Use of Resources

Herefordshire Council

Audit 2008/09

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DRAFT

Contents

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Summary

This report summarises our key findings from my assessment of how Herefordshire Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people.

1   The new assessment of use of resources this year is broader and more demanding. Against the new criteria, I have assessed that Herefordshire Council has adequate arrangements for managing and using its resources to deliver value for money and better and sustainable outcomes for the people of Herefordshire. In relation to those areas I have reviewed previously, I consider that the Council has continued to make progress.

2   The Council performs well in managing its finances. It has good medium term financial planning and monitors its budgets tightly. However it is not yet using information on costs and performance consistently in making decisions, although this is advancing. Its overall costs remain generally low although there are some high spending areas

3   The Council has a joint environmental policy with the PCT but as this is recent, it has not yet delivered outcomes. Targets are being set for improving the Council's use of natural resources but it does not yet have a full set of information that it can monitor progress against. The Council also has plans for major changes to its asset base to ensure that it is fit for its purpose, improves energy efficiency and access to services for the public but this is also at an early stage. The Council is keen to share buildings with other organisations like the Police and the health service so that costs can be reduced and the public get better access. Work on this is starting but the Council also knows that it has a lot of buildings that are not suitable and this will take time to change.

4   The way that the Council and other organisations monitor and manage their performance has improved. The Council had to do a lot of work to make sure that the data that it produces is accurate. This is starting to pay off as the information that it uses to make decisions is getting better although it is not complete yet. Councillors and senior managers actively challenge how services are being delivered and make sure that improvements are made where necessary. But some of the reports that Councillors get to help make decisions are not always clear.

5   Our detailed findings are shown in Appendix 1.

Introduction

6   This report sets out my conclusions on how well Herefordshire Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people and give scored use of resources theme judgements.

7   In forming my scored theme judgements, I have followed the methodology set out in the use of resources framework: overall approach and key lines of enquiry (KLOE) document and the use of resources auditor guidance. For each of the specific risks identified in relation to our use of resources work, which were set out in our audit plan, I considered the arrangements put in place by the Herefordshire Council to mitigate the risk and plan our work accordingly.

Use of resources framework

8   From 2008/09, the new use of resources assessment forms part of the Comprehensive Area Assessment (CAA) and comprises three themes that focus on:

- sound and strategic financial management;

- strategic commissioning and good governance; and

- the management of natural resources, assets and people.

9   The scores for each theme are based on the scores reached by auditors on underlying KLOE. The KLOE are generic and applicable equally to all organisations subject to use of resources judgements under CAA. This promotes consistency, demonstrating all organisations within a CAA area are treated in the same way, and to the same standards.

10   The Commission specifies in its annual work programme and fees document, which KLOE are assessed over the coming year.

11   Judgements have been made for each KLOE using the Commission's current four point scale from 1 to 4, with 4 being the highest, please see Table 1. Level 1 represents a failure to meet the minimum requirements at level 2.

Introduction

Table 1   Levels of performance

Level 1	Does not meet minimum requirements – performs poorly
Level 2	Meets only minimum requirements – performs adequately
Level 3	Exceeds minimum requirements – performs well
Level 4	Significantly exceeds minimum requirements – performs excellently

Source: use of resources framework: overall approach and KLOE document

Use of resources judgements

Scored judgements

12 Herefordshire Council's use of resources theme scores are shown in Table 2.

Table 2   Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances How effectively does the organisation manage its finances to deliver value for money?	3
Governing the business How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?	2
Managing resources How well does the organisation manage its natural resources, physical assets and people to meet current and future needs and deliver value for money?	2

Managing finances

13 The Council is operating at level 3 for the managing finances theme. There is a good well integrated system for medium term financial planning linked to priorities and we have seen many positive outcomes from this process. It is advancing its use of costs and performance in decision making and commissioning but this is not yet done consistently. Needs analysis in key areas such as social and community health care has driven policy making and resource allocation in adult social care but the Council acknowledges the need to extend its developing understanding of value for money (VFM) and extend this approach to its work in partnership (with the PCT and more generally) by means of joint commissioning processes that have VFM testing as an integral part. Debt collection is good. The process for the production and audit of financial statements is good. Annual reports etc are very accessible and

