

A G E N D A

Strategic Monitoring Committee

Date: **Friday, 15th October, 2004**

Time: **10.00 a.m.**

Place: **The Council Chamber, 35 Hafod
Road, Hereford**

Notes: Please note the **time, date** and **venue** of
the meeting.

For any further information please contact:

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**County of Herefordshire
District Council**

AGENDA

for the Meeting of the Strategic Monitoring Committee

To: Councillor T.M. James (Chairman)
Councillor Mrs. P.A. Andrews (Vice-Chairman)

Councillors B.F. Ashton, W.L.S. Bowen, A.C.R. Chappell, J.H.R. Goodwin,
Mrs. M.D. Lloyd-Hayes, J. Stone, J.P. Thomas and W.J.S. Thomas

	Pages
1. APOLOGIES FOR ABSENCE To receive apologies for absence.	
2. DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on this agenda.	
3. MINUTES To approve and sign the Minutes of the meeting held on 19th July, 2004.	1 - 2
4. CORPORATE PLANNING PROCESS To note the single, coherent corporate planning process approved by Cabinet including strengthened arrangements for strategic monitoring.	3 - 30
5. LOCAL PUBLIC SERVICE AGREEMENT UPDATE To inform the Committee of the position with regard to the Local Public Service Agreement (LPSA) targets.	31 - 58
6. PERFORMANCE MONITORING - CORPORATE HEALTH To consider a report to Cabinet on the Council's corporate performance in relation to our Best Value Performance Indicators from 1st April to 31st July 2004.	59 - 64
7. RACE EQUALITY SCHEME ANNUAL REPORT 2003/2004 To update Members on progress made during 2003/04 against the Action Plan designed to deliver the Council's Race Equality Scheme.	65 - 78
8. COMMUNITY SAFETY AND DRUGS PARTNERSHIP PROGRESS REPORT (TO FOLLOW) To advise on the progress made in the work of the Herefordshire Community Safety and Drugs Partnership.	
9. REVIEW OF THE CONSTITUTION To consult the Committee on proposals to update the Constitution to reflect changing legislation and Council requirements.	79 - 112

10.	BEST VALUE REVIEW OF SPECIAL EDUCATIONAL NEEDS PROVISION AND SUPPORT SERVICES - STAGE 3	113 - 116
	To consider and approve the Stage 3 report and outcomes of the Best Value Review of Special Educational Needs (SEN) Provision and Support Services.	
11.	TRANSPORT CROSS SERVICE REVIEW IMPLEMENTATION PROJECT PROGRESS REPORT	117 - 124
	To inform Members of the further progress that has been made on implementing the recommendations of the Transport Cross-Service Review.	
12.	PROPERTY SCRUTINY REVIEW UPDATE	
	To receive an update at the meeting on progress with the Property Management Scrutiny Review.	
13.	ANNUAL AUDIT ASSURANCE REPORT 2003/2004	125 - 148
	To highlight the key internal control issues identified during the course of audit work and provide an update on the actions or the current position on key issues identified during 2003/04 that required attention.	
14.	BUDGET MONITORING 2004/05	149 - 156
	To note the position with regard to revenue budget monitoring for Programme Areas in 2004/05.	
15.	CAPITAL PROGRAMME MONITORING 2004/05 TO 31ST JULY 2004	157 - 166
	To report on the Capital Programme forecast for the period up to the end of July 2004/05.	
16.	SCRUTINY ACTIVITY REPORT	167 - 170
	To consider the work being undertaken by the Scrutiny Committees.	

PUBLIC INFORMATION

HEREFORDSHIRE COUNCIL'S SCRUTINY COMMITTEES

The Council has established Scrutiny Committees for Education, Environment, Health, Social Care and Housing and Social and Economic Development. A Strategic Monitoring Committee scrutinises Policy and Finance matters and co-ordinates the work of these Committees.

The purpose of the Committees is to ensure the accountability and transparency of the Council's decision making process.

The principal roles of Scrutiny Committees are to

- Help in developing Council policy
- Probe, investigate, test the options and ask the difficult questions before and after decisions are taken
- Look in more detail at areas of concern which may have been raised by the Cabinet itself, by other Councillors or by members of the public
- "call in" decisions - this is a statutory power which gives Scrutiny Committees the right to place a decision on hold pending further scrutiny.
- Review performance of the Council
- Conduct Best Value reviews
- Undertake external scrutiny work engaging partners and the public

Formal meetings of the Committees are held in public and information on your rights to attend meetings and access to information are set out overleaf

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- Attend all Council, Cabinet, Committee and Sub-Committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public Register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, Committees and Sub-Committees and to inspect and copy documents.

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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday, 19th July, 2004 at 4.15 p.m.

Present: Councillor T.M. James (Chairman)
Councillor Mrs. P.A. Andrews (Vice-Chairman)

Councillors: B.F. Ashton, W.L.S. Bowen, A.C.R. Chappell,
J.H.R. Goodwin, Mrs. M.D. Lloyd-Hayes, J. Stone, J.P. Thomas and
W.J.S. Thomas.

In attendance: Councillors P.J. Edwards, D.J. Fleet, Mrs. J.P. French, G.V. Hyde,
J.C. Mayson, R.J. Phillips and R.M. Wilson.

15. APOLOGIES FOR ABSENCE

There were no apologies for absence.

16. DECLARATIONS OF INTEREST

There were no declarations of interest.

17. MINUTES

RESOLVED: That the Minutes of the meeting held on 5th July, 2004 be confirmed as a correct record and signed by the Chairman.

18. PROPERTY MANAGEMENT SCRUTINY REVIEW

The Committee considered the report by the Property Management Review Group on the Council's Property Holding and Property Services Division.

The Chairman, who had also chaired the Review Group, acknowledged that the report was quite succinct. This was because the Review Group had been uncertain as to how much of the supporting information and analysis to include in the report and in the end had settled on a short version of what could have been a more comprehensive report. More detail could be provided if that was required.

The Chief Executive reported that he was aware that the Review Group had considered and analysed a range of issues and options. In his view it was important that this information was included in the report to demonstrate that the report was robust and the findings justified by the evidence.

In the course of discussion the following principal points were made:

- On behalf of the Executive the view was expressed that including the detailed analysis in the report would be consistent with Property Reviews undertaken by other authorities and would be helpful.

- Some concern was expressed about the recommendation that the management of commons should transfer to the Parks and Countryside Service.
- It was suggested that the report should consider in principle the scope for community use of school buildings.
- In response to questions about individual properties the Chief Executive advised that the report should identify the Authority's needs, the options for meeting those needs and the underlying principles which should govern consideration of those options.

RESOLVED: that the report be referred back to the Review Group and a more detailed report be prepared for consideration by the Committee including the evidence and analysis which had informed the Group's recommendations.

The meeting ended at 4.45 p.m.

CHAIRMAN

CORPORATE PLANNING PROCESS

Report By: Director of Policy and Community

Wards Affected

County-wide

Purpose

1. To note the single, coherent corporate planning process approved by Cabinet at its meeting on 9th September 2004, including strengthened arrangements for strategic monitoring.

Financial Implications

2. The process will be implemented with existing resources.

Considerations

3. The proposals approved by Cabinet on 9th September, 2004 are appended.
4. The Committee's attention is drawn in particular to the integration of performance management into the new process. It is intended to achieve this by introducing an Annual Operating Plan for the whole Council, setting out for the first year of each three-year Corporate Plan, in measurable terms, what the Council intends to achieve and what actions it will take to do so. Built on a careful selection of the most important performance indicators, this should provide a much simpler and more user-friendly basis for in-year and end-year monitoring of strategic performance.
5. It is intended to bring progress reports to the Committee at key points in the process. The next will be following the Cabinet's consideration in December of the outcomes of public consultation on strategic budget options, and the draft three-year Corporate Plan.

RECOMMENDATION

THAT the single, coherent corporate planning process approved by Cabinet be noted.

BACKGROUND PAPERS

- None

PROPOSALS FOR A SINGLE, COHERENT CORPORATE PLANNING PROCESS

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

9TH SEPTEMBER, 2004

Wards Affected

County-wide

Purpose

To approve proposals for a single, coherent corporate planning process which integrates the Herefordshire Plan ambitions, aims and targets; the Council's contribution, performance indicators and targets (including statutory Best Value and Performance plans); the Council's actions and resources (financial, human, ICT and physical, including the Improvement Plan) to achieve them; and the Council's performance management.

Key Decision

This is not a Key Decision

Recommendation

THAT the new corporate planning process should be put into place with immediate effect and that the structure and broad content headings for the Corporate Plan for 2005-2008 should be as proposed in Appendix 2 to the report.

Reasons

In publishing its updated current Corporate Plan at the end of June 2004, the Council declared its intention to review its corporate planning process so as to ensure clarity about priorities and that all the Council's resources are deployed effectively and efficiently to achieve them

Considerations

1. At present the Council has a number of different processes and plans which are imperfectly related one to another. As the 2002 Comprehensive Performance Assessment (CPA) found, this makes it difficult to communicate overall priorities clearly, internally and externally, and inhibits effective performance management, particularly at the level of the Cabinet and the Council. Although important progress has been made since the CPA by means of the Council's first Corporate Plan and the Improvement and Performance plans, these have also increased the number of plans and the potential for confusion.
2. The Council must, of course, comply with the legal requirements regarding Best Value Performance Indicators (BVPIs) and statutory plans. But this shouldn't be allowed to stand in the way of developing strategic performance indicators and

targets which relate unequivocally to the Council's priorities and which provide an effective basis for monitoring and review. Cabinet called for improvements in this respect at its meeting on 17 June, which considered the updated current Corporate Plan and BVPIs. As part of this, there is a need to build in a systematic basis for the comparison of the Council's performance with that of other local authorities.

3. There is a need for a rolling three-year Corporate Plan which sets out what the Council intends to do to play its full part in achieving the ambitions of the Herefordshire Plan; and how the Council's priorities, targets, actions and resources will achieve this.
4. There is equally a need for an Annual Operating Plan for the whole Council which makes clear, in concrete terms, what it aims to achieve in the first year of the Corporate Plan and what it will do, with what resources, to make sure this happens. The Annual Operating Plan will provide the basis for performance monitoring by the Cabinet and the Strategic Monitoring Committee.
5. The full benefits of the proposed system will not be realised if new plans are simply added as new layers on top of those which already exist. It is therefore vital that the Council jettisons anything which doesn't add significant value in this respect. This means that service plans need a comparably sharp focus which reflects their contribution to the Herefordshire Plan and the Council's priorities and provides a good basis for monitoring by subject scrutiny committees. It is also proposed that there should no longer be directorate plans.
6. It will not be possible, nor is it necessary, to produce a full draft Corporate Plan for the public consultation scheduled to begin in late September (alongside that in respect of budget priorities for 2005-2006 and Council Tax). However, it is crucial that the Cabinet is able at that time to consult about its proposed strategic priorities for the period of the new Corporate Plan (2005-2008) to provide the context for simultaneous and linked consultation on budget options for 2005-2006 and the Council Tax.
7. The new process will need to be kept under review and progressively improved. In particular, there will be a need to link this with the forthcoming review of the Herefordshire Plan. For now the Council has to take as its starting point the Herefordshire Plan as it stands.
8. To these ends **proposals** are attached, as follows:

Appendix 1 – the critical path for the proposed new corporate planning process as it would operate in 2004-2005 (copies of this in larger format are available on request – see contact details below);

Appendix 2 – the proposed structure and broad content headings for the Corporate Plan for 2005-2008.
9. **Appendix 3** illustrates the proposed format for the core material in the new Corporate Plan. With the addition of columns relating solely to 2005-2006, the format of the core of the Annual Operating Plan would be identical.
10. The primary users of these plans will be Council members and staff. Although they will also be of interest to stakeholders and partners and be available to the public, consideration will be given to how best to communicate the main messages to different external audiences.

Financial Implications

There are no new financial implications: the process will be implemented with existing resources.

Alternative Options

There are numerous possible different approaches to a corporate planning process. The principles of best practice are plain, however: clarity of purpose and priorities; directly related and meaningful performance indicators and targets; one process which links targets, actions, risk management and the resources to achieve them; and one which enables internal and external audiences to understand what an organisation is trying to do and whether it is succeeding.

These principles have to be applied in a way which makes sense for this Council at this time. Since there is no ideal model and that we need to learn by doing, what matters is making a start with a robust system that makes sense to the Council and making a commitment to its progressive review and improvement.

Risk Management

There are risks at two levels; those associated with not developing a single, coherent process; and those associated with these specific proposals. The former have been addressed earlier in this paper.

The risks associated with these proposals are that we would fail to meet the timetable to deliver the desired outcomes in terms of high quality planning documents and more effective performance management. These will be addressed by means of formal project management, including regular progress reports to Cabinet and the Strategic Monitoring Committee.

The greatest and most immediate risk would be if the Cabinet were to fail to define sufficiently clearly by mid September its strategic priorities for the period 2005-2008 (which also requires being plain about what won't get priority). This risk is being addressed by means of discussions between Cabinet and the Chief Executive's Management Team and by then bringing proposals for public consultation to Cabinet in mid September, alongside those in respect of budget options for 2005-2006 and Council Tax.

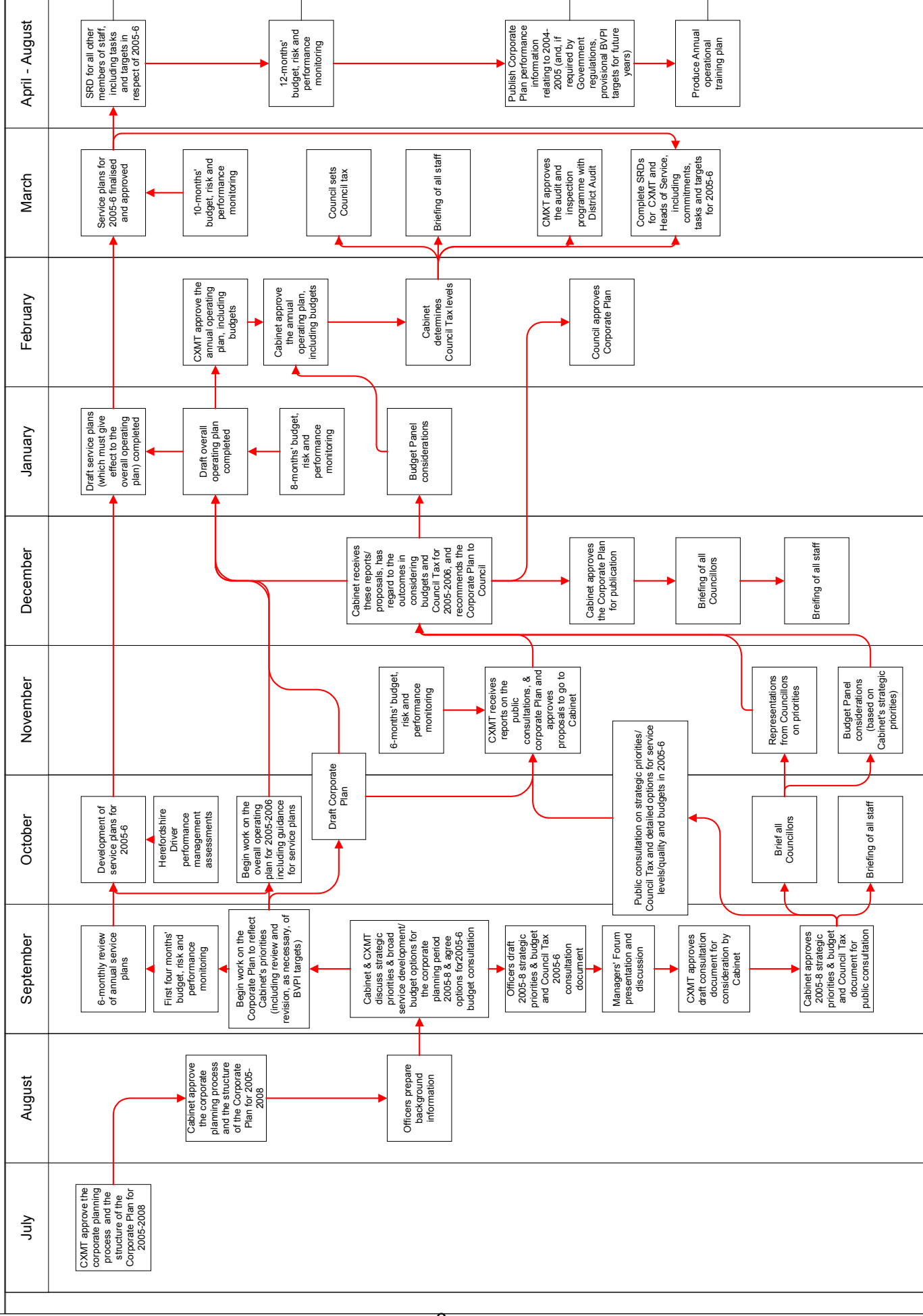
Consultees

Extensive consultation is an integral part of this process (see **Appendix 1**). Detailed proposals for this will be put to Cabinet.

Background Papers

None

Corporate Planning Process Critical Path for 2004-5



PROPOSED STRUCTURE AND BROAD CONTENT HEADINGS FOR THE NEXT CORPORATE PLAN (2005-2008)

THE CORPORATE PLAN

Introduction: action for a better Herefordshire

Explains what the Plan is, and what it is intended to do, i.e. sets out how the Council intends to create a better Herefordshire - by doing all it can to fulfil the Herefordshire Partnership's long-term plan for the county

Looks back over the previous operating year (2003-2004) and focuses on the next three years

Makes clear:

the principal challenges facing the county

the Council's commitment to:

- ✓ understanding the needs and wishes of users/customers and doing all it can to meet them
- ✓ community leadership, working in partnership with the public and organizations
- ✓ diversity

the Council's priorities (and what aren't priorities)

the improvements in services and in the efficiency and effectiveness of the Council which are planned

the main risks to their achievement

how the Council's resources - organisational, financial, human, ICT and physical - will be deployed to bring about the planned improvements and avoid or mitigate the risks

Is the basis for leading and managing the Council's performance

So incorporates Best Value performance indicators and the Local Public Service Agreement between the Council and the UK Government

Setting the scene

Profile of Herefordshire: geography; demographic and social characteristics; economy

The major challenges facing the county

Summary of what the Council does: broad powers and duties

The Council's vision and ambitions: the Herefordshire Plan

The vision

The ten ambitions

Explain that these form the starting point for the rest of the Plan, along with....

"Making it happen"

which depends on the Council being an effective and efficient organisation, with the energy, ability and ambition to improve and innovate

Summary of performance against Plan in 2003-2004

Highlights of achievements (and shortfalls), expenditure, major reviews

The Council's priorities

Bold, clear statement of the Council's priorities for the next three years

Top billing for community leadership and improvements in front-line services, highlighting the link to the LPSA

But also the most important corporate/support service improvements which are essential to ensure the provision of better front-line services (e.g. important Improvement and Performance Plan measures; investment in ICT and staff development)

All underpinned by a continuous programme of substantial improvements in efficiency and effectiveness (*Gershon*)

The big, overarching risks

What they are: financial, reputational (public perceptions, external inspection, CPA etc.), human (recruitment and retention, skills) etc.

How they will be managed/avoided/mitigated

Achieving the ambitions: the Council's targets and actions for the next three years

Individual landscape/tabular sections based on the ten Herefordshire Plan ambitions

Each to show:

the ambition, and related aims and measures of progress

in due course (once they are set, following the 2005 review?) target outcomes to 2011 (or other appropriate end-date)

the Council's contribution (target outputs/outcomes) to 2011 (or other appropriate end-date)

the Council's contribution over the next three years (targets and actions to achieve them, including proposed improvements in efficiency or effectiveness)

the principal risks to achieving them and how they will be managed/avoided/mitigated

including the broad levels and types of resources (financial, human etc.) to achieve the targets/actions and manage the risks

(See the proposed lay-out – **Appendix 3**)

Making it happen

Content equivalent to the ambitions section above (and to the same format) on key corporate/support improvements, including key objectives, targets and actions in respect of:

principal improvement Plan/Performance Management Plan measures not included in the functional sections immediately above

equalities and diversity (internal and external)

customer service and care, including effective external communication and e-government

freedom of information and data protection

medium-term financial strategy

development of human resources, including management and leadership development/effective internal communication/knowledge management/learning/skills for modern working

ICT – effective current use; investment

research, policy development, review and evaluation to make the Council more efficient and effective, e.g. operational and asset management (including property and procurement)

Appendices

Performance against plan in 2003-2004

Summary/grid showing broad expected income and expenditure over the three-year plan period

Possibly, grid showing provisional expected expenditure for each ambition (including "Making it happen") over the three-year plan period

National and local Best Value Performance Indicators and targets

The Local Public Service Agreement

Chart showing the Council's planning process, i.e. what each plan is for and how each relates to the others

High-level timetable/critical path for the planning process

The political structure

The management structure

The Herefordshire Plan to 2011		The Council's contribution					
		Cabinet Member/CXMT responsibility	to 2011		To 2008		
Ambition	Aims		Indicator(s)	Target(s)	Indicator(s)	Target(s)	Actions/risks/resources
	To increase public awareness of the implications of domestic violence and victims' confidence in the effectiveness of reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To reduce illegal drug use and drug related crime	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To reduce the number of deaths and serious injuries on our roads	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011					The Council's contribution			
					to 2011		To 2008	
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	Indicator(s)	Target(s)	Target(s)	Actions/risks/resources
Reduce poverty and isolation in Herefordshire	Involving excluded groups in decisions that affect their lives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Raising awareness of inclusion issues across the community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Developing and sharing best practice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Tackling problems of social exclusion in rural areas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combating poverty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011					The Council's contribution			
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	to 2011		To 2008	
					Indicator(s)	Target(s)	Target(s)	Actions/ risks/ resources
Encourage communities to shape the future of Herefordshire	To improve the level of community activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To improve community involvement in the process of decision making	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To support and maintain local services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To develop effective partnerships to deliver the Ambition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011		The Council's contribution					
		to 2011		To 2008			
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	Indicator(s)	Target(s)	Actions/risks/resources
Develop Herefordshire as an active, vibrant and enjoyable place to be	For culture and leisure to be at the heart of the County's development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To encourage participation in culture and leisure by breaking down barriers to involvement, meeting the wide-range of needs and aspirations of the Herefordshire community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011					The Council's contribution			
					to 2011		To 2008	
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	Indicator(s)	Target(s)	Target(s)	Actions/risks/resources
	To improve quality and variety of experience for visitors and local people throughout the County	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To promote the cultural distinctiveness and diversity of the County	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To sustain and grow the County's cultural assets through attracting additional resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011					The Council's contribution			
					to 2011		To 2008	
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	Indicator(s)	Target(s)	Target(s)	Actions/risks/resources
Protect and improve Herefordshire's distinctive environment	To identify, protect and enhance the County's environmental assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To achieve sustainable development by integrating environmental issues into Herefordshire's strategies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011		The Council's contribution					
		to 2011		To 2008			
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	Indicator(s)	Target(s)	Actions/risks/resources
	To foster an understanding of the impact of individual and collective actions upon the environment and encourage positive measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To encourage and facilitate joint working for environmental gain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To promote Herefordshire's environment as one of the County's major strengths	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011					The Council's contribution			
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	to 2011		To 2008	
					Indicator(s)	Target(s)	Target(s)	Actions/risks/resources
Develop an integrated transport system for Herefordshire	Improving pedestrian and cycle safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Providing better public transport in town and country	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reducing traffic on our roads	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Providing safer routes to schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Improving the quality of our roads	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011					The Council's contribution			
					to 2011		To 2008	
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	Indicator(s)	Target(s)	Target(s)	Actions/risks/resources
Meet Herefordshire's accommodation needs	Regularly identifying and responding to local accommodation needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Improving the condition of public and private housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Providing affordable and accessible accommodation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Providing the best housing advice when and where its needed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011					The Council's contribution				
					to 2011			To 2008	
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	Indicator(s)	Target(s)	Target(s)	Actions/risks/resources	
	Involving residents in decisions that affect their homes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Providing housing which is more energy efficient and which involves the use of more locally produced and sustainable materials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Making full use of the existing housing stock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011					The Council's contribution			
					to 2011		To 2008	
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	Indicator(s)	Target(s)	Target(s)	Actions/ risks/ resources
Support business growth and create more and better paid work in Herefordshire	To encourage sustainable indigenous business development and growth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To encourage inward investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To improve infrastructure, communication and workspace provision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	To foster innovation, including research and development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Herefordshire Plan to 2011					The Council's contribution				
					to 2011			To 2008	
Ambition	Aims	Indicator(s)	Target(s)	Cabinet Member/CXMT responsibility	Indicator(s)	Target(s)	Target(s)	Actions/risks/resources	
	Improving access to and increasing the range of educational opportunities available locally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Sharing skills, information and knowledge wherever possible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Ensuring appropriate advice is given to school leavers, helping them to make good progress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

LOCAL PUBLIC SERVICE AGREEMENT UPDATE**Report By: County Treasurer****Wards Affected**

County-wide.

Purpose

1. To inform the Committee of the position with regard to the Local Public Service Agreement (LPSA) targets.

Financial Implications

2. As detailed in the attached Cabinet report dated 14th October 2004.

Background

3. The report on the Agreement to Cabinet on 14th October, 2004 is appended. Any views expressed by the Cabinet will be reported to the meeting.

RECOMMENDATION

- THAT (a) the contents of the attached Cabinet report dated 14th October 2004 be noted; and**
- (b) the Committee considers whether there any issues it wishes to be brought to Cabinet's attention.**

BACKGROUND PAPERS

- Report to Cabinet on the Local Public Service Agreement - 14th October 2004.

LOCAL PUBLIC SERVICE AGREEMENT UPDATE

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

14TH OCTOBER 2004

Wards Affected

County-wide.

Purpose

To receive a report on the latest performance against the Local Public Service Agreement (LPSA) targets together with an update to the second round of LPSAs to be negotiated with the Government.

Key Decision

This is not a Key Decision.

Recommendation

That the contents of the report be noted.

Reasons

Cabinet needs to regularly monitor the performance against the LPSA targets not least owing to the significant performance reward grant available for its achievement. Additionally, the Council, in association with its partners, will be negotiating its second Public Service Agreement over the next five months and Cabinet now need to be further informed and consulted on the options being proposed.

Considerations

1. This report is split into two parts, the first updating Cabinet on performance against the current LPSA and the second updating the progress made to negotiating the 2nd round of LPSA due to start next year.

Current LPSA - Performance Update

2. Cabinet last received a performance update against the individual PSA targets in March. Annex A contains the latest update and shows:
 - The direction of performance.
 - An assessment of the likelihood of achieving the final targets; and
 - Narrative supporting the progress of target achievement.
3. Performance Reward Grant is shared out equally amongst the sub-targets so if the

Further information on the subject of this report is available from
Andrew Tanner, Assistant County Treasurer on 0162

Council is failing on one sub target it will not jeopardise the success of others. It has not been possible to provide the overall GCSE and Key Stage 2 attainment results owing to the remarking of certain papers. An update should, however, be provided in December. The following assessment has been made of target achievement at 31st March 2005.

Targets which have already been met or partly met are:

Increasing electoral participation.

Implementing E Government.

Targets which are highly likely to be met include:

Avoiding harm for older people.

Deaths and injuries through accidental fire.

Reducing vehicle crime and road accidents.

Increasing participation in local decision-making.

Targets which at this time are unlikely to be met include:

Domestic Burglaries.

GCSE attainment for children leaving care.

Resettlement support for homeless households.

Performance Reward Grant

4. Each target within the LPSA has a Performance Reward Grant of £270,000 available. If all the component performance targets are met within a main target, then the whole £270,000 will be awarded and paid in the form of a one-off grant in two instalments in 2005/06 and 2006/07. Performance Reward Grant will also be paid if only part of the stretched target is met but is capped at 60%. There will be no Performance Reward Grant available, therefore, if less than 60% of the stretch has been reached at 31st March 2005. The stretch is the difference between the original performance targets before the LPSA and the negotiated stretched LPSA target. A *theoretical* example of how this would work in Target 1 on Independent Living for Older People is in Appendix 2:
5. Officers are unable to accurately forecast the level of Performance Reward Grant the Council is likely to be awarded at this point in time as there are several unknowns; in particular, the educational attainment results. However, a prudent estimate would be that the Council could expect to receive at least £1,500,000 based on the assessment of current performance.
6. It needs to be emphasised that the Performance Reward Grant is a one-off grant and not, therefore, suitable for the ongoing revenue funding of services. In this respect it is intended to roll forward the Performance Reward Grant into funding the next LPSA agreement which is the subject of the second part of this report.

PSA - 2nd Generation

7. The second LPSA will, like the current agreement, last for three years and commences on 1st April 2005. Cabinet members will have received the submission outlining the Council's approach to LPSA, 2 although officers are still waiting for the detailed feedback from government departments. Previous Cabinet reports have referred to the possibility of a more radical approach to LPSA 2 based on fewer and longer term targets. However, it is now becoming increasingly unlikely that these ideas can be developed.
8. It is not envisaged that overall the theme of the LPSA 2 submission will change significantly following the feedback from government. Improving the quality of life for an ageing population incorporates many of the Herefordshire Partnership's activities. The notable exception is pre-16 education which features heavily in the current LPSA and is an area where the Council generally performs well.
9. The priority areas within the overall theme still need to be developed with the key objective to establish required outcomes which, in turn, are supported by robust performance indicators. Officers will be subjecting all proposed performance outcomes to a rigorous risk assessment. This will include the probability of achieving stretched targets given the likely level of resources to be made available, together with the changes in service delivery proposed. A brief summary of the submission is attached at Appendix 3. An officer steering group has now been set up which includes senior officers from the Council and its partners. The broad timetable for the next submission to ODPM is as follows:

22nd October	Receive feedback from ODPM on priorities and related outcomes in August submission
5th November	Council to formally respond to this feedback and agree priorities
3rd December	Council to submit draft agreement
December onwards	Council to agree stretched targets in detailed negotiations with Government departments
April 2005	Start of second LPSA

10. Further reports will be taken into Cabinet as appropriate.
11. Members are reminded that a Pump Priming Grant of over £900,000 will be paid to the Council at the onset of the new agreement. Together with the roll-forward of the Performance Reward Grant from the current LPSA, a significant level of one-off funding will be available for securing major performance gains over the next three years. In this respect the work being carried out over the next few months with the Corporate Plan and associated consultation on informing priorities cannot be seen in isolation. Funding through the LPSA is likely to become increasingly important in achieving elements of the Council's key priorities.

