

Herefordshire Council Annual Review and Summary of Accounts 2009/10





Annual Review

Herefordshire leads the UK in the way it brings health and local government together in a uniquely strong partnership to deliver improved public services for you.

In early 2008, Herefordshire Council and NHS Herefordshire became the first local authority and primary care trust to form a new kind of partnership. It was based on a shared vision to work together and achieve efficient, excellent and value for money services to improve the life chances, quality of life and health and wellbeing of people in Herefordshire.

In 2009/10 the council made further strides forward in pursuit of this vision.

We have invested in new systems to drive improvements in how social care cases are managed, as well as new systems to share information across several areas of operation and bring together human resources, payroll, finance and procurement systems to make them more efficient.

Herefordshire Council, NHS Herefordshire and Hereford Hospitals NHS Trust entered discussions into how they could save many millions of pounds a year through sharing several central functions and investing the savings back into protecting essential services for the most vulnerable members of the community.

In Herefordshire, a single chief executive leads both the council and the primary care trust. We also have a joint management team and several joined up teams and services, as well as a single corporate plan with shared targets.

Several health and local authority services have been transferred to our award-winning customer service centres in our market towns and the city. The aim is to improve customer care and make our administration more efficient and effective. Our customer call centre has speeded up responses across a wide range of services, with most queries now answered at first contact. A single 'customer insight team' oversees customer care and complaints across council and health services to ensure we learn from customer experiences.

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Our info centres bring health and local government service information together in one place, and some go much further. Herefordshire was the first in the UK to provide information technology, systems and support across a local authority, primary care trust, hospital trust, schools, mental health services, GP practices and voluntary sector organisations. The benefit to Herefordshire is the streamlining of information flow and systems across most of the public sector, which makes more efficient use of staff with specialist expertise and skills, and means that you do not have to keep giving the same information every time you contact us.

Public services across the council, the primary care trust, the voluntary sector and the police and fire services now work more closely together to better meet the needs of residents. We produced a unique guide that arranges information about services around the important events in your life – such as starting a family, moving into the area, becoming a carer or bereavement. This makes services easier to understand, locate and access for everyone.

Better health for everyone

Herefordshire people generally enjoy better health than the average for the rest of the country - and can also expect to live longer. The council and the primary care trust are working to challenge the links between high social deprivation and poor health, with emphasis on promoting healthy lifestyles and designing 'packages of care' for older people and children.

By working closely together, our local NHS and the council can tackle early on the deep-rooted causes of ill health – including poverty, education, housing, upbringing and the choices people make about smoking, alcohol, diet, sexual behaviour and exercise. By taking a preventative approach we reduce people's risk of developing serious and long-term illnesses such as stroke, heart attack, diabetes and cancer.

Partnership working has resulted in local people being able to choose and book appointments with specialists - at a clinic or hospital at a time to suit you – or even use county libraries or info centres to book appointments.

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Looking after older people

Numbers of older people continue to grow more rapidly in Herefordshire than nationally. Increasingly, services are joined up to support them to live independent and fulfilled lives.

The Care Quality Commission, the independent regulator of health and social care, reported that we were 'performing well' and we are looking after older and more vulnerable people better than ever before.

We have pooled budgets for managing adaptations and equipment to help people to live independently at home after they have come out of hospital, or to support disabled children at school. We joined forces to provide 24-hour care services for older people with mental health problems in their own homes. This gives them the choice of living at home, prevents unnecessary hospital admissions, reduces long-term residential or nursing care admissions and improves support for family carers.

Services include homecare, a roving night service and using technology like smart phones and fall sensors. We offer a 24-hour telephone link to give people confidence that we are on hand to help as needed.

Hundreds of people are now choosing their own social care with their own budgets, and saying this is enabling them to be independent and to lead fuller lives, and we are piloting individual budgets for some health services.

We jointly fund village wardens, who are local people in remote rural parishes who give practical support to older people, helping them to feel safe, healthy and in touch. They collect essential medication, help complete forms, do their shopping, join in with activities and support them in emergency situations.

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Supporting children and families

Services for children were assessed as 'performing well' according to an annual performance rating, published by Ofsted, and children receive a good start to their care and education in early years childcare and nursery settings. Two thirds of primary schools and secondary schools in the county are rated good or better.

We have developed a multi-agency approach to services for children and families on behalf of Herefordshire's Children's Trust (which brings together all agencies working with children). The result is a programme to create teams of professionals in locations closer to communities, providing a mix of services such as family support, health and social care, education welfare and youth services in each location working with local communities.

There is better support and training for family carers through the Carers' Hub, which was established in 2009. And a network of children's centres has been set up to bring together health, family support services, employment and training opportunities for young families.

Caring for the environment

The council undertook to deliver its biggest ever annual programme of work on road maintenance throughout the county following unprecedented damage to the roads during the worst winter for several decades, during which the council and its contractor Amey was able to keep all primary routes open for business.

