

# Corporate Plan

**2004-2007**

- ...**Putting** people first
- ...**Preserving** our heritage
- ...**Promoting** our county
- ...**Providing** for our communities
- ...**Protecting** our future

***Quality life in a quality county***

# Foreword

This Corporate Plan provides the link between the Ambitions for the county set out in the Herefordshire Plan and the Herefordshire Council's contribution to those Ambitions. We will be taking the opportunity later this year to review our objectives to ensure that we continue to make the most effective contribution to achievement of our Ambitions.

In December 2002 the Audit Commission assessed Herefordshire as a "good" Council. We are working hard to retain and advance our "good" status in 2005.

Over the next three years we will work to maintain and extend existing levels of high performance, whilst ensuring that services are accessible to all citizens. Crucial to that is streamlined and more effective planning, rooted in the needs and wishes of the people we serve. Immediately, we are taking full advantage of the freedom we have gained as a "good" Council by concentrating on key Best Value performance indicators. But we are going further and reviewing our whole corporate planning process. We intend this autumn to publish the Council's Corporate Plan for 2005-2008 not only as a clear statement of our priorities but also of how we will ensure that all the Council's resources will be focused to deliver them.

Improving the Council and its services within tight financial constraints is difficult. The Council has consistently increased spending on education and social services and made modest investment in environment and social and economic development.

We will lobby Government for a 'better deal' for Herefordshire in terms of Government grants, provide value for money and continue to seek efficiency savings.

**COUNCILLOR ROGER PHILLIPS**  
**LEADER OF THE COUNCIL** June 2004

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# Herefordshire Council in context

## Profile of Herefordshire

### Geography

Herefordshire lies on the border with mid-Wales and has Shropshire, Worcestershire and Gloucestershire as neighbours. It is a large, sparsely populated, rural area in the West Midlands, covering 218,283 hectares. 84% of the county is classified as agricultural.

Hereford City is the main commercial and administrative centre, and about a third of the people of the county live in the city. The five market towns of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington are home to a fifth of the population with the rest living in the smaller villages and the rural areas.

### Economy

Whilst unemployment in the county is low (1.7% in April 2004 compared to the regional and national levels of 2.9% and 2.5% respectively), average wages are also low. Gross average wages in Herefordshire are 79% of the national average (87% of the regional average) and average hourly earnings are only 78% of the national average.

The economy is characterised by a large number of small businesses – nearly 60% of businesses employ less than four people. There are fewer than 20 businesses in the county with more than 200 employees. The main economic sectors are food and drink and manufacturing. A high percentage of people in work are employed within ‘vulnerable’ employment sectors, especially manufacturing (20%) and agriculture (8%).

### Demography

Herefordshire’s population of 176,500 (2003 mid-year estimate) is expected to grow by another 10,000 by 2011. The demographic profile of Herefordshire differs from those of the region and England and Wales. 19% of the population is over 65, compared to 16% regionally and nationally, but only 25% are under the age of 25 compared to 31% regionally and nationally.

Analysis of population changes predicts that the elderly population will continue to grow. There is a net out-migration from the county of young people, particularly those in the 18-21 years age group but the county attracts inward migration from families and older people.

There is a very small minority ethnic population in the county at 0.6%, compared to 6% nationally. However, the area is a significant work area for gypsies and travellers and, more recently, Eastern European and Asian seasonal workers.

## Political profile

Herefordshire Council is a unitary council formed on 1 April 1998. There are currently 58 elected Members (21 Conservatives, 17 Independent, 16 Liberal Democrats and 4 Labour). In terms of governance, it has operated a Leader/Cabinet style since early 1999 and the Cabinet is a joint administration of the Conservative and Independent Groups. Its ten Members hold the following portfolios:

- Corporate Strategy and Finance (Leader)
- Audit and Performance Management
- Community and Social Development
- Economic Development, Markets and Property
- Education
- Environment
- Human Resources and Corporate Support Services
- Social Care and Strategic Housing
- Rural Regeneration and Smallholdings
- Highways and Transportation

In turn, these Cabinet Members are scrutinised by four Scrutiny Committees for which the Chairmen are drawn from the opposition Groups:

- Education
- Environment
- Social and Economic Development
- Social Care and Strategic Housing

The work of the four Scrutiny Committees is overseen by a Strategic Monitoring Committee consisting of the Chairmen and Vice-Chairmen of each of the Scrutiny Committees with independent chairmanship. There is also a Health Scrutiny Committee that scrutinises the NHS and represents local views on the development of health services. In addition, there is a Planning Committee (and three Area Planning Committees), a Regulatory Committee and a Standards Committee. To encourage strong links between local Members and their own communities, Local Area Forums (LAFs) have been re-established – there are six in total based on geographical groupings of wards covering the whole county. Each Forum includes all the Councillors covered by that geographical area.