Use of resources judgements

understandable and the public appreciate this. Internal users view financial information positively. Treasury management arrangements are robust and have been adapted to recent events. The Council did not have any Icelandic investments at the time of their collapse. Given the risks prevalent now, consideration should be given to enhancing the scope of reporting to members. This should consider issues such as the audience, content and frequency of monitoring reports (including benchmarking of performance), training for Members and the content of the annual treasury management framework/policy approved by Members. Six monthly briefings on treasury management have started to be circulated to Members.

Recommendation	
R1	Report the Council's progress in reducing the Council's environmental footprint to the public.
R2	Review reporting arrangements to Members on treasury management issues.
R3	Provide training to Members on treasury management activities
R4	Embed benchmarking and use of comparative information on costs, performance and whole life costs across all services

Governing the business

14 The Council is operating at level 2 for the Governing the Business theme. There is a developing understanding of local need. There is some emerging good practice in the involvement of users in the commissioning of services in some areas but the involvement of councillors in key commissioning decisions is under developed. A range of work is ongoing to restructure service design and delivery in response to need but it is not yet resulting in consistently improved outcomes across key services. Although some joint procurement has occurred, its impact on services for the public is to date limited. Understanding of the supply market is developing although it is not embedded across the Council and the PCT. Comparative data to help gain a more rounded picture of the supply market has been collected. The Council has begun to use this to commission services but as this work is ongoing it is not yet having a consistent impact. Different options for service procurement are explored but this is not done comprehensively. A new Learning Disabilities contract is in place and block contracts are used to ensure effective social services provision in rural areas but in other areas such as the new highways contract the impact on outcomes is not established. Regular reviews of service competitiveness are becoming embedded although the process has not yet had a consistent impact on outcomes. Procurement frameworks are increasingly focused on delivering vfm although there are gaps in tracking of whether this is being achieved.

15 The deep partnership with the PCT is beginning to inform the way that services work together. A joint corporate plan is being developed with the PCT. There is a shared risk management framework in place for the two organisations. The deep partnership with the PCT is beginning to lead to improved joint working at service level. activity around swine flu & emergency planning is leading to greater joint working.

16 Data quality has a high corporate profile and influences the development of protocols and outlines of staff responsibilities. Internal control is generally good but weaknesses were found in some material systems. The Audit and Governance Committee provides robust challenge. Risk management is adequate. There is proactive anti-fraud work achieving good outcomes in Benefits.

Recommendation	
R5	Improve the information provided for decision makers to ensure that it includes sufficient detail and background information on options
R6	Ensure that the principles of good governance are applied to all significant partnerships
R7	Formally review the effectiveness of Internal Audit
R8	Review the effectiveness and impact of risk management for example in helping deliver innovative projects or reducing claims costs
R9	Formally review the effectiveness of counter fraud arrangements and expand the reporting of results of both proactive and reactive fraud work
R10	Review the effectiveness of business continuity plans.
R11	Ensure that understanding of the supply market is developed and consistently used across all services
R12	Ensure that revised procurement arrangements and guidance are understood and consistently adhered to across all services
R13	Ensure that arrangements for monitoring & review of performance of the Council & PCT are effective & embedded

Managing resources

17 The Council is operating at level 2 for the Managing Resources theme. There is a joint environmental policy between the Council and PCT to address carbon management and climate change, as well as protect and enhance biodiversity, landscape and historic assets helps develop and embed the concept of joint planning and delivery of public services across the two organisations.   However as this plan has been recently produced its impact on outcomes is limited to date. Targets are being set for arrangements for improving the use of natural resources but there is not yet a full set of information against which progress can be monitored. A Corporate Asset