Our new community protection team was launched to help keep the county free of rubbish, abandoned vehicles and flytipping, and the council introduced wheeled bins for the first time. Nearly 60,000 were delivered and 98 per cent of homes now have one, and this has dramatically improved recycling rates across the county.

During the early part of 2010, over 5,000 people participated in the Shaping our Place consultation, aimed at building a new land of opportunity, with more and better paid jobs, new vibrant communities, more affordable homes, new enterprises and a better transport system, including plans for a new relief road around Hereford. The next stage of consultation continues through 2010.

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Hereford's regeneration plans developed further. The council's regeneration company – now called Hereford Futures – secured planning permission for a new link road to open up underused parts of the northern edge of the city centre, and a new flood alleviation scheme to bring peace of mind to businesses and residents. Around £650 million of private sector funding is poised to be invested in the city, redeveloping the old livestock market with a new high quality department store, a multiplex cinema and a host of retail and leisure offerings to make Hereford more attractive for business, tourists and shoppers.

Helping the most vulnerable

Public services and the voluntary sector work together to look after the more vulnerable members of the community through a groundbreaking 'signposting' service. For example if a district nurse visits an older person, who does not have a smoke alarm, then the district nurse will make sure the fire and rescue service gets in touch to put that right. Or if a social worker thinks a resident is not getting all the benefits they should, then they will get in touch with our welfare benefits service to ensure they do.

To keep communities safe, the partnership works together to identify areas of anti-social activity, and explore how we can safeguard vulnerable individuals. Herefordshire is already one of the safest counties in the UK and anti social behaviour fell by almost 15 per cent in a three year period.

The council and the primary care trust now has a single emergency planning service, which means we can work more effectively in responding to the challenges of extreme weather, flooding or health threats, such as pandemic flu, to ensure residents are protected.

The 2009/10 year was one of continued and strong improvement for Herefordshire Council and assessment of our services, by a number of different agencies, found real benefits for local residents.

The experience in Herefordshire is that instead of public service agencies working alone, they can, by sharing more services and working in true partnership, make much stronger progress on issues that residents feel are most important, such as quality of life, health and wellbeing.

Summary of accounts

This summary of the council's accounts shows where the council spent its money and gives a brief overview of the financial position at 31st March 2010. The accounts were prepared in accordance with the Accounting Code of Practice.

The 2009/10 accounts have been subject to external audit by the Audit Commission and were given a clean bill of health.

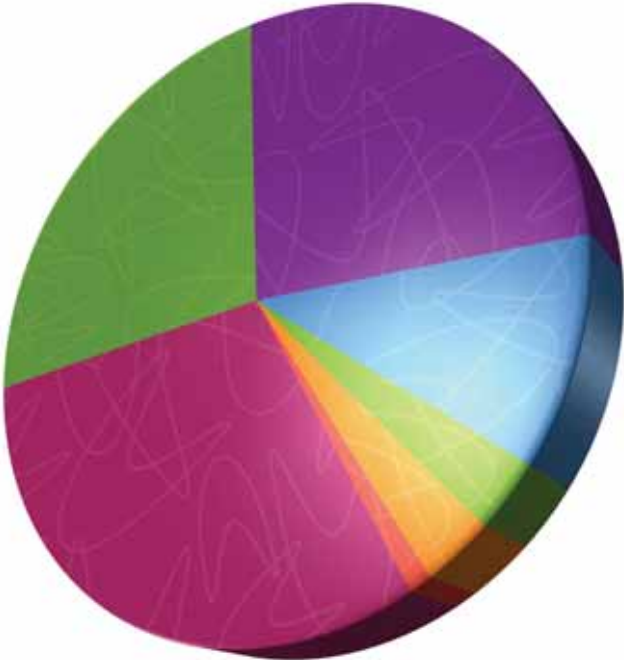
What the money was spent on

The revenue account shows the running costs of the council between 1st April 2009 and 31st March 2010. The figures show what has been spent by the council's directorates and the net amount to be financed by council tax and central government funding.

	2009/10 Net £000
Directorate	
Integrated Commissioning	47,974
Children and Young People's Services	41,812
Environment and Culture	40,632
Regeneration	16,488
Deputy Chief Executive	4,209
Central Services	5,288
Resources	1,963
Net Cost of Services	158,366
Other operating costs	21,996
Net Operating Expenditure	180,362
Provision for loan repayments	8,308
Capital items funded by revenue	548
Less: Internal recharges to services	(35,569)
Use of reserves and balances	(2,828)
Amount to be financed by council tax and central government funding	150,821