## Management structure

The Council is structured around four service Directorates, and support services. The Chief Executive (Neil Pringle) is responsible for the overall management of the Council, and each of the four Directorates is headed by a Director who also has a role in corporate management:

- |   |                |
|---|----------------|
| • Director of Education                         | Dr Eddie Oram  |
| • Director of Environment                       | Graham Dunhill |
| • Director of Social Care and Strategic Housing | Sue Fiennes    |
| • Director of Policy and Community              | Jane Jones     |

There are two Departments (County Secretary and Solicitor's, and County Treasurer's) a Head of Human Resources and a Head of Performance Management responsible for the provision of support services to the authority.

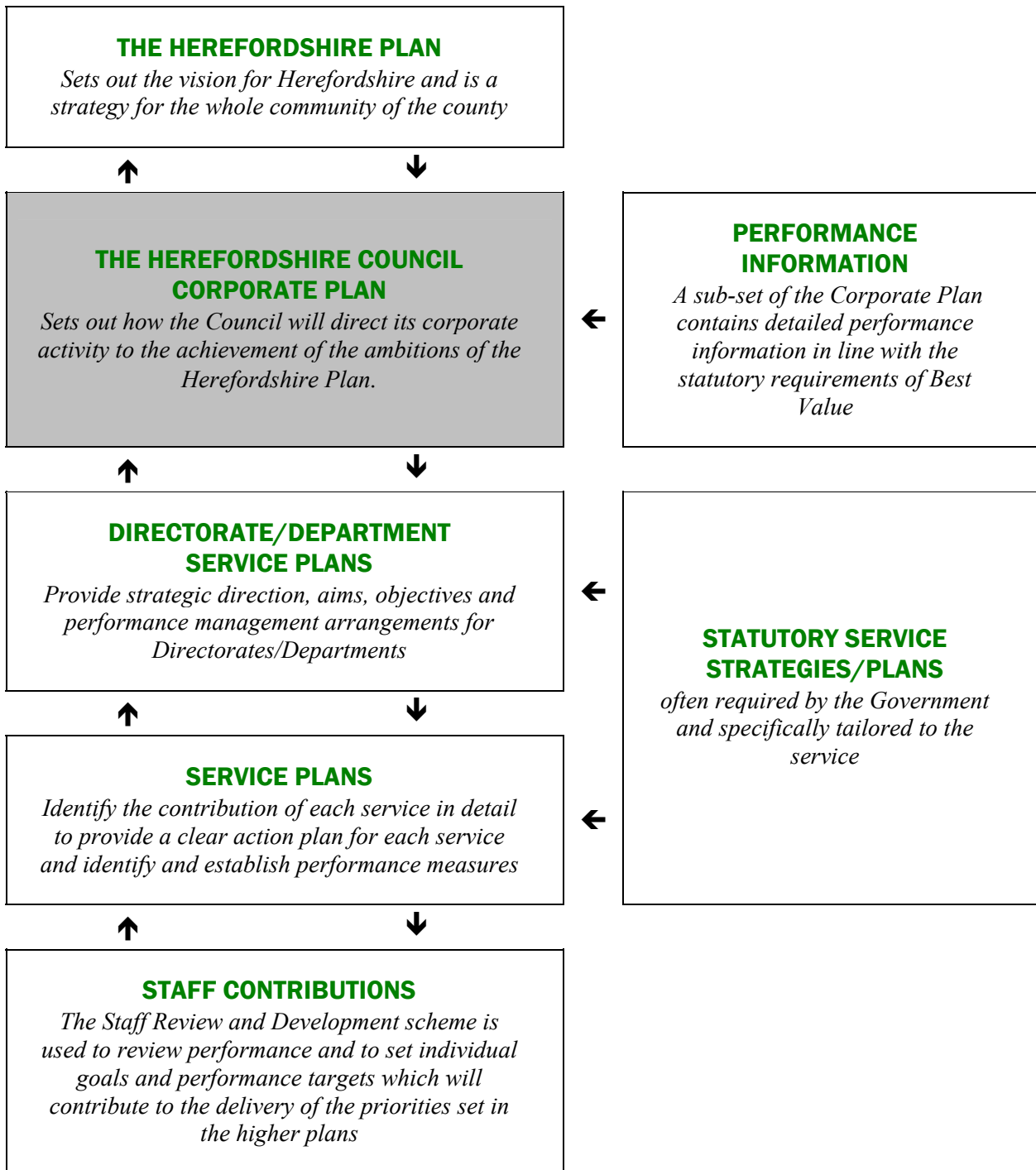
The Chief Executive and the Directors, together with the County Treasurer (Ian Hyson), the County Secretary and Solicitor (Marie Rosenthal) and the Head of Human Resources (David Johnson), comprise the senior management team of the Council. Each Director oversees a number of Heads of Service.