Management Plan has been updated for 2008/09. The Council is planning major changes to its asset base to ensure that it is fit for purpose. These include the disposal of a range of existing buildings and the investigation of options for co-location with partners. These plans are aimed at reducing CO_2 use, improving energy efficiency and access to services for the public but as they are at an early stage these benefits are not yet being delivered

Recommendation
R14 Improve and embed the use of asset management considerations in service planning and delivery
R15 Actively publicise awareness of the community asset transfer scheme once finalised
R16 Develop and implement an action plan for the proposed reduction in CO_2 emissions

Detailed findings

18 The key findings and conclusions for the three themes, and the underlying KLOE, are summarised in Appendix 1.

Use of resources 2009/10

The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. My work on use of resources informs my 2009/10 value for money conclusion.

19 An additional KLOE, 3.3 - Managing Workforce will apply for 2009/10. KLOE 3.1 - Natural resources will not be assessed for single tier and county councils in 2009/10.

Appendix 1 – Use of resources key findings and conclusions

20 The following tables summarise the key findings and conclusions for each of the three use of resources themes.

Table 3 **Theme 1 - managing finances**

Theme 1 score	3
KLOE 1.1 (financial planning)	3
Key findings and conclusions	
The Council has a very comprehensive and well integrated medium term financial planning and budgeting processes to support the delivery of the corporate and community plans. There have been several examples where money has been transferred into priority areas such as adult social care and childrens services (to get more experienced social workers and better foster care), which have lead to service improvement. Increases in funding for foster care have come from rationalisation of school transport service costs which also improved the Council's carbon footprint. The Medium Term Financial Plan (MTFP) includes implications of other internal plans e.g. ICT strategic spend and joint plans e.g. waste. The framework of collective responsibility for financial management has underpinned a good track record of spending within available resources. There was yet again a small predicted under spend in 2008/09. The Council has recognised the need to better communicate the key aspects of its financial strategies to stakeholders and to demonstrate how the outcomes of stakeholder consultation and equalities initiatives feed into future plans. Outcomes have included more resources for the community protection team. Revenue collection targets have been stretched with collection close to or above target for much of 2008-2009 despite the economic downturn. The collection rates for major income sources such as council tax are in upper quartile comparatively. Individual and collective responsibility for financial issues are taken seriously. Good financial training has been delivered which has contributed to good challenge on financial matters from Members and officers and the good financial outturn position.	

Theme 1 score	3
KLOE 1.2 (understanding costs and achieving efficiencies) score	2
Key findings and conclusions	

The Council remains a generally low cost authority with a mixture of performance. In some higher spending areas such as Education performance is good whereas in other instances spending has been directed to deliver the improvements that the council acknowledges need to be made.

Benchmarking is carried out across a range of key services but this is inconsistent and in some areas membership of benchmarking clubs is new so details of comparative performance and outcomes are not available. Services are building their knowledge of comparative service costs and are using this in their future planning although gaps remain in some areas (e.g. Benefits and Exchequer services) because collection of information is at an early stage so comparative data is limited. The Council acknowledges the need to extend its developing understanding of vfm and extend this approach to its work in partnership (with the PCT and more generally) by means of joint commissioning processes that have vfm testing as an integral part.

Challenge to existing delivery of services is improving. Services are required to regularly review delivery to ensure it meets priority needs. This process is beginning to result in some improved outcomes for users across some, but not all, services including the introduction of a roving night care service.

Information on costs and performance has been used in the redesign of some but not all key services. A comprehensive needs analysis of social and community health care, benchmarked against good practice and expenditure in comparable, high performing areas was carried out and resulted in an additional £2.8m being put into adult social care and £0.7m into children's services in 2007/08. Further resources were added in 2008/09. The Council is seeking to improve areas of under performance through this additional investment. Additional social workers have been recruited to address gaps in capacity to carry out safeguarding requirements. However there have not been similar initiatives on this scale in other service areas. Some services are beginning to use information on service costs in planning future commissioning but this is not yet resulting in consistently improved outcomes. For example in the Children's and Young peoples directorate there is an acknowledgement of high spending on external placements and a commitment to secure improved services and vfm through better commissioning but this is not yet having an impact.