Alternative Options

Not applicable.

Risk Management

Failure to reach the stretched targets will result in the loss of potentially significant Performance Reward Grant for the Council.

Consultees

None identified.

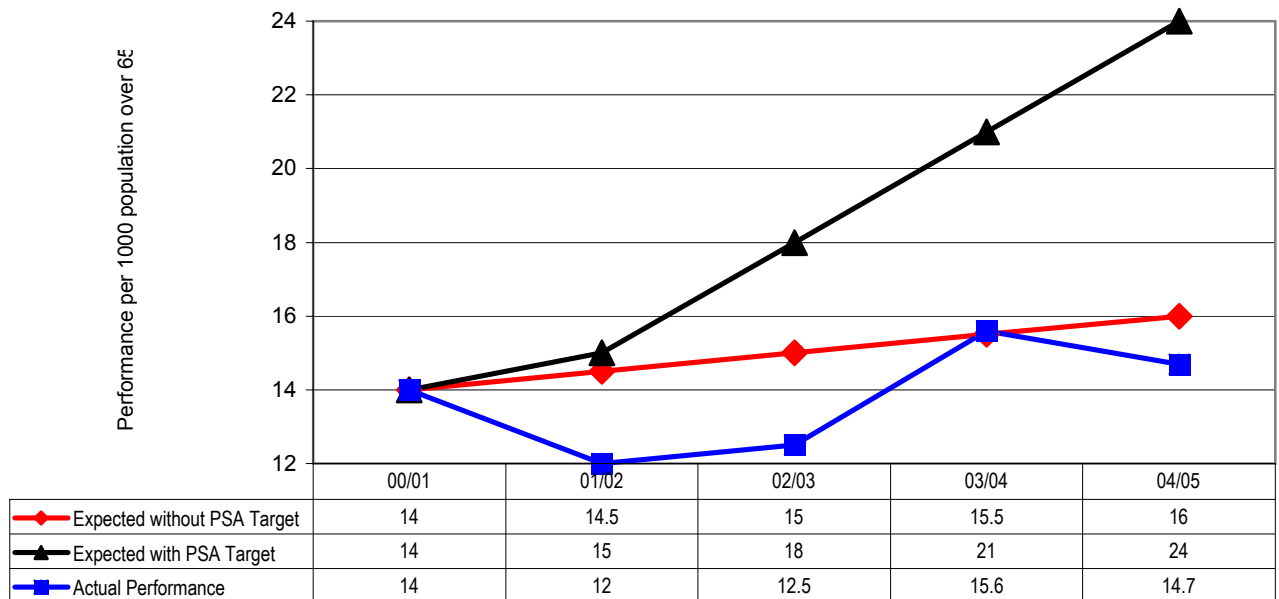
Background Papers

None identified.

Target 1

Enabling older people to live as independently as possible in the community - by providing community services.

Target 1.1 - PSS PAF Indicator B11
Intensive Home Care as a proportion of intensive home care and residential care

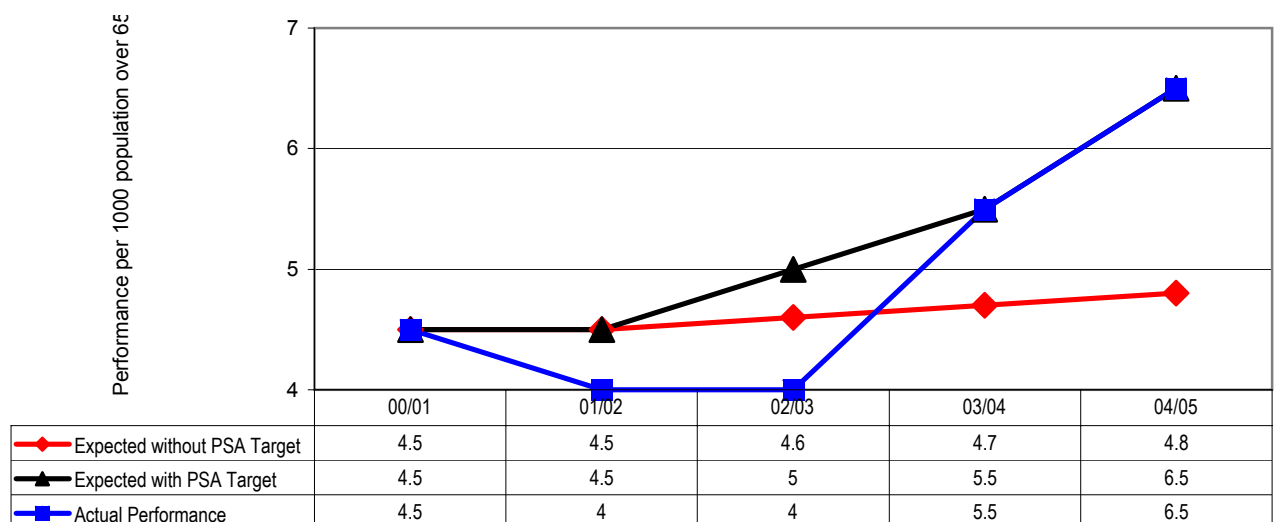


Report **Target 1.1** 😐

Feb-04 Progress is being made against this target by re-focusing in-house homecare to reablement and changes in contracting with the independent sector towards volume purchasing. This has diverted people from care homes and hospital to intensive home support.

Sep-04 **Progress predicted to meet target**

Target 1.2 - PSS PAF Indicator C28
Intensive Home Care



Report **Target 1.2** 😊

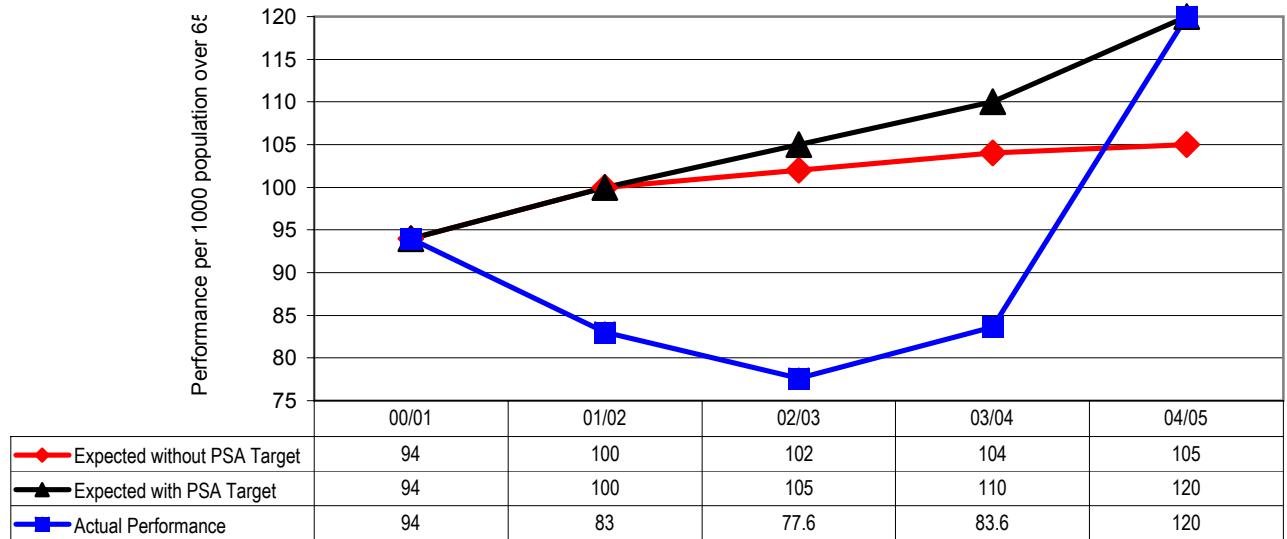
Feb-04 Progress is being made against this target by re-focusing in-house homecare to reablement and changes in contracting with the independent sector towards volume purchasing. This has diverted people from care homes and hospital to intensive home support.

Sep-04 **Progress predicted to meet target**

Target 1

Enabling older people to live as independently as possible in the community - by providing community services.

Target 1.3 - PSS PAF Indicator C32 Older People helped to live at home



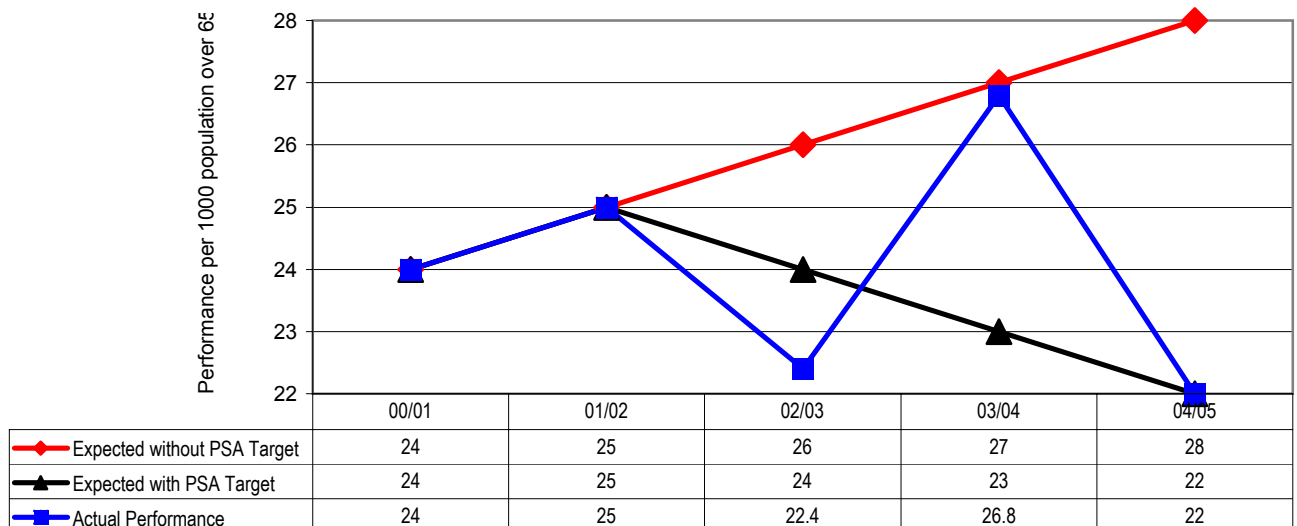
Report **Target 1.3**



Feb-04 Actual performance is below target at this time although a number of actions are actively being pursued including the piloting of the latest signposting/contact assessment form. The target is based around a partnership between Health; Social Care; Fire Service; Herefordshire Home Check and the Council's Welfare Rights Team through developing and improving the first level single assessment and benefits advice take up.

Sep-04 C32 base values has been revised because of changes by the Department of Health (DoH) in definitions - although representations have been made to take into account the DoH revisions it is understood the ODPM has not yet agreed to the changes.

Target 1.4 - PSS PAF Indicator C33 Avoidable harm for older people (falls and hypothermia)



Report **Target 1.4**

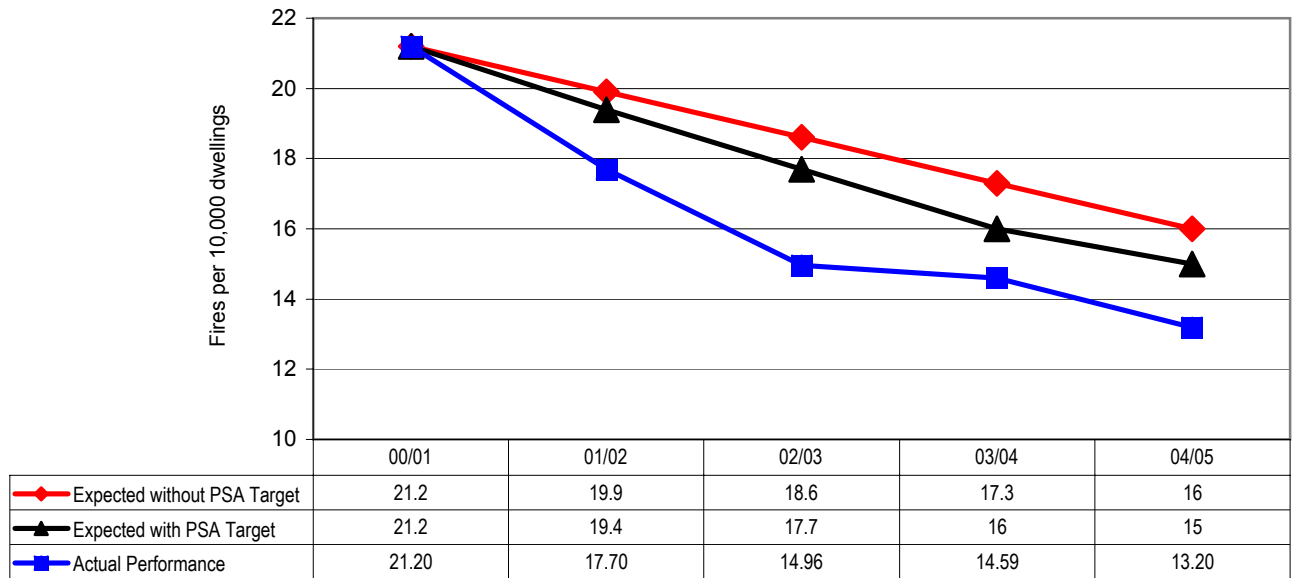


Feb-04 Performance on Track to meet targets

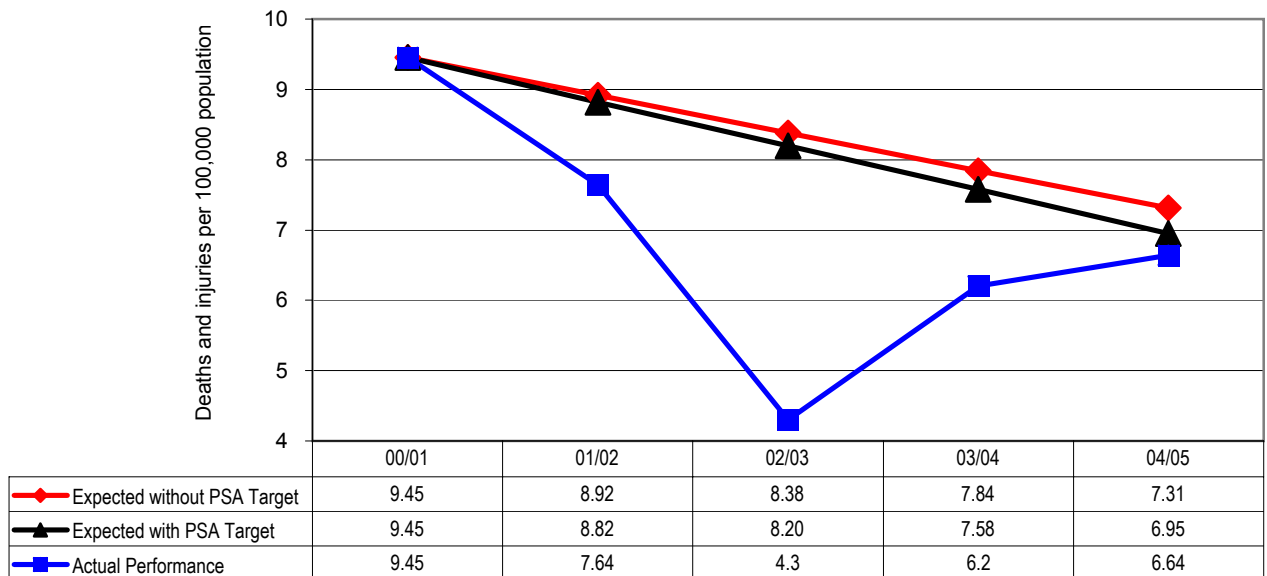
Sep-04 C33 as defined and published by the DoH applies to clients 75+ and not all older people as defined in the LPSA - this indicator is not measured by the Council but is reported by the acute sector of the NHS on a national basis. The figures included here are estimates based on figures obtained from the local Acute Trust. The indicator applies to any older person resident in Herefordshire presenting to any acute hospital in England

Target 2 Improving Fire Safety

**Target 2.1 - BVPI 142iii
Fires per 10,000 dwellings**



**Target 2.2 - BVPI 143i + 143ii
Deaths and injuries per 100,000 population**



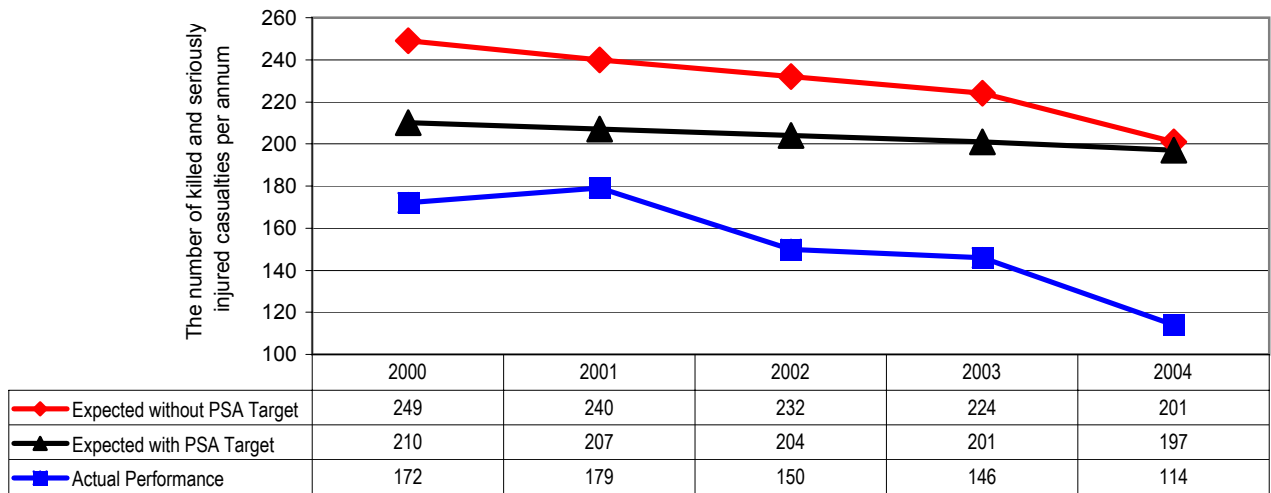
Report **Target 2.1 & 2.2** 😊

Feb-04 The Fire Authority continues to make excellent progress in reducing accidental dwelling fires and associated injuries through their frontline prevention initiatives such as Home Fire Safety Checks and the Schools Education Programme. It needs to be noted however that the LPSA performance is measured by performance in the final year solely and is therefore continues to be sensitive to major incidents.

Sep-04 **The Fire authority is now in the Second Quarter of the final year of the LPSA agreement (which ends in March 2005) It continues to deploy its now well-established education and prevention initiatives towards successful completion of the agreements and achievement of full LPSA targeted performance. A guideline projection drawn from the current First Quarter performance indicates that the final performance overall looks extremely encouraging. However as reported previously, successful performance in the agreements is based on the final year and they must therefore strive to maintain or even improve on the reductions in fires, deaths and injuries for the remaining period to the end of March**

Target 3
Improving Road Safety

Target 3.1 - STATS 19
The number of killed and seriously injured casualties per annum



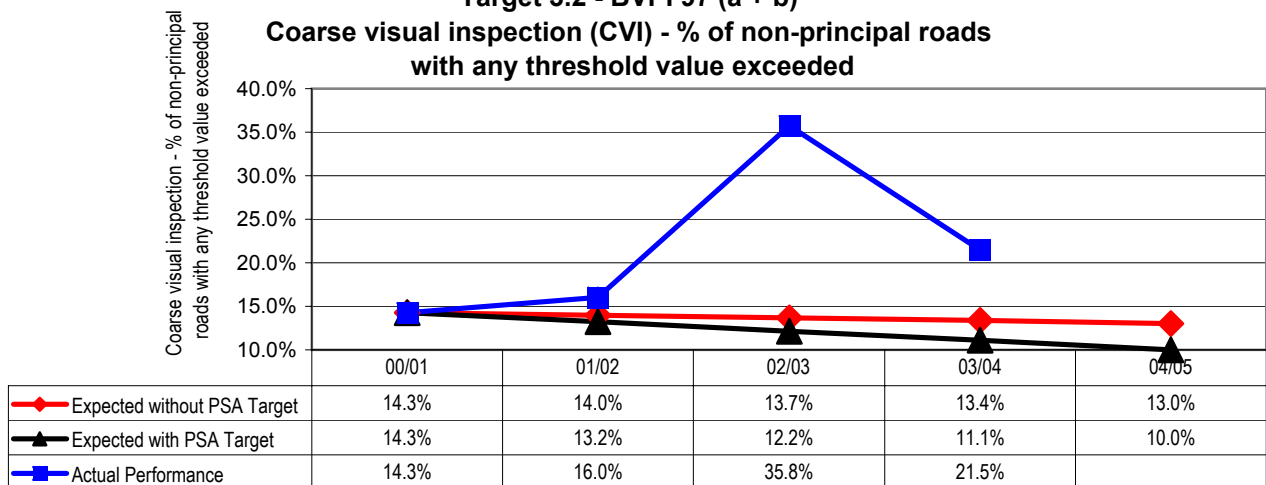
Report **Target 3.1**



Feb-04 LPSA performance is measured in the last year so sensitivity to major accidents is still a factor despite a significant reduction in numbers of accidents. Figures for 2003 are now available and demonstrate yet further reductions.

Sep-04 **Figures for 2004 are extrapolated from the 66 Killed or Seriously Injured (KSI) as at the end of July. Such extrapolation remains very sensitive to subsequent major incidents.**

Target 3.2 - BVPI 97 (a + b)
Coarse visual inspection (CVI) - % of non-principal roads with any threshold value exceeded



Report **Target 3.2**

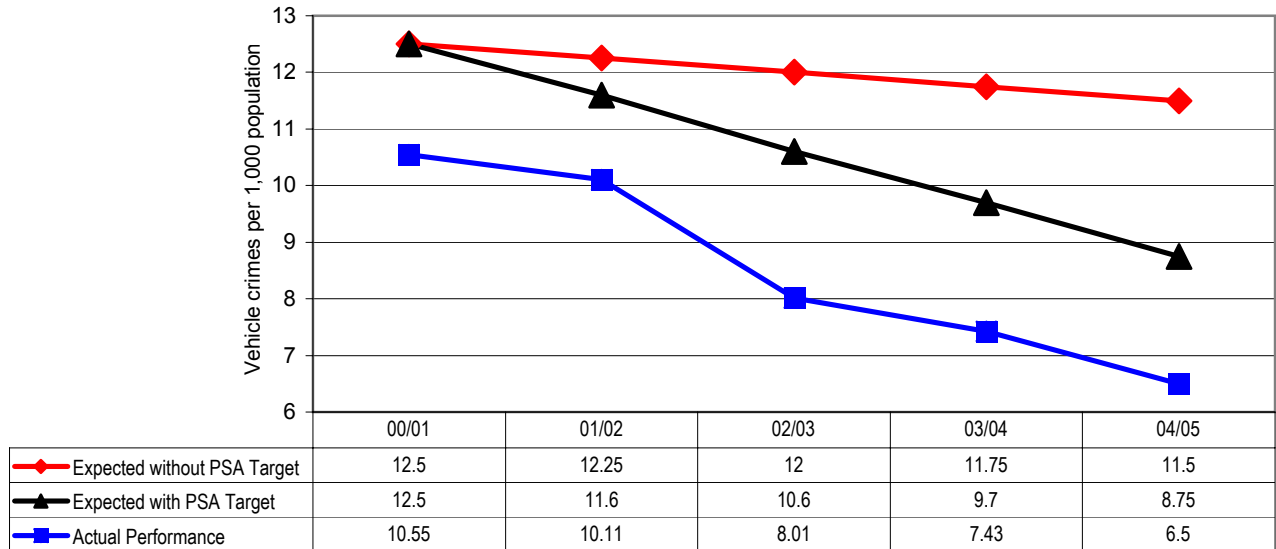


Feb-04 Previous years' figures do not provide a true comparison due to methodology changes. Recent data produced by CVI surveys demonstrate the importance of a targeted and successful maintenance programme this coming year in order to meet the LPSA target. The last CVI survey produced figures which we were surprised about and we have called in a second opinion for verification.

Sep-04 **Meeting the road condition target has been problematical because of changes introduced each year in the method of assessing condition data from Coarse Visual Inspection (CVI) surveys. The survey contractor will repeat the baseline survey of road condition, using the "rules and parameters" employed for that baseline data, covering the same roads covered by the baseline survey. It is possible that DfT will challenge these results on the basis that CVI surveys should be based on a random selection of roads. To cover for that risk, we intend to use the special LPSA survey to "recalibrate" our routine 2004 condition survey, which will cover a wider (and random) selection of non-principal roads across the county. This is a large piece of work and will be funded using our LPSA pump-priming grant. Although the subjective view remains that the condition of non-principal roads has improved in line with the LPSA target, there is not yet any appropriate data to support this view. Results of the surveys will be analysed between October and December 2004.**

Target 4
Reducing crime

Target 4.1
Vehicle crimes per 1,000 population

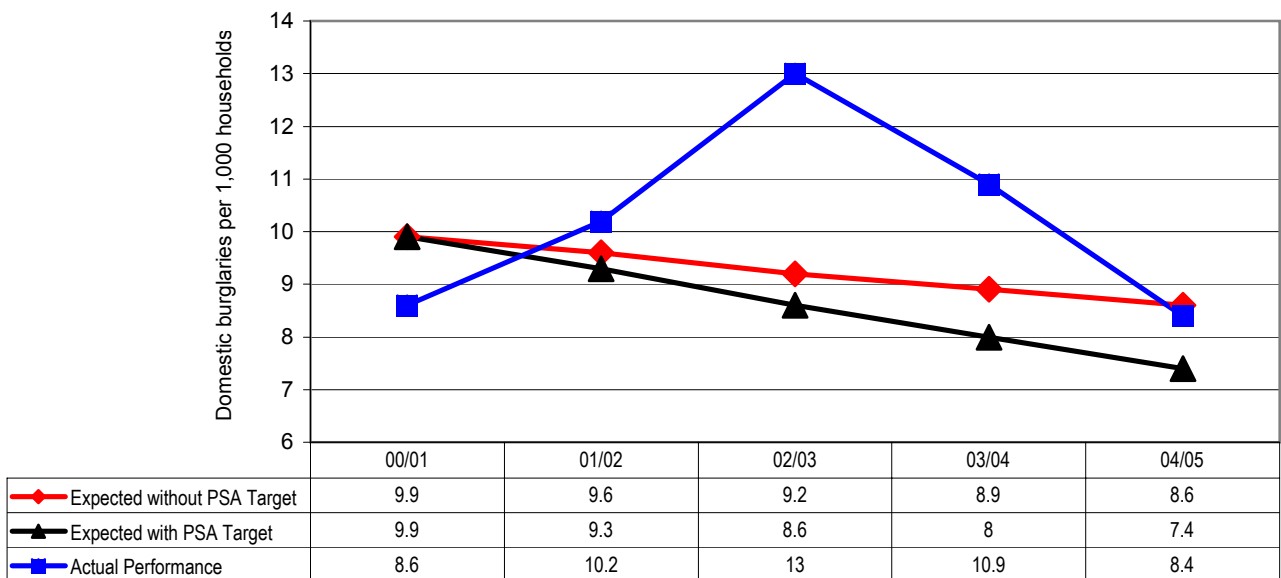


Report **Target 4.1** 😊😊

Feb-04 There continues to be a downward trend in vehicle crime as it is very difficult to break into modern cars and the LPSA target is very likely to be met.

Sep-04 There continues to be a downward trend in vehicle crime. The LPSA target is very likely to be met.

Target 4.2
Domestic burglaries per 1,000 households



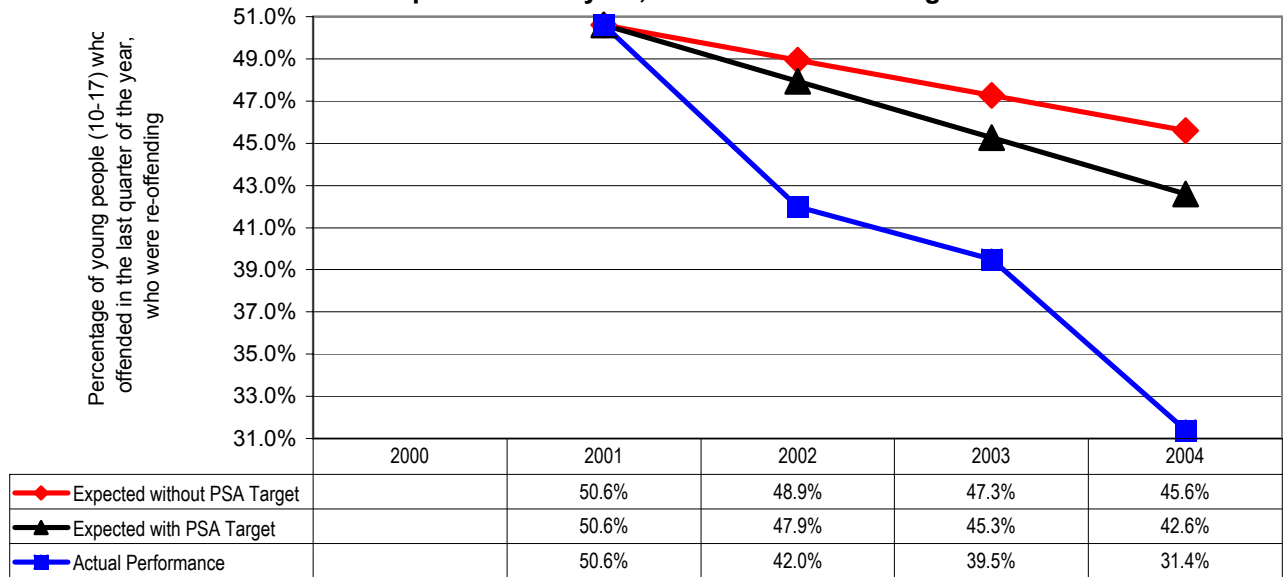
Report **Target 4.2** 😞😞

Feb-04 It is highly unlikely the burglary target will be met as thieves turn their attentions away from vehicles to dwellings despite recent performance improvements. The introduction of the National Crime Recording Standards in 2001 has not helped the target v the inclusion of attempted burglaries within incident recording.