The staffing profile of the Council is as follows:

- The Council employs approximately 4,134 people (full-time equivalent) as at January 2004, half of whom are based in schools;
- Half the workforce works part-time and most of these part-time workers are female;
- Female employees outnumber male employees by three to one; this ratio is not reflected in more senior positions;
- Of the Council employees, 0.5% are black and minority ethnic workers and 0.6% of employees have a disability;
- Employees are based in over 200 locations around the county. Most are in the Hereford City area.

# Plans for a better Herefordshire

Herefordshire Council's corporate planning process makes clear links between the individual contributions of staff and the high level strategic aspirations of the county's community strategy. The following diagram shows the hierarchy of plans



# The planning and performance timetable

Fundamental to the Council's commitment to continuous improvement is a robust corporate planning and performance process. This incorporates the planning requirements outlined above but also the performance monitoring requirements approved by the Council.

The timetable for 2004/05 runs as follows:

<b>June</b>	<ul style="list-style-type: none"> <li>✓ Publish updated Corporate Plan for 2004 – 2007 with performance information relating to 2003-2004 and indicators for 2004 - 2007</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>✓ Publish Draft Corporate Plan for 2005 - 2008</li> <li>✓ Undertake six-monthly review of annual service plans and initial planning for next year's service plans, including budget planning and consultation</li> <li>✓ First four months' budget and performance monitoring reports</li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>✓ Complete "Herefordshire Driver" performance improvement assessments</li> <li>✓ Commence budget planning and consultation</li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>✓ Six months' budget and performance monitoring reports</li> </ul>
<b>January</b>	<ul style="list-style-type: none"> <li>✓ Draft annual service plans in place</li> <li>✓ Eight months' budget and performance monitoring reports</li> </ul>
<b>February/March</b>	<ul style="list-style-type: none"> <li>✓ Confirm budget</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>✓ Finalise annual service plans</li> <li>✓ Agree programme of audit and inspection activity with District Audit</li> <li>✓ 10 months' budget and performance monitoring reports</li> </ul>
<b>April/May</b>	<ul style="list-style-type: none"> <li>✓ Start programme of Staff Review and Development interviews (beginning with Chief Executive's Management Team) to set individual targets linked to service plans</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>✓ 12 months' (outturn) budget and performance monitoring reports</li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>✓ Publish Corporate Plan performance information relating to 2004 - 2005</li> </ul>



# Development of the Herefordshire Plan

*“The Herefordshire Partnership is an excellent example of an overarching community partnership...All the statutory agencies, as well as representatives of the private and voluntary sectors, are committed to it and to ensuring it produces results” [IDeA, March 2001]*

The Herefordshire Partnership brings together key statutory, voluntary and community organisations within the county in a shared commitment to a better Herefordshire. This is set out in the Herefordshire Plan. It looks forward ten years and beyond, and was updated most recently in September 2003.

The Plan is an overarching and unifying framework that acts as the Community Plan, a Local Agenda 21 Plan and a Regeneration Strategy. Over 100 organisations are involved in the Plan. The main partners represented on the Board are Herefordshire Council, West Mercia Police, Herefordshire Primary Care Trust, Hereford and Worcester Learning and Skills Council, Chamber of Commerce, Hereford and Worcester and the Voluntary Sector.

The Plan sets out the Vision for Herefordshire and key priority areas are set out in ten ‘ambitions’. Three cross-cutting issues, known as ‘Golden Threads’, are also identified.

