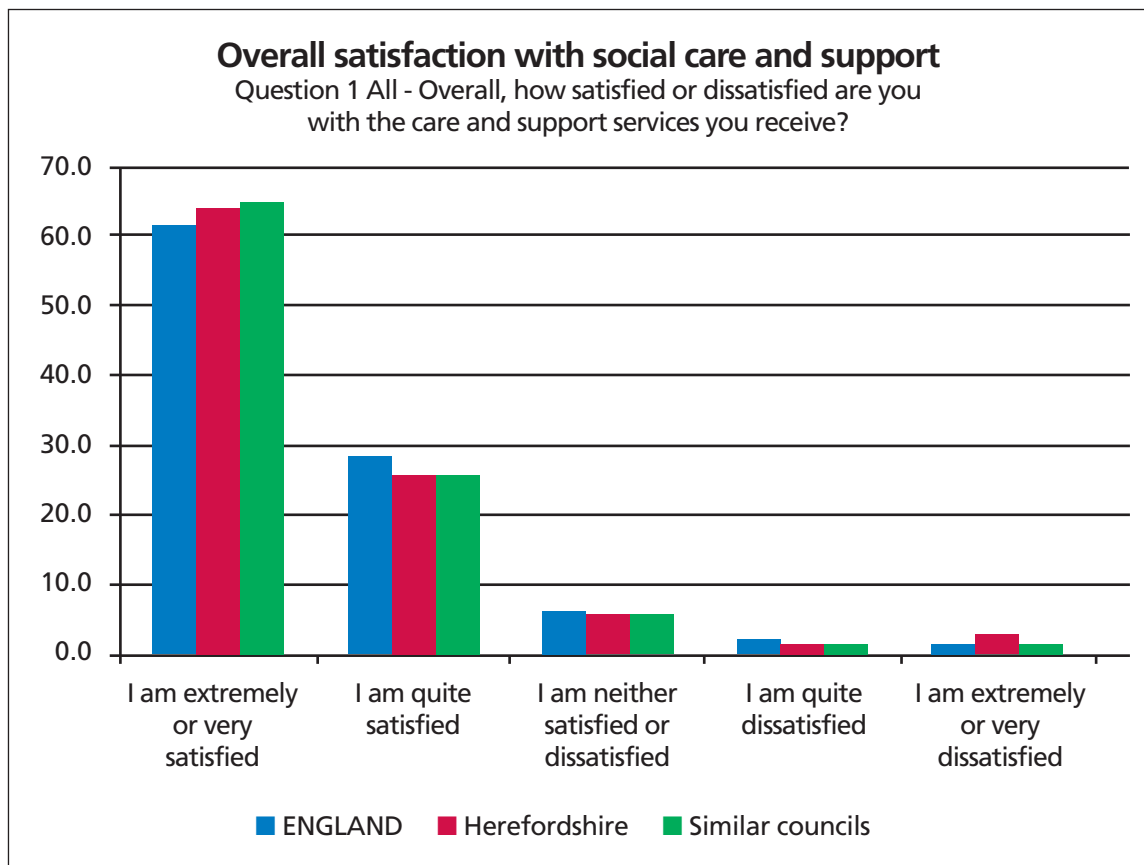


Fig 3

The major area for dissatisfaction relates to the time taken and lack of communication during the assessment process.

### Comments from carer survey questionnaire

*"It took over three months for me to receive support after applying for a carer's assessment, with no communications or progress reports in between."*

*"We are still waiting to find out whether we can get a carer to pop in for a few hours during the week. It takes a long time to get into the system we have waited months for a carer's assessment and have had to make our own caring arrangements."*

### 1 April 2012- 1 Feb 2013 - Public Feedback to the Customer Insight Unit

	Complaint	Compliment
General communication	14	0
Delays	11	0
Service delivery	14	21
Decision about services or costs	9	0
How the staff treat the public	4	31
Other	5	0
<b>Total</b>	<b>57</b>	<b>52</b>

<sup>8</sup> figures and comments on this page come from the statutory surveys of service users and care <http://factsandfigures.herefordshire.gov.uk/1915.aspx>





These comments are reflected in the council's own measurements on the length of time taken for assessments to be completed. In January 2013 the assessment process was streamlined to help reduce these delays.

**The 2 main sorts of care arranged for people are care homes and support in their own homes from homecare agencies.**

There are 102 care homes in Herefordshire, with beds for 2000 people. At any one time, about two thirds of these beds are occupied by residents who have been assessed and funded by Herefordshire Council.