Sep-04 **Burglary of dwellings has continued to fall for the past two years and numbers are now back to those seen within 2000/01. Burglary dwelling has continued to be a priority for the Division over this time with dedicated officers dealing with every reported burglary.**

Target 4
Reducing crime

Target 4.3 - Youth Justice Board indicator
Percentage of young people (10-17) who offended in the last quarter of the year, who were re-offending



Report **Target 4.3**



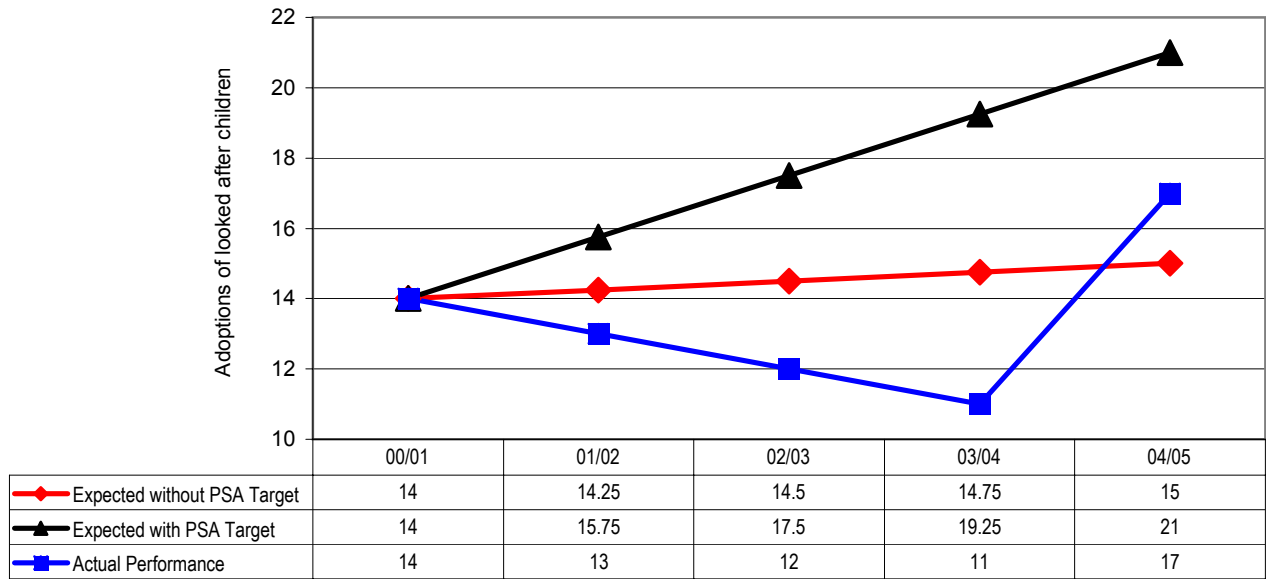
Feb-04 Performance continues to improve on reducing the rate of youth re-offending although the target is still sensitive to minor changes in trends. The 2003 figures are still provisional as final checks on Police National Computer records, for example, need to be carried out.

Sep-04 **These six month figures are estimates. No checks with police records have been done. The six month recidivism figures for young people who received final warnings and reprimands are high compared to the last full year. The figures for young people who received a community penalty are also high for six months. The outturn at the end of the year may not be as good as for the last cohort but we may achieve the 42.6% target**

Target 5

Improving the life chances for children in care by increasing the adoption rate

Target 5.1 - PSS PAF Indicator C23 Adoptions of looked after children



Report **Target 5.1**



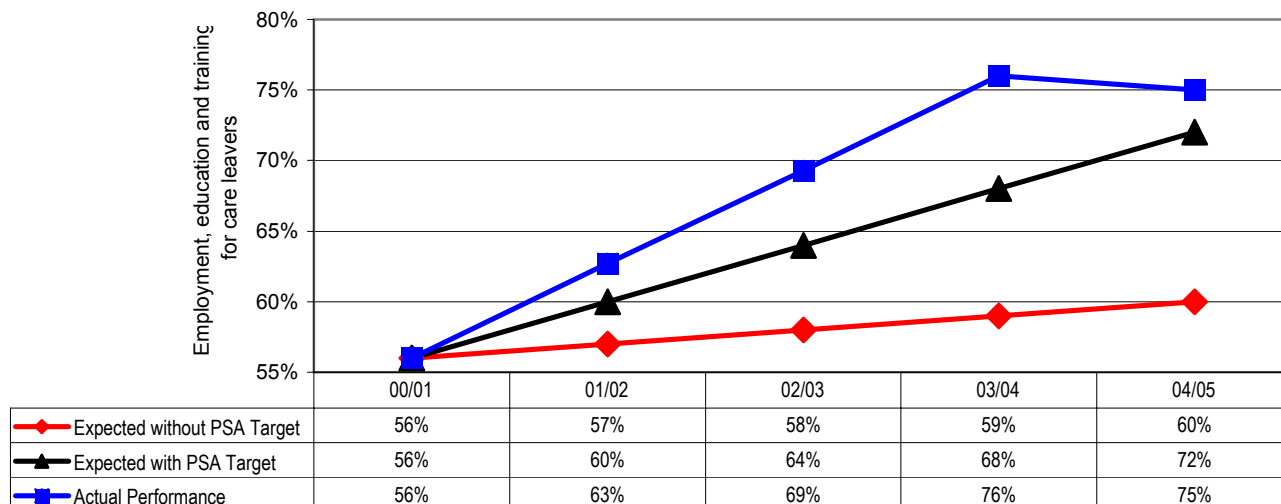
Feb-04 The last update highlighted the potential problem of the fixed numbers used in the LPSA target when those available for adoption have gone down. The pump priming grant is being used for pre and post adoptive support for potential adoptive parents.

Sep-04 **Performance against this target has improved markedly. 12 children have already been adopted in the first half of the current year, against 11 in the whole of 2003/4. We predict that a further 5 children will be adopted in the next six months, making 17 in total. The final figure is, to a considerable extent, in the hands of individual adopters who have to submit applications and indeed may be influenced by the local court timetables. The projected figure exceeds the government target (15) but remains short of the LPSA stretched target of 21. However, the improvement reflects continuing excellent efforts by staff in the face of the increasingly complex and demanding needs of the children placed for adoption.**

Target 6

Improving the life chances for children in care by improving their educational attainment

Target 6.1 - PSS PAF Indicator A4 Employment, education and training for care leavers



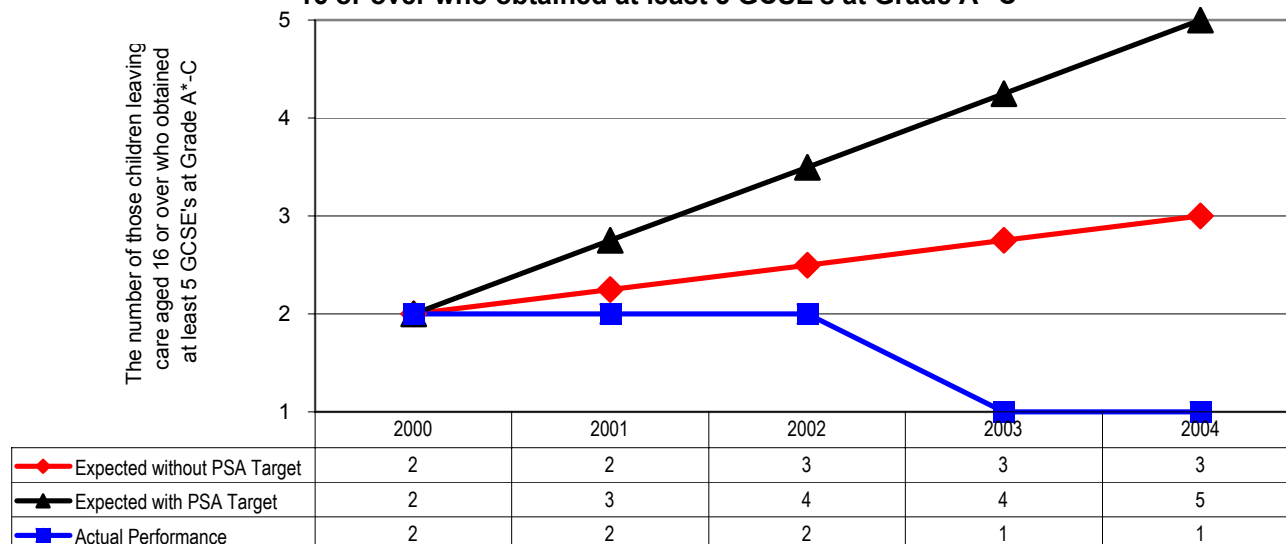
Report **Target 6.1**



Feb-04 Performance for 2003 is already above the final LPSA Target for 2004/05, however with a different cohort next year indications are at present that there is no guarantee that current performance can be maintained.

Sep-04 Performance remains sound with the predicted outcome for 2004/5 being 75%

Target 6.2 - Form OC1 The number of those children leaving care aged 16 or over who obtained at least 5 GCSE's at Grade A*-C



Report **Target 6.2**



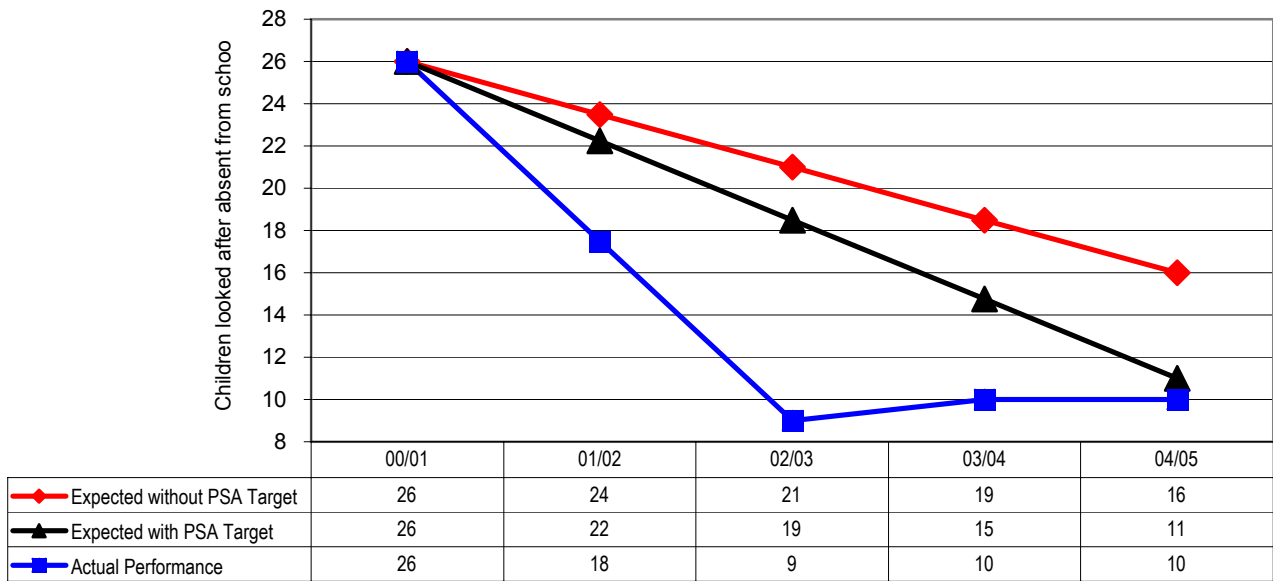
Feb-04 The target for March 2005 is 5 children leaving care to achieve 5 grades A-C at GCSE. This will be difficult to achieve in view of the uncertainty regarding this cohort. The methodology used in identifying the cohort has been challenged at the National Children's PAF indicator group to which we contribute. Only one student is expected to achieve the target (4%) as at March 2004 The Education Liaison team, partly responsible for this target, do not have influence over all the students as there is considerable movement in and out of the cohort. In 2003 a majority of the students had left school before the LPSA project work commenced.

Sep-04 The narrative and prediction remains as previously reported. Only one child is expected to achieve at this level. However, due in part to extra input as part of the LPSA project, a significant improvement is anticipated in those leaving care with at least one GCSE at grades A*-G (PAF A2).

Target 6

Improving the life chances for children in care by improving their educational attainment

Target 6.3 - PSS PAF Indicator C24
Children looked after absent from school



Report **Target 6.3**



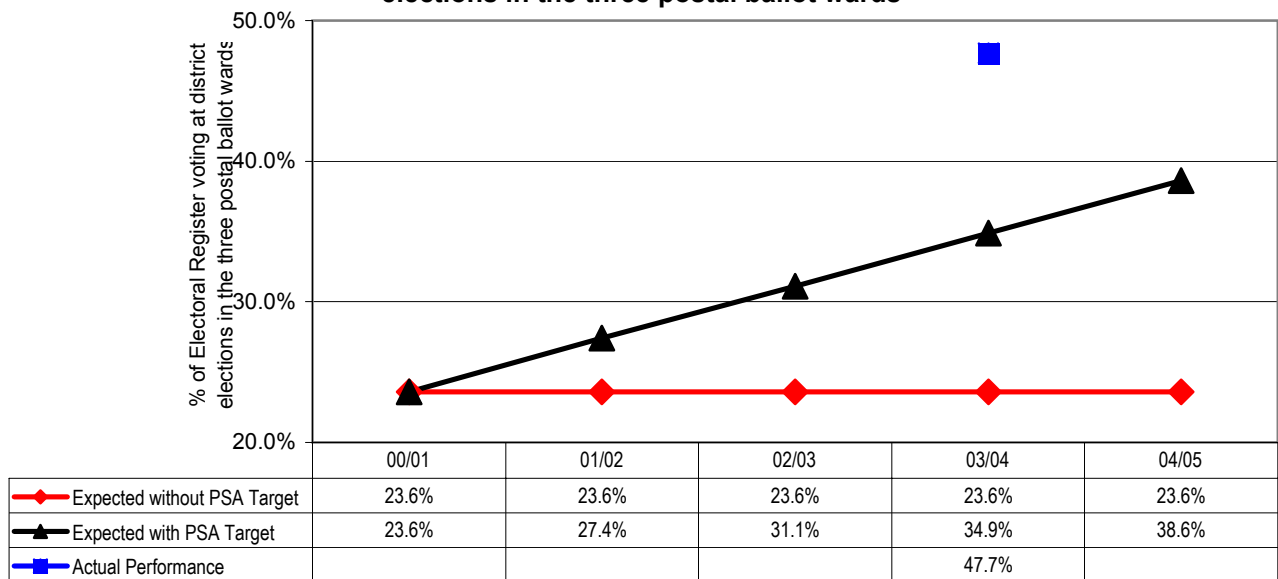
Feb-04 Performance for 2003 is already above the final LPSA Target for 2004 and measures are in place to manage and improve that performance.

Sep-04 **The figure for 2003/4 is 10 children, already well in advance of the LPSA target. The prediction for 2004/5 is that absences will remain stable at 10 (bearing in mind that this includes absence for any reason, including sickness and disability).**

Target 7

Increasing participation in democracy & local decision making

Target 7.1 Belmont
% of Electoral Register voting at district elections in the three postal ballot wards

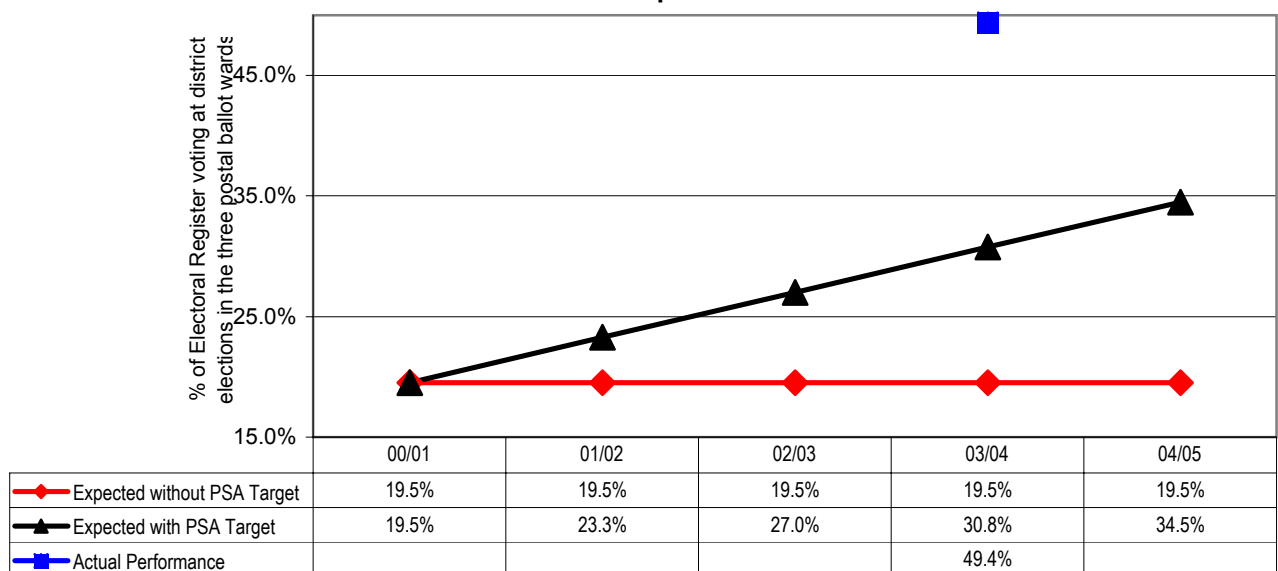


Report **Target 7.1 Belmont** 😊😊

Feb-04 The electoral turnout targets have been achieved.

Sep-04 **The electoral turnout targets have been achieved.**

Target 7.1 Holmer
% of Electoral Register voting at district elections in the three postal ballot wards



Report **Target 7.1 Holmer** 😊😊

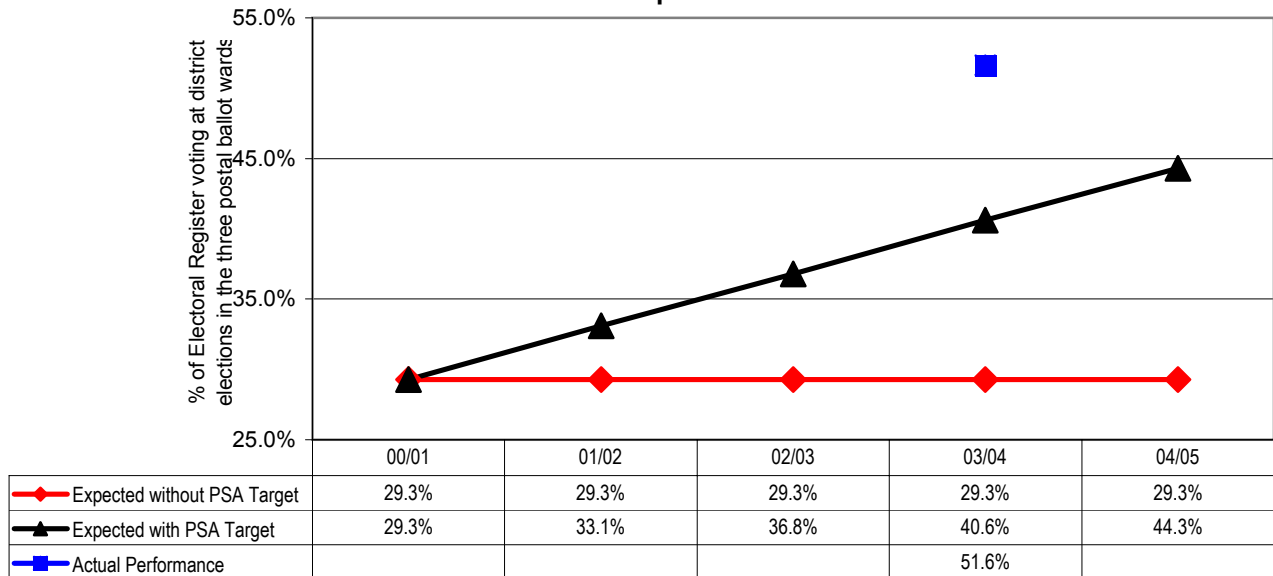
Feb-04 The electoral turnout targets have been achieved.

Sep-04 **The electoral turnout targets have been achieved.**

Target 7

Increasing participation in democracy & local decision making

Target 7.1 Ross
% of Electoral Register voting at district elections in the three postal ballot wards

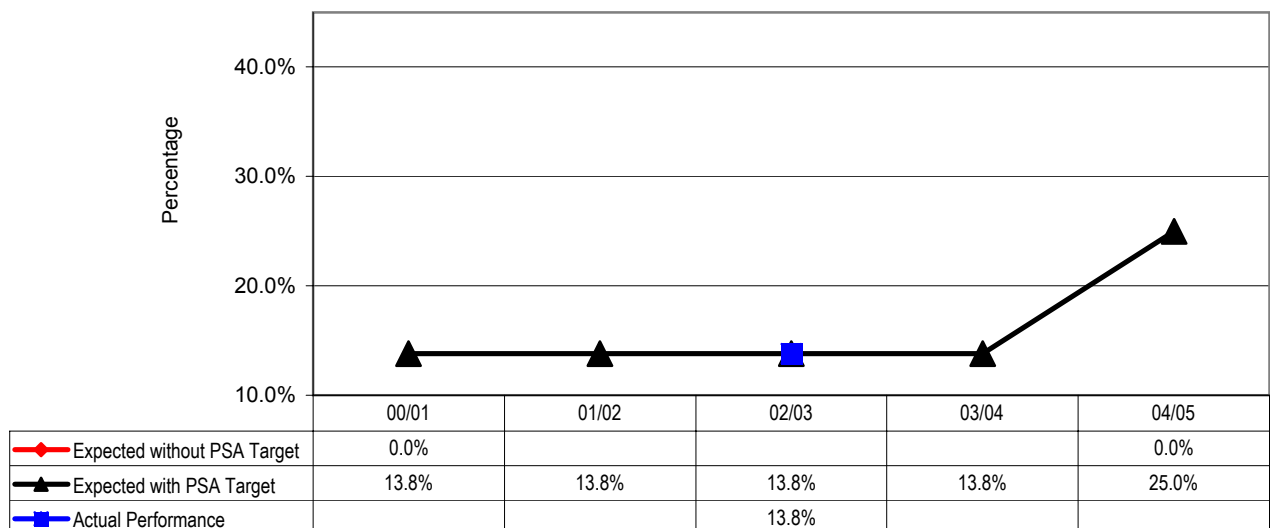


Report **Target 7.1 Ross** 😊😊

Feb-04 The electoral turnout targets have been achieved.

Sep-04 **The electoral turnout targets have been achieved.**

Target 7.2
% of young people (13-19) surveyed answering positively "Do you feel the Council does enough to give young people the opportunity to influence important decisions?"



Report **Target 7.2** 😐

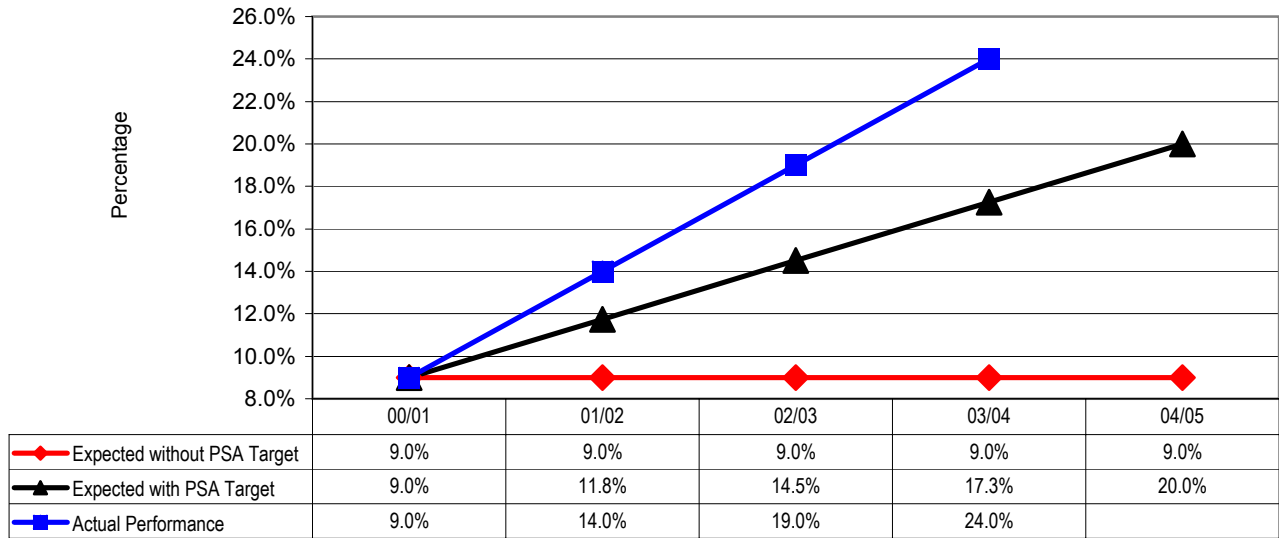
Feb-04 Historical information is not available to show a trend here with only the target for 2004/05 being set. The LPSA stretch need to be at least 11 percentage points on the baseline survey which was carried out in 2002.

Sep-04 **The survey is currently being planned and will be carried out in the latter half of 2004/05**

Target 7

Increasing participation in democracy & local decision making

Target 7.3
% of Citizens Panel respondents answering positively to "Do you feel the Council does enough to give local people the opportunity to influence important decisions?"



Report **Target 7.3**



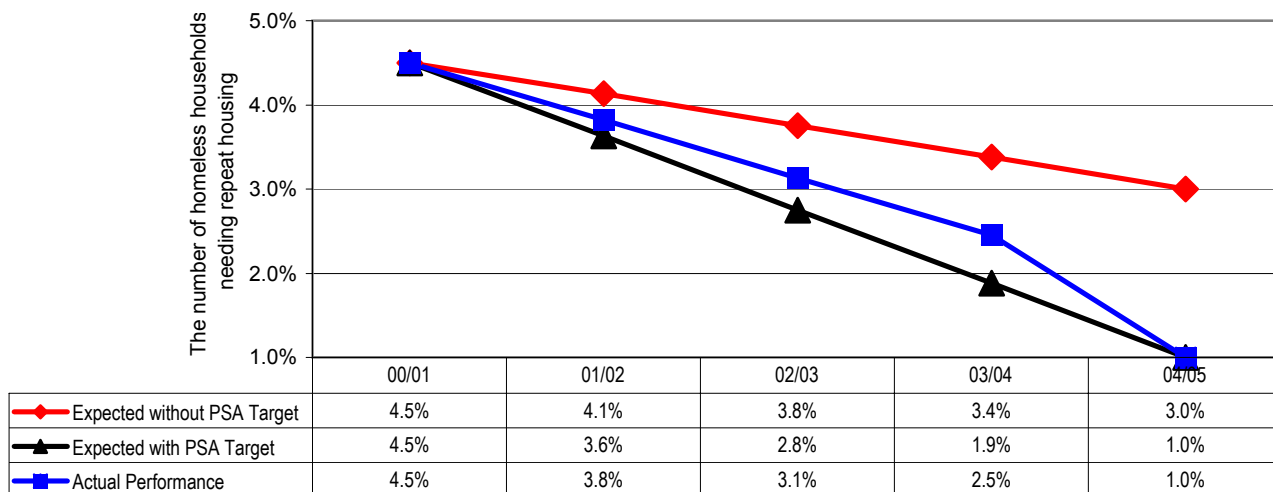
Feb-04 Performance trends for this consultation indicator suggest that we will comfortably achieve the target. Herefordshire Voice surveys are used for measuring performance.

Sep-04 **The survey is currently being planned and will be carried out in the latter half of 2004/05**

Target 8

Improving resettlement support to homeless households

Target 8
The number of homeless households needing repeat housing



Report **Target 8.1**



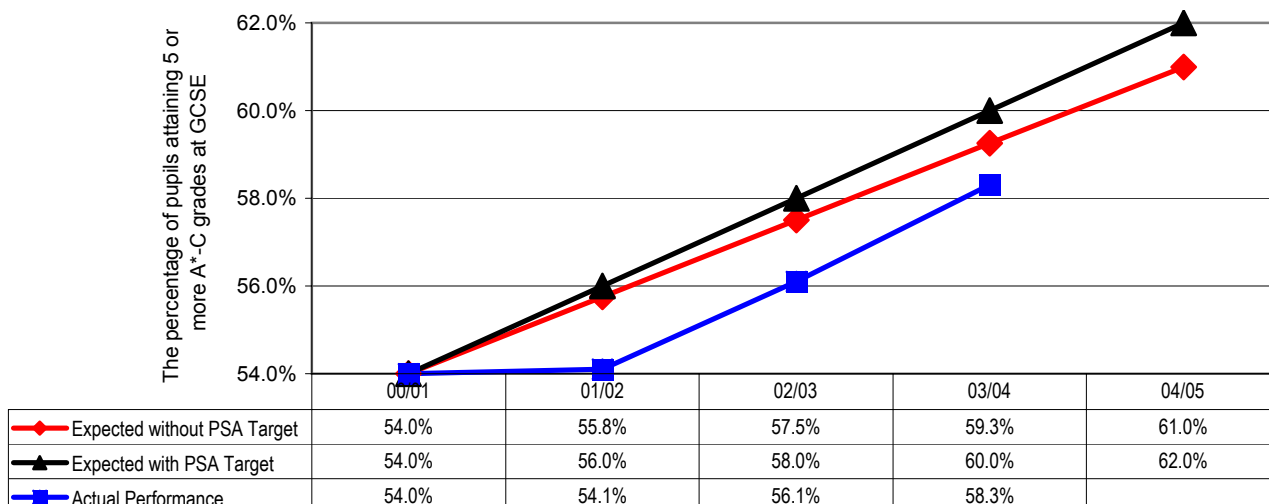
Feb-04 This target is unusual by the fact that it has a measurable output identified in the graph above which also has four conditions attached to it. There is a rigorous improvement plan in place to reach the resettlement target, however not only will this be difficult but also at least one of the conditions relating to satisfaction of service provided cannot in all reasonableness be achieved. There is also concern that the condition relating to non-use of B&B accommodation is unenforceable under the 2002 Homelessness Act.