<b>Vision</b>	<ul style="list-style-type: none"> <li>• Create <b>fair and thriving communities</b> which will be inclusive for all, allowing equal and full access to opportunities and services</li> <li>• Properly <b>protect the environment</b> and enhance it for all those who live and work in it and those who visit it</li> <li>• Build a <b>strong, competitive and innovative economy</b>, with a balanced mix of businesses, jobs and homes through which the local economy can flourish</li> </ul>
<b>Ambitions</b>	<ol style="list-style-type: none"> <li>1. Improve the <b>health</b> and well-being of Herefordshire people</li> <li>2. Reduce <b>crime</b> and disorder and make Herefordshire safer</li> <li>3. Reduce <b>poverty</b> and isolation in Herefordshire</li> <li>4. Encourage <b>communities</b> to shape the future of Herefordshire</li> <li>5. Develop Herefordshire as an active, vibrant and <b>enjoyable place</b> to be</li> <li>6. Protect and improve Herefordshire’s distinctive <b>environment</b></li> <li>7. Develop an integrated <b>transport</b> system for Herefordshire</li> <li>8. Meet Herefordshire’s <b>accommodation</b> needs</li> <li>9. Support <b>business growth</b> and create more and better paid work in Herefordshire</li> <li>10. Provide excellent education, training and <b>learning</b> opportunities in Herefordshire for all ages</li> </ol>
<b>Golden Threads</b>	<p><b>Geographic communities</b> – for example, towns, villages, housing estates</p> <p><b>Communities of interest</b> – for example, young people, families, farming</p> <p><b>Tools and Mechanisms</b> – for example, information and communications technology, funding and other resources</p>

Six guiding principles influence the achievement of the ambitions

- to build an equal and inclusive society
- to promote sustainability
- to realise the potential of people and communities
- to encourage participation and partnership working
- to seek continual improvement, and
- to recognise and make the most of what we have got.

The Plan sets out the aims for each ambition and measures of progress. For example:

<b>Ambition:</b>	<i>“Reduce poverty and isolation in Herefordshire”</i>
<b>Aim</b>	<i>“Tackling problems of social exclusion in rural areas”</i>
<b>Measure of progress</b>	<i>“% finding it easy to access public transport”</i>

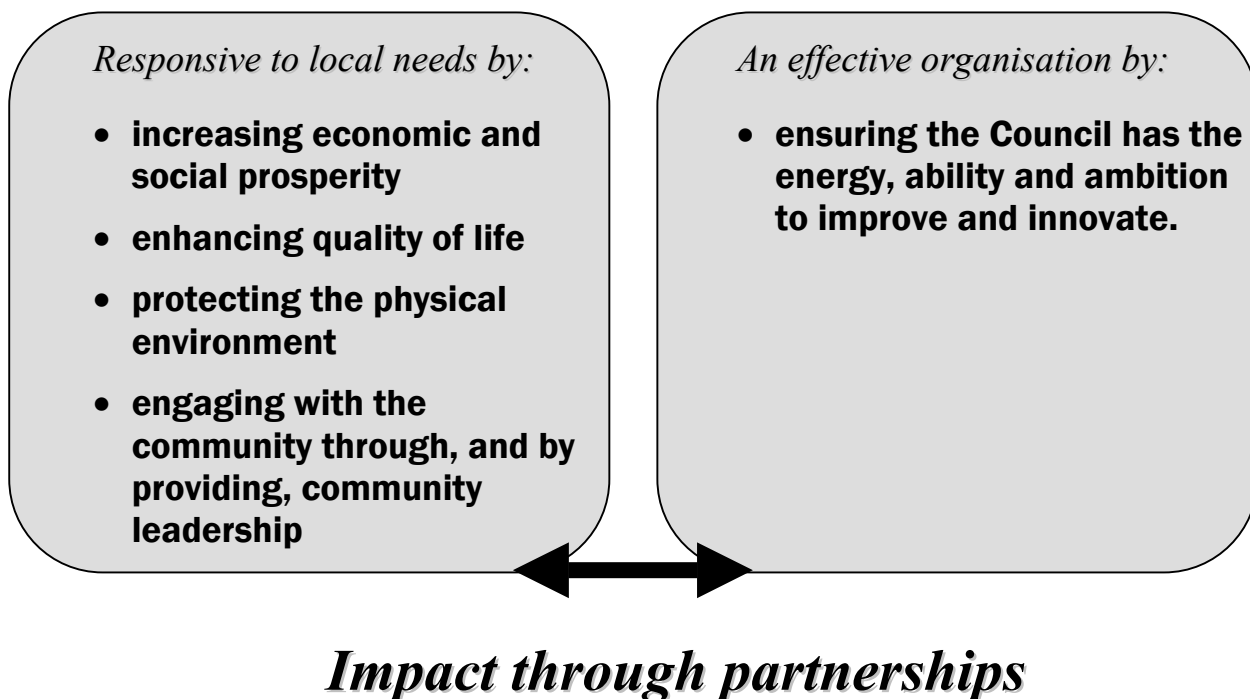
An Ambition Group comprising representatives from the public, private and voluntary sectors pursues each Ambition. These Groups formulate their own action plans, which the Council and its partners then use to inform their own planning and service delivery.

The Herefordshire Plan will be comprehensively reviewed and updated in 2005.