**What residents said:-**<sup>9</sup>

- 85 per cent of residents in Herefordshire care homes described their overall quality of life as good or very good. The average for other counties across England was 81 per cent.
- 78 per cent described the quality of care they receive as very good or good. The average for other counties across the country was about the same.
- The level of complaints from care home residents to the council was low.

**What the inspectors said:-**

- The Care Quality Commission, which regulates care homes, inspected 85 homes in Herefordshire in 2012-13 and reported that 71 of them met all national standards and 14 needed to improve in some areas.<sup>10</sup>

**What the council found:-**

- During the year the council had concerns about the quality of care in a small minority of homes (6) and worked with them to improve.<sup>11</sup>
- The official return for Abuse of Vulnerable Adults showed 155 concerns relating to abuse of individuals in care homes were investigated between April 2012 and March 2013. In very few cases was any abuse proven. This is out of about 2000 people resident in care homes during the year.

There are 39 homecare agencies registered in Herefordshire. 25 of these were inspected by the Care Quality commission between April 2012 and February 2013, 23 of these met all the national standards.

<sup>9</sup> Statutory service user survey <http://factsandfigures.herefordshire.gov.uk/1915.aspx>

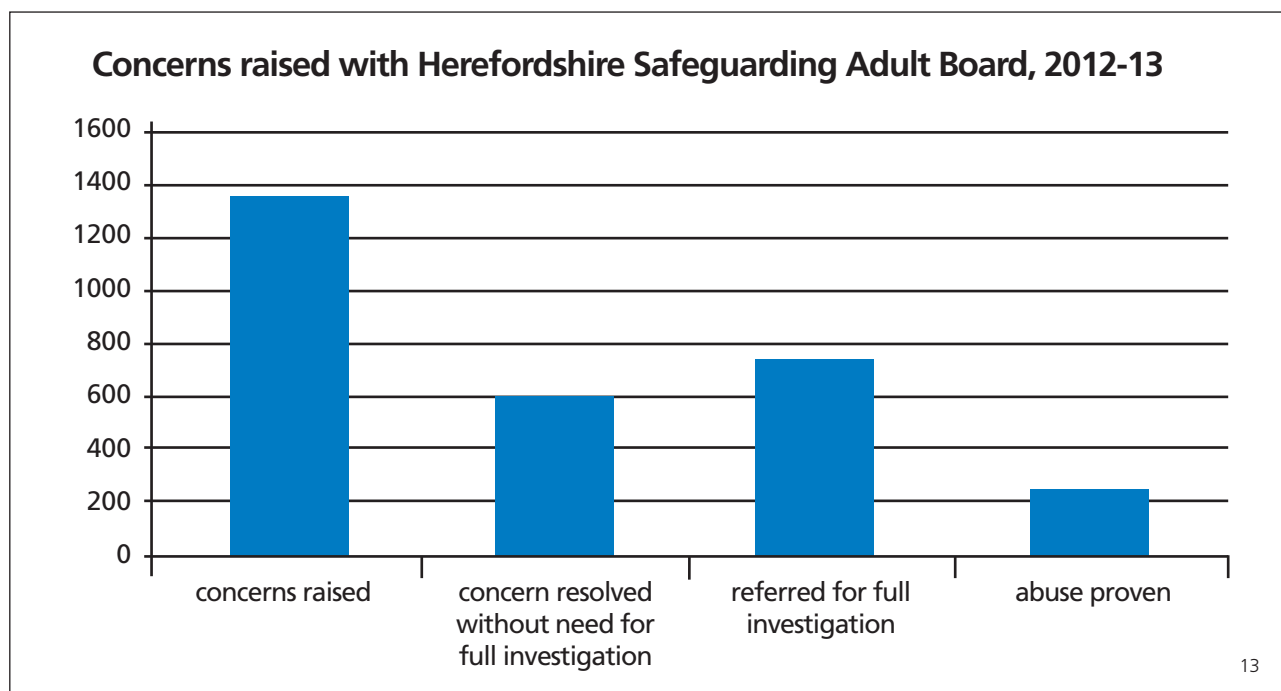
<sup>10</sup> Details of all inspections are published by the Care Quality Commission on <http://www.cqc.org.uk/>

<sup>11</sup> This figure relates to issues dealt with under the council's "Quality Concerns" process

## 6. Safeguarding adults whose circumstances make them vulnerable

The work of safeguarding vulnerable adults from abuse in Herefordshire is led by the Herefordshire

Safeguarding Adults Board which co-ordinates the responses of different organisations.<sup>12</sup>



An increase in the number of concerns raised in 2012-13 reflects successful awareness raising; there is no evidence that cases of abuse actually increased. The safeguarding team also received numerous concerns about vulnerable adults at risk for other reasons. The most common sorts of proven abuse were neglect and physical abuse.

