

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Wednesday 15 July 2009 at 9.30 am

Present: Councillor PJ Edwards (Chairman)
Councillor WLS Bowen (Vice Chairman)

Councillors: PA Andrews, ME Cooper, AE Gray, KG Grumbley, TM James, RI Matthews, PM Morgan, AT Oliver and PJ Watts

In attendance: Councillors H Bramer (Cabinet Member - Resources), RJ Phillips (Leader of the Council) and PD Price (Cabinet Member ICT, Education and Achievement).

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor JP French (Cabinet Member – Corporate and Customer Services and Human Resources)

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

The Chairman welcomed Councillors ME Cooper, AE Gray and PJ Watts as new members of the Committee.

3. MINUTES

RESOLVED: That the Minutes of the meeting held on 16 March 2009 be confirmed as a correct record and signed by the Chairman.

4. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY

There were no suggestions from members of the public.

5. FINAL REVENUE AND CAPITAL OUTTURN 2008/09

The Committee considered the final revenue and capital budget outturn for 2008/09.

The Acting Head of Financial Services presented the report which had been considered by Cabinet on 4 June. She added that the Statement of Accounts for 2008/09 had now been approved by the Audit and Corporate Governance Committee.

She highlighted that the net revenue underspend on directorate budgets had been £42,000 with an overall revenue underspend of £249,000. This underspend had been transferred to the social care contingency reserve. She also drew attention to new reserves that had been created as set out on page 94 of the report.

There had been slippage on the capital programme with an outturn of £48.05 million against an original budget of £57.9 million. However, no conditional resources had been lost.

In the ensuing discussion the following principal points were made:

- It was proposed that the net revenue underspend be welcomed as evidence of good financial management, mindful of the level of projected overspend earlier in the financial year.
- In response to questions the Director of Resources and the Acting Head of Financial Services commented as follows:
 - It was confirmed that a legal opinion was still awaited on how rates underspends by voluntary aided schools could be used.
 - The cost of the Whitecross PFI scheme was being evened out over the 25 year contract by building up a reserve in the earlier years from underspends to offset costs in the latter part of the contract. The cash flow would become negative in 2020 requiring transfers from the reserve from that point. It was agreed to provide clarification on how the condition of the building was monitored to ensure that it was in good condition on the eventual transfer of the building to the Council and how this would be assessed.
 - Asked about the position on the Rotherwas Access Road the Director confirmed that the work ongoing to complete the financial arrangements was normal for a Scheme of that size.
 - The Director explained the action taken in respect of the Hereford City grounds maintenance contribution.
 - The creation of a new reserve to fund redundancy costs due to falling school rolls was discussed, noting reports of pressure on school places nationally. The Director reported that there was still a surplus of places in the County. The position was monitored and reflected in the School Organisation Plan.
 - The Director explained that the overspend within the Audit section was a result of expenditure on agency staff in relation to undertake specialist computer audit. A permanent post had now been established with a saving to the Council.

RESOLVED: That the net revenue underspend of £249,000 for 2008/09 be welcomed as evidence of good financial management, mindful of the level of projected overspend earlier in the financial year.

6. INTEGRATED CORPORATE PERFORMANCE REPORT

The Committee considered the end-year performance for 2008-09 against the Council's key indicators from the Corporate Plan 2008-11, the Local Area Agreement and the Herefordshire Community Strategy, and any other indicators where data is available against which a Red/Amber/Green rating or direction of travel judgement can be made.

The report had been considered by Cabinet on 4 June 2009. The Assistant Policy Officer presented the report. He also informed the Committee of a number of changes to the printed report reflected in changes to the headline figures in the report. He highlighted the following points:

- 57% of key indicators (Corporate Plan, LAA and HCS) achieved target (32% last year); 32% failed to achieve target (36% last year).
- 57% of indicators have improved, compared with 60% last year; 39% have fallen back (30% last year)
- 20 of the 30 LAA indicators achieved Year 1 targets; 8 are currently behind target.
- Performance highlights In terms of the Council's key priorities, were set out at paragraphs 5-6 of the report.

In the ensuing discussion the following principal points were made:

- Concern was expressed about performance against a number of indicators under the corporate priority of best possible life for every child. These included NIS 61 (the timeliness of placements of looked after children for adoption), and 221a and 221b (the percentage of young people getting a recorded or accredited outcome). The Assistant Policy Officer explained that although targets BVPIs 221a and b had not been achieved, Youth Services had been successful in engaging a larger number of young people in youth work than originally planned.
- In the updated figures provided to the Committee it was noted that a number of targets had moved from an amber rating to red (NI 60, 64, 65 and 67). In a number of areas it was also noted performance was well below that in the previous year. The Cabinet Member (ICT, Education and Achievement) commented on the need to note that some targets, some of which were set nationally were very demanding. The Deputy Chief Executive said that the new performance management system, on which the Committee would be briefed, would provide Members with a clearer understanding of performance and put it in context.
- It was proposed that in continuing to monitor performance the Children's Services Scrutiny Committee should prioritise some underperforming areas, for example, safeguarding
- In relation to target 115, substance misuse by young people, it was noted that the response to a survey had been very low and the figure quoted was an average of neighbouring authorities.
- Performance against the health and wellbeing corporate priority was also questioned, noting that many indicators were red.