Sep-04 **Officers have advised that Target 8 is unlikely to be met and that the Special Conditions relating to the LPSA Performance Grant are not being achieved.**

Target 9

Improving the attainment level of pupils in Hereford

Target 9.1
The percentage of pupils attaining 5 or more A*-C grades at GCSE



Report **Target 9.1**



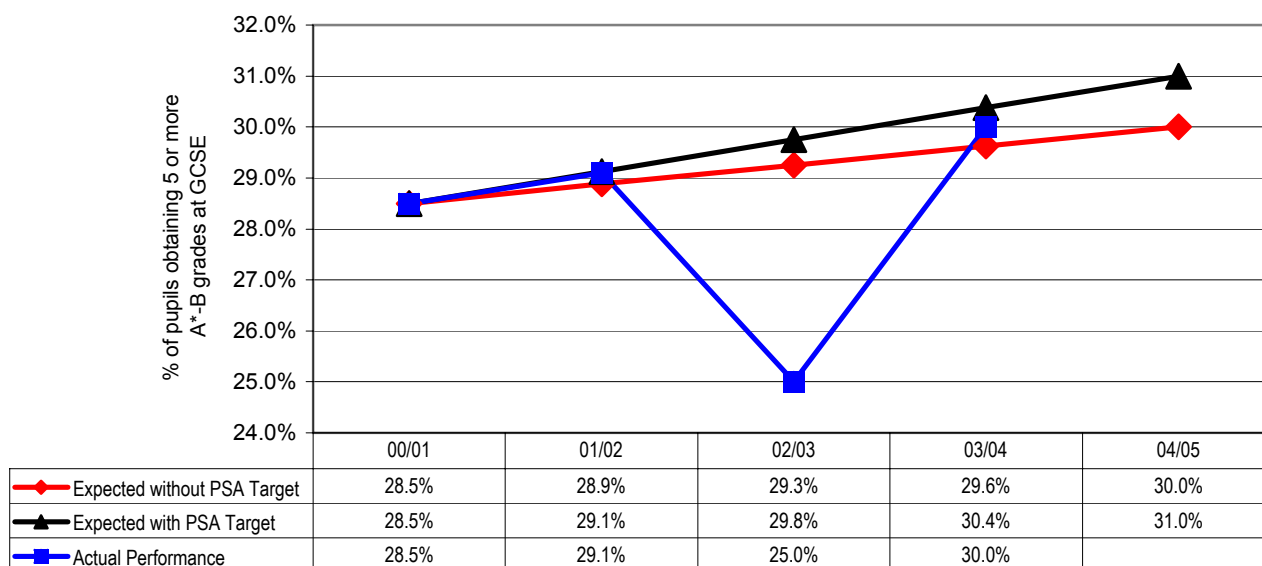
Feb-04 This target continues to be very challenging although performance continues to improve by around 2 percentage points e: year.

Sep-04 **GCSE results are currently being re-marked and are not available, further information has been promised by the DfES by the end of September but the inference is that this will not be the results themselves**

Target 10

Increasing the proportion of higher ability pupils obtaining 5 or more A*-B grades at GCSE

Target 10.1
% of pupils obtaining 5 or more A*-B grades at GCSE



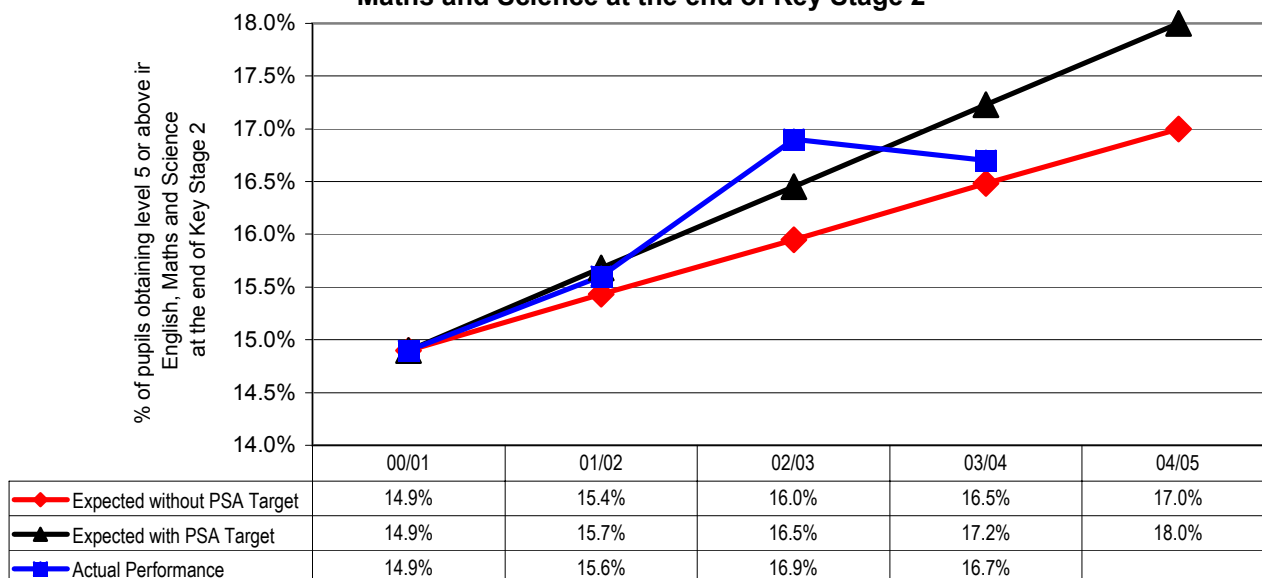
Report **Target 10.1**



Feb-04 The cohort of students taking GCSE exams next year performed particularly well in KS2 and KS3 exams and expectations are that the PSA target will be met.

Sep-04 GCSE results are currently being re-marked and are not available, further information has been promised by the DfES by the end of September but the inference is that this will not be the results themselves

Target 10.2
% of pupils obtaining level 5 or above in English, Maths and Science at the end of Key Stage 2



Report **Target 10.2**



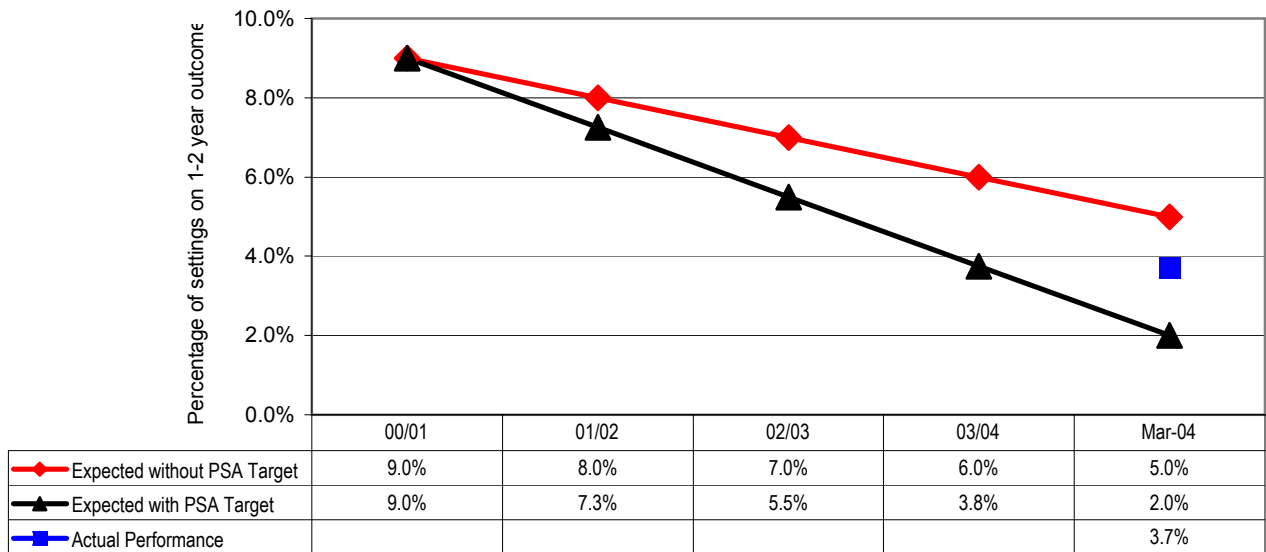
Feb-04 Expectations are improved by the cohort undertaking KS2 exams this year having performed well at KS1.

Sep-04 A significant number of schools have returned their results for re-marks, it is hoped that the validated information will be available by the 4th October.

Target 11

Improving the care and development of young children by enhancing the quality of education and care provision in all childcare and early years settings in the County

Target 11.1
Percentage of settings on 1-2 year outcome



Report **Target 11.1**



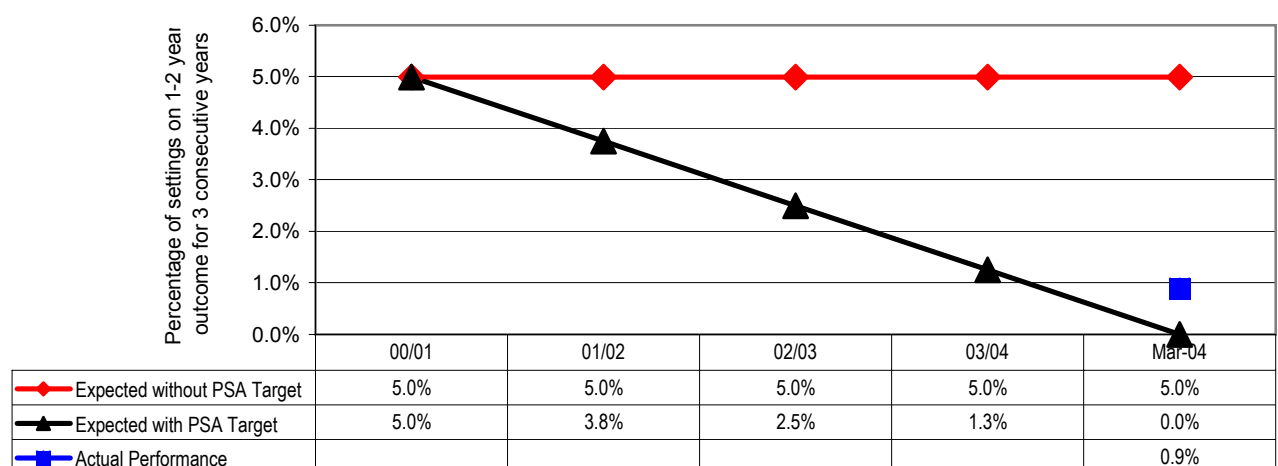
Feb-04

The current indications are that the first two sub-targets will be met, provided OFSTED carry out inspections of the groups in question in 2003/04, and no unexpected outcomes result.

Sep-04

Target set for March 2004 was 2% with actual performance being 3.7% (4/106). By achieving 3.7% of early years settings on a 1-2 year outcome we have been successful in exceeding the national 2004 target of 6% settings on 1-2 year outcome. Further progress in reaching the full extent of the stretched target was impeded by the staff turnover in pre-schools. During the period 2001-2004, three of the four settings that are currently on a 1-2 year outcome had new supervisors and staff prior to their Ofsted inspection. The Ofsted inspection itself has changed since the LPSA targets were set out and is more demanding than previously.

Target 11.2
Percentage of settings on 1-2 year outcome for 3 consecutive years



Report **Target 11.2**



Feb-04

This target is now more attainable as 3 of the relevant 8 settings have now closed.

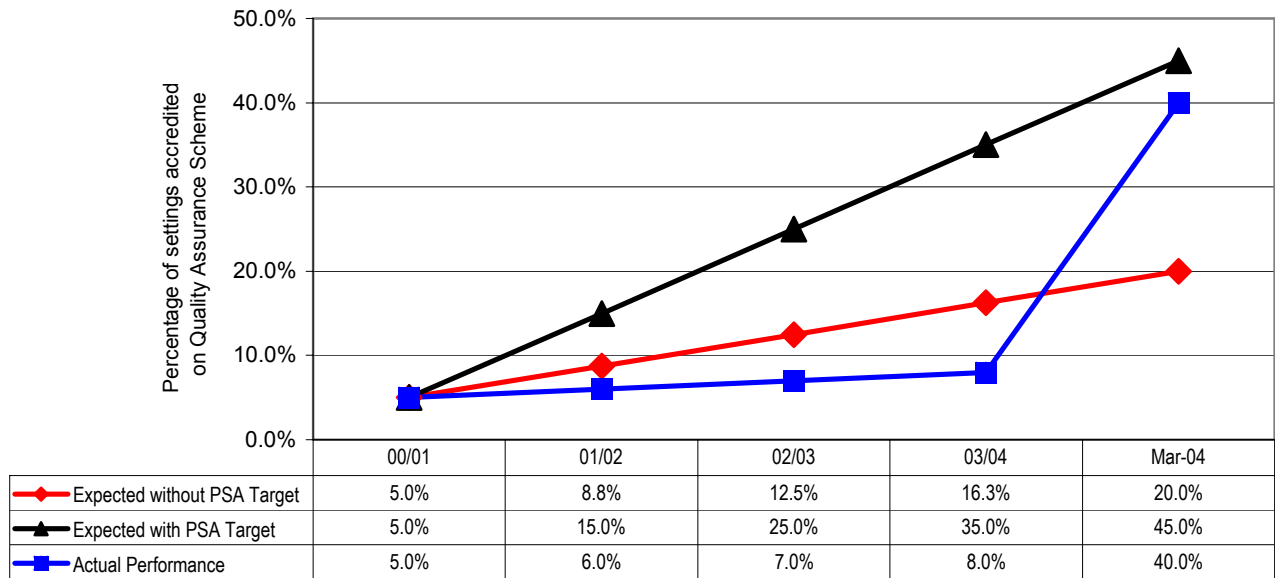
Sep-04

Target for March 2004 was 0% although actual performance was 0.9% (1/106). This amounts to only one setting. However each setting has only received one education inspection during the period 2001 – 2004 due to the changeover in national Ofsted arrangements so in fact no settings have had more than one 1-2 year outcome during the LPSA period. It is hoped that an early years advisory teacher will be appointed to work alongside weaker settings to give more sustained input.

Target 11

Improving the care and development of young children by enhancing the quality of education and care provision in all childcare and early years settings in the County

Target 11.3
Percentage of settings accredited on Quality Assurance Scheme



Report **Target 11.3**



Feb-04

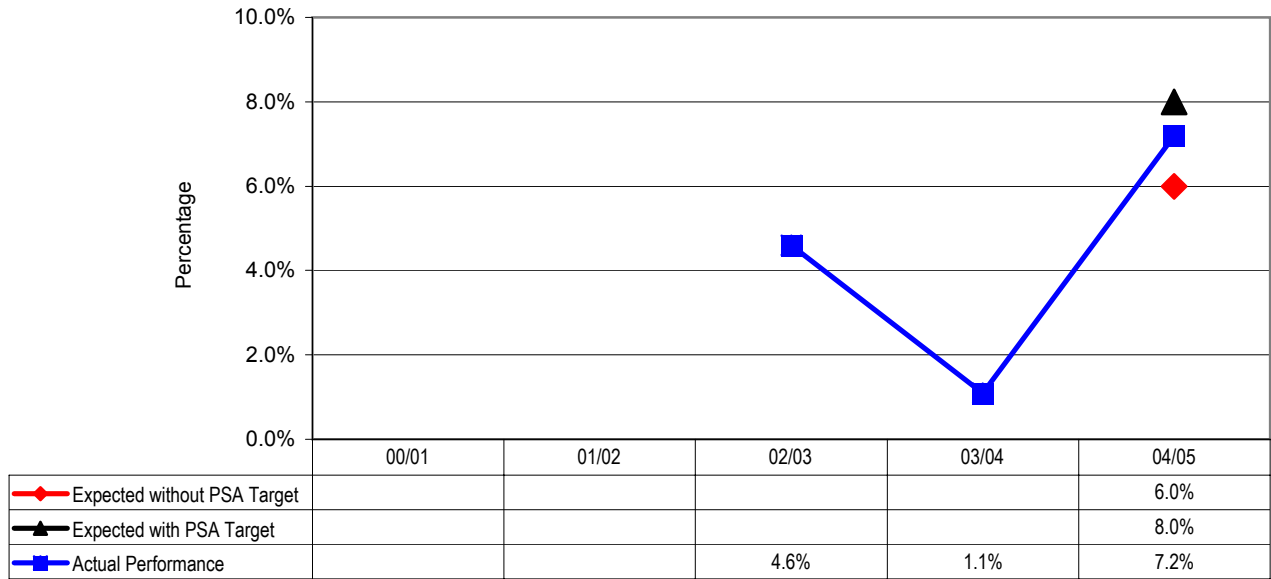
This target is much more challenging as Herefordshire started from a very low base. Although good progress has been made in generating interest in an accreditation scheme, achieving the target will depend on other settings expressing interest in the scheme, and the majority of the 191 registered childminders in the County being persuaded to join a childminders network or join the accreditation scheme. A further 12 settings have asked for information.

Sep-04

43 out of 106 settings have or achieved or are signed up to an endorsed quality assurance scheme. This equates to 40% of settings. This meets the Sure Start target. The initial take up was slow due to the delay in the Investors in Children accreditation process. Many settings were initially reluctant to sign up to a scheme until IiC status had been clarified. Growing Together Quality Assurance scheme and NCMA's Children Come First Network have now both achieved recognition through Investors in Children. Since this recognition 14 settings have attended full training for Growing Together and a further 26 attended an introductory session in September 2004. Since April 2004 the budget has increased and more mentors and assessors are being trained in order to speed up the process of accreditation.

Target 12
Improving cost effectiveness

Target 12.1
Increase in Council's Cost Effectiveness



Report **Target 12.1** ☹️

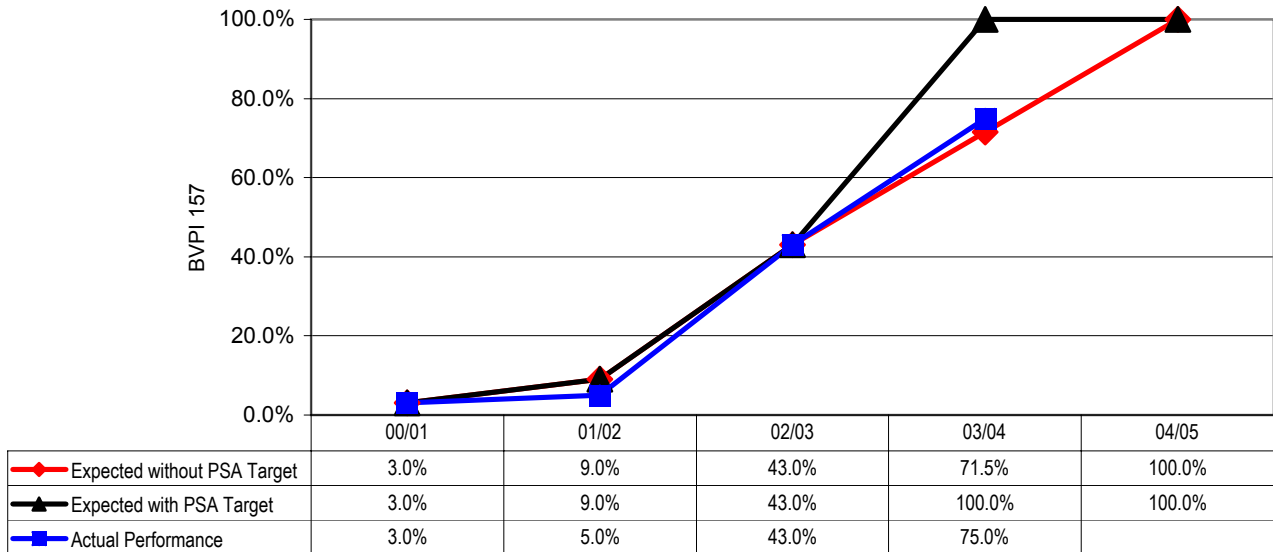
Feb-04 The cost effectiveness target is on track in terms of performance considerations but a true picture will not be possible until a revenue outturn position has been established for the current financial year. Performance gains for a set number of indicators are measured against the revenue expenditure of the Council which in turn is discounted by inflation factors to establish real term costs.

Sep-04 **The target is currently skewed by baseline data on highways maintenance. If this can be changed in agreement with the ODPM then the overall target in 2004/05 should be met.**

Target 13

Achieving 100% delivery of electronic government

Target 13.1
BVPI 157 - Achieving 100% delivery of electronic government



Report **Target 13.1**

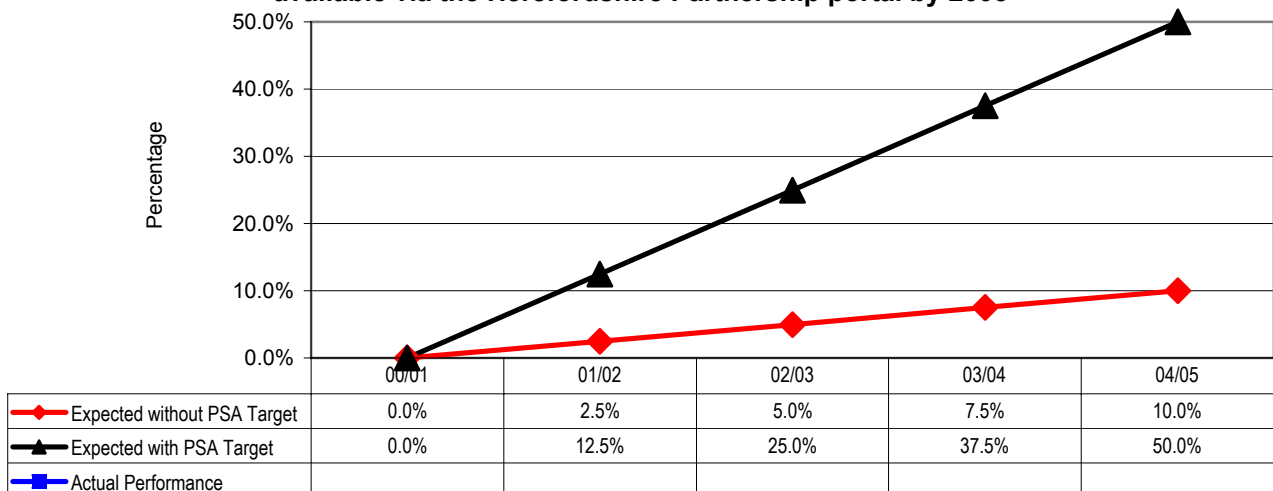


Feb-04 The Council is still confident that the target can be met at the end of March although much depends on the strict definition of the original agreement. Final confirmation is still being sought from the ODPM in this regard and is centred on whether we are assessed by the number of services which are e enabled rather than by transactions.

Sep-04 **The actual percentage of e enabled services for the end of March was 75%. This results in Performance Reward Grant of £67,500 to be paid.**

Target 13.2

% of Council services relating to Single Assessment, Supporting People and community legal services, delivered in partnership with county agencies and available via the Herefordshire Partnership portal by 2005



Report **Target 13.2**



Feb-04 A benchmarking exercise has yet to be carried out for 13.2 but we will achieve the 50% target for the PLEA (Public Legal Electronic Access) component of this target by March 2004.

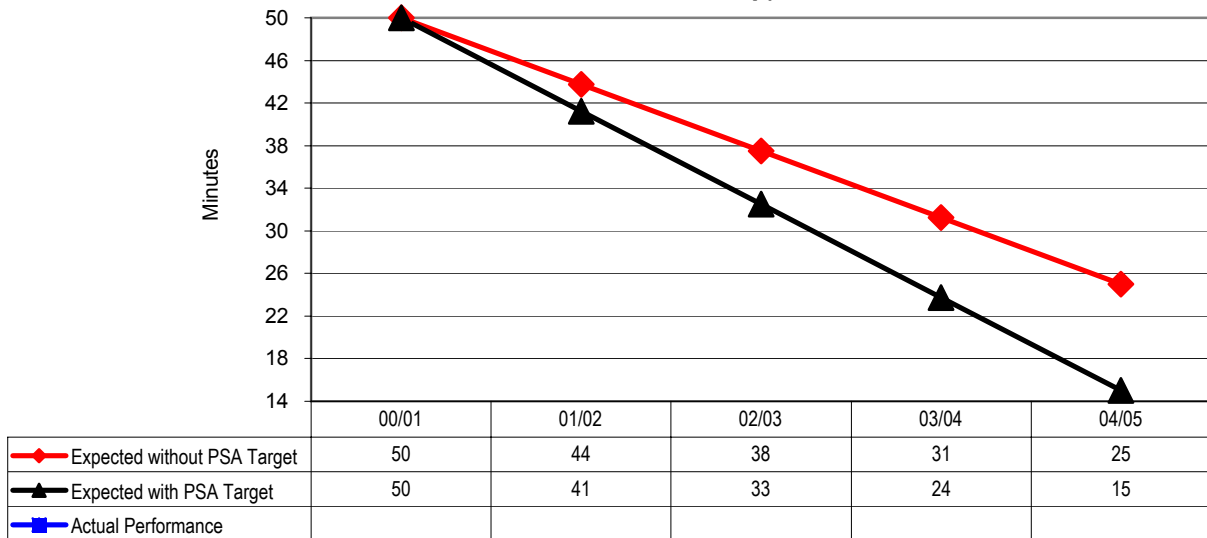
Sep-04 **Community Legal Service delivery will be on target as the Plea Project has developed a website that sits within the eGateway (Herefordshire Portal). This contains an eDirectory of Community Legal Service providers to Herefordshire from the not for profit, private and public sector and aims to include all services that have the CLS Quality Mark (it also includes non Quality Mark providers). Community Legal Services for these purposes is defined according to Legal Services Commission and Access to Justice Act 99**

Target 13

Achieving 100% delivery of electronic government

Target 13.3

The maximum travelling time for any Herefordshire resident to their nearest community access point (a public web access point provided by the Herefordshire Partnership).



Report **Target 13.3** ☹️

Feb-04 Figures for the community access points are not available at the time of reporting but will be formulated for the Cabinet meeting.

Sep-04 **Current performance is estimated to be on target at 24 minutes as mapping work carried out in 2003 indicated that more than 90% of the county was within 15 minutes drive time. Since that time one of the Community Access Points included (Lingen Resource Centre) no longer provides access due to withdrawal of Learn Direct funding. New mapping will be carried out to reflect this and the revised position reported next time**

APPENDIX 2

EXAMPLE OF HOW PERFORMANCE REWARD GRANT IS CALCULATED

Target 1	Enabling older people to live as independently as possible			
Sub Target	PRG Available	Final Performance against target	PRG Awarded	Total PRG gained as %age of PRG available
1.1	67,500	90%	60,750	
1.2	67,500	100%	67,500	
1.3	67,500	55%	0	
1.4	67,500	70%	47,250	
Totals	270,000		175,500	

APPENDIX 3

SECOND GENERATION LPSA - PROPOSED PRIORITIES AND OUTCOMES

Priority Element	Proposed Outcomes
Adult Learning and Skills	A more highly qualified and skilled population
Workforce Development	A more highly skilled workforce
A Dynamic Economy	A reduced gap between Herefordshire, the region and England in weekly earnings
Ability for Older People to Live Independently	More people helped to live at home and who find it easy to access appropriate local services
Active and Involved Communities	More people actively involved in community activity
Alcohol Related Crime and Disorder	Reduction in the number of alcohol related crime and disorder incidents
Tackling Anti Social Behaviour	Reduction in the number of public disorder incidents
Herefordshire's Transport	Increased walking, cycling and public transport use
Streetscene	Improved access to the countryside and use of footways
Waste Management	More bio-degradable waste being diverted from landfill

PERFORMANCE MONITORING - CORPORATE HEALTH

Report By: Director of Policy and Community

Wards Affected

County-wide

Purpose

1. To consider a report to Cabinet on the Council's corporate performance in relation to our Best Value Performance Indicators from 1st April to 31st July 2004.

Financial Implications

2. None identified

Considerations

3. Attached at Appendix 1 is the corporate performance report, which was considered by Cabinet on 23rd September, 2004.
4. As part of the Council's new performance management arrangements further reports on corporate performance will be prepared at 6, 8, 10 and 12-month intervals for 2004/2005.

RECOMMENDATION

THAT the Council's corporate performance from 1st April 2004 to 31st July 2004 be noted.

BACKGROUND PAPERS

- None identified

CORPORATE HEALTH PERFORMANCE

PROGRAMME AREA RESPONSIBILITY: AUDIT AND PERFORMANCE MANAGEMENT

CABINET

23RD SEPTEMBER, 2004

Wards Affected

County-wide

Purpose

To receive an update on the Council's corporate performance in relation to our National and Local Best Value Performance Indicators from 1st April, 2004 to 31st July, 2004.

Key Decision

This is not a key decision.

Recommendation

THAT performance in relation to the Council's National and Local Corporate Best Value Indicators, from 1st April to 31st July, 2004, be noted.

Reasons

The Council has developed revised performance monitoring arrangements as outlined in the Comprehensive Performance Self-assessment document submitted to the Audit Commission. The revised arrangements ensure that the Chief Executive's Management Team, the Strategic Monitoring Committee, Scrutiny Committees, and Cabinet are all involved in the performance monitoring process.