# The Council's objectives

From the outset, the Council has tried, through its service planning and best value review processes, to ensure that clear links are established between individual service areas and the Herefordshire Plan ambitions. It has become clear that the majority of the services can contribute to one or more of the ambitions and the Council needs to align its priorities with the Plan.

The Council's ethos is to maximise "**impact through partnerships**" and it has identified four main objectives, which give an overall unifying direction to the work of the Council and ensure it is responsive to local needs. These are supported by a further objective of what the Council aspires to as an organisation – namely an effective, modern Council that works with, and is valued by, the local community.



These objectives provide the link between the Plan ambitions and the Council's service areas. They also reflect national priorities (education, health, crime and transport) and Council priorities around education, protecting vulnerable people, the environment and modernisation.

Performance against the indicators and targets, which measure the achievement of these objectives, as well as the Council's future targets are set out in Appendices 1 and 2 to this Plan.

# Local Public Service Agreement

*“The Government is strongly committed to securing a marked improvement in the delivery of better public services.... Local PSAs provide a focus for local and central government together to encourage the commitment to specific improvements and identify and tackle obstacles to their achievement.”*  
 [ODPM, 2001]

In February 2002, Herefordshire Council signed a Local Public Service Agreement (LPSA) with the Government. The Agreement contains 13 targets, which run until 31 March 2005. These targets demand a higher level of performance than the Council would otherwise have achieved, in return for additional finance for achieving the enhanced targets and some relaxation in regulation.

The Agreement used the Herefordshire Plan as the framework and many of the targets depend on close working with other agencies to achieve them. These partners include the Fire Service, Primary Care Trust, West Mercia Police, Youth Offending Team, Herefordshire Home Check, Learning and Skills Council and Early Years Partnership.

The links between the Council’s objectives and the LPSA targets are set out below:

<b>Enhancing quality of life</b>	<ul style="list-style-type: none"> <li>• Enabling older people to live as independently as possible in the community</li> <li>• Reducing crime</li> <li>• Improving fire safety</li> <li>• Improving the life chances of children in care by increasing the adoption rate</li> <li>• Improving the life chances of children in care by improving their educational attainment</li> <li>• Improving support for the homeless</li> </ul>
<b>Community leadership and community engagement</b>	<ul style="list-style-type: none"> <li>• Achieving 100% delivery of electronic government</li> <li>• Improving cost effectiveness</li> <li>• Increasing participation in democracy and local decision making</li> </ul>
<b>Protecting the physical environment</b>	<ul style="list-style-type: none"> <li>• Improving road safety</li> </ul>
<b>Increasing economic and social prosperity</b>	<ul style="list-style-type: none"> <li>• Improving the attainment levels of pupils</li> <li>• Improving the care and development of young people</li> <li>• Increasing the proportion of higher ability pupils obtaining 5 or more A*-B grades at GCSE and Level 5 and above in English, Maths and Science at the end of Key Stage 2</li> </ul>

The Council is currently developing a similar approach to a new Local Public Service Agreement, covering the period 1<sup>st</sup> April 2005 – 31<sup>st</sup> March 2008, negotiations for which are scheduled to commence in July 2004. This work will be an integral part of the Council’s corporate and operational planning.

# **f**inancing the Corporate Plan

Driving forward the Council's priorities, as reflected in the Herefordshire Plan and consolidated within this Corporate Plan, has a significant bearing on the budget setting process at a local level. At the same time, the Council has to operate within the national financial framework for local government and the Council's medium term financial planning needs, therefore, to reflect a balance between national and local priorities. The Council's spending has to reflect Government guidelines and capping criteria.

The Council produces three-year financial forecasts. These inform its Medium Term Financial Strategy, which recognises the need to contain the level of Council Tax increases and also that the pressures on the Council to provide better levels of service cannot be resourced solely at the expense of the Council Taxpayer.

## **Medium Term Financial Framework**

The Medium Term Financial Framework, endorsed by Council early in 2004, identifies the key principles to be reflected in budget considerations. The framework will be reviewed on an annual basis and its key principles are:

- Education spending will be maintained by passporting the FSS increase each year;
- The Social Care budget will continue to be strengthened to maintain support and improve performance;
- Spending to restore and improve the county's roads will be maintained;
- Investment in information and communications technology will streamline the way the Council works and delivers its services to the public;
- Efficiency measures will be promoted through sound business planning, staff development and training and focused performance measurement;
- Progress towards meeting the LPSA targets will be maintained;
- Budgets will be set at realistic levels recognising the need for prudent management of the complex risks that the Council faces.