Summary of accounts

Analysis of Net Expenditure by Directorates



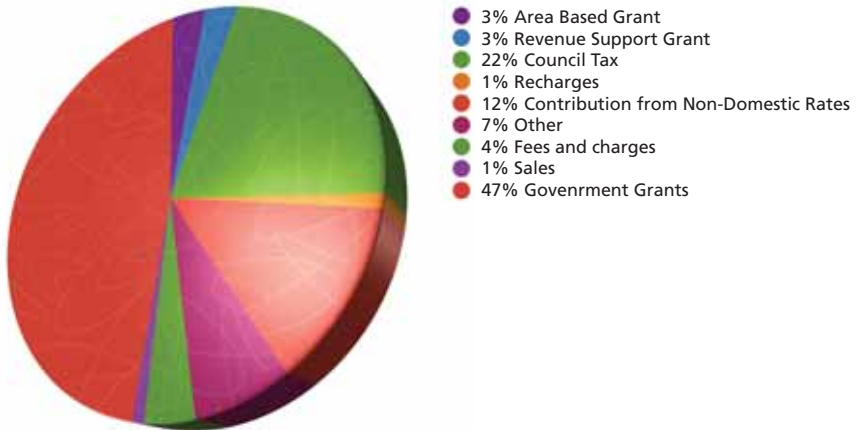
- 26% Environment and Culture
- 10% Regeneration
- 3% Deputy Chief Executive
- 3% Central Services
- 1% Resources
- 31% Integrated Commissioning
- 26% Children and Young Peoples Service

Summary of accounts

Where the money comes from

After the income generated by services, such as fees and charges and specific grants, £151 million was received through Government Grants, Business rates and local taxes.

Total Revenue Income



Cash Flow

During the year around £493 million of cash flowed in and out of the council's bank accounts:

	£000
Cash overdrawn at 1st April 2009	2,208
Cash in	(493,169)
Cash out	492,085
Cash overdrawn at 31st March 2010	1,124

As with all our financial statements, the cash flow position is a snapshot in time, with the position changing daily. The cash balance at 31st March includes payments of £4.65million sent out by the council but not yet cleared at the bank. The council has an excellent track record for managing cash effectively.

Summary of accounts

Capital Spend

In addition to spending on the running costs of services the council also spent money investing in its assets, such as buildings and roads.

During 2009/10 the council spent £69.7 million on capital projects, which was funded by borrowing, grants, capital income and revenue contributions.

Capital Spend	2009/10 £000
Land and buildings	16,936
Roads and infrastructure	17,123
Vehicles, plant and equipment	2,936
Investment and non-operational assets	19,216
Capital grants	10,873
Other	2,623
	<u>69,707</u>
Financed by	
Borrowing	23,935
Grants and Contributions	40,566
Capital Receipts	4,914
Revenue contribution	292
	<u>69,707</u>

The following are examples of some of the schemes the council invested in during 2009/10:

- Leominster High School
- Hereford Academy School
- Corporate accommodation
- Learning disability properties
- Rotherwas Futures

Summary of accounts

The Balance Sheet

The Balance sheet shows how much the council is worth at the end of each financial year. It sets out the value of its assets and how much the council owes, plus the amount of cash held in reserves:

	31st March 2010
	£000
Assets	
Fixed Assets (1)	499,849
Cash and Investments	16,682
Amounts owed to the Council	36,407
Other	831
	<u>553,769</u>
Liabilities	
Borrowing (including cash overdrawn)	131,439
Finance lease liability	29,711
Amounts owed by the Council	40,034
Pensions liability (2)	164,594
Capital grants deferred	104,138
Other	2,671
	<u>472,587</u>
Assets less Liabilities	81,182
Capital reserves	13,296
Revenue reserves (3)	19,509
Pensions reserve	(164,594)
Non-cash reserves	212,971
Net worth	81,182

Notes

1. Fixed assets include land, infrastructure, buildings and other property.
2. The pensions liability represents the council's commitment to pay future pensions for current and former employees. The pensions reserve is set up to offset the liability against future years, rather than being a cost to the council in the year.
3. Revenue reserves include £14 million earmarked for specific items of spend.

Summary of accounts

Cabinet member's comments

The Statement of Accounts for 2009/10 is the key financial report that presents the council's overall revenue and capital position for the year.

The 2009/10 financial year has been challenging and some frontline service's areas have had to meet increasing demands. Overall the council delivered a balanced budget aided by the use of surpluses within corporate budgets and use of general and specific reserves.

There have been additional reserves established this year, predominantly the insurance reserve to ensure funding is available for any potential current and future year insurance claims. There is also funding to deliver the Local Development Plan "Shaping our Place 2026", utilising Local Development Framework monies for this purpose.

During the year the council maximised the use of both revenue and capital grants, offsetting all relevant expenditure to minimise call on core funds. Subsequently there was an under spend on borrowing costs due to the slippage on capital schemes, thus reducing the funding requirement.

Cllr Harry Bramer
Cabinet Member for Resources

Have your say

Let us know what you think about the Annual Review and Summary Accounts and how you feel they could be improved.

Please send you comments to:

Mr David Powell, Director of Resources,
Brockington, 35 Hafod Rd, Hereford, HR1 1SH
Or email: hfooster@herefordshire.gov.uk

A full version of the Statement of Accounts can be found on the council's website
www.herefordshire.gov.uk



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language, please call 01432 260500 or email
info@herefordshire.gov.uk