Commissioning and procurement is influenced to an extent by information on whole life costing but this is incomplete. The recent letting of the waste contract has been directly informed by the assessment of the whole life costs of the contract but the Council recognises that this approach needs

Theme 1 score	3
to be built on and used across the organisation. Training on whole life costing is being included in corporate procurement training. The Council has exceeded its efficiency targets. It has made £14m savings in the last 3 years against a target of £10m	

KLOE 1.3 (financial reporting) score	3
Key findings and conclusions	

Internal users receive regular, timely, comprehensive and understandable financial information which provides a reliable base for decision-making. Outturn forecasting was very accurate for revenue expenditure but the material slippage of the Council's sizeable capital programme was not foreseen. The ledger system uses tailored budget profiles. Financial Services consulted users on their financial reporting needs and provided training to help users make the best use of upgraded reporting tools. CIPFA 2008 benchmarking data indicates a high degree of user satisfaction with the adequacy, timeliness and clarity of financial information compared to other councils. Reports to Members provide a sound base to support strategic decision-making and identify the recovery actions needed where overspending is identified.

There are good and effective arrangements for producing annual financial statements. Working papers and co-operation were good which lead to a very efficient audit process. The challenge and review of the accounts by the Audit and Governance Committee was very comprehensive. Good collaborative preparations are being made for introduction of IFRS.

The Council publishes its financial information widely and in accessible formats/languages for external users but as yet has not published information on the Council's carbon footprint. The Council magazine "Herefordshire Matters" goes to all Herefordshire households. It includes information on the Council's finances. The 2007/08 and 2008/09 financial information for the public went through a comprehensive review and assessment process involving the Council's communications team to help deliver an understandable document. Consultation on publications providing financial information has led to more use of plain language and avoidance of jargon. This has contributed to the increase in the proportion of people surveyed who understood how their Council Tax was spent.

Treasury management arrangements are robust and have adapted to recent events, but given the risks prevalent now, consideration should be given to enhancing the scope of reporting to Members. This should consider issues such as the audience, content and frequency of monitoring reports (including benchmarking), training for Members and the content of the annual treasury management

Theme 1 score	3
framework/policy approved by Members. Six monthly briefings have started to be circulated to Members.	

Table 4   Theme 2 - governing the business

Theme 2 score	2
Key findings and conclusions	
KLOE 2.1 (commissioning and procurement) score	2
Key findings and conclusions	
The Council has a consistent and improving vision of the intended outcomes for local people. It has a developing understanding of inequalities, diversity and need for the range of Council services. The Council complements regular reviews of its corporate plans with strategic needs assessments (JSNA) for key groups and carries out an annual satisfaction survey which mirrors the biannual national survey and enables tracking of local views year on year. This ensures that the Council is collecting up to date information on local needs and views and this is beginning to be used to shape the delivery of key services. The JSNA is augmented by a prioritised programme to fill key gaps There is a developing track record of effective involvement of users and stakeholders in commissioning services. The new Learning Disabilities contract involved input from partner organisations. Partner organisations and the third sector are actively involved in The Supporting People Commissioning Body to develop new services although outcomes are limited at this stage. The Council is seeking to improve customer experience, quality and vfm through the redesign of services and effective use of IT but this is at an early stage. Major changes to the Amey contract looked at whether service redesign is the best way forward and a number of significant joint procurement opportunities in relation to hardware, software and service support, including 'quick wins' (e.g. ICT training). As yet however these initiatives have not led to improved outcomes for the public. Services are aiming to provide improved services through better use of IT but again the impact on outcomes for service users are limited to date. The Benefits and Exchequer service is exploring opportunities for greater automation of processes and wider system integration including links with the PCT as part of the move to deeper partnership.	