RESOLVED:

- That**
- (a) performance for 2008-09 be noted taking account of the Committee's observations;**
 - (b) in continuing to monitor performance the Children's Services Scrutiny Committee should prioritise some underperforming areas, for example, safeguarding; and**
 - (c) the observations on performance as set out above be reported to Cabinet.**

7. PRESENTATION BY THE LEADER OF THE COUNCIL

The Leader of the Council made a presentation to the Committee making the following principal points:

The last year had been a challenging one with the significant impact of the credit crunch and the recession to be addressed.

The Council's performance had improved, the Audit Commission's assessment being that the Council was now improving well. He emphasised the importance of the Council and its strategic partners working even more closely together to achieve further improvement.

He outlined developments at Regional Level consequent upon the imminent demise of the West Midlands Regional Assembly. This included the establishment of the Board of Leaders which had sharpened delivery.

He had worked with the Regional Minister to maintain Herefordshire's profile and press the case for investment. There were 20 'Impact Investment Locations' across the region as priorities for investment in transport, housing, regeneration and economic development. Two benefitted the County directly: a rural housing development in Herefordshire and Shropshire and the Edgar Street Grid Development. Herefordshire was also recognised as a sub-regional growth centre.

He continued to work with other authorities to make the case to Government on the funding needs of rural areas.

Priorities for the year ahead included Children's Services. Safeguarding issues were a concern reflecting a national problem in recruiting social workers. Consideration also needed to be given the criteria that would govern the future of schools in the County. The recession would also impact on those neither in employment, education or training. The provision of adequate funding to Councils to enable them to take back the role of the defunct Learning and Skills Council would also be important.

The Audit Commission had recognised the improvement that had been made in adult services and the benefits being derived from the joint working with the Primary Care Trust. However, the provision of care to adults would also be a challenge.

The County's economy was another major issue. He considered the Rotherwas Access Road had made jobs safer on the industrial estate. He highlighted the importance of the provision of Broadband and the Edgar Street Grid (ESG) development. He expressed concern about the impact of the recession on the Market Towns suggesting there was a role for local councils in addressing this.

Housing including provision of temporary accommodation would also be challenging.

The expectation was that Local Government would face tight financial settlements in future. He considered the accommodation strategy and the Herefordshire Connects programme were examples of areas where the Council had already taken steps to prepare for that eventuality.

He requested that Scrutiny contribute constructively to addressing these significant challenges.

In the ensuing discussion the following principal points were made:

- The role of the Board of Leaders and the influence it could wield was discussed. The Leader commented that in his view it raised the profile of Local Government adding that an effective sub-regional link would also be important in the face of the likely restriction on public sector expenditure.
- The role of the ESG Board was discussed. The Leader commented that whilst the Board had been set up to oversee the ESG project, the Council and Advantage West Midlands were responsible for taking the key decisions on the development. He added that the project was a long-term one and as such would need to be adapted as it progressed to reflect changing circumstances.
- A Member commented on concerns being expressed by businesses and the public about the ESG project. The Leader observed that those who were critical of the proposal needed to consider the alternative. He was convinced of the importance of taking advantage of the public funding available for the project to ensure the continued development of the City.

The Committee noted the presentation.

8. PRESENTATION BY CABINET MEMBER (CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES)

The Cabinet Member (Corporate and Customer Services and Human Resources) was unable to attend the meeting.

The following principal issues were raised on her report:

- A Member expressed reservations about aspects of the section of the report on communications.
- A Member suggested the level of sickness absence needed to be addressed in the forthcoming year. It was noted in reply that this would be monitored through the new performance management system.
- In response to concern about the cost of parish elections which it was suggested discouraged democracy, the Leader said that an application was to be submitted by Herefordshire Association of Local Councils, with the Council's support, for Government funding for Parish Council elections in Herefordshire in 2011 as a pilot exercise.
- In response to criticism of the Council's response rates to correspondence the Deputy Chief Executive replied that work was underway to establish a Customer Insight Unit to ensure responses of a consistent quality were made in accordance with agreed timescales.

The Committee noted the report.