There is a "Quality Concerns" process that is used by the council to follow up concerns of abuse or serious poor quality of care. In 2012-13 this process was used in 6 of the 102 care homes and none of the 39 homecare agencies in Herefordshire.



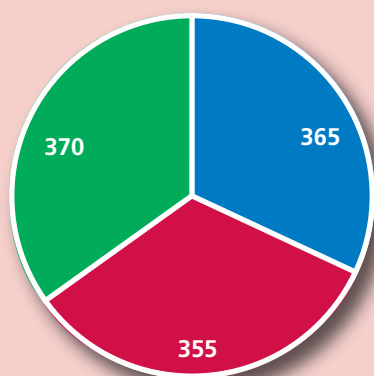
<sup>12</sup> More details of the board can be found at [www.herefordshire.gov.uk/health-and-social-care/adult-services/herefordshire-safeguarding-adults-board-\(hsab\)/](http://www.herefordshire.gov.uk/health-and-social-care/adult-services/herefordshire-safeguarding-adults-board-(hsab)/)

## 7. Spending and service levels

### Do more people in Herefordshire use social care services than elsewhere in the country?

Yes - overall Herefordshire supports slightly more people than the national average because of the county's older population - (nationally most users of social care are older people).<sup>13</sup>

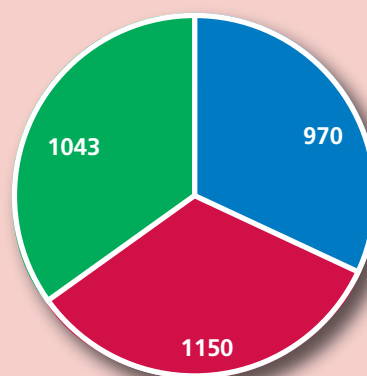
Adults receiving social care per 100,000 of all adult population



■ Herefordshire  
■ National average  
■ Comparable counties

But – when just looking at older people, Herefordshire, supports a smaller proportion than the national average, reflecting the fact that Herefordshire citizens are healthier and better off.<sup>14</sup>

Older people receiving social care per 100,000 of older population



■ Herefordshire  
■ National average  
■ Comparable counties

### How dependent are the users of Herefordshire's adult social care services?<sup>15</sup>

Very similar to the national average:-

- 67 per cent report a degree of physical pain or discomfort
- 53 per cent report a degree of anxiety or depression
- 50 per cent cannot manage their finance and paperwork without help
- 32 per cent cannot bath or shower without help

- 23 per cent cannot get in and out of bed or a chair without help
- 22 per cent cannot dress or undress without help
- 18 per cent do not go out of their home at all
- 12 per cent cannot use the toilet without help
- 11 per cent cannot get around indoors without help
- 9 per cent cannot wash their hands and face without help
- 9 per cent report the design of their home meets a minority of their needs
- 5 per cent cannot feed themselves without help

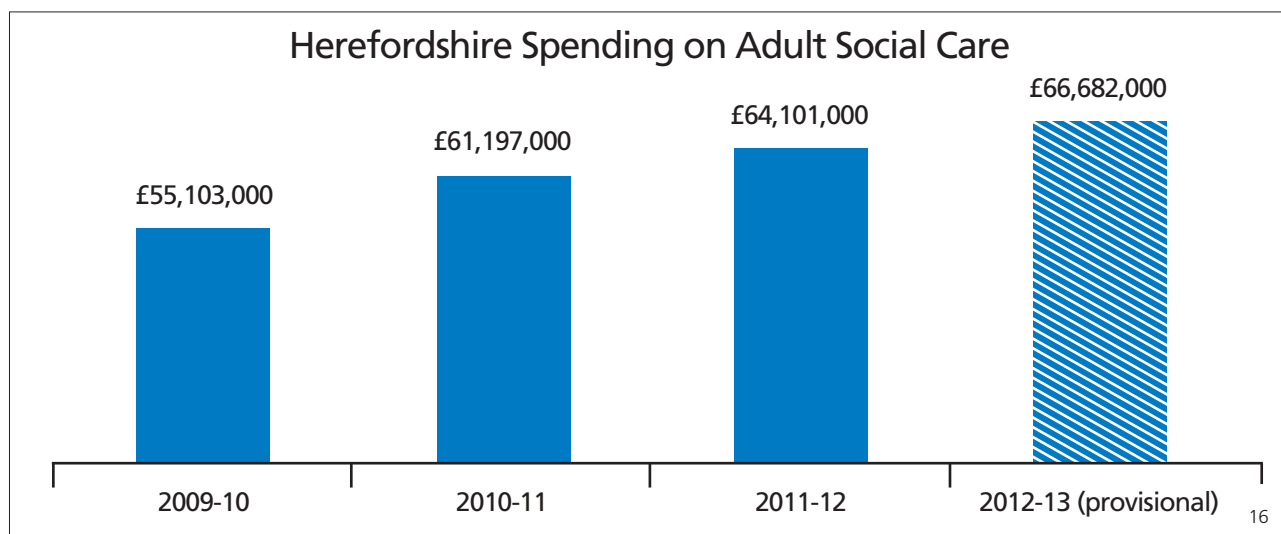
<sup>13</sup> Official RAP returns P1 report