Appendix 1 – Use of resources key findings and conclusions

Theme 2 score	2
Understanding of the supply market is developing but this is at an early stage. Historically the Council has not had the information it needs from the local market to plan services. In particular there has been a poorly developed relationship with residential care providers. The Council has taken a range of steps to improve this and the new commissioning directorate created in January 2009 aims to embed use of information to improve outcomes for service users. The Council is beginning to embed the use of Spikes Cavell data to develop understanding of the market but it also recognises that areas of improvement include further work needed to review the market, working more closely with the NHS. There is a developing corporate vision for procurement that aims to respond to the information collected on user need. Work to revise procurement arrangements is ongoing and is progressing well although translating this into action in directorates is not complete. Different options for procuring services are explored but this is not done comprehensively. The new contract for Learning Disabilities services with Midland Heart has taken a range of information on the needs of service users and commissioned a reconfigured set of services as a result. However the Council also acknowledges the need for greater working with other organisations to deliver procurement savings. As yet the evaluation of different options alone or with partners is not undertaken as a matter of course. Systems are in place for regularly reviewing the competitiveness of Council services although their full impact is unproven. The Directorate and service planning guidance notes that as part of the planning process services should evaluate the effectiveness and efficiency of existing services to ensure that they meet prioritised needs and aspirations and re-prioritise to meet new challenges. However as the guidance was introduced for the 2009-11 planning round its full impact on outcomes for local people has not yet been felt.	
KLOE 2.2 (data quality and use of information) score	2
Key findings and conclusions	
Data quality has improved. It has a high corporate profile and this influences the development of protocols and outlines of staff responsibilities. However overall progress towards the data quality action plan has been slower than expected although this has improved recently. Services are improving the validation of data to ensure its quality and support for staff with data quality responsibilities is improving although there is still a reliance on manual systems and in knowledge of contracts. Progress is being made on data sharing protocols with key partners and the Council is continuing to raise staff awareness of the need to comply with them. Effective progress has been made on the embedding of measures to secure data security.	

Theme 2 score	2

Improved data is increasingly being used to support decision making. In Social Care the improvements provided by the Frameworki database and the processes now in place to ensure its continued quality mean that the Council can has more complete, accurate and easily retrieved data. As a result it can more accurately model changes to service provision across the County. The domiciliary care review carried out last year is an example of higher quality data being used to make decisions that improve the services provided.   This helps delivery of the personalisation agenda which is a key Local Area Agreement (LAA) target.

Improved data is also being provided to help inform decision making in Education although it is not yet resulting in improved outcomes. By giving schools access to an extended range of code-sets for both ethnicity and first language and supporting them throughout, results from the school census have enabled the Council to identify more specifically the ethnic origin of pupils and those whose first language is other than English. This will enable the Council to target resources more specifically and appropriately to those pupils who might need extra support.

The Council has not been consistently providing information that is fully fit for purpose for decision makers. Our recent review of Planning concluded that the Council is not effectively using the judgements of external bodies, such as the Local Government Ombudsman, the courts, or the Planning Inspectorate to improve the soundness of its planning decision making and its service delivery, and thereby reduce potential risks. In response to the report the Council has made changes to the way that reports are prepared. The review of procurement noted that reports to Councillors on key strategic decisions lacked background detail.

Corporate objectives and targets are cascaded through the organisation. The Council's performance improvement cycle integrates all aspects of corporate, directorate, service, financial and workforce planning. It clearly demonstrates the link between the ambitions in the Herefordshire Sustainable Community Strategy and the Council's Corporate Plan and the service objectives and actions to deliver those ambitions as set out in directorate, service and other more detailed plans. Each indicator has a red, amber or green rating. This enables Councillors and senior officers to track and manage performance towards joint targets and outcomes across the range of Council and partner activities. However reporting of financial information is still not consistently aligned with that on performance.