9. PRESENTATION BY CABINET MEMBER (RESOURCES)

The Committee received a presentation from the Cabinet Member (Resources) outlining the key elements of the Resources portfolio, progress to date and the challenges for the future.

The Cabinet Member highlighted the following points:

- An improvement in benefit claim processing times that had led the Audit Commission to rate the Benefits Team as excellent.
- Benefit and Business Rate collection rates remained high.
- Good financial management was reflected in the revenue underspend for 2008/09 and the action taken in response to the global financial crisis to protect the Council's position.
- The continued efforts to improve financial reporting, which the Audit Commission had rated as excellent.
- The Audit Commission's new Use of Resources evaluation would represent a harder test.
- Property Services was managing a large number of projects adding value to the Council.
- Increased demand for benefits advice and support.
- The prospect of tight financial settlements in future.
- The importance of work with Partner Organisations to develop shared services.

The Director of Resources commented that the recession was the dominant feature. Action was being taken to reduce time to pay suppliers. More reminders were having to be sent out to the Council's debtors. Reduction in investment income was a concern although steps had been taken to mitigate this where possible including rescheduling debt.

In the ensuing discussion the following principal points were made:

- Asked about the Accommodation Strategy the Director advised that in addition to delivering the back office project thorough area based reviews of accommodation were underway.
- In relation to benefit payments the Director said there was some evidence of people experiencing difficulties in making payments with more applications for discretionary relief. In response to concern expressed about the tone of some of the Council's correspondence the Director said he was aware of the issue and was addressing it.

The Committee noted the report.

10. PRESENTATION BY CABINET MEMBER (ICT, EDUCATION AND ACHIEVEMENT)

The Committee received a presentation from the Cabinet Member (ICT, Education and Achievement) reviewing past performance, identifying key issues and commenting on future plans.

He praised the Joint Director of ICT and his team for their work in undertaking a huge task. He highlighted the following issues.

- The work to upgrade the Thorn Data Centre to an appropriate standard.

- Support for Herefordshire Connects and the development of Frameworki, the new social care system.
- Reductions in carbon emissions from the data centre hardware through the process of virtualisation.
- The performance of the website team in having the website ranked as one of the top ten local authority sites.
- In 2009/10 Herefordshire Connects would be ongoing, the development of the Community Network and the integration with partner organisations.

In the ensuing discussion the following principal points were made:

- Asked about services provided to schools the Support and Development Manager replied that these were provided under individual service level agreements with schools. Regular termly meetings were held between Children's Services, ICT services and Head Teachers at which school needs were discussed.
- A Member expressed some concerns over the operation of Frameworki, referring to the absence of a finance package as part of the system. The Director of Resources acknowledged that integration of Frameworki with the Council's financial system was vital. The issue had been discussed at officer level. Further clarification of the concerns would be sought. In response to a further concern expressed about the Council's financial ICT system he said the acquisition of the new Agresso package and implementation of phase 2 would address this concern.
- It was agreed to provide a written reply in response to a question about the capability of the Planning ICT systems.
- A briefing note was requested on reductions in carbon emissions from the data centre hardware through the process of virtualisation and how this was calculated.
- Asked about progress on sharing information between the Council and NHS Herefordshire it was confirmed that work on integration was continuing.
- It was agreed to provide a written answer to the Committee on the operation of surveillance software by the Community Protection Team.

The Committee noted the report.

11. ASSET MANAGEMENT AND PROPERTY SERVICES

The Committee considered the review of Asset Management and Property Services and the proposed alignment of the work with the emerging Shared Services activity.

The report to Cabinet on 25 June was appended.

The Director of Resources noted that Cabinet had excluded Asset Management and Property Services from the negotiations over a service delivery contract with Amey PLC with a separate review of those services to be undertaken. The Strategic Monitoring Committee had requested in September 2008 that the Committee be re-consulted once that review was completed.

He reported that circumstances had changed since then, noting for example the development of the Shared Services project and he considered any decision on the

Asset Management and Property Services Division to be premature. A management action plan was in place and service improvements were being made.

He commented on the range of activities the Property Services Team needed to undertake, as described in the report. These included planned reviews of public sector asset transfers to community organisations and the national Carbon Reduction Commitment scheme, and work in connection with the Comprehensive Area Assessment.

In reply to a question about integration with the Primary Care Trust (PCT) the Director of Resources commented that the PCT had its own smaller property team. Some property advice and assistance was being provided by the Council to the PCT. The PCT had contributed staff resource to the Plough Lane accommodation project.

The Committee noted the report.

12. SCRUTINY ACTIVITY REPORT

The Committee noted the work being undertaken by the scrutiny committees.

13. WORK PROGRAMMES

It was noted that further informal work on the development of the work programme was being arranged.

The meeting ended at 12.30 pm

CHAIRMAN