Considerations

1. During 2004/2005 corporate performance is being reported to Cabinet at 4, 6, 8, 10 and 12 monthly intervals, in line with the Council's Performance Management Framework.
2. Corporate performance for the 4 month period 1st April 2004 to 31st July, 2004 has been reported on an exception basis and only those indicators where there is a variation on the target of at least + or – 10% are highlighted.

Above target performance

3. **BV 76b Housing benefit security – number of fraud investigators employed per 1,000 caseload.** Performance has improved to 0.39 fraud investigators per 1,000 caseload against a target of 0.33. Additional resources have been recruited since the target was set based on the fact that the post is self-financing.

Further information on the subject of this report is available from
Kevin Lloyd, Policy Assistant, on (01432) 383401

4. **BV 76c Housing benefit security – the number of fraud investigations per 1,000 caseload.** Performance has improved to 63 fraud investigations per 1,000 caseload against a target of 38. The Benefit Investigation Unit has increased its resources by moving 2 benefit assessment officers into the unit to deal with initial fraud referrals, including those that have been identified through the new interventions regime.
5. **BV 76d Housing benefit security – the number of prosecutions and sanctions per 1,000 caseload.** Performance has improved to 9 prosecutions and sanctions per 1,000 caseload against a target of 7 and performance of 5.64 in 2003/04. The relocation of 2 benefit assessment officers has resulted in investigating officers being able to put more resources into prosecutions and sanctions.

Areas for Improvement

6. **BV 11b The percentage of top 5% of earners that are from black and minority ethnic communities.** Performance has remained consistent with that in 2003-04 at 2.4%, although below the target of 2.75%.
7. **BV 76a Housing benefit security – number of claimants visited per 1,000 caseload.** A change to the visiting function with interventions has resulted in visits taking longer than previously. Coupled with high periods of absence and a Visitor Officer vacancy, current performance of 87 is significantly below last year's outturn of 174.25 and the target of 255 cases per 1,000 caseload.
8. **BV 78a Speed of processing – average time for processing new claims.** Although performance has improved to 49.6 days, this is still below the target of 32 days. The definition of a new claim has changed from April 2004. Previously, claims received following a change of address within a local authority's area, or where certain people had moved into work, were counted as new claims for BVPI purposes. Generally, these claims were processed quicker than people claiming benefit for the first time as a majority of the information required to process the claim was already held. These claims are now counted as changes in circumstances, so this indicator only measures brand new claims or claims from people who have been off benefit for some time, and therefore the average processing time is likely to be longer. The target was set based on the previous definition and is currently being monitored, with a possible review later in the year when national information about the impact of the new procedures for dealing with changes in circumstance is available.
9. **BV 78b Speed of processing – average time for processing notifications of changes of circumstance.** Performance has deteriorated to 11.2 days, below the target of 8 days. Again, the definition of a change of circumstance has changed from April 2004. Previously, claims received following a change of address within a local authority area, or where certain people had moved into work, were counted as new claims for BVPI purposes. These are now counted as changes in circumstances. The target was based on the previous definition and is currently being monitored, with a possible review later in the year when national information about the impact of the new procedures for dealing with new claims is available.
10. **Number of recorded complaints, both formal and informal.** The total number of recorded complaints for the period April-July was 85, against an annual target of 440.
11. **Number of recorded formal complaints.** Against an annual target of 250, the number of recorded formal complaints for the period April-July 2004 was 58.
12. **Percentage of Staff Review and Development (SRD) interviews completed in**

previous 12 months and **Percentage of agreed training plans arising from SRD interviews (LOCAL INDICATORS)**. SRDs are tracked on a rolling 12-month basis, so reporting of this indicator is for the period 1st August 2003 to 31st July, 2004. Performance for the last 12 months is currently at 61% against a target of 80%. However, this target was set against an annual outturn in 2003-04 of 71%, a figure that did not include Social Care and Strategic Housing. If the current figures for SC&SH are excluded to show a direct comparison with those figures for 2003-04, the overall figure shows a 3% improvement of 74%. Social Care and Strategic Housing will be using the "remote groups" process to improve the reporting of performance on SRDs in the future.

Risk Management

Failure to review performance and improvement activity would undermine the implementation of the Council's Performance Management Framework.

Background Papers

- Herefordshire Council's Performance Management Framework
- Best Value Performance Indicators 2003/2004

RACE EQUALITY SCHEME – ANNUAL REPORT 2003/04**Report By: Director of Policy and Community****Wards Affected**

County-wide

Purpose

1. To update Members on progress made during 2003/04 against the Action Plan designed to deliver the Council's Race Equality Scheme.

Background

2. In line with the Race Relations Amendment Act (2000), Herefordshire Council published a Race Equality Scheme in May 2002 providing a framework for how the Council intends to promote race equality through;
 - Eliminating unlawful racial discrimination
 - Promotion of equality opportunity
 - Promotion of good relations between people of different racial groups
3. It is an integral part of the race equality scheme that the progress is monitored. Chief Executives Management Team has considered the Annual report at Appendix 1 and Cabinet approved the report and its publication, on the 15th July 2004. The Action Plan is that reported to Cabinet. Future versions of the Plan will be in the format requested by Cabinet at that meeting.
4. The draft report on Minority Ethnic People's Experiences in Herefordshire was received in June. This has been subject to discussion between Officers and Partners representatives. As a result some amendments have been made to the report which will be considered by Cabinet shortly.
5. In response to requests and the commitment given by the Council the current edition of "Herefordshire Matters" has been made available in Russian and Spanish language versions.

RECOMMENDATION**THAT the actions taken and progress to date be noted.****BACKGROUND PAPERS**

- Herefordshire Council Race Equality Scheme

Further information on the subject of this report is available from
Alan Blundell, Head of Policy and Communication
on 01432 260268

RACE EQUALITY ACTION PLAN – ANNUAL REPORT

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

15TH JULY, 2004

Wards Affected

County-wide

Purpose

To receive an annual report that sets out progress against the Action Plan which accompanies the Council's Race Equality Scheme and to approve its publication

Key Decision

This is not a Key Decision

Recommendation

THAT progress to date be noted and publication of the report on the Council's website be authorised.

Reasons

This annual report is required in line with legislation and the Action Plan.

Considerations

1. The Government felt that insufficient action was being taken by Local Authorities in response to the findings of the Stephen Lawrence enquiry. It therefore decided to place a number of statutory requirements on Local Authorities through the Race Relations Amendment Act 2000 including a requirement to publish an annual report.
2. In line with the Race Relations Amendment Act (2000) Herefordshire Council published a Race Equality Scheme in May 2002 providing a framework for how the Council intends to promote race equality through:
 - Eliminating unlawful racial discrimination
 - Promotion of equal opportunity
 - Promotion of good relations between people of different racial groups.
3. In line with guidance from the Commission for Racial Equality, a cross-Directorate steering group was established to oversee implementation of the actions detailed within the scheme. The group reports to the Corporate Diversity Group
4. It is an integral part of the Race Equality Scheme that the Authority's progress is monitored. This report has been considered by Chief Executive's Management Team

Further information on the subject of this report is available from
A. Blundell, Head of Policy and Communication on (01432) 260226

and will also be presented to Strategic Monitoring Committee. The report will be made available within the public domain via the Council's website.

5. A revised action plan for the Race Equality Scheme was accepted by Cabinet in October 2003
6. A report on the progress to date against the Equality scheme action plan is attached at Appendix 1.
7. It should be noted that in recognition of Herefordshire's relatively low Black and Minority Ethnic Population, a partnership approach has been adopted with many of the larger projects being undertaken in conjunction with other agencies. The interface for this approach has been the Herefordshire Race Equality Group (HREG), a multi-agency working group whose focus rests solely on Race Relations within Herefordshire and the Herefordshire Race Equality Partnership which has its own complementary action plan.
8. Best Value Performance Indicator (BVPI) 2b sets out a number of actions against which the Council's performance is measured. The target for 2003/04 was to comply with 50% of the actions with actual performance being 47%. The target for 2004/05 is 60% and good progress is being made to meeting and hopefully exceeding that target.
9. Key initiatives to monitor and promote Race Equality during 2003/04 included:
 - Anne Frank Exhibition
 - Holocaust Memorial Day
 - Poster campaign
 - Appointment of an Education Race Equality Officer, use of the Museum on the Move bus in schools, purchase of a teachers' resource pack for all schools so they can address and challenge racism as part of the curriculum. Seminar for Councillors,
 - Awareness raising discussions to a wide range of groups throughout the County. These include groups such as the Women's Movement, Victim support, CAB and Newton Farm Advice Centre volunteers. A number of schools and church groups.
 - Establishment of Staff group
 - Comprehensive recording of employment data and provision of management information.
 - Research into Black and Ethnic Minority (BME) issues in the County. The draft report on the Research findings has been received. The report and its implications are being analysed and a report will be presented in due course.
10. Further progress reports will be made to Cabinet and Strategic Monitoring Committee in line with the Action Plan.

Alternative Options

Alternative Option 1

None

Risk Management

Progress against the Action Plan will assist in minimising the risk of legal action and/or damage to the Council's reputation.



Consultees

None

Background Papers

None

PROGRESS AGAINST OUR ACTIONS




	No progress made on action
/	Action completed but outside of timescale
	Action completed within timescale

COUNCIL-WIDE ACTIVITIES






- To ensure that all Councillors, Council employees and those working with or for the Council understand their responsibility for implementing equalities, the standards of behaviour required by the Council and the consequences of unacceptable behaviour.

COUNCIL-WIDE ACTIVITIES


- To ensure that all Councillors, Council employees and those working with or for the Council understand their responsibility for implementing equalities, the standards of behaviour required by the Council and the consequences of unacceptable behaviour.

Ref	What we will do...	To achieve...	By when...	Achievement	Indicator	Notes
CA2	Undertake research into minority ethnic residents within Herefordshire	An understanding of the spread of minority ethnic residents in Herefordshire	September 2004 Interim report December 2003	Interim Report received. Final Report expected September 2004		
CA3	Introduce amendments to policy development process and Forward Plan	A mainstreaming of race equality considerations into decision making	February 2004	Impact Assessment process agreed, but not yet implemented		Broader diversity impact assessments to be undertaken.
CA4a	Identify priority services based on new impact assessment.	An appreciation of those services having the greatest impact on and relevance to minority ethnic residents.	February 2004. In the interim priorities will be set by Customer Top 10 group as these			

Appendix 1


Ref	What we will do...	To achieve...	By when...	Achievement	Indicator	Notes
CA4b	Develop and oversee the implementation of monitoring procedures for all priority services	A better alignment of services to the needs of Herefordshire's residents	June 2004 Monitoring pilot April-Dec 2003, main rollout dependent upon the results of new impact assessment			Awaiting impact assessment results
CA5	Revise business planning framework and self-assessment	A mainstreaming of race equality considerations into service planning and delivery	September 2003			Action Plan to be revised. New target September 04
CA6	Undertake further assessment of functions and policies	An up to date and robust approach to race equality	May 2006			
CA7a	Provide equality training for all Council Members	A better approach to the promotion of equality, good race relations and elimination of discrimination	March 2004 Introductory event October 2003	Council Members received diversity training in January 2004		
CA7b	Provide equality training for Cabinet and Strategic Monitoring Committee	A more focused implementation and scrutiny of the Council's approach to race equality	April 2004 (As Above)			
CA8a	Review the formal complaints procedure to ensure that all explicit race harassment and victimisation complaints are	A commitment to confronting and dealing with explicit racism within Herefordshire	September 2003	Policy procedure revised		

Appendix 1

Ref	What we will do...	To achieve...	By when...	Achievement	Indicator	Notes
	accelerated into the formal procedure					
CA8b	Ensure a unique identifier for complaints relating to racial discrimination	A better appreciation of the number and scale of complaints of racial discrimination against the Council	December 2003 May to November 2003	The pilot of the form has been completed.		No complaints were received utilising the form
CA8c	Report on findings quarterly to the Steering Group and ensure appropriate corrective action	A mainstreaming of race equality considerations into service delivery	December 2003 (first report)		/	
CA9	Publish annual report on the implementation of the Scheme	A greater awareness of what the Council has achieved in relation to the Scheme and its Action Plan over the year	May 2004		/	
CA10	Ensure that Race Equality Implications are considered in the Council's approach to procurement	Ensure that Race Equality considerations are an important factor when securing goods and services from external suppliers	February 2004		/	To be addressed as part of the current procurement review. Appropriate element contained in contract with Herefordshire Jarvis Services



SERVICE SPECIFIC ACTIVITIES

- To eliminate barriers for anyone who needs or wishes to access services delivered by the Council, including barriers relating to affordability, language, accessibility, culture and attitude.

Ref	What we will do...	To achieve...	By when...	Achievement	Indicator	Notes
SA1	Develop and implement formal monitoring of priority services in each Directorate/Department	A better alignment of services to the needs of Herefordshire's residents	March 2004			To be addressed through impact assessments and revised service planning guidelines






CONSULTATION



- To consult with the community, including its own employees, to ensure that people take part in identifying needs and allocating resources to meet those needs.

Ref	What we will do...	To achieve...	By when...	Achievement	Indicator	Notes
C1	Refine policy development process	A mainstreaming of race equality considerations into key decision making	March 2004			
C2	Identify community groups for consultation purposes	The direct involvement of minority ethnic people in Council planning and decisions	December 2003	The Communities Against Racism group is being used for consultation purposes.		





EMPLOYMENT AND TRAINING

- To ensure that everyone is treated fairly in recruitment to, and employment with, the Council.
- To understand customers' needs by reflecting the diversity of the local community (such as ethnic origin, gender, age, disability, etc) in the workforce.

Ref	What we will do...	To achieve...	By when...	Achievement	Indicator	Notes
ET1a	Further review of ethnic press to advertise Council vacancies	Promotion of equality	May 2004	Reviewed but no further action taken due to cost implications	/	
ET1b	Analyse how easy the Council makes employment opportunities available	Promotion of equality	September 2004			
ET2a	Review equality monitoring systems for employment to cover					
	Recruitment and selection	A fair treatment for all applicants	April 2004			
	Staff employed	A fair treatment of all staff employed	April 2004			Staff opinion survey has identified areas for improvement
	Access to training opportunities		April 2004			
	Staff involved in grievance processes	A fair treatment of all staff employed	April 2004			
	Staff involved in disciplinary processes					
	Staff involved in harassment and bullying complaints					

Ref	What we will do...	To achieve...	By when...	Achievement	Indicator	Notes
	Staff who benefit or suffer detriment from performance assessment procedures					
	Staff turnover statistics	A fair treatment of all staff employed	April 2004			
ET2b	Report on the findings of statistics in relation to ET2a above in line with the requirements of the Race Equality Scheme	An equality balance with the wider economically active population	October 2003 (first report)			
ET3a	Revise Staff Review and Development scheme to ensure that equality training is highlighted as part of the annual process	A mainstreaming of equality considerations into employee development	March 2004			
ET3b	Revise policies to ensure that they comply with the equality statement including, for example, recruitment and selection, equal opportunities in employment, disciplinary procedures, grievance procedure and harassment and bullying procedure	A better promotion of equality and elimination of discrimination	May 2004			
ET4b	All new starters to receive equality training as part of central induction	A better promotion of equality and elimination of discrimination	September 2004			

Appendix 1

Ref	What we will do...	To achieve...	By when...	Achievement	Indicator	Notes
ET4c	Training for each member of the Managers' Forum	A strategic management and mainstreaming of race equality implementation	January 2004			
ET4d	Training for all Complaints Officers	A mainstreaming of race equality issues into service delivery	June 2004			The Diversity Training timetable has been hindered due to the Training Consultant being off sick.
ET5	Incorporate diversity training workshop into the generic skills training programme – run two modules	A better promotion of equality and elimination of discrimination	April 2004			The Diversity Training timetable has been hindered due to the Training Consultant being off sick.
ET7	All managers to take a proactive approach to eliminating racist jokes and inappropriate comments/behaviour	A better promotion of equality and elimination of discrimination	March 2005			Staff opinion survey has highlighted areas for improvement
ET8	Develop support networks for minority ethnic staff	A better promotion of equality and elimination of discrimination	December 2003 Levels of interest being sought through Core News September 2003	The Staff Group has been set up and has been meeting monthly since October.		Further work is required to support and maximise the benefit of this group for staff and the Council

REVIEW OF THE CONSTITUTION

Report By: County Secretary and Solicitor

Wards Affected

County Wide

Purpose

1. To consult the Committee on proposals to update the Constitution to reflect changing legislation and Council requirements.

Background

2. The Constitution was originally adopted by the Council in 1999 and combines all the required governance provisions for a local authority, together with the more traditional standing orders to regulate public meetings and decision making. The Constitution is divided into 14 Parts, each of which sets out a particular aspect of the Council's operation. More detailed procedures are set out in separate Rules and Protocols appended to the Constitution.
3. The County Secretary and Solicitor is responsible under Standing Order 1.4.5 for monitoring and evaluating the operation of the Constitution and making recommendations for improvement as necessary.
4. The Constitutional Review Working Group (CRWG) met on 30 June 2004 and 7 September 2004 to consider a number of recommended revisions from the County Secretary and Solicitor required either to reflect legislative requirements or to meet changing Council needs. The CRWG recommendations are set out in detail in the Recommendations annexed to this Report and summarised below.

Planning Committee Matters

5. There has been a review of arrangements for determining planning matters. Changes are recommended in the following areas:

5.1 Head of Planning Services' Powers of Referral

It is considered that the Head of Planning Services' power to refer applications which have been considered by the relevant Area Planning Sub-Committee to the main Planning Committee is too narrow. Currently as drafted, the referral power can only be exercised if:

- A crucial policy is at stake or;
- the sub-committee's view might not be defensible if challenged.

The recent Asda application has also indicated the need for the Head of Planning Services to decide not to make a referral if the application is likely to be the subject of a call-in to the Secretary of State for determination outside the authority. Having to

Further information on the subject of this report is available from
Ms M Rosenthal, County Secretary and Solicitor on (01432) 260200

refer such cases through main Planning Committee having been determined at the Area Sub-Committee does cause unnecessary delay and uncertainty not only for applicants but also for persons affected by the development.

It is therefore proposed that the referral power be redrafted to allow the Head of Planning Services:

to refer

- applications which have been considered by the relevant Area Planning Sub-Committee where that Area Planning Sub-Committee is minded to make a decision which is contrary to the officer recommendation and which, in the opinion of the Head of Planning Services, should be considered at a strategic county-wide level; and

not refer:

- applications which have been considered by the relevant Area Planning Sub-Committee where that Area Planning Sub-Committee are minded to make a decision which is contrary to officer recommendation and which are likely to be the subject of a call-in for the Secretary of State.

5.2 Concerns have been expressed that the current referral procedure is not fully explained nor is it sufficiently independent of the Council's Planning Service. The current procedure was agreed by the Council at its meeting on 27 October 2000 and a procedure for referral was put into force. However, the referral procedure itself does not currently form part of the Constitution nor is it explained in the Officer Scheme of Delegation for Planning Matters. It is recommended that the procedure formally comprise part of the Officer Scheme of Delegation at Appendix 18 of the Constitution so that all members and applicants are aware of the details of the procedure and the timescales within which it should work.

5.3 Council Schemes

The procedure for determining applications for planning permission in relation to the Council's own developments has been considered. It is recommended that responsibility for determining planning applications submitted by the Council for its own schemes should be determined by the main Planning Committee to ensure consistency of treatment across the County. Local Members would be able to attend and speak at the Committee to represent local views as necessary.

5.4 Members' Planning Applications

As reported to Council in March by the Standards Committee, the Court of Appeal case (Richardson and Orme -v- North Yorkshire County Council) (recently upheld by the House of Lords) requires the Council to reconsider certain sections of the Planning Code of Conduct as currently drawn. In particular, the section dealing with **Applications in which a Member of the Council has an interest**. The House of Lords has since confirmed the Judgement that Councillors are required to be properly excluded from meetings where they have a prejudicial interest under agency laws. Whilst whatever a person has power to do himself he may do by means of an agent, the converse position similarly holds good that what a person cannot do himself he cannot do by means of an agent. Paragraph 39 of the Planning Code of

Conduct which allows councillors to appoint an agent who can speak on their behalf in relation to individual applications therefore needs to be redrafted as follows:

“39. **You must take no part in the determination of the application. You must declare a prejudicial interest and leave the meeting and not seek to influence any decision made.** ~~You may, however, appoint an agent who can speak subject to Standing Order 5.11 (Public Speaking at Meetings of Planning Committee and Area Planning Sub-Committees) on your behalf.~~”

There are also some consequential tidying up amendments required to paragraphs 25, 26, 36 and 37 of the Planning Code of Conduct as shown in Recommendation 5 of the Annex.

5.5 Supplementary Planning Guidance

There is no statutory basis for adoption of Supplementary Planning Guidance (SPG). SPG is widely used in planning practice as another material consideration in development control. The only legal requirements for SPG are:

- It must be supplementary to UDP Policy and not contrary to it.
- It must have been the subject of public consultation.
- It must be formally adopted by the Council.

Current practice is for the Planning Committee to consider any SPG following public consultation and then refer the matter to the Cabinet Member for formal approval. It is recommended that this approval process be confirmed in the Constitution by addition to both the Planning Committee and Cabinet Member (Environment) Terms of Reference.

Council Procedures

6. There has been a review of Council procedures and a number of changes are recommended:

6.1 Formal Questions at Council

Standing Order 4.25 allows Councillors to ask formal questions at Council meetings provided they deposit a copy of their question with the relevant Cabinet Member or Chairman and the County Secretary and Solicitor by no later than 10.30am on the last working day before the relevant Council meeting.

This can and does result in formal questions being asked about matters which appear as the subject of formal reports to Council later on in the Council Agenda. This has the potential to lead to duplication on discussion of items and is potentially confusing when items in reports are debated later on in the meeting.

To date, the Chairman has used his discretionary powers to regulate Council meetings to rule that formal questions relating to items which will be the subject of report be taken at that time in the meeting. It is recommended that this mechanism be written into the Standing Orders.

Also, Members have been making use of e-mail to ask questions and relying on officers to notify the relevant Cabinet Member or Committee Chairman. There is also the risk as demonstrated recently of questions not being passed promptly by officers to the County Secretary and Solicitor. It is recommended that revisions be made to Standing Order 4.25.1 to reflect these matters.

6.2 Current Delegations in Relation to Employee Matters

- 6.2.1 The Local Authority (Standing Orders) (England) Regulations 2001 issued under the Local Government Act 2000 make it clear that the function of recruitment, selection and dismissal of Council employees must be discharged by the Chief Executive (as Head of Paid Service) or his nominee and not elected Members.

It is recommended that a new Standing Order be added to Part 12 of the Constitution to clarify the role of members in these matters.

- 6.2.2 Changes are also required to Appendix 6 of the Constitution which deals with Appointment and Discipline of Staff to meet the requirements of the Local Authority (Standing Orders) (England) Regulations 2001 and the Employment Act (Dispute Resolutions) Regulations 2004.

The changes include the involvement of Cabinet Members in the appointment and employment matters concerning the Chief Executive, Directors, County Secretary and Solicitor, County Treasurer and Heads of Service.

- 6.2.3 Standing Order 2.5.12 prohibits Cabinet Members from serving on the Employee Appeals Panel. This needs to be revised to reflect the Cabinet and Cabinet Member (Human Resources and Corporate Support Services) responsibility in relation to these matters as permitted by the 2001 Regulations.

6.3 Arrangements for Local Area Forums (LAFs)

The current drafting of the Constitution describes the role and remit of each Forum by reference to a fixed geographical area defined by reference to a named group of wards and named councillors. There is a concern that this approach is too constrained as issues arise from time to time which cross ward and LAF boundaries. It is also hoped that the LAFs will be used by other organisations to consult local communities. It is therefore recommended that Part 10 of the Constitution be revised as set out in Appendix 2 to the Annex of this Report and that the reference to LAFs be deleted in Appendix 20 "Membership of Area Based Bodies".

6.4 The Independent Remuneration Panel

The Council is required to take into account the advice of its Independent Remuneration Panel (IRP) before considering any changes to the Members' Allowances Scheme. The current Scheme was originally introduced in March 2002 and revised by the Council in May 2003. It is recommended that the Council agree to review its current Members' Allowances Scheme during 2006/07 before the new Council is elected in May 2007.

This will require the IRP to be reconvened in early 2007. The current membership comprises two representatives from the business sector (Personnel Manager, Special Metals Wiggins Limited and HR Director, Sun Valley Foods Ltd); one representative from the voluntary sector (Hereford Volunteer Centre); two

representatives from the media (Editor, Hereford Times and Editor, Hereford Journal); and one representative from Unison was agreed by the Council in 2001.

It is recommended that this membership be continued for a further 3 year period and the relevant individuals or their nominees or successors be invited to serve at the appropriate time to ensure continuity and to reflect the requirements of the legislation.

6.5 Control of Borrowing, Investments or Capital Expenditure

Regulations coming into force on 19 May 2004 provide that the function of formulating a plan or strategy for the control of a local authority's investments is a function not reserved to the Cabinet (Local Government Authorities (Function and Responsibilities) (Amendment) (England) Regulations 2004).

It is therefore recommended that this function remain with the Council and the definition of the "Budget" in the Constitution at SO 4.1.3 be amended to include "Investments".

Regulation 13.2 of the Council's Financial Regulation will also require consequential amendment.

6.6 The Policy Framework

These are the plans and the strategies of the Council which the Local Government Act 2000 requires to be decided by full Council. In line with Government guidance, the Framework currently includes the current Housing Investment Programme Strategy (HIP). The Council can decide to delegate approval of this matter to the Cabinet if so recommended. It is recommended that following the transfer of the Council's housing stock to Herefordshire Housing Limited and the fact that there is no longer a need to produce an annual housing strategy, this be deleted from the Policy Framework. There is a requirement to have a Housing Investment Strategy that GOWM is satisfied is "fit for purpose". It is recommended this become part of the Cabinet Member's (Social Care and Strategic Housing) responsibility with an amendment to SO 6.14.1.

6.7 Regulatory Sub-Committee

The Council needs to agree the composition of the Sub-Committee which has been created from Regulatory Committee to determine individual applications for liquor licensing, gaming permits, public entertainment licenses and cinema licenses within Herefordshire. It is recommended that Standing Order 9.3.3 is revised to provide for a sub-committee of three councillors from the Regulatory Committee.

Programme Panels

7. The Constitutional Review Working Group (CRWG) have considered a proposal raised by Councillor Mrs M.D. Lloyd-Hayes at the Council meeting of 30 July 2004 that the Council agree to reinstate Programme Panels when it next considers amendments to the Constitution. In putting her case Councillor Mrs Lloyd-Hayes stated that Programme Panels had allowed all Members the opportunity to influence Cabinet Members on a variety of issues. She said she spoke for a number of the newer, less experienced Councillors who were either not aware that they could discuss ward issues directly with Cabinet Members or Scrutiny Chairmen, or were

reluctant to do so. The CRWG have reviewed the history of the introduction and operation of Programme Panels whose role was now undertaken by the Scrutiny Committees. There was a reluctance on the part of the CRWG to recommend the reintroduction of Programme Panels as this was seen as adding more bureaucracy to the decision making process. It is acknowledged that more work needs to be done to keep all Members informed, by offering more briefing seminars and raising awareness of the role of the Scrutiny Committees in holding the Executive to account and contributing to policy development and determining what issues they should consider. A review of scrutiny activity for the year 2003/04 has recently been undertaken which will report shortly providing an opportunity to review progress to date and scope for improvement.

Children's Bill and Review of Cabinet and Scrutiny Portfolios Generally

8. The Children's Bill 2003/4/5 is due to be enacted. It will require the Council to appoint a lead executive member for Children's Services in respect of the following functions:
 - Functions conferred on or exercisable by the Council as Local Education Authority.
 - Functions conferred on or exercisable by the Council and social services functions so far as those functions relate to children.
 - Functions conferred on the Council in relation to children formally in the Council's care.
 - The new functions of establishing new children's services.
 - Any functions exercisable by the Council on behalf of any NHS body so far as those functions relate to children.
9. In the light of these changing requirements, it is recommended that one Cabinet Member be identified to take lead responsibility for Children's Services pending the outcome of the operational review and the enactment of the Children's Bill and that the Strategic Monitoring Committee take responsibility for monitoring the Cabinet's response to the Children's Bill.
10. A number of minor modifications to the existing Cabinet portfolios are also recommended as shown at Recommendations 18 and 19 of the Annex.

11. Health Scrutiny Joint Committees

- 11.1 Under section 7 of the Health and Social Care Act 2001, NHS bodies are required to consult with the local authority overview and scrutiny committees on any proposal for "substantial variation" or "substantial development" of services. In cases where the NHS body needs to consult more than one local authority health scrutiny committee (because its proposals will affect the residents of more than one local authority area) those local authorities are **required** to form a joint committee.
- 11.2 The need for action at this time has been promoted by consideration being given to the provision of cancer services by the Cancer Network Board, responsible for overseeing the provision of cancer services across Gloucestershire, Herefordshire

Further information on the subject of this report is available from
Ms M Rosenthal, County Secretary and Solicitor on (01432) 260200

and South Worcestershire. If these discussions lead to proposals which would constitute substantial variations to services, although there is no definite indication at this stage that that will be the case, a Joint Committee will need to be established with the other two authorities with Health Scrutiny Responsibilities who are affected: Gloucestershire County Council and Worcestershire County Council. However, there are any number of situations which could arise requiring a Joint Committee to be established.

- 11.3 There is currently no provision for joint health scrutiny committees in the Constitution. The power to make such provision rests with the Council and the Council needs to authorise an amendment to the Constitution accordingly. It is therefore recommended that provision be made in the Constitution for the formation of health scrutiny joint committees to allow the Council to participate in joint committees with other local authorities when reviewing NHS services across a number of areas.
- 11.4 Constitutional issues which the Council needs to consider include appointment, membership, terms of reference and composition.
- 11.5 A complication arises in that the composition is not determined by local authorities themselves but by the patterns of service use of the health body that is proposing the changes to the service provision.
- 11.6 It appears that it would be feasible for a general set of rules governing the formation of any joint committee established in the area to be agreed. This will need time to prepare in consultation with other authorities. It is recommended, on the basis that the Council will approve these general principles, that arrangements for the establishment of specific joint committees including terms of reference be approved by the County Secretary and Solicitor after consultation with Group Leaders and the Chairman of the Health Scrutiny Committee.