## **Financial forecast – revenue**

Looking beyond 2005/2006, it is reasonable to assume a reduced rate of growth in public expenditure closer to 4%, with the Council's standstill budget increasing at a similar rate. Greater certainty will be come from the publication of the UK Government's Comprehensive Spending Review in the summer of 2004. There are a number of unknowns at present, however, which include the impact of:

- UK Government regulation of Council Tax increases;
- The impact of data changes on the national local government finance settlement; and
- The inclusion for the 2005/06 settlement of the one-off funding made available to limit current year Council Tax increases.

In the light of likely resource limitations, allied with ongoing spending pressures, the Council will pursue vigorously its Service Improvement Programme and scrutinise its budgets with even greater rigour. It will also undertake more in-depth consultation with the public. All of this will be an integral part of the corporate and operational planning process, leading to a clear statement of the Council's priorities and how these will be reflected in the nature and level of particular services and efficiency improvements.

## Protecting the Council's financial standing and managing risk

The Council faces a number of significant risks in terms of its financial standing:

- Social care provision is increasingly needs, choice and cost led as standards, regulations and entitlements are enhanced;
- Waste disposal is also demand-led, with rising environmental protection expectations;
- Government targets and standards, regulated by statutory inspection, over a wide range of activity need to be met over the short and medium to long term requiring realistic budget provision;
- The financial standing of the Council has been judged to be sound by the external auditors. Its reserves currently stand at some £5.5m, including the Council's approved minimum prudent reserve of £3m. Anticipated calls on reserves over the next three years, including the outcomes of job evaluation, leave little room for flexibility;
- The Council achieved a "good" score in the Comprehensive Performance Assessment, with the top score for use of resources. The Council needs not only to protect this record but also move forward with the ambitious objectives it has set itself in its "Committed to Excellence" Improvement Plan.

### Financial forecast – capital

Looking at the available sources of funding for capital expenditure, the indicative capital resources available to the Council for the three years up to 2006/2007 total over £84million:

Resource	2003/04 £000	2004/05 £000	2005/06 £000	2006/07 £000
Supported Borrowing	17,925	16,483	12,692	15,486
Prudential Borrowing		5,000	5,000	5,000
Grants and Contributions	10,863	8,585	3,034	1,620
Capital Receipts	4,260	4,870	3,721	2,862
<b>TOTAL</b>	<b>33,048</b>	<b>34,938</b>	<b>24,447</b>	<b>24,968</b>

Investment decisions will reflect the Council's own priorities, wherever possible.

#### Assumptions

- The level of future Prudential Borrowing will be largely dependent upon the level of support received from Government. The Prudential Borrowing stated in the table above represents the funding required to support capital spending plans where no other resources have been identified.
- The Scheme Selection and Prioritisation (SSP) process is used to identify capital projects that meet overall corporate objectives. Such schemes are then considered in terms of priority and affordability as per the Prudential Code. If prudent to do so the level of borrowing identified above may well increase.
- Capital support will mainly come in the form of Revenue Support Grant and that any capital grants will be ring fenced.
- New Deal grant funding and other grants for schools to continue and increase at 3% per year.
- Capital Receipts will normally be used in the year in which they arise (with the exception of Large Scale Voluntary Transfers (LSVT)). With regard to Housing, the amount of resources available from our share of Right to Buy (RTB) receipts (following LSVT) has been projected to allow for a usable proportion of 25% with no sums being subject to national pooling.

- Earmarked Capital Receipts Reserves will be fully used by the end of 2004/2005 (with exception of the remainder of the LSVT receipt which will be fully used by the end of 2006/07).
- Continuing current levels of grants and contributions, particularly in Joint Funding area for on-going schemes and specific provision for known schemes (£2.7million SRB contribution to Herefordshire In Touch in 2003/04).

On the basis of the above resources being available, a medium term **Capital Programme** through to 2006/2007 has been developed as detailed below.

<b>Service</b>	<b>2003/04 £000</b>	<b>2004/05 £000</b>	<b>2005/06 £000</b>	<b>2006/07 £000</b>
Highways and Transportation	10,879	11,846	10,428	12,049
Strategic Housing	4,929	5,633	5,415	5,067
Education	8,248	7,014	3,071	2,757
Social Services	413	132	91	0
Policy & Finance inc Property	3,948	3,754	4,817	4,937
Economic & Social Development	4,631	6,559	625	158
<b>TOTAL</b>	<b>33,048</b>	<b>34,938</b>	<b>24,447</b>	<b>24,968</b>

The above tables:

- Are purely indicative of the future capital programme. All capital resources that are not subject to ring-fencing will be subject to the Scheme Selection and Prioritisation (SSP) process. This is to ensure that overall corporate objectives take precedence over service area objectives.
- Do not highlight the gap between investment need and available resources (bearing in mind the level of backlog of asset maintenance).
- Do reflect the medium-term benefit of an inflow of capital receipts following LSVT and ongoing RTB receipts.
- Do take into account current disposal plans for other surplus assets.
- Do assume a level of borrowing initially in line with current Single Capital Pot (SCP) levels. The level of borrowing from 2004/2005, with regard to affordability, assumes a level of support in line with the SCP.