Stretching targets are set although delivery against them is mixed. Good progress has been made in hitting stretch targets in economic development and enterprise and performance. Steady improvement is being made in the historically under performing area of adult social care. Improvements in processing times for new Housing and Council Tax Benefit claims and changes of circumstances have contributed to an improved CPA Benefits score of 4. Although education performance is generally strong the Council did not meet its

Appendix 1 – Use of resources key findings and conclusions

Theme 2 score	2
targets for attendance and achievement. Although it has been prioritising the work, the Council has under performed in providing timely assessments for children's social care. A recruitment and retention strategy for social workers is being implemented in response to staff shortages and difficulties in recruiting although it is too early to gauge its impact	
KLOE 2.3 (good governance) score	2
Key findings and conclusions	
The Council is aiming to improve its governance arrangements to ensure that they are transparent, fit for purpose and understood internally and externally but this work is still ongoing. INLOGOV have been carrying out a review of the Council's constitution and the Council have included their recommendations in its revised constitution produced in 2009/10. Good progress is being made to develop and embed a strong ethical framework and culture. The induction day for Councillors includes a session on the role of the Standards Committee. The independent chair of the committee has a high profile and has delivered training and awareness raising sessions for members, backed up by written information in a briefing pack for members. The Council has held two joint training sessions with the Herefordshire Association of Local Councils. Briefing papers have been produced for those involved in or attending Standards Committee hearings. The Committee has responded effectively to its increased role in assessing and reviewing local complaints. The high profile given to ethical issues and the repeated reference to the code helps build awareness of the importance placed upon it across all Councillors. Procedures for whistle blowing are clearly communicated to the public and to partners. The Council aims to apply the same principles and values of good governance to the LSP as to its internal arrangements but it is not clear whether this is also done for the other significant partnerships. There is a Joint Assurance Framework with the PCT, which is reviewed by the Herefordshire Public Service Steering Group. However there is no information on the arrangements for other key partnerships. The Council and PCT are working to align arrangements for monitoring and review of performance of the two organisations but this work is at an early stage. Work on the development of a performance management framework for both organisations is ongoing and a review of corporate performance management and of what basket of PIs is needed to report to Members & PCT Non Executive Directors to give them enough information to know if priorities are being delivered has been completed although its findings have not been implemented yet.	

Theme 2 score	2
The deep partnership with the PCT is beginning to inform the way that services work together. A joint corporate plan is being developed with the PCT. There is a shared risk management framework in place for the two organisations. The deep partnership with the PCT is beginning to lead to improved joint working at service level. activity around swine flu & emergency planning is leading to greater joint working.	
KLOE 2.4 (risk management and internal control) score	2
Key findings and conclusions	

The Council has implemented an appropriate risk management framework which encompasses partnership. Risk management arrangements are embedded to varying degrees in directorates and business processes. We have not identified reports that set out the impact that the Council's risk management arrangements have had in terms of, for example, helping to deliver innovative or challenging projects, organisational change or reduced claims and costs.

The Council has appropriate policies and policy statements in place which are kept up-to date and has established a corporate fraud group. There is a good level of proactive benefits fraud investigation and outcomes from this including eight cautions and 15 penalties. Reporting of the results of the proactive and re-active fraud investigation work that takes place is on an exception basis only. Revised terms of reference for the Audit and Governance Committee in July 2009 include the role of considering the effectiveness of counter-fraud and corruption arrangements, but these arrangements have not yet been formally reviewed or assessed against professional guidance or best practice.

The Council's influential Audit and Governance Committee provides very effective challenge and scrutiny on governance, audit and accounting issues and influences outcomes and actions. The process for follow up is very robust. Internal audit reports on controls testing provided assurance that all but three of the Council's key financial systems operated satisfactorily in 2008-09. Internal audit play a key role in the Council's assurance framework, but the Council has not yet formally assessed the effectiveness of its system of Internal Audit. There have not yet been reports that provide assurance to Members on the effectiveness of business continuity plans.