<sup>14</sup> The overall good health of the population is shown in the Herefordshire Health Profile from the Association of Public Health Observatories <http://factsandfigures.herefordshire.gov.uk/health.aspx>

<sup>15</sup> Statutory Service User Survey <http://factsandfigures.herefordshire.gov.uk/1915.aspx>

## How much does Herefordshire spend on social care?

The need for adult social care has risen and as a result, spending has increased in Herefordshire.



The increase in need is caused by the increasing numbers of very old people, and the complex needs of some younger disabled people.<sup>17</sup>

## How does Herefordshire's expenditure compare?

Although it is not among the highest spending areas Herefordshire spends more per head of population and more for each person than most similar councils. For comparison, 2011-12 is the latest year with national figures available.

	Spend per 10,000 population	Spend per service user
Herefordshire 2011-12	£4,300,000	£12,100
Average spend by similar councils in 2011-12	£4,100,000	£11,400

18

"Similar councils" are groups that the Department of Health and the professional accountancy associations have listed as sharing enough features to make reasonable comparisons.

The biggest proportion of adult social care money is spent on places in care homes and homecare services where Herefordshire tends to pay more than average for residential care, but less for homecare.

	Herefordshire	Similar councils
cost for an hour of homecare 2011-12	£15	£19
cost for a week in a nursing home for an older person 2011-12	£572	£501
cost for a week in a residential home for an adult with a learning disability 2011-12	£1,368	£1,362

19

Again, 2011-12 is the latest year for which national figures are available to compare.

<sup>16</sup> The figures in the graph are the council's cost after accounting for income such as client contributions as shown in the PSSEX1 official return as "Gross expenditure including SSMS" Details of this return are published by the Dept of Health

<sup>17</sup> Analysis of the factors underlying increasing need can be found at [factsandfigures.herefordshire.gov.uk](http://factsandfigures.herefordshire.gov.uk)

<sup>18</sup> Figures from the official PSSEX1 returns

<sup>19</sup> figures from the official PSSEX1 returns



## KEY POINT

The number of people in care homes and supported with homecare increased slightly in 2012-13 but the amount of care (weeks in care and hours of homecare per week) increased much more. The numbers supported in other ways (such as day care or professional support) fell, leading to an overall decrease in the number of people supported. Herefordshire's trend is similar to the rest of the country – nationally social care is supporting less people more intensely and at greater cost. <sup>19</sup>

## How is Herefordshire managing the reduction in resources?

- Public sector workers' pay freeze in place to March 2013
- Public sector restructure to increase efficiency, cut costs and share resources
- Reducing services tied to specific grants that have been cut

The removal of the Supporting People Grant led to the termination of a range of contracts, and the commissioning of replacement services on a smaller scale.

- Increasing value for money from existing contracts where possible

Since 2008, Midland Heart has been contracted to give accommodation and support to people with learning disabilities. This year the organisation developed seven new flats in Hereford, introduced the use of Skype to complement the way staff can keep in touch with their clients, and achieved cost savings and more flexible support by integrating the management of two houses.

- Paying a premium to homecare providers for support delivered in the most remote parts of the county
- Increasing the amount of contribution service users pay.

Following a long consultation it was agreed to increase the users' contribution for services. Services to support carers have remained free. The availability of a financial assessment means that people who cannot afford to pay do not have to.

## Conclusion

Despite financial pressures that have affected all organisations who provided social care and support to adults, most people rated the services they received highly. This reflects not just on Herefordshire Council but on all the organisations and people in the National Health Service, the private sector and voluntary sector who have been involved.

The major area that requires improvement is in the speed of assessments and keeping clients informed of progress. During 2013-14 the council will continue to streamline procedures and make client control more real.

[www.herefordshire.gov.uk](http://www.herefordshire.gov.uk)