The Council has little scope to generate its own capital resources. However, a major review of property and land holdings is currently underway which is intended to identify opportunities to release surplus assets and generate capital receipts that can be used to help fund the future capital programme. In addition the Council is committed to pursuing public/private partnerships as a means of bridging the resource gap it faces, continuing it's success at partnership working to secure additional funding (the Council has a significant SRB & Objective 2 Programme).

#### **Assumptions**

- Transport spending is in line with priorities identified within the Local Transport Plan.
- Education spending is in line with the priorities identified within the Education Asset Management Plan.

The main commitments reflected in the capital programme include:

- New deal for schools Condition Property;
- Improvements to the Roman Road;
- Improving the Highways network;

- Leominster Industrial Estate Access Road;
- North Herefordshire Swimming Pool;
- Disabled Access Improvements;
- Network Enhancement and Disaster Recovery for ICT;
- Major Social Housing grants.

Other major capital schemes for the future include:

- The rationalisation of Council accommodation;
- Improved library facilities;
- Improved access for customers, including a rolling programme of INFO shops in Hereford, Kington and Ledbury;
- Infrastructure for the Edgar Street Grid;
- Environmental and general facility improvements to the Crematorium;
- Rotherwas Access Road.



# Making it happen

Establishing the Council's objectives and being clear about the finances available to support the delivery of those objectives is a significant part of the Corporate Plan. Having in place key processes, which will enable those objectives to be delivered, is fundamental.

Those key processes are performance management, risk management and project management.

As part of the Corporate Assessment Report, the Audit Commission noted that *"the lack of a robust risk strategy and standard project management approach could put [the Council's] change agenda at risk."* Performance management had previously been highlighted by the Council as an area for improvement and a Head of Performance Management, reporting to the Chief Executive, has now been in post for 9 months.

## Performance management

*"...the council's performance management systems are not uniformly robust and consequently the council does not maintain a sufficiently strong focus on weaker performing services."*  
[Audit Commission, 2002]

The Council's performance management arrangements focus on maximising its contribution to the achievement of its objectives. Whilst the Council recognises that there are areas of good performance management, it is not uniform across the authority and more robust performance management systems are required.

Following service pilots, the Council has now started to use the EFQM Excellence Model corporately. This, coupled with best value reviews, will help to drive continuous improvement in outcomes for the people of Herefordshire. The Council has integrated its Local Public Service Agreement into this performance management framework.

The key features of the performance management framework are that it: -

- Establishes an overall timetable for the production of service plans;
- Establishes clear links between the Herefordshire Plan and service objectives, set out in the individual Directorate and service plans;
- Establishes clear links between service objectives and the work of individual employees through the Staff Review and Development process;
- Holds Directors to account for the performance of services within their Directorates;
- Ensures that the actual performance of services compared to targets and objectives is regularly reviewed through regular performance monitoring involving Chief Executive's Management Team, Directorate Management Teams, Cabinet Members and Scrutiny Committees;
- Puts in place verification systems to ensure the accuracy of data collection systems;
- Uses the vehicle of the Council's Best Value Performance Indicators to set performance targets and to report on what has been achieved in the past year;

- Maximises the value to be obtained from external performance assessment frameworks such as those carried out by Ofsted, the Best Value Inspectorate, the Social Services Inspectorate and the Housing Inspectorate.

## **Risk management**

*“A turtle may live for hundreds of years because it is well protected by its shell, but it only moves forward when it sticks out its head” [attrib. Ricardo Semler]*

Managing risk has always been a feature of local government but in the current climate, the need to take a broader view of the risks, which would prevent the delivery of key projects or objectives, is even more important. The Council recognises that it has a number of large projects, and a huge change agenda, to deliver over the next few years – the lack of a robust risk strategy could put this in jeopardy. Recognising this the Council has adopted a new risk management strategy. This sets out Herefordshire Council’s approach to risk management, focusing on those strategic risks which will emerge in developing service plans, projects, making funding bids and managing change (e.g. financial changes) It provides a framework which is simple to use while sufficiently structured to ensure that consistent judgements are made on risk. It means that the identification and management of risk will be an integral part of all the Council’s planning and performance management.

This approach will ensure that all areas of risk are identified, evaluated, controlled and reviewed.