Financial Regulations and Associated Amendments

12. The current financial regulations have been in force for a number of years and a revised version of financial regulations reflecting a number of practical issues is recommended for approval.

RECOMMENDATIONS

THAT the Strategic Monitoring Committee consider the proposed amendments to the Constitution set out in Annex 1 and the accompanying appendices and recommend their approval to Council.

BACKGROUND PAPERS

- None

PROPOSED AMENDMENTS TO THE CONSTITUTION 2004/05

Matter	Amendment
<p>Head of Planning Referrals</p>	<p>1. The referral power set out at SO 9.1.2.1 be redrafted to also allow the Head of Planning Services to:</p> <p>(i) refer applications which have been considered by the relevant Area Planning Sub-Committee where that Area Planning Sub-Committee is minded to make a decision which is contrary to the officer recommendation and which, in the opinion of the Head of Planning Services, should be considered at a strategic county-wide level; and</p> <p>(ii) not refer applications which have been considered by the relevant Area Planning Sub-Committee where that Area Planning Sub-Committee are minded to make a decision which is contrary to officer recommendation and which are likely to be the subject of a call-in for the Secretary of State.</p>
<p>Planning Committee Scheme of Delegation to incorporate Referral Procedure</p>	<p>2. That the referral procedure set out at Appendix 4 be agreed and included with the Planning Committee Scheme of Delegation to Officers within Appendix 18 of the Constitution.</p>
<p>Council Schemes</p>	<p>3. The Planning Committee's terms of reference to include "determine applications for planning permission in relation to decisions in respect of any application relating to the Council's own development or to the development of land owned by the Council" and that this function be deleted from the terms of reference of the Area Planning Sub-Committees as set out in SO 9.2.2.1.</p>
<p>Planning Code of Conduct</p>	<p>4. Paragraph 39 of the Planning Code of Conduct (Appendix 13 of the Constitution) be amended in the light of recent case law as follows:</p> <p>You must take no part in the determination of the application. You must declare a prejudicial interest and leave the meeting and not seek to influence any decision made. You may, however, appoint an agent who can speak subject to Standing Order 5.11 (Public speaking at meetings of Planning Committee and Area Planning Sub-Committees) on your behalf.</p> <p>5. Tidying up amendments be made to paragraphs 25, 26, 36 and 37 of the Planning Code of Conduct, as follows:</p>

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	<p>“Material Submitted to Committee</p> <p>25 If you receive material from or on behalf of an applicant or third party in connection with an application before a Committee you should establish from the Planning Officers whether the material has been received by them. If it has not, you should make it available as soon as possible to the Planning Service.</p> <p>26 Relevant documents in connection with an application should all be dealt with in the officer’s report on Committee. Any additional information received after the preparation of that report up to 17.00 hours on the day before the Committee meeting will also be brought to the attention of the Committee <u>if they raise new and relevant material planning matters</u>. Papers received after that time will normally be discounted, since time will not be available to check their accuracy or to give consideration to their implications.</p> <p>Non Members of Planning Committee Attending Meetings</p> <p>36 You may attend meetings of the Council’s Planning Committees even if you are not a member <u>unless you have a prejudicial interest</u>. You may speak but not vote on items under the procedures laid down in the Constitution. When you attend any Planning Committee, you should not sit in the public gallery, but in the place reserved in the Committee room for Members of the Council who are not Members of the Planning Committee. When you speak at the meeting, either the Chairman of the Committee in calling upon you to speak or you in speaking should make it clear upon what basis you are taking part in the meeting, and that you have no right to vote on the application concerned. The rules on declaring interests set out at paragraphs 27-30 of this Code apply at all times.</p> <p>Decisions Contrary to Officer Recommendations or to Development Plan Policies</p> <p>37 From time to time, there will be occasions when you or the Committee of which you are a Member disagree with the professional advice on an application given by the Head of Planning Services. In such cases the reasons for differing from the professional advice received should be specified in the resolution of the Committee, along with the reasons for refusing an application recommended for approval or the conditions to be imposed on any approval in a case recommended by officers for refusal. The same provisions apply to decisions taken contrary to Development Plan policies. Decisions of Area Sub-Committees which depart from the Council’s Planning Policy or raise critical policy issues These cases will be referred to the Head of Planning Services for <u>decision consideration</u> as to whether the decision on the application in question should be referred to the main Planning Committee for further comment <u>determination</u> in accordance with <u>the Council’s Constitution</u>.”</p>
<p>Supplementary Planning Guidance</p>	<p>6. Approval of Supplementary Planning Guidance issued by the Council be added to the Terms of Reference of both the Planning Committee (at SO 9.1.2) and the Cabinet Member (Environment) (at SO 6.10.1.1)</p>

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<p>Formal Questions at Council</p>	<p>7. The following revisions be made to Standing Order 4.25.1:</p> <p>(a) "You may, as long as a copy of the question is deposited in writing or by e-mail with the County Secretary and Solicitor (or his/her nominated officer) by no later than 10.30am on the last working day before the relevant Council meeting, ask a Cabinet Member or Committee Chairman a question relevant to a matter in relation to which the Council has powers or duties or which affects the County; any such questions to be asked in accordance with the provisions of Standing Order 4.13.</p> <p>(b) Where the Chairman believes that a reply to a question can more conveniently be given by the relevant Cabinet Member or Committee Chairman as part of a report before Council elsewhere on the agenda, the Chairman shall rule that the question be put as part of that report at the appropriate time."</p>
<p>General Employment of Officers and Employees</p>	<p>8. Standing Order 12.13 be added to clarify the role of Members, as follows:</p> <p>"12.13 General Employment</p> <p>The function of recruitment, selection and dismissal of officers will be discharged, on behalf of the Council, by the Chief Executive, as Head of Paid Service, or by an officer nominated by him/her in accordance with the requirements of Appendix 6."</p>
<p>Appointment and Discipline of Staff</p>	<p>9. The amendments to Appendix 6 of the Constitution as shown in Appendix 1 to this Annex be approved.</p>
<p>Employee Appeals Panel</p>	<p>10. Standing Order 25.1.2 be revised as follows:</p> <p>No Member of the Cabinet should hold a seat on a Committee, other than the Planning Committee, the appropriate Area Planning Sub-Committee, the Appointments Committee and the Employee Appeals Panels, but may serve on the Voluntary Sector Grants Panel and, as appropriate, other bodies established to carry out executive functions.</p>
<p>Local Area Forums (LAFs)</p>	<p>11. Part 10 of the Constitution be revised as set out in Appendix 2 to this Annex and that the reference to LAFs be deleted in Appendix 20 "Membership of Area Based Bodies".</p>
<p>Independent Remuneration Panel</p>	<p>12. The current membership of the Independent Remuneration Panel be continued for a further three year period and the relevant individuals or their nominees or successors be invited to serve at the appropriate time to ensure continuity and to reflect the requirements of the Legislation and Appendix 15 of the Constitution be revised to include these details.</p>

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	to reflect the requirements of the legislation and Appendix 15 of the Constitution be revised to include these details.
Definition of Budget	<p>13. The definition of the “Budget” at Standing Order 4.1.3 be amended to include “investments”; and Regulation 13.2 of the Council’s Financial Regulations be amended as follows:</p> <p>“The investment or utilisation of capital money in hand or other accumulations, including trust money, and the sale or realisation of all investments shall be carried out by the County Treasurer in accordance with such policy as the Council shall determine.”</p>
Policy Framework – Renewal of Housing Investment Programme	<p>14. The Housing Investment Programme be removed from the Policy Framework and its approval be added to the terms of reference of the Cabinet Member (Social Care and Strategic Housing).</p>
Regulatory Sub-Committee	<p>15. Standing Order 9.3.3 be amended as follows:</p> <p>“9.3.3.2 Composition</p> <p>The Regulatory Sub-Committee will consist of three Councillors drawn from the membership of the Regulatory Committee.”</p>
Programme Panels	<p>16. That Programme Panels not be re-instated but that the future development of the role of the Scrutiny Committees be explored as part of the annual review of scrutiny and consideration be given to incorporating significant issues in the relevant committees’ work programme with a view to involving members in issues of local interest.</p>
Cabinet and Scrutiny Portfolios for Children	<p>17. An existing Cabinet Member be designated lead member for Children’s Services on an interim basis with the following additional functions:</p> <ul style="list-style-type: none"> • Functions conferred on or exercisable by the Council as Local Education Authority. • Functions conferred on or exercisable by the Council and social services functions so far as those functions relate to children. • Functions conferred on the Council in relation to children formally in the Council’s care. • The new functions of establishing new children’s services. • Any functions exercisable by the Council on behalf of any NHS body so far as those functions relate to children.

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Farmers Markets	18. Responsibility for Farmers' Markets transfers from the Cabinet Member (Economic Development, Markets and Property) to the Cabinet Member (Rural Regeneration and Smallholdings).
Revenue and Benefit, WMS and General Procurement of Goods and Services	19. Responsibility for the revenues and benefits service, purchasing and joint arrangements with West Mercia Supplies and arrangements for the procurement of goods and services for the Council transfers from the Leader to the Cabinet Member (Human Resources and Corporate Support Services);
Health Scrutiny Joint Committees	20. The County Secretary and Solicitor be authorised to agree, in consultation with neighbouring authorities, a general set of rules governing the formation of any joint committee, in consultation with Group Leaders.
Financial Regulation and Associated Amendments	21. that: (a) the terms of reference of the Statutory Accounts Committee be amended to read "To approve the Council's accounts and associated reports each year"; and (b) the revised Financial Regulations as attached at Appendix 3 to this Annex be approved.

APPOINTMENT AND DISCIPLINE OF STAFF

1. INTRODUCTION

- 1.1 In this Appendix "Director", for the purpose of this Appendix, applies to the following officers of the Council:
- a. Chief Executive (Head of Paid Service)
 - b. Director of Education
 - c. Director of Environment
 - d. Director of Policy and Community
 - e. Director of Social Care and Strategic Housing
 - f. County Secretary and Solicitor (Monitoring Officer)
 - g. County Treasurer (Section 151 Officer)

This Appendix (except paragraphs 8 and 9) shall not apply to teachers.

2. DIRECTORS - APPOINTMENTS

- 2.1 When a vacancy occurs in any of the posts mentioned in paragraph 1.1 the Chief Executive, after consultation with the relevant Cabinet Member, shall review the terms and conditions of employment attaching to the post and determine if any alterations are required.
- 2.2 The Chief Executive shall arrange for the post to be advertised in a manner designed to attract the maximum interest from suitably qualified persons following consultation with the relevant Cabinet Member.
- 2.3 The Chief Executive in consultation with the relevant Cabinet Member or the Leader, shall:
- a. Agree a statement specifying the duties of the vacant post, the qualifications and qualities sought in the person to be appointed, and a copy of this documentation shall be supplied to any person on request;
 - b. Make arrangements for the shortlisting and appointment of applicants by a Panel of Members to which appointments will be made by the Chief Executive in consultation with political group leaders. The composition of the Panel shall, as near as may be, reflect the rules on proportionality between the political groups on the Council and must include at least one member of the Cabinet. In addition to the powers for

shortlisting and appointments, the Panel shall also have responsibility as required to determine the terms and conditions of Director's contracts of employment. The Chief Executive will be invited to advise the Panel.

- c. Following the shortlisting described in 2.3.b above, interviews shall be conducted by a Panel of Members which, as near as may be, shall reflect the rules on proportionality between the political groups on the Council. The appointments to the Panel will be made by the Chief Executive in consultation with political group leaders. The Chief Executive and Head of ~~Personnel~~ Human Resources will be invited to advise the Appointments Panel save in the case of the appointment to the post of Chief Executive when the Head of ~~Personnel~~ Human Resources and the Monitoring Officer shall be invited to attend to give advice on personnel and procedural issues respectively.
- d. The Panel shall submit to every member of the Cabinet for comment by a specified date and time the name of the candidate recommended for appointment save that additionally in the case of ~~Chief Executive~~ the Head of Paid Service, Monitoring Officer and Section 151 Officer, the name of the candidate recommended for appointment shall be submitted to the Council for appointment.

2.4 An offer of employment as Director shall only be made where no material or well-founded objection has been received by the Chief Executive from the Leader on behalf of the Cabinet within the specified time limit.

3. DIRECTORS - DISMISSAL OR OTHER DISCIPLINARY ACTION RELATING TO ALLEGED MISCONDUCT

- 3.1 ~~Save in the case of the Head of Paid Service, Monitoring Officer and Section 151 Officer, Any~~ question of dismissal, non-renewal of contract, or disciplinary action relating to alleged misconduct in regard to any Director shall be determined by a Panel convened in accordance with paragraph 2.3(b) ~~the Council on the recommendation of a Special Committee convened by the Chairman of Council and comprising the Chairman of the Council, the Leader of the Council and the relevant Cabinet Member, together with not less than one and not more than two other Councillors selected by the Leader of the Council in accordance with the rules of "political proportionality" required by Section 15 of the Local Government and Housing Act 1989.~~
- 3.2 No disciplinary action, other than suspension on full pay for a period not exceeding two months for the purpose of investigating the alleged misconduct occasioning the action, shall be taken against the Chief Executive, Monitoring Officer and Section 151 Officer, otherwise than in accordance with a recommendation to the Council for a decision in a report made by a designated independent person under Regulation 3 of the Local Authorities (Standing Orders) Regulations 1993 and Regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001 (investigation of alleged misconduct).
- 3.3 Any Director subject to possible dismissal or other disciplinary action shall have the right to be informed as to the basis of any action which may be taken and to appear before the ~~Special Committee Panel~~ (see 3.1 above) prior to a recommendation being made to

~~Council.~~

- 3.4 The Director concerned shall also have the right to ~~appear before the Council (at a meeting at which consideration will be given to the passing of any resolution under Section 100A(4) of the Local Government Act 1972) when the report of the Special Committee is received.~~appeal in accordance with the Employment Act 2000 (Dispute Resolution) Regulations 2004 to a Special Committee convened by the Chairman of the Council and comprising the Chairman of the Council, the Leader of the Council and the relevant Cabinet Member, together with not less than one and not more than two other Councillors in accordance with the rules of "political proportionality" required by Section 15 of the Local Government and Housing Act 1989.
- 3.5 ~~The Panel or Special Committee (as the case may be) shall submit to every Member of Cabinet for comment by a specified date and time the name of the Director recommended for dismissal.~~
- 3.6 ~~Notice of dismissal shall only be given where no well-founded objection has been received by the Chief Executive from the Leader on behalf of the Cabinet.~~

4. APPOINTMENTS PROCEDURE

- 4.1 Every appointment other than is mentioned in paragraph 1.1 shall be made in accordance with the Council's appointments procedure incorporated in the Personnel Handbook.
- 4.2 ~~Appointment of officers below deputy chief officer is the responsibility of the Head of Paid service or his/her nominee and may not be made by councillors.~~

5. VACANCIES TO BE ADVERTISED

- 5.1 All vacancies shall be publicly advertised, except where otherwise determined by the Chief Executive following consultation with the Leader.

6. VOTING ON APPOINTMENTS

- 6.1 Where two or more candidates are being interviewed for an appointment to a post ~~under~~with the Council, and there is not a majority of votes cast at the relevant meeting in favour of one candidate, the candidate receiving the least number of votes shall be disregarded and a fresh vote taken, and so on until one candidate receives a majority of the votes.

7. PAYMENT OF EXPENSES

- 7.1 Every candidate, who attends for interview in connection with any vacant appointment, shall be reimbursed their expenses in accordance with the conditions of service approved by the appropriate Joint Industrial Council or other similar Negotiating Committee as amended, adopted or varied by the Council. In the event of no scale of allowance having been prescribed, the candidate shall be paid their actual and reasonable travelling and out-of-pocket expenses.

8. CANVASSING OF COUNCILLORS

- 8.1 Canvassing of Councillors or of co-opted members of any committee or other body directly or indirectly, for any appointment under the Council, shall disqualify the candidate concerned for the appointment. This requirement shall be stated in any application form issued.
- 8.2 A Councillor or a co-opted member of a committee or other body shall not solicit for any person any appointment under the Council, but shall not be precluded from giving a written testimonial, where named as a referee by the candidate, of a candidate's ability, experience or character ~~to the Chairman of the body concerned.~~

9. RELATIVES OF COUNCILLORS OR OFFICERS

- 9.1 Every candidate for any employment by the Council who knows that they are related to any Councillor, any co-opted member of a committee or other body or senior officer of the Council, shall disclose that relationship in their application. Failure to do so shall render the candidate disqualified for the appointment and, if appointed, liable to dismissal. The intent of this paragraph must be made clear in any form of application for a relevant appointment or, where no such form is issued, be notified to every shortlisted candidate prior to interview.
- 9.2 Every Councillor, co-opted member of a committee or other body and senior officer of the Council, shall inform the County Secretary and Solicitor in writing of any relationship known to them to exist between themselves and any person whom they know is a candidate for an appointment under 9.1 above, as soon as they are aware of that person's candidature. The County Secretary and Solicitor shall report any such disclosure to the persons or body making the appointment. No candidate so related to a Councillor or an officer will be appointed without the authority of the relevant chief officer or an officer nominated by him/her.
- 9.3 For the purpose of this Appendix, 'senior officer' means Director, Head of Service and any other officer holding an appointment on Principal Officer's Grade 1 equivalent or above, and persons shall be deemed to be related if they are the spouse, parent, grandparent, child (including step child and adopted child), grandchild, brother, sister, uncle, aunt, nephew, niece or first cousin of an existing Councillor, or senior officer or of the partner of such a person.

10. SUSPENSION AND DISMISSAL OF STAFF

10.1 Councillors will not be involved in the dismissal of any officer below deputy chief officer except where such involvement is necessary for any investigation or inquiry into alleged misconduct, through the Council's disciplinary, capability and related procedures or as adopted from time to time to allow a right of appeal to members in respect of disciplinary action.

10.42 The following paragraphs (10.23 – 10.67) are subject to:

- a. Any conditions of service approved by the National Joint Council for Local Government Services as amended, adopted or varied by the Council;

- b. Any conditions of service approved by the Joint Negotiating Committees for Local Authorities' Services (Building, Civil Engineering and Engineering Craftsmen) as amended, adopted or varied by the Council;
- c. Any conditions of service approved by the Joint Negotiating Committee for Youth Workers and Community Centre Wardens as amended, adopted or varied by the Council;
- d. Any conditions of service agreed between the Council of Local Education Authorities and the recognised trades unions in relation to teaching staff in schools as amended, adopted or varied by the Council, and also to any provisions relating to teaching staff in the Articles of Government of such establishments;
- e. Any special conditions of service prescribed by the Articles of Government of colleges and Voluntary Aided schools in relation to non-teaching staff in such establishments;

10.23 _A Director shall have the power to dismiss any employee:-

- a. Who is employed under a fixed-term or temporary contract of employment which is about to expire;
- b. Whose post is or is about to become redundant;
- c. On the expiry of an agreed probationary period where performance of their duties has been unsatisfactory;
- d. Who has been medically certified to be incapable of discharging their duties by reason of ill-health; or
- e. Who has reached normal retirement age.

10.34 A Director, or any member of their staff nominated by them for the purpose of this Appendix, shall have the power to suspend any employee suspected of potential gross negligence or gross misconduct where such suspension shall, in the opinion of the Director or nominated officer,

- a. Be necessary to enable the alleged negligence or misconduct to be investigated, or
- b. Be otherwise desirable in the interests of the Council or the employee.

10.45 During any such period of suspension, the employee shall be entitled to full salary or wages, subject to any agreement to the contrary that they may reach with the Council.

10.56 A Director, or any member of their staff nominated by them for the purpose of this Appendix, shall have the power:-

- a. To dismiss with due notice any employee whose standards of conduct or efficiency are unsatisfactory;

- b. To dismiss any employee without notice where satisfied on reasonable enquiry that the employee has been guilty of gross misconduct;

~~Subject to consultation with the County Secretary and Solicitor.~~

- 10.67 Any employee dismissed in pursuance of paragraph 10.56 shall have a right of appeal as described in the Council's Disciplinary Procedure. Where a dismissal is confirmed by the Employee Appeals Panel, the employee shall not be entitled to payment of salary or wages in respect of the period between the date of the dismissal and the date of the appeal if he or she was dismissed under paragraph 10.56.b above, or in respect of the period (if any) between the expiry of the notice and the date of the appeal if he or she was dismissed under paragraph 10.56.a above. Where an appeal against dismissal is upheld, the employee shall be entitled to payment of salary or wages in respect of any such period.

11. APPOINTMENT AND DISMISSAL OF DEPUTY CHIEF OFFICERS (HEADS OF SERVICE)

- 11.1 The appointment of Deputy Chief Officers is the responsibility of the Chief Executive as Head of Paid Service or his / her nominee.
- 11.2 The Chief Executive shall submit to every member of Cabinet for comment by a specified date and time the name of the candidate recommended for appointment as Deputy Chief Officer.
- 11.3 An offer of employment of a Deputy Chief Officer shall only be made where no material or well-founded objection has been received by the Chief Executive from the Leader on behalf of the Cabinet within the specified time limit.
- 11.4 The Chief Executive shall submit to every member of Cabinet for comment by a specified date and time the name of any Deputy Chief Officer recommended for dismissal.
- 11.5 The dismissal of a Deputy Chief Officer shall only be made where no material or well-founded objection has been received by the Chief Executive from the Leader on behalf of the Cabinet within the specified time limit.

PART 10

LOCAL AREA FORUMS

10.1 COMPOSITION

10.1.1 The Council has a policy of helping to build and sustain local communities. It is the Council's Policy to consult widely and to work within those communities.

10.1.2 The Council will ~~designate areas for establish~~ Local Area Forums (LAFs) to undertake these roles across Herefordshire. Local Area Forums will meet on a regular basis at locations around the County to ensure ease of access for all. Local Area Forums will be designated by reference to wards. Councillors for those wards will become members of the relevant LAF. There will be occasions where the interests of a particular ward relate to more than one LAF; in these circumstances the Ward Member will also be eligible to attend and participate in an adjacent LAF.

10.1.3 ~~Membership of each LAF will be decided by the Council as set out above.~~ The Leader of the Council, or a Cabinet Member nominated by him/her to act on his/her behalf will have the right to participate in each of the LAFs. The role of the Leader or Cabinet Member so nominated will be to hear the views of the LAF and when applicable represent the Cabinet's views to them.

10.1.4 ~~The ward composition and Councillor Membership of the LAFs is shown at Appendix 20.~~ There will be six LAFs meeting in the following areas:

- Central Herefordshire
- East Herefordshire
- Golden Valley
- Hereford
- North Herefordshire
- Ross on Wye

10.1.5 The Chairman of each LAF will be a Herefordshire Councillor and will be appointed by Group Leaders.

10.2 TERMS OF REFERENCE

10.2.1 The principal roles of a Local Area Forum will be :

- To consider the impact of Council policies and services on the area;
- To consider the impact of policies and services provided by other public bodies, Council partners and other organisations operating in Herefordshire.
- To propose to the Cabinet, policy and service delivery modifications to better serve the needs of the local area;
- To act as a focus for the area, co-ordinating local efforts where appropriate and acting as one of Herefordshire's means of consultation on policy and service delivery and other proposals.

10.3 CONDUCT OF BUSINESS ETC

10.3.1 Whilst conforming with Standing Order **5.8.3** with regard to notice etc., each LAF will develop its own method of working, following any legal and good practice requirements for the conduct of meetings. The Cabinet will from time to time issue procedural advice on the management of the Forums.

10.3.2 The LAF is not a decision making body and generally speaking, there will be no formal votes taken. A consensus of opinion will be reported to Cabinet, where appropriate.

10.3.3 In the event of the Chairman of the LAF not being present the Councillors present will elect a Chairman for that meeting from amongst their number.

FINANCIAL REGULATIONS

1. General

- 1.1 These Regulations apply to all Directorates and officers of the Council except where arrangements are made under the scheme for the Local Management of Schools.
- 1.2 The County Treasurer will be responsible under the general direction of the Cabinet for determining the basis for all accounting procedures and financial records of the Council and for exercising a currency provision and check over all financial matters, including handling cash and stores or other Council property.
- 1.3 Reference in these regulations to the County Treasurer will also include any officer nominated by the County Treasurer to act on his or her behalf for the relevant regulation.
- 1.4 Directors will consult the County Treasurer with respect to any matter within their area of responsibility that is liable to materially affect the finances of the Council before any provisional or other commitment is incurred or before reporting the matter to a Cabinet Member.
- 1.5 Every appropriate report to Cabinet Members will contain a statement setting out the financial implications of the recommendation proposed.
- 1.6 Directors will be responsible for supplying the County Treasurer with all information necessary for the proper administration of the Council's financial affairs. Directors will allow the County Treasurer, and his or her authorised representatives, access to all documents and records they keep.
- 1.7 The following divisions of duties will be observed in the allocation of financial responsibilities to staff:
 - (a) The duties of providing information regarding money due to or from the Council (including calculating, checking and recording) will be separated as completely as possible from the duties of collecting or dispersing of such money;
 - (b) Officers charged with the duty of examining and checking the accounts of each transaction will not themselves be engaged in any of those transactions.
- 1.8 These Regulations will be read in conjunction with the overall Financial Standing Orders and any resolutions that the Council may pass from time to time.

2. Annual Estimates and Budget

- 2.1 The Directors and the County Treasurer shall jointly prepare estimates of income and expenditure on the Revenue Account and estimates of receipts and payments on the Capital Account.
- 2.2 The County Treasurer will specify the format of estimates, the details required as part of the process and the date that they will be completed.

3. Financial Planning

- 3.1 Any report for a project or policy of a capital nature will include details of:
 - (a) The estimated cost of the proposal;
 - (b) Any phasing of the capital expenditure;

- (c) The proposed method of financing, whether by loan, revenue or otherwise;
 - (d) The effect on the revenue estimates in the first and subsequent years;
 - (e) The additional staff and grades required both initially and ultimately;
 - (f) An assessment and measurement, where possible, of the need for a scheme and the benefits it will produce; and
 - (g) Alternative approaches to meeting the need should be indicated and evaluated.
- 3.2 These assessments are the responsibility of the Director and the County Treasurer, with appropriate input from the Management Team, as necessary.

4. Budgetary Control

- 4.1 Directors will be responsible for budgetary control of the estimates relevant to their Directorate and, after consultation with the County Treasurer, will keep the relevant Cabinet Member informed of any significant variations.
- 4.2 **Directors have authority to vary expenditure between individual budget heads:**
- (a) **Within a programme area within their Directorate;**
 - (b) **Between services within their Directorate, after consulting with the County Treasurer;**
 - (c) **Within a programme area across directorates, with the agreement of all Directors concerned and the County Treasurer.**
- 4.3 The County Treasurer will furnish each Director with periodic statements of income and expenditure under each head of approved estimate: along with other relevant information.
- 4.4 It is the duty of Directors to ensure that responsibility for budgetary control is allocated to appropriate officers in their Directorates.

5. Accounts for Payment

- 5.1 Directors will be responsible for ensuring the examination, verification and certification of all invoices and accounts relating to their Directorate.
- 5.2 In exercise of this responsibility Directors will authorise responsible officers in their Directorate to certify accounts in their own names on the Director's behalf.
- 5.3 Directors will provide a specimen signature to the County Treasurer of each authorised officer along with details of the limitations of the officer's authority. **The relevant Director should review such authorisations and limitations from time to time.**
- 5.4 **Any changes to such limitations, in particular the removal of authority, will be notified to the County Treasurer or Audit Services immediately.**
- 5.5 All accounts after being certified will be passed to the County Treasurer's **Payment Section** for payment or paid in accordance with arrangements made or approved by the County Treasurer.
- 5.6 **Electronic or computerised systems for the certification and authorisation of payments may be utilised if approved by the County Treasurer. In such cases each Director will authorise a list of officers who may use the system and their respective limits of authority.**

- 5.7 All bills should be paid promptly in accordance with good business practice, normally within 30 days, and having due regard to the requirements of the Payment of Commercial Debts (Interest) Act 1998. In order to ensure that this regulation is adhered to, Directors will arrange that all invoices received in their Directorates be dated-stamped upon day of receipt.
- 5.8 Before certifying an account, the certifying officers will satisfy themselves that the following requirements have been complied with. Certification will include responsibility for ensuring that:
- (a) Goods have been received, examined and approved as to quality and quantity or that work or services have been performed satisfactorily;
 - (b) Where appropriate, an official order has been issued and that the account conforms with it;
 - (c) The expenditure has been correctly allocated, and is within the sum available under the appropriate head in the revenue or capital budget;
 - (d) The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct and in conformity with any tender, quotation or contract;
 - (e) Appropriate entries have been made in inventories, stores, records or stock books as required; and
 - (f) The account has not been previously passed for payment in whole or in part and that it is a proper liability of the Council.

6. Banking Arrangements

- 6.1 All arrangements with the Council's Bank concerning the Council's bank accounts and for the ordering and issue of cheques will be made by, or under arrangements approved by, the County Treasurer. The County Treasurer will be authorised to open and operate such banking accounts, as he or she may consider necessary. This authority will include the power to give the necessary directions to the Bank as to signatures for withdrawals. The County Treasurer will report periodically to the Cabinet or the Statutory Accounts Committee as to the opening or closing of such accounts.
- 6.2 All cheques, including National Giro payment forms will be ordered only on the authority of the County Treasurer who will satisfy himself or herself that proper arrangements are in place for their safe custody.

7. Contracts for Building, Construction or Engineering Work

- 7.1 All contracts on behalf of the Council will be subject to the Council's Standing Orders for the Regulation of Contracts. Directors will ensure that all contracts entered into are promptly recorded onto a suitable register as prescribed by the County Secretary and Solicitor.
- 7.2 Where contracts provide for payment to be made by instalments the appropriate Director will arrange for the keeping of a Contracts Register to show the state of account on each contract between the Council and the contractor, together with any other payments and the related professional fees.