Theme 2 score	2

Table 5   Theme 3 - managing resources

Theme score	2
Key findings and conclusions	
KLOE 3.1 (use of natural resources) score	2
Key findings and conclusions	
The Council is developing useful information on its use of natural resources although gaps remain. Council owned buildings, including schools, are all metered and data is collected on readings and intelligent estimates for Council buildings. The Council's Emissions Inventory shows that energy use in Council buildings varies considerably from year to year and that further work is needed to establish the causes of these variations. Consistently accurate comparisons between periods cannot be made. Therefore the Council does not yet have comprehensive information on its energy use on which to base its decision making or to monitor progress against. Some good progress is being made to develop strategies for improving the Council's use of natural resources. The Council has a Carbon Management Action Plan to drive its annual 1.5 per cent carbon reduction target and has recently completed a draft Local Climate Impacts Programme, which looks at the effects of climate change on the county and Council service delivery by examining severe weather effects over the last ten years. This enables the Council to better plan to adapt to the effects of climate change.	

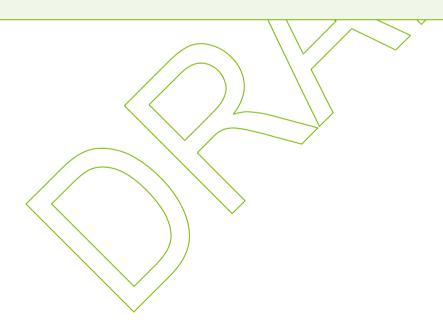| Theme score	2
The Council is developing targets to aid its management of performance to reduce its impact on the environment but this is at an early stage. It is leading a local contribution to tackling climate change through the LAA target for a 13.1 per cent per capita reduction in CO2, countywide. As an action plan is not yet in place the Council and its partners are not yet able to gauge whether current activity is having the desired impact on the LAA target. It is building carbon reduction targets into refurbishment plans for office accommodation and for development of IT infrastructure. The Council recognises that it needs to set more ambitious targets for minimising its impact on the environment to enable it to demonstrate that it is taking a lead in this area. A report to Environment Scrutiny committee in March 2009 notes that its internal target for year on year reductions in emissions is lower than the reduction set by leading local authorities and lower than the LAA target for the county of Herefordshire (average 1.6% a year). The Council is committed to reducing its impact on the environment and has managed a range of schemes to help achieve this. Schemes include installing grey water systems in new build establishments to store and re-use rain water; supporting Halo to invest in energy saving initiatives via the Salix fund investment; more efficient use of school transport planning and purchasing of local produce for school meals to reduce food miles and better controls on ventilation systems including variable speed controls and better zoning. There is a joint environmental policy between the Council and PCT to address carbon management and climate change, as well as protect and enhance biodiversity, However as this plan has been recently introduced its impact on outcomes is limited.	
KLOE 3.2 (strategic asset management) score 2	2
Key findings and conclusions	
A strategic approach to asset management is beginning to become embedded through the deployment of supporting documents and guidance. There is a corporate asset management plan updated for 2008/09. Roles and responsibilities are clearly outlined and a mini asset management guidance document for staff has been provided to raise awareness and ensure that best practice is followed when acquiring, occupying or selling land. However the Council acknowledges that the guide needs to be more widely used and that the inclusion of asset management considerations into service planning and delivery needs to be more consistent	

Appendix 1 – Use of resources key findings and conclusions

Theme score	2
The Council is planning major changes to its asset base to ensure that it is fit for purpose. These include the disposal of a range of existing buildings and the investigation of options for co-location with partners. These plans are aimed at reducing CO_2 use, improving energy efficiency and access to services for the public but as they are at an early stage these benefits are not yet being delivered. The Council is keen to share buildings with other organisations like the Police and the health service so that costs can be reduced and the public get better access. Work on this is starting but the Council also knows that it has a lot of buildings that are not suitable and this will take time to change. A draft community asset transfer strategy is in production and as a result the Council does not yet have a strategic framework to explore the possibility of this with community groups.	

Appendix 2 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date