The Council’s risk management cycle consists of four stages:

### **Identification**

This process is achieved by:

- Specifying the risks to which the Council is exposed both strategic and operational;
- Analysing past claims, incidents and other losses;
- Creation and maintenance of a corporate risk register.

### **Evaluation**

Areas of potential risk are analysed by:

- An assessment of impact;
- An assessment of likelihood.

### **Risk Control**

Following evaluation there are four main control options:

- Tolerate – monitor and re-evaluate in the future;
- Terminate –do not undertake the activity;
- Treatment (pre and/or post loss) – manage it, put in place effective controls;
- Transfer – pass the risk on (e.g. to contractor/insurer).

To assist in this process, a simple guide and documentation have been produced for all staff.

## **Project management**

The Council has established a corporate approach to project management, which is adhered to consistently across the Council and is proportionate to risk.

All relevant staff are receiving training to ensure that they can manage projects successfully.

# **C**ommitment to excellence: the Improvement **Plan**

The Council has been open to internal and external challenge – internally through the scrutiny process, Best Value Reviews and EFQM Excellence Model assessments and externally through the Improvement and Development Agency peer review and the Comprehensive Performance Assessment. The output of all these assessments has led to the development of a three-year Improvement Plan as a framework for improvement.

The improvements cover two broad areas:

- ✓ Outcome based improvements in relation to cross-cutting priorities, namely, modernisation, human resources, diversity, communication, regeneration/accommodation; and
- ✓ Corporate improvements designed to strengthen the capacity of the organisation.

The Improvement Plan is essentially a framework, providing a signpost to specific strategies, which contain the detailed actions and milestones.

The key objectives, actions and key milestones are set out on the following pages:

	<b>What we want to achieve...</b>	<b>What we will do...</b>	<b>To be completed by...</b>
<b>Leadership and vision</b>	A clear understanding of the impact of Council activity on achieving the Herefordshire Plan ambitions	Corporate Plan	Completed January 2003
		Corporate planning template	Completed March 2003 (implementation) March 2004 (review started; complete by September)
	Elimination of prejudice within the Council and in its dealings with others	Race Equality Scheme (Action Plan revised October 2003)	March 2005
		Disability Scheme	January 2004 (implementation) March 2005 (review)
		Human Resources Strategy ( <i>Promoting Equal Opportunities</i> )	December 2005
Management of organisation change/development across the Council	Modernisation Programme (Revised April 2003 moved to Organisational development and learning element of the Improvement Plan) ( <i>Change Management Programme</i> )	March 2005	
<b>Performance management</b>	Focus on performance to drive corporate and service performance	Performance management framework	Completed March 2003 (implementation) May 2004 (review started; complete by September)
		Human Resources Strategy ( <i>Achieving management excellence</i> )	December 2004
	Improved services for the community	Local Public Service Agreement	March 2005
<b>Key resources</b>	Corporate project management arrangements	Project management model	September 2003 (implementation underway) March 2005 (review)

	<b>What we want to achieve...</b>	<b>What we will do...</b>	<b>To be completed by...</b>
	Comprehensive risk management arrangements	Risk Management Strategy	June 2003 (incorporated in performance management framework) September 2004 to March 2005 – incorporate fully in corporate and operational plans March 2005 (review)
	Improved Council-wide procurement	Procurement Strategy	March 2005
	Improved asset management	Regeneration/ Accommodation Strategy	March 2007
		Human Resources Strategy ( <i>Promoting Flexible Working</i> )	December 2005
	Deliver a single broadband telecommunications infrastructure	Modernisation Programme ( <i>Herefordshire in Touch programme</i> )	December 2005
<b>Organisational development and learning</b>	A competent and effective workforce	Human Resources Strategy	December 2005
	Better passporting of learning throughout the Council	Systems for sharing learning and good practice	September 2003 (implementation underway) December 2004 (review)
	Management of organisation change/development across the Council	Modernisation Programme ( <i>Change Management Programme</i> )	March 2005
<b>Communications</b>	Timely communication of significant information to all staff	Human Resources Strategy ( <i>Improving communications</i> )	December 2005
	Opportunities for all staff to “have their say”	Staff roadshows	December 2004
		Open meetings	December 2003
		Work shadowing	March 2005
	Effective communications outside the Council	Connecting with Communities	March 2005
Modernisation Programme ( <i>Access to services</i> )		March 2005	

	<b>What we want to achieve...</b>	<b>What we will do...</b>	<b>To be completed by...</b>
		Customer Service Strategy	March 2004
	Improved consultation arrangements	Community Involvement Strategy	March 2004