- 7.3 **Staged payments or instalments made to contractors** on account of contracts will be made on certificates signed by the appropriate Director or an officer authorised by the Director. All certificates will show:
- o The total amount of the contract;
 - o The value of the work executed to date;
 - o Retention money;
 - o Amount paid to date; and
 - o Amount now certified as due.
- 7.4 **Additions, omissions and other variations to a contract or project will be recorded on an appropriate form and signed as accepted by the relevant Director or an officer authorised by that Director.**
- 7.5 Directors shall ensure that the final certificate of payment of any contract will not be issued until the appropriate officer, private architect, engineer or consultant has verified all vouchers and documents relating to prime cost and provisional sums and all other relevant documents if required. The final certificate will not be issued if:
- (a) **The Director has any reason to doubt any financial matter, in which case the Director should consult with the County Treasurer;**
 - (b) Any question of principle arises, in which case the Director should bring the matter to the attention of the Council or appropriate Cabinet Member.
- 7.6 **The County Treasurer will from time to time instruct Internal Audit to examine final accounts of specific or randomly chosen contracts so that he or she may be satisfied that suitable controls are in place and working.**
- 7.7 Claims from contractors in respect of matters not clearly within the terms of any existing contract will be referred to the County Secretary and Solicitor for consideration of the Council's legal liability and, where necessary, to the County Treasurer for financial consideration before a settlement is reached.
- 7.8 Whenever possible, contractors will be required to retain all accounts, vouchers and documents relating to the contract so that they may be produced if required by the **County Secretary and Solicitor or the County Treasurer** until such time as the accounts of the Council have been audited.
- 7.9 It will be the duty of the County Secretary and Solicitor to monitor arrangements that are in place to ensure that:
- (a) All contract documents, including plans, specifications, bills of quantity; bonds, etc. are kept in safe custody;
 - (b) All insurances, which the contractor is required to effect, are duly entered into and renewed until the handing over of the contract works.
- 8. Imprest Accounts**
- 8.1 **Imprest Accounts are advances of cash (petty cash) or special bank accounts from which officers can make small payments. The "Imprest System" requires that expenditure be reimbursed on a regular basis to ensure the imprest is always in credit.**
- 8.2 The County Treasurer will provide imprest accounts, as appropriate, for officers of the Council. All such accounts will be maintained on the imprest system.
- 8.3 **Imprest accounts will not be overdrawn except with the express consent of the County Treasurer.**

- 8.4 No income received on behalf of the Council may be paid into an imprest account but must be banked or paid to the Authority, as provided elsewhere in these Regulations, unless the County Treasurer agrees otherwise.
- 8.5 Payment will be limited to minor items of expenditure with a maximum transaction value set by the County Treasurer from time to time (set at £50 in December 2002). A receipted voucher will support all transactions.
- 8.6 An officer responsible for an imprest account will, if so requested, give to the County Treasurer a certificate as to the state of the imprest advance.
- 8.7 On ceasing to be an imprest holder, the officer will account to the County Treasurer for the amount advanced.

9 Income

- 9.1 The collection and recording of all accounts and money due to the Council will be carried out in accordance with arrangements made or agreed by the County Treasurer. All income shall be collected through debtor accounts unless an alternative procedure is agreed with the County Treasurer.
- 9.2 The County Treasurer will have the right to inspect any documents or other evidence in connection with such accounts and collections.
- 9.3 All receipt books; tickets and other such documents will be supplied by or agreed in writing by the County Treasurer. The County Treasurer will monitor all such forms and be satisfied that they are appropriate.
- 9.4 No officer will give a receipt for money received on any form other than an official receipt form. An official receipt will be issued whenever possible and in all cases where cash is received.
- 9.5 All money received by an officer of the Council will be properly safeguarded and promptly paid over to the County Treasurer or an officer nominated by him or her or paid into Bank for the credit of the Council's fund. Each officer who receives money on behalf of the Council will keep an accurate and chronological account of the receipts and deposits with the County Treasurer or the Council's Bank.
- 9.6 Personal cheques will not be cashed out of the money held on behalf of the Council.
- 9.7 No debtor owing more than £5,000 will be excused the payment of money properly due to the Council except upon a specific or general recommendation of the Cabinet Member responsible for the service affected and adopted by the Council. The County Treasurer may authorise the writing-off of amounts not exceeding £5,000 on the recommendation of the relevant Director. The County Treasurer will periodically present a schedule of write-offs to the Cabinet.

10. Insurances

- 10.1 The County Treasurer will affect all insurance cover and negotiate all claims in consultation with the relevant Director and County Secretary and Solicitor where appropriate.
- 10.2 Directors will give prompt notification to the County Treasurer of all new risks, properties, vehicles and other assets that that are required to be insured or any alterations affecting existing insurances.

- 10.3 Directors will promptly notify the County Treasurer in writing of any actual or potential loss, liability or damage or any event likely to lead to an insurance claim by or against the Council.

11. Internal Audit

- 11.1 The County Treasurer or his authorised representative will have authority at all reasonable times to enter on any Council premises or land, and will have access to all records, documents and correspondence relating to any financial and other transactions of the Council and will be entitled to require such information and explanations as he or she considers necessary. He or she may require any employee to produce and surrender cash, stores or any other Council property under the employee's control.
- 11.2 The County Treasurer will be notified immediately by the relevant Director of any circumstances that may suggest the possibility of irregularity affecting cash, stores or other property or any suspected irregularity in the exercise of the Council's functions. The County Treasurer will make such investigation as he thinks proper, and liaise with external parties to the extent that he or she considers appropriate.
- 11.3 On receipt of an audit report, the auditee will reply within one month in the format stated by the Audit Section, unless otherwise agreed with the County Treasurer or his or her representative.
- 11.4 The County Treasurer will submit an annual report to the Cabinet detailing internal audit activity for the previous year and report significant findings or areas of concern.
- 11.5 The County Treasurer will produce an Annual Statement of Internal Control for inclusion with the Annual Statement of Accounts.

12. Inventories

- 12.1 Directors will be responsible for the maintenance of inventories of furniture, fittings and equipment, plant and machinery and other moveable property under their jurisdiction as may be required by and in a form approved by the County Treasurer.
- 12.2 Directors will be responsible for maintaining an annual check of all items on an inventory and for taking action in relation to surpluses and deficits. Any irregularities will be reported to the County Treasurer.

13. Loans, Leasing and Investments

- 13.1 The County Treasurer will borrow as necessary to finance the approved capital programme and deal with all matters in connection with the raising or repayment of loans and is authorised to borrow for meeting expenses pending the receipt of revenues.
- 13.2 The investment or utilisation of capital money in hand and other accumulations, including trust money, and the sale or realisation of all investments will be carried out by the County Treasurer in accordance with such policy as the Council will determine.
- 13.3 All investments and all borrowing will be made in the name of the Council or the appropriate trust when the Council is acting as trustee, and the security will be lodged with the County Treasurer, County Secretary and Solicitor or the Council's Banker as deemed most appropriate by the County Treasurer.
- 13.4 Directors will not enter into financial leasing arrangements except with the consent of the County Treasurer.

14. Orders for Work, Goods and Services

- 14.1 Orders will not be issued for goods, work or services unless the cost is covered by an approved budget.
- 14.2 All orders given on behalf of the Council will be in a written or electronic form approved by the County Treasurer and County Secretary and Solicitor. All orders are to be authorised by officers nominated by the appropriate Director who will be responsible for official orders issued from his or her Directorate. Orders given verbally will be confirmed by written or electronic order as appropriate as soon as possible.
- 14.3 Official written or electronic orders will be issued for all work, goods or services to be supplied to the Council except where a written contract is required or is operative for supplies of public utility services, periodical payments such as rent or rates, for petty cash purchases or for such other expenditure as the County Treasurer may approve.
- 14.4 Each order will conform to the directions of the Council with respect to central purchasing and the standardisation of supplies and materials and with respect to Contract Standing Orders.
- 14.5 Written orders will be marked with invoice details when relevant accounts are passed for payment. When an electronic procurement system is in use an appropriate entry will be made in when payment is authorised.

15. Salaries, Wages and Pensions

- 15.1 The payment of all salaries, wages, pensions, compensations and other emoluments to all employees or former employees of the Council will be made by the County Treasurer or an agent approved by him or her.
- 15.2 Directors will ensure that Human Resources are promptly informed of any changes that affect the payment of such emoluments, in particular:
- o Appointments, resignations, dismissals, suspensions, secondments and transfers;
 - o Absences from duty for sickness or other reasons apart from approved leave;
 - o Changes in remuneration, other than normal increments and pay awards and agreements in general application;
 - o Information necessary to maintain records of service for superannuation, income tax, national insurance, etc.
- All such information will be passed in a form prescribed by the Head of Human Resources, who in turn will ensure that Payroll Services are informed of the changes as promptly as possible and in a form agreed by the County Treasurer.
- 15.3 Appointments of all employees will be made in accordance with the personnel policies of the Council and the approved establishments, grades and rates of pay.
- 15.4 All time records or other pay documents will be in a form approved by the County Secretary and Solicitor and County Treasurer. All such documents will be certified by or on behalf of the relevant Director. The names of officers authorised to sign such records will be sent to the County Treasurer by each Director together with specimen signatures and will be amended on the occasion of any change.
- 15.5 Each Director will be responsible for the maintenance of a record, in a form recommended by the Head of Human Resources, showing the annual leave

entitlement due to and the actual leave taken by each employee in his or her Directorate.

16. Stocks and Stores

- 16.1 Directors will be responsible for the care and custody of the stocks and stores of their Directorate, and will ensure that the stocks are not held in excess of **reasonable** requirements.
- 16.2 Directors will arrange for periodical test checks of stocks by persons other than storekeepers and will ensure that all stocks are checked at least once in every year.
- 16.3 The County Treasurer will be entitled to receive from each Director such information as is required in relation to stores for accounting, costing and financial records. Directors may dispose of surplus materials, stores or equipment in a suitable manner after consultation with the County Treasurer.
- 16.4 Any deficiencies will be notified to the County Treasurer whose agreement will be sought prior to their being written off.

17. Travelling and Subsistence Allowances

- 17.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses will be made duly certified in a form approved by the County Treasurer.
- 17.2 The certification by or on behalf of the Director will be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses are necessarily incurred and the allowances properly payable by the Council.

18. Unofficial Funds

- 18.1 For the purpose of the following Regulations an unofficial fund will be taken to mean any fund, other than an official fund of the Council, which is controlled wholly or in part by an officer by reason of his or her employment by the Council.
- 18.2 Any employee of the Council will inform their Director of their association with any unofficial fund and will indicate the position they hold with regard to that fund.
- 18.3 Upon notification, the Director will record the name of the employee, the name of the fund, and the purpose for which it has been established. He or she will satisfy him or herself, as far as possible, that proper accounts of the funds activities are kept, that receipts are banked in the name of the fund and that an independent audit is carried out at annual intervals.
- 18.4 The employee concerned will be required to supply a copy of the accounts and balance sheet for each accounting period to the relevant Director.
- 18.5 The County Treasurer or his authorised representative will be empowered to examine the accounts and records of the fund if held by a Council employee and to ask for such explanations and information as may be necessary.

APPENDIX 18 – PLANNING COMMITTEE SCHEME OF DELEGATION

AREA PLANNING SUB-COMMITTEES – REFERRAL PROCEDURE

1. Where an Area Planning Sub-Committee is minded to make a decision which is contrary to recommendation and where there is a crucial policy at stake, or where the Sub-Committees view might not be defensible if challenged, consideration will be given to whether there should be a referral to main Planning Committee.
2. That decision will be taken at the conclusion of the debate, i.e. after the initial vote has been taken.
3. In order to ensure consistency of approach, the decision to make a referral will be taken by the Head of Planning Services.
4. The role of the senior planning officer present at the Area Planning Sub-Committee will be confined to indicating whether or not he/she would be minded to refer the matter to the Head of Planning Services for consideration to be given to referral.
5. In order to establish a consistent pattern to the approach of the definition of “a crucial policy at stake” or “where the Sub-Committee’s view might not be defensible if challenged” the Head of Planning Services will be required to consult the County Secretary and Solicitor before taking the final decision to refer the matter to Planning Committee.
6. If Members are minded to make a decision contrary to the officer recommendation, the resolution to be moved before the vote is taken will have to reflect the restriction on the Area Planning Sub-Committee’s delegated power as follows:

[Subject to no further objections raising additional material planning considerations being received by the [insert date – end of the consultation period]]:

The [Northern] [Southern] [Central] Area Planning Sub-Committee is minded to [approve] [refuse] the application subject to the [conditions] [reasons for refusal] set out below (and any further [conditions] [reasons for refusal] felt to be necessary by the Head of Planning Services) provided that the Head of Planning Services does not refer the application to the Planning Committee.

If the Head of Planning Services does not refer the application to the Planning Committee, officers named in the Scheme of Delegation to Officers be instructed to [approve] [refuse] the application subject to such [conditions] [reasons for refusal] referred to above.

7. In most cases, the decision whether or not to reference up the Area Planning Sub-Committee decision will be taken by informal consultation between the officers concerned, the object being to ensure that the decision is taken and the applicant and Local Member(s) are notified within 5 working days.
8. In particularly complex cases, it may be necessary for brief written reports to be prepared by the legal advisor who attended the Area Planning Sub-Committee and the senior planning officer who indicated that the matter would be referred to the Head of Planning Services for consideration to be given to reference up. Even in

more complex cases, the emphasis should be on resolving the issue within 5 working days.

9. Once the senior planning officer has indicated the intention to refer the matter to the Head of Planning Services then the decision should be based on professional planning guidance with such legal guidance as may be appropriate. It would be contrary to the concept of Planning Committees as quasi judicial committees for there to be further consultation with Members of the Planning or Area Planning Sub-Committee.
10. If the decision is not to refer the issue to Planning Committee then the Area Sub-Committee decision will become a substantive decision and will be issued.
11. If a decision is taken to refer the matter then it will be placed on the Planning Committee agenda with appropriate supporting reports.
12. The Head of Planning Services will notify the decision to the applicant (if to refer), Local Member(s) and the Chairman of the Area Planning Sub-Committee.

September 2004

BEST VALUE REVIEW OF SPECIAL EDUCATIONAL NEEDS PROVISION AND SUPPORT SERVICES - STAGE 3 REPORT

Report By: Director of Education

Wards Affected

County-wide

Purpose

1. To consider and approve the Stage 3 report and outcomes of the Best Value Review of Special Educational Needs (SEN) Provision and Support Services.

Financial Implications

2. The financial implications vary with each option for future provision. However, the preferred option is judged to be cost neutral.

Assessing Stage 3 Reports

3. In considering Stage 3 reports, responsibility rests with the Chair of the relevant Scrutiny Committee, supported by officers, to satisfy the Strategic Monitoring Committee that the requirements of the review process have been met. In doing so, the role of the Strategic Monitoring Committee is to ensure the robustness of the review process, rather than revisiting the detail of each review.

Background to the Review

4. The Best Value Review of SEN Provision and Support Services for Schools began in March 2003. The original scope of the Review covered the statutory assessment process, support for pupils with a statement and the contribution of educational psychology. After beginning their work, the review team considered that the remit was too narrow and the matter was referred back to Education Scrutiny Committee in July 2003. The recommendation to widen the Review was accepted. The Review was therefore extended to include the Learning Support Services (HLSS), and the services for students with physical and sensory impairments (PASS), and the service for students with medical and behavioural difficulties (MBSS). The completed Stage 3 report is enclosed separately for Members of the Committee and is available to the public on request.
5. The Review team comprised 2 Councillors, several Headteachers of primary, secondary and special schools, a Parent Governor, Organisers, the principal Educational Psychologist, and the Manager of each Service under review, representatives from the West Midlands Consortium for Travelling Children, Connexions, the West Midlands Regional SEN Partnership, Social Services and the Parent Partnership. The meetings were chaired by Dr. Susan Ferguson, Community Paediatrician from the Herefordshire Primary Care Trust.

6. On 5th October, 2004, the Education Scrutiny Committee considered the content of the Stage 3 report. It was agreed by the Committee that the Review's recommendation, set out at Section 10 of the review report, to maintain current provision but implement improvements be accepted.

Data Collection

7. A wide variety of data was collected (outlined in Sections 3, 4 and 5 of the review report). This included surveys of various user groups, including students with special needs and partner organisations. The effectiveness of the services was measured against performance benchmarks and compared with that of statistical neighbours. Value for money was measured through financial benchmarks and comparisons of performance data with statistical neighbours. Although financial information was relatively easy to obtain, there were issues about drawing firm conclusions as local authorities interpret special educational needs in a variety of ways.

Challenge

8. The services were challenged about how, and why, they were provided. In some cases, the service is a statutory obligation that must be maintained. In such cases, the services were challenged about how they could be improved for the benefit of students. Rigour was added by having an independent chair and through significant consultation with users and other stakeholders. The achievements of other authorities were also considered against the progress made by the services in Herefordshire.

Consultation

9. A comprehensive exercise was undertaken to gain the views of the stakeholders of the services. Consultees included students with SEN, parents and carers, schools, special educational needs co-ordinators, external partners such as Connexions and Social Services, and the staff members of the services under review.
10. To ensure that all points of view were obtained, several consultation methods were used selected for their appropriateness for the target group. For example, students with special educational needs were informally interviewed in small, self-chosen groups. A flexible set of questions was used to encourage open discussion during parent/carer interviews, and staff was consulted through a questionnaire to ensure anonymity.

Comparison

11. There was extensive use of performance information to compare the services provided in Herefordshire, both with statistical neighbours and with West Midland authorities. Consideration was also given to wide ranging data, including financial data, provided by the West Midlands SEN Regional Partnership.

Compete

12. Four options for provision of SEN services were considered:
 1. outsourcing to alternative providers
 2. sharing services with neighbouring Local Education Authorities

3. further delegating relevant budgets to schools
 4. maintaining the current provision but making those changes indicated during the review process.
13. After consideration, the Best Value Review group felt that option 4, maintaining the current provision but making those changes indicated during the review process, was most likely to lead to the improvements required. This was endorsed by the Education Scrutiny Committee. The reasons for this judgement are set in paragraph 9.1 of the review report:

“This option would retain the current strengths and good working relationships. It would also allow current initiatives, such as Banded Funding, to be fully implemented and monitored. However, the services do have some current weaknesses as shown by the consultation and research conducted as part of this review. It is felt that an improvement plan covering areas for improvement and focussing on those issues raised as being most significant during consultation would promote the improvement of the services to the stakeholders. Such improvements, although by no means easy, are within the capacity of the current services.”

Risk assessment

14. There is limited risk to the Authority in pursuing the agreed option. The good working relationships, knowledge of schools and pupils involved and the motivated staff would be retained. In addition, there is a good understanding of the current issues and areas for improvement. There is also a willingness within the services to make the necessary changes.

Process issues

15. There were no issues that arose during the review that impacted on the overall review process.

RECOMMENDATION

THAT the Committee endorse the recommendation of the Education Scrutiny Committee on the Stage 3 report of the Best Value Review of Special Educational Needs Provision and Support Services and refer the findings to the Cabinet Member (Education) for consideration.

BACKGROUND PAPERS

- Best Value Review of Special Educational Needs Provision and Support Services, Stage 3 Report

TRANSPORT CROSS SERVICE REVIEW IMPLEMENTATION PROJECT PROGRESS REPORT

Report By: Director of Environment

Wards Affected

County-wide

Purpose

To inform Members of the further progress that has been made on implementing the recommendations of the Transport Cross Service Review.

Financial Implications

None as a result of this report.

Background

1. The Transport Cross Service Review Implementation Project seeks to implement improvements that will help the transport services currently provided by the Environment, Education and Social Care Directorates meet transport needs in a quality and cost effective way through better co-ordination and integration.
2. A Project Board is in place chaired by the Director of Environment and includes the Director of Education and Director of Social Care and Strategic Housing. The Project Team draws membership from the three Directorates.
3. Progress reports on the implementation of the recommendations of the Transport Cross Service Review were considered by the Committee at meetings on the 10th February, 1st April 2003, 13th October 2003 and 26th April 2004. The report considered on 1st April 2003 set a number of targets and milestones to be achieved during the implementation of the project. This report seeks to update Members on the current progress towards meeting these targets and outlines proposals for the monitoring of performance in relation to efficient scheduling of vehicles.

Considerations

4. The project is continuing broadly in accordance with the original programme.
5. The following table identifies the original milestones and targets and, where appropriate, revised targets that have been adopted to guide the implementation of the project. In addition, a new milestone has been established in relation to developing a live pilot to assess the benefits of staggering opening times. This element of the project can progress further now that the scheduling software is operational. Further details of what has been achieved so far and the reasons for any amendments to targets and milestones are presented below.

Further information on the subject of this report is available from Richard Ball, Transportation Manager
on 01432 260965

Key Targets / Milestones	Target / Milestone as reported 13 th October 2003	Status / Revised Target
Develop and Implement Improved Co-ordination and Integration		
1. Potential IT systems examined and demonstrations held	30/5/03	Achieved
2. Change Management Strategy Developed	1/6/04	Partly achieved through co-location of Social Care Transport with Education Transport. Further consideration of coordination and integration opportunities to be undertaken by 31/3/05
3. Change Management Strategy Approved for Implementation	1/8/04	See above
Identify and Procure Scheduling Software		
1. Potential IT systems examined and demonstrations held	30/5/03	Achieved
2. Budget Approved to procure appropriate software	30/6/03	Achieved
3. Software Installed	1/3/04	Achieved
4. Commence Review of Contracts <i>and use of the system for demand responsive transport provision</i>	4/5/04	Achieved in relation to Social Care, Special Educational Needs and Demand Responsive public transport. The systematic review of all Education Mainstream contracts will commence once the relevant module of the software for this piece of work is operational in January 2005. See below for further details.
Review Discretionary Policies		
1. Draft Revised Policies Considered by Cabinet to approve for consultation	Project Elements transferred for consideration by Education Scrutiny Committee Transport Working Group. This group reported back to Education Scrutiny Committee on 22 nd June 2004 and Cabinet considered a report in relation to this on	
2. Publish Revised Policy		

Further information on the subject of this report is available from Richard Ball, Transportation Manager on 01432 260965

3. Revised Policy Takes Effect	Cabinet considered a report in relation to this on 15 th July 2004 and resolved to broadly retain the status quo.	
Pilot Projects for Staggered Opening Times for education and social care establishments		
1. Identify suitable area for trial	28/2/03	Achieved
2. Complete desk top study prior to trial implementation	31/7/03	Achieved
3. Agree revised transport services and opening times for live pilot	28/4/05	New Milestone
Brief LEA Governors on School Transport		
1. Briefing held for Governors	30/4/03	Achieved

Commentary on Progress

Develop and Implement Improved Co-ordination and Integration

6. The co-location of the Social Care Transport Team with the Education Transport team has further strengthened links and made joint working easier. This has assisted with staff training and support in relation to the installation and use of the scheduling software.
7. Over the past six months the review team have had to concentrate on the implementation of the Scheduling Software element of the project. The review team will consider over the next six months opportunities for further integration and ongoing arrangements for coordinating the work of the team. This will need to take into account accommodation issues and the recent Environment Directorate restructuring.

Identify and Procure Scheduling Software

8. The installation of the Trapeze "PASS" software for the service to provide a dynamic scheduling tool to enable the efficient use of vehicles for education, social care and public transport demand responsive trips has been completed. Initial data transfer and staff training has also been completed. The system is now in place for use by public transport, social care and special educational needs transport. The system will be operational for Special Educational Needs trips from the end of October following the installation of the updated pupil lists during half term.
9. As reported in the last progress report, the Council is working with Trapeze Software Ltd to tailor the software to specifically meet our requirements for the planning of mainstream education transport. This development work is due to be completed over the coming months with the system planned to be operational from January 2005. A programme for reviewing current mainstream contracts will then be followed to enable opportunities for further efficiency improvements to be identified.

Further information on the subject of this report is available from Richard Ball, Transportation Manager on 01432 260965

10. It is important to be able to monitor the improvements being achieved as a result of the adoption of the new Scheduling Software to ensure the predicted improvements in efficiency are being achieved. In order to monitor this, the performance indicators highlighted in the following table have been identified. The baseline position is presented below to indicate the situation prior to the adoption of the new system. It is proposed to monitor progress against these indicators on a six monthly basis.

Performance Indicator	Definition	Baseline Position
Education		
Cost per passenger journey	Average cost per two-way passenger journey: Special Educational Needs transport Mainstream – Primary Mainstream - Secondary	2003/4 Figures £14.55 per two-way passenger journey £4 per two-way passenger journey £3 per two-way passenger journey
Total number of contracts	Total number of Education contracts	450
Average number of riders per vehicle:	Taxi Minibus Bus/coach Average number of miles per contract	Baselines to be determined using figures from the Scheduling Software and monitored on an ongoing basis
Social Care		
Journeys Adults 2003/04 Children 2003/04	Number of two-way passenger journeys per annum	2003/4 Figures Contract 46272 Ad Hoc 23764 Contract 1440 Ad Hoc 10915
Average Number of passengers.	Number of passengers travelling per mini bus on contract route.	Approx 8 to 12

Further information on the subject of this report is available from Richard Ball, Transportation Manager on 01432 260965

Miles per contract	Average number of miles per contract route.	No history on mileage per route as yet. Baseline to be determined using figures from the Scheduling Software and monitored on an ongoing basis
Cost per passenger journey Adults 2003/04 Childrens 2003/04	Cost per two-way passenger journey for Ad Hoc and Contract provision.	2003/4 Figures Contract @ £10.50 per two-way passenger journey Ad Hoc @ Approx £19.50 per two-way passenger journey Contract @ £5.00 per two-way passenger journey Ad Hoc @ Approx £22.11 per two-way passenger
Public Transport		
Demand Responsive Public Transport	Number of demand-responsive transport schemes operating.	2

Review of Discretionary Policies

11. The Education Scrutiny Committee at its meeting on 22nd June 2004 considered the Review of Discretionary Policies Applicable to Home to School Transport and resolved that the report and recommendations of the Working Party be noted and the following recommendations be submitted to the Cabinet Member (Education) for consideration:
- a) Denominational Transport.
That the status quo be maintained.
 - b) Post 16 Transport
That the current charging levels be maintained (subject to annual review) but no additional subsidy be offered on the basis that Education Maintenance Allowances (EMAs) were available to cover costs.
 - c) Transport for Under 5s
No change to existing policy.
 - d) Transport for Children with Special Educational Needs
That the existing policy be amended to benefit only those students who have not reached their nineteenth birthday, and those students not in receipt of a mobility allowance.

12. In addition, the Cabinet considered a report on this issue at its meeting on 15th July 2004 and resolved that there should be no change to the current policy pending the outcome of the government's transport review and the Council's cross-cutting best value review of transport.

Conclusion

13. The above report highlights the progress that is being made to implement the recommendations of the Transport Cross Service Review. The project continues to demonstrate the success of close working relationships between the Environment, Education and Social Care Directorates. The continued monitoring of performance indicators in relation to the efficiency of scheduling will enable Members to keep track of improvements being achieved. Attached at Appendix 1 is a copy of the current programme for the project. A further progress report will be submitted in six months time.

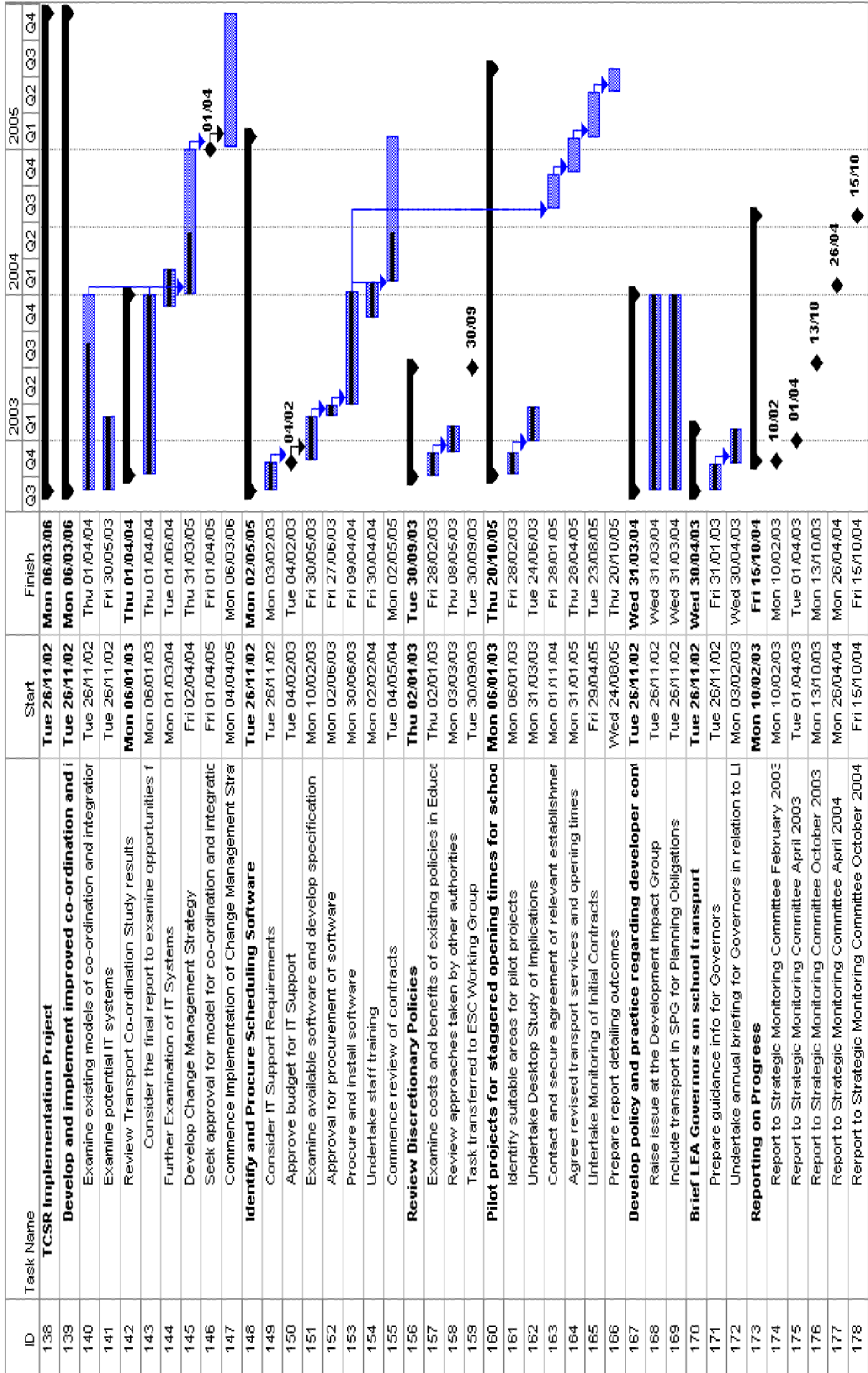
RECOMMENDATION

THAT the progress with the implementation of the Transport Cross Service Review be noted.

BACKGROUND PAPERS

- None

APPENDIX 1 – TRANSPORT CROSS SERVICE REVIEW IMPLEMENTATION PROJECT PROGRAMME



ANNUAL AUDIT ASSURANCE REPORT 2003/04**Report By: Principal Audit Manager****Wards Affected**

County-wide.

Purpose

1. To highlight the key internal control issues identified during the course of audit work and provide an update on the actions or the current position on key issues identified during 2003/04 that required attention.

Financial Implications

2. None identified.

Background

3. The report considered by Cabinet on 9th September 2004 is appended.
4. It was agreed at Cabinet that a follow-up report would be presented to Members during December on issues raised in the Annual Audit Assurance Report. These include performance indicators, the contract with Herefordshire Jarvis Services and ICT.

Recommendations

- THAT**
- (a) **the contents of the attached Cabinet report dated 9th September 2004 be noted; and**
 - (b) **the Committee considers whether there are any issues it wishes to be brought to Cabinet's attention.**

BACKGROUND PAPERS

Audit assurance report to Cabinet - 9th September 2004.

AUDIT SERVICES ASSURANCE REPORT 2003/04

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

9TH SEPTEMBER, 2004

Wards Affected

County-wide

Purpose

To receive a report on Audit Services activity during the year 2003/04 and an opinion on the Council's overall level of internal control including any areas of concern.

Key Decision

This is not a key decision.

Recommendations

THAT the Assurance Report be approved and referred to Strategic Monitoring Committee for comment.

Reasons

Compliance with good practice as set out in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.

Considerations

1. The detailed Assurance report for 2003/04 is attached at Appendix 1 with the key conclusions set out below.
2. Following assessment of the Council's overall level of internal control, a satisfactory level of control has been achieved.
3. The four-year Strategic Plan is based on a detailed risk assessment evaluation, which directs Internal Audit work as encompassed in the Annual Plan.
4. There are several issues, which we would like to draw to Cabinet's attention. Although Internal Audit has identified issues at service level, these are not material issues that affect the Council's overall level of internal control. Where problems have been identified, immediate management action has been undertaken to ensure that control mechanisms are in place. An example here being the Disaster Recovery Audit where the Director has recruited external contractors to help improve the Council's position as quickly as possible. It is likely, however, that within the Audit

Further information on the subject of this report is available from
Tony Ford Principal Audit Manager on 01432 260425

Commission's annual management letter reference will be made to fundamental systems which have a marginal or worse opinion.

5. The key issues highlighted relate to IT security, Performance Management and the Jarvis contract. All of which are being addressed as matters of high priority. Follow up Audit work is planned to cover these areas during 2004/05.
6. It is satisfying to report that no fundamental systems were found to be unsatisfactory, and that positive action was taken in relation to BVPI 157-the number of types of interactions that are enabled for electronic delivery.
7. Management continue to respond positively to recommendations and has agreed to take action on 96.7% of the recommendations made, which is broadly the same as last year.
8. The Audit Commission has completed its full review of Internal Audit's work and continues to be able to rely on the work of the section, an important factor as the Audit Commission continue to increase the extent to which this is the case.

Risk Management

The four-year strategic plan is based upon a 'Traffic Lights' Methodology, with Red being high risk, Amber being medium risk and Green being low risk. Within each risk area consideration is also given to residual risk for specific functions or establishments based upon their last Audit opinion and current knowledge.

Consultees

None.

Background Papers

None identified.

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1. INTRODUCTION

- 1.1 The Accounts and Audit Regulations 2003 established requirements related to systems of internal control, and the review and reporting of those systems. Regulation 4 of the Accounts and Audit Regulations 2003 requires that from 1st April 2003 ‘*The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes arrangements for the management of risk*’.
- 1.2 Herefordshire Council also has an obligation to include in their Statement of Accounts a statement on the system of internal financial control. The statement should set out the framework within which financial control is managed and reviewed and the main components of the system, including arrangements for internal audit. This statement reports on significant identified weaknesses and the actions undertaken to rectify them.
- 1.3 The Herefordshire Council Corporate Plan sets out how the Council will direct its corporate activity to the achievement of the ambitions of the Herefordshire Plan. Audit Services ensures that Directorates and Departments achieve their objectives within a robust internal control environment.
- 1.4 Regular updates on audit work progress are sent to both Directors and Heads of Department, which enables issues at Directorate/Department level to be dealt with as they arise.
- 1.5 The Annual Audit Assurance report summarises the more important matters arising from Audit Services work for the financial year ending 31st March 2004. Audit opinion definitions ranging from Good to Unsound are contained in Appendix II.
- 1.6 The Audit Service would like to take this opportunity to thank all staff for their help and co-operation during audit visits.

2 INTERNAL AUDIT

- 2.1 Internal Audit is the independent appraisal function established by Management to review the internal control system as a service to the Council. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.
- 2.2 The four-year strategic plan is based on a risk assessment evaluation, which utilises a ‘Traffic Lights’ Methodology, with Red being high risk, Amber being medium risk and Green being low risk. Within each risk area consideration is also given to residual risk for specific functions or establishments based upon their last Audit opinion and current knowledge.
- 2.3 The Annual Plan emanates from the four year Strategic Plan. To ensure that Directorate and Department priorities are considered the Annual Plan is developed in consultation with Directors, Heads of Departments and Heads of Service.

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- 2.4 Audit Service's terms of reference has been formally agreed by Cabinet in the form of an Audit Charter (Appendix I), which outlines the independence of Audit Services, and its reporting protocols.
- 2.5 The Audit Commission has completed their review of Audit, which involved comparing audit activity with the CIPFA Code of Practice. The review has confirmed their reliance on the work of Audit Services.
- 2.6 The actual cost for Internal Audit Services amounted to £384,772 compared to a budget of £392,435. The underspend was due to staff vacancies during the year.

3 ACTION TAKEN ON 2002/03 KEY ISSUES

- 3.1 There were six key issues identified in 2002/3 that required attention:-

- **Improvement in ICT security arrangements to comply with BS7799**

There has been considerable progress relating to the work undertaken by the Information Security unit. This has resulted in an increase in the number of the objectives 'partially met' from 23 to 63, and a reduction in the number of objectives with 'no or limited control' from 93 to 43. An Information Policy, Information Security Procedures and a number of related policies have been produced and issued.

As a result the audit opinion moved from unsatisfactory in 2002/3 to marginal in 2003/4.

- **Improved data collection procedures for performance indicators.**

Although progress is being made in this area improvements are still required.

- **The Cashiers to improve documentation in relation to the Cash and Deposit Book.**

Improved documentation has contributed to the audit opinion moving from unsatisfactory in 2002/3 to satisfactory in 2003/4.

- **Risk Management to be developed and embedded across the Council.**

Risk Management was not fully embedded across the Council in 2003/4 however the County Treasurer has confirmed that he has now received from Directorates/Departments their identified risks, which have been analysed to identify themes and incorporated within a corporate risk register.

- **The publication of up to date Accounting Guidelines.**

Theses should have been published by the 31st March 2004, at the time of this report they still had not been published. They have however been

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reviewed by the Finance Managers Group. The Assistant County Treasurer has agreed a rolling timetable for publication with the County Treasurer.

- **Regular reconciliation of local management systems to Cedar.**

This was in relation to the Housing and Highways Divisions. Housing Services have now been transferred to Herefordshire Housing. With regards to the Highways Division improvements have ensured that commitment values on their local system are more accurate and actual figures are more comparable with payments made. However, there was a need to ensure the reconciliation with Cedar was up to date.

4 AUDIT ACTIVITY

4.1 Financial Standing

An element of the Council's financial standing is the level of assurance given by its fundamental systems. Fundamental systems are systems whose failure could cause major disruption or loss of financial control to the council.

Eleven fundamental systems were assessed; the outcomes are analysed in table 1 below: -

Table 1 Analysis of Fundamental Audit Opinions					
System	Good	Satisfactory	Marginal	Un-satisfactory	Unsound
Salaries & Wages Edn		✓			
Salaries & Wages		✓			
FMS- Financial Reporting and Control		✓			
FMS- Budget Creation and Monitoring		✓			
Creditors Payments			✓		
Bank Reconciliation			✓		
Sundry Debtors		✓			
NNDR		✓			
Council Tax		✓			
Housing Benefit		✓			
Cash and Deposit		✓			
TOTAL	0	9	2	0	0

The overall management of the Bank Reconciliation function was found to be satisfactory. Great efforts have been made by management and staff within the section to improve areas identified for improvement at the last audit. However there was a need for improved co-operation from feeder services. The Assistant County Treasurer is liaising with relevant sections to ensure that action is taken.

The marginal opinion given to Creditor Payments was based upon the level of implementation of previous recommendations. Also, weaknesses were identified in the release of payments exceeding £35,000 before authorising

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staff verified them. Improvements were required in the control and management of cheque stocks and related documentation.

Where fundamental systems have a marginal or worse opinion, it is likely that the Audit Commission will make reference to them in their management letter.

4.2 Systems of Internal Control

These are systems put in place by management to ensure adherence to policies, safeguard assets, ensure relevance, reliability and integrity of information and compliance with statutory requirements. In addition to the eleven fundamental systems, twelve system audits were undertaken during the year; their audit opinion is summarised in table 2

Directorate/Dept	Good	Satisfactory	Marginal	Un-satisfactory	unsound
Corporate			1		
County Secretary and Solicitors		1			
Education	1		1		
Environment	1	1	2		
Social Care and Strategic Housing		1	1	1	1
TOTAL	2	3	5	1	1

The unsound system relates to the computerised Fairer Charging System. This was written with a view to providing a system quickly and at a low cost, and was intended to be a temporary solution pending council-wide developments. Structurally the system is well written, but it lacks controls and facilities to provide a robust, secure and efficient operating mechanism. The requirements of the charging policy are very complex and there is heavy reliance upon other sections

Management were aware of the weaknesses in the system and arrangements were being made to replace it, however, there is still much work required on the current system to ensure as far as possible the data is correct and complete prior to a transfer. Additionally, certain simple controls have been recommended to prevent the occurrence of further errors and omissions before the new system comes into operation.

The unsatisfactory system relates to the Home Care Assistants Payroll. Although a great deal of effort was put in by staff, aiming to produce accurate information within a tight timescale, there were poor management controls, cumbersome contractual arrangements and systems, in addition to poor data verification procedures. Audit has made recommendations for improvements and will be following up action taken during the 2004/5 financial year.

4.3 The Prevention and Detection of Fraud and Corruption

As part of its Ethical framework, the Council has established a Standards Committee, and has adopted a Code of Conduct for members incorporating the mandatory requirements of the model Code. In addition, members have signed a formal declaration accepting the terms of the Code.

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The Standards Committee meet four times during the year, which ensured that members are able to monitor and test the operation of the ethical framework.

Table 3 highlights the main corporate documents and their availability.

Table 3 Schedule of Corporate Governance Arrangements Documents					
Date	Policy/Document	Availability			
		Public	Partners	Staff	Members
Jan 04	Standing Orders	✓	X	✓	✓
Jan 04	Financial Standing Orders and Regulations	✓	X	✓	✓
Jan 04	Scheme Of Delegations	✓	X	✓	✓
July 01	Whistle-Blowing Policy	✓	X	✓	✓
Table 3 Schedule of Corporate Governance Arrangements Documents					
Date	Policy/Document	Availability			
		Public	Partners	Staff	Members
October 02	Anti-fraud and Corruption Policy	✓	X	✓	✓
July 04	Complaints Procedure	✓	X	✓	✓
Jan 04	Code of Conduct for Employee	✓	X	✓	✓
July 01	Standing Orders for the Regulation of Contracts	✓	X	✓	✓

With regards to availability to staff, the Anti-fraud and Corruption Policy, Financial Standing Orders and Regulations, Complaints Procedures and Code of Conduct are on the Council's Intranet. The other documents have limited circulation. In addition, the Anti-fraud and Corruption Policy is available to the public through the Council's Website. The remaining documents are available at Info Shops and Libraries, while the Complaints Procedure is available at all Council receptions as well.

There is now a need for the Whistle- Blowing Policy, and Anti-fraud and Corruption Policy in addition to Standing Orders for the Regulation of Contracts to be reviewed.

Although Members receive training and guidance on some of the above key documents, there needs to be a review of training requirements on key corporate documents such as Standing Orders and Financial Regulations. However, induction delegates are requested to look at the Personnel Employment pack that can be found on the Council's Intranet.

The Council continues to have a satisfactory ethical framework. However improvements are needed to arrangements for the prevention and detection of fraud. Audit Services has developed a specific programme of work as part of the annual operational plan for 2004/5. This programme includes audit reviews of car mileage, travel and subsistence, contract and contract monitoring in addition to Renovation Grants. Staff should bear in mind that Herefordshire Council has a firm belief in the integrity of all its employees.

The Council took part in the National Fraud Initiative (NFI) data matching exercise for 2002. The large number of matches generated (1365) caused a

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significant peak in workload for the sections involved. The need to liaise with other Authorities meant long delays in finalising investigations. The total number of matches leading to full investigations was quite small at 2.5% of matches (25 Benefits, 9 Audit). The final position following all investigations for Housing Benefits there were four successful prosecutions and some £15,500 worth of fraudulent claims were identified. In addition Audit Services investigated nine payroll cases none of which were fraudulent.

4.4 Best Value Performance Indicators (BVPIs)

As part of the Council's ongoing quest to ensure that BVPIs and Local PIs are adequately supported and accurate, Audit Services reviewed fifteen indicators; nine have been completed, with the remaining six being work in progress.

The table below shows the position those completed

Table 4 Analysis of PI Audit Opinions					
	Audit Opinion				
	Good	Satisfactory	Marginal	Unsatisfactory	Unsound
Corporate Health		1	4	2	
Waste		2			
Total	0	3	4	2	0

Last year concerns were raised in relation to the Corporate Health Performance Indicator BV157- the number of types of interactions that are enabled for electronic delivery. It is pleasing to note that this year's review was given a satisfactory audit opinion. However across the performance indicators there continues to be a need for improved data capture procedures and better verification protocols.

The unsatisfactory audit opinions relate to the BVPI 8- Percentage of creditor invoices paid with in 30 days and BVPI 12 - the number of working days/shifts lost due to sickness absence. For both these indicators verification errors were found, an example being that sickness absence had been overstated with half days being entered as full days. A system upgrade has been purchased, which has overcome this problem. Both systems are reliant on data from across the council, which increases the likelihood of verification issues.

4.5 Risk Management

A review of the Council's Risk Management structure was planned for 2003/4. This was deferred, until after the Cabinet approval of the Council's Risk Strategy on 15th April 2004. Service Plans for 2004/5 are taking account of Risk Management and the Corporate Risk Register is being developed. The Head of Performance Management is attending Directorate and Department Management Team Meetings to give advice and help further embed Risk Management across the Council. An Audit Review of the Council's Risk Management Process is within the Audit Plan for 2004/5.

4.6 ICT

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During the year there were thirteen audit reviews, table 5 summarises the audit opinions.

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Table 5 Analysis of ICT Audit Opinions					
System	Good	Satisfactory	Marginal	Unsatisfactory	Unsound
GAP – Analysis BS7799 Follow up			✓		
Supporting People IT Control Review- Follow up		✓			
Access Controls- DMS		✓			
Disaster Planning				✓	
Access to Service Project and CRM			✓		
E-Gateway- Project Management Document Review				✓	
Smart Card Pilot Review				✓	
Access Controls Creditors		✓			
Internet Firewall Security			✓		
Access Controls- CT/NDR/HB			✓		
Payroll System Access				✓	
Email and Internet Security		✓			
E-Financials – Security Review		✓			
TOTAL	0	5	4	4	0

ICT plays a key part in the Council's drive for improvement in service delivery. To ensure a secure ICT environment, the minimum level of security is set out in BS 7799 the Code of Practice for Information Security Management. The opinion has moved from unsatisfactory last year to marginal this year. With regards to disaster planning, an action plan has been developed and agreed with the Head of ICT. Audit Services will be carrying out a follow up review later in the 2004/5 financial year.

Unsatisfactory audit opinions were raised for four audits. With regards to the E-Gateway Project Management Document Review, it was found that the requirements of PRINCE 2 standards were not met, and that the project did not proceed to the original timetable.

In relation to the Smart Card Pilot there was little documentation to evidence project control or effective use of the budget.

The review of Payroll access controls identified that there was a need for a formal procedure for the setting up of new users and a full review of authority access, in addition to a detailed review of menu access. The new payroll system should help resolve these issues.

Finally the Disaster Planning audit found that there was no Disaster Plan nor formal documented Business Continuity Plan should an ICT Disaster occur,

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management are taking positive action and a follow up audit during 2004/5 will review progress.

4.7 Establishment Visits

Directorate	Good	Satisfactory	Marginal	Un-Satisfactory	Unsound
Education	0	6	1	3	0
Social Care and Strategic Housing	0	2	1	0	0
Policy and Community	0	1	4	1	0
TOTAL	0	9	6	4	0

The main themes identified related to the use of orders and the authorising of orders, and the need for improved documentation in relation to inventories and income. Findings at establishments, in particular those visited for the first time highlighted the need for up to date Accounting Guidelines, which set out the key financial and associated procedures that are good practice for establishments to have in place.

4.8 Contracts

On 1st September 2003 the Council's ten year partnership with Jarvis Plc began, the contract with Jarvis is worth some £135m. The Audit Opinion was un-satisfactory as the review identified a lack of clarity and consistency of interpretation of the contract conditions. Audit Services was unable to give assurance that the monthly application and invoices were correct prior to payment. There was poor control of workflow and programming and there was extensive use of resource/input methods of controlling jobs, preventing efficiency savings. Recommendations have been made for improvements and there will be a follow up review during 2004/5.

4.9 Verification

These audits relate to reviews where the main emphasis on ensuring that there is compliance with laid down procedures.

Directorate/Department	Good	Satisfactory	Marginal	Un-Satisfactory	Unsound
Chief Executive				1	
Social Care and Strategic Housing		2			
Environment		1	1		
County Treasurer		1			
Education			1		
TOTAL	0	4	2	1	0

The unsatisfactory audit opinion related to the Computerised Human Resources Information System (CHRIS). The unsatisfactory opinion was due to the number of corrections required following testing on a sample of records from all directorates. However, action taken on the recommendations contained within the audit report should have a positive effect on any future audit opinion.

4.10 Follow Up Audits

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Recommendations made at previous audit reviews for all fundamental systems are followed up on an annual basis. In addition during the year five follow up audits were undertaken two had good audit opinions and two had a satisfactory audit opinion. The one with a marginal opinion related to Recycling Income. For 2004/5 a larger programme of follow up work has been planned.

5. RECOMMENDATIONS MADE IN 2003/4 AND ACTION TAKEN

Table 9 summarises the total number of recommendations made and accepted for the different types of audits.

Directorate/Department	Level 1 Recommendations		Level 2 Recommendations	
	Made	Accepted	Made	Accepted
Fundamental Systems	34	31	77	70
Systems	39	39	43	41
Computer Audits	24	24	47	42
Establishments	91	90	200	196
Contracts	12	12	4	4
Verification	22	22	19	19
Follow ups	4	4	41	41
TOTAL	226	222	431	413

Level 1 recommendations are due to statutory obligations, legal requirements, Council Policy, or major risk.

Level 2 recommendations are in order for sound internal control and confidence in the system to exist.

The percentage of recommendations accepted by management was 98.2% (98% in 2002/03) at level 1 and 95.8 (98%) at level 2. This maintains the high level of accepted recommendations as recorded last year.

It should be noted that formal recommendation acceptance on the following audits is overdue at the time of drafting and not included in the figures above.

Directorate/Department	Report Name	Level 1	Level 2
Policy and Community	E-mail & Internet Security	0	7
	BS7799 Gap Analysis	3	1
	Access to Services Project and CRM.	6	5
Strategic Housing and Social Care	Fairer Charging System	13	6

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6. COMPLIANCE WITH THE CIPFA CODE OF PRACTICE

6.1 Audit Performance

CIPFA issues a revised Code of Practice for Internal Audit in Local Government in 2003. This replaces the 2000 Code and reflects the Accounts and Audit Regulations 2003. The new code is intended to align Local Government more closely with standards in the National Health Service and Central Government.

The Code sets minimum standards for Ethics, together with ten standards divided into organisational and operational aspects. The findings of the Audit Commission review are summarised in table 9

Table 11 Code of Practice Summary of Findings	
Standard	Satisfactory
Ethics	Yes
1 – Scope of Internal Audit	Yes
2 – Independence	No
3 – Audit Committees	Yes
4 – Relationship with others	Yes
5 – Staffing, Training and Development	Yes
6 – Audit Strategy	No
7 – Management of Audit Assignments	Yes
8 – Due Professional Care	Yes
9 – Reporting	Yes
10 – Quality Assurance	Yes

Regarding independence the Authority does not comply with the Code as the Head of Internal Audit reports to a lower organisational level than the Chief Executive's Management Team. The County Treasurer considers the current arrangements within the department to be more than adequate in achieving the right balance between the independence of the Principal Audit Manager and the overall strategic management and quality assurance function provided by the Assistant County Treasurer and the County Treasurer. The County Treasurer feels it should also be emphasised that the Principal Audit Manager has direct access to all officers and members of the Authority.

The Audit Strategy is a high level statement of how the Internal Audit service is to be delivered and developed, and sets out the relative allocation of audit resources. The Strategy must be approved by members. The Strategy is being developed by the Principal Audit Manager and will be put forward for approval soon.

7. KEY ISSUES IDENTIFIED THAT REQUIRE ATTENTION

- **Improvement in IT security arrangements to comply with BS 7799.**
- **Improved data collection procedures for performance indicators.**

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- Risk Management continues to be embedded across the Council.
- Improvements in relation to the Jarvis contract.
- The publication of up to date Accounting Guidelines.
- Improvements are needed to arrangements for the prevention and detection of fraud

8. AUDIT OPINION

I am of the opinion that the Council's overall level of financial control continues to be satisfactory (Appendix II). However the Council needs to continue its on going improvements in the areas of Risk Management, ICT, Performance Management and arrangements for the prevention and detection of fraud.

**R. A. Ford
Principal Audit Manager
August 2004**

AUDIT SERVICES CHARTER

INTRODUCTION

The purpose of this Charter is to establish the authority and responsibility conferred by the Council on the Audit Services Team with respect to carrying out internal audit functions.

STATUTORY BACKGROUND

The need to maintain an internal audit function is implied by Section 151 of the Local Government Act 1972 under which local authorities are required to make proper arrangements for the administration of their financial affairs and to delegate responsibility for those arrangements to one of their officers. The Accounts and Audit Regulations 1996 are explicit about the requirement to maintain an internal audit function and state that local authorities shall maintain an adequate and effective system on internal audit of their accounting records and control systems.

THE NATURE OF AUDIT SERVICES

The Audit Services Team is an independent and objective assurance and consulting function established by the Council to examine and evaluate its activities as a service to senior management (officers and Members as appropriate). It functions by examining the adequacy and effectiveness of internal controls.

INTERNAL CONTROLS

This is the whole system of controls, both financial and otherwise, established by the Council in order to provide reasonable assurance that: -

- business risks are identified, assessed and managed effectively
- operations are effective and efficient
- there are sound systems of internal financial control
- there is compliance with laws and regulations
- assets are safeguarded from unauthorised use
- proper accounting records are maintained and the financial information used for business purposes or for publication is reliable.

THE ROLE OF AUDIT SERVICES

The role of the Audit Services Team is to understand the key risks to which the Council is exposed and to contribute to the improvement of the internal control environment - it is not a substitute for it. The Audit Services Team is therefore not directly responsible for the ensuring that adequate and effective internal controls are established to manage the key risks – that responsibility lies with senior management.

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VALUES OF AUDIT SERVICES

The Council expects the Audit Services Team to carry out their function in accordance with the following operational values: -

- To be client focused at all times
- To offer constructive comments and practical solutions
- To be proactive in approach
- To adopt a professional attitude to all tasks
- To be responsive to requests for advice.

AIM OF AUDIT SERVICES

The Audit Services Team aims to add value by contributing towards the improvement of the Council's activities by promoting effective control at reasonable cost in relation to the identified risks.

OBJECTIVES OF AUDIT SERVICES

The objectives of the Audit Services Team are: -

1. To assist the Council in the accomplishment of its objectives by bringing a systematic and disciplined approach to the evaluation and improvement of risk management, corporate governance and internal control processes.
2. To assist the Council in the effective discharge of its functions by providing independent analysis, appraisal, advice and recommendations on the activities subject to internal audit review.
3. To review, appraise and report on the adequacy and effectiveness of the systems of financial and internal control.
4. To review, appraise and report on the relevance, integrity and reliability of financial and other management information.
5. To review, appraise and report on the level of compliance with the policies, plans, procedures, statutory requirements and regulations that could have a significant impact on the Council's activities.
6. To review, appraise and report on the arrangements for protecting assets from loss resulting from theft, fraud, fire or misuse and, as appropriate, verifying their existence.
7. To review and appraise the economy, efficiency and effectiveness with which resources are deployed and recommend improvements in procedures and systems that will reduce wastage, extravagance and fraud.
8. To review service delivery arrangements and projects to ascertain whether the activities are being carried out as planned and the results are consistent with the

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Council's established policies.

9. To maintain a programme of development, review and assessment of the Council's risk management processes in order to provide assurance on their integrity.
10. To carry out any ad hoc appraisals, inspections, investigations, examinations or reviews requested by senior management or the political executive.
11. To act as the liaison with the Council's external auditors and coordinate audit effort with the District Auditor in order to avoid duplication of effort and increase audit coverage.
12. To develop shared audit protocol with colleagues in partner organisations in order to avoid duplication of effort and maximise internal audit coverage.
13. To maintain technical competence through continuing education and active participation in professional activities.
14. To adhere to the code of ethics, standards and guidelines of the relevant professional institutes and the Auditing Practices Board.
15. To utilise the resources designated for use by the Audit Services Team to maximise the efficiency and effectiveness of the internal audit function.
16. To serve on internal working groups as appointed by senior management.

INDEPENDENCE OF AUDIT SERVICES

The Audit Services Team reports administratively to the County Treasurer through the Assistant County Treasurer responsible for Financial Policy and Audit Services. The County Treasurer is the Council's Responsible Financial Officer under the terms of Section 151 of the Local Government Act 1972.

The Principal Audit Manager is responsible for the day to day management of the Audit Services Team and reports to the Assistant County Treasurer – Financial Policy and Audit Services. The Principal Audit Manager has the freedom to report to any level of management (officers and Members as appropriate) on audit findings without censure.

The Principal Audit Manager has no executive or managerial powers, functions or duties except for those relating to the management of the Audit Services Team and is not involved in the day to day management of the Council.

AUTHORITY OF AUDIT SERVICES

This Charter and the Council's Standing Orders and Financial Regulations confirm the authority conferred on the Audit Services Team by the Council.

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The Principal Audit Manager and his internal auditors have the authority to: -

- decide on the nature, scope and timing of audits
- access the books, documents, accounts, property, vouchers, records, correspondence and other data of the Council that are necessary to the proper performance of internal audit duties
- enter any of the Council's premises
- have discussion with the Council's line managers and other employees
- request any officer to provide the information and explanations needed to be able to form an opinion on the adequacy of and compliance with the internal control system.

The Council's officers are required to assist the Audit Services Team in the performance of their audit duties and to respond promptly to any requests for information, explanation, discussion, entry to premises or access to documents.

SCOPE OF AUDIT SERVICES

The risk of financial loss is not the sole concern of the Audit Services Team. The scope of audit activity encompasses the whole range of internal controls employed by the Council – both financial and non-financial.

The scope of the audit function is therefore sufficiently comprehensive to meet the Council's needs. It extends to cover all areas of the Council and its controlled entities and may involve working with colleagues in partner organisations.

AUDIT PROTOCOL

The Audit Services Team is required to observe the following protocol in carrying out their internal function: -

- Provide advance notice to the manager of each service area to be audited. An annual audit plan will be established after securing input from the Heads of Service and approval of the plan by the Chief Executive's Management Team and the Cabinet. The annual audit plan will also be reported to the Strategic Monitoring Committee.
- Conduct a preparatory meeting with the manager of the service being audited to discuss the nature of the audit, the length of engagement and the coordination of the review around operational constraints. The detail of the audit programme will be reviewed at that meeting with the service manager in order to ensure proper and thorough audit coverage.
- Conduct interim meetings with the service manager as appropriate to discuss progress with the review and findings as they arise.
- Preparation of a written draft internal audit report following the conclusion of the audit.

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- Conduct a final meeting with the service manager to discuss the draft report and confirm the accuracy of the audit findings and the appropriateness of the audit recommendations.
- Agreed amendments to the draft report will be reflected in the final report along with the service manager's response to the recommendations. Final copies of the report will be distributed as appropriate.
- The Head of Service is responsible for making sure that the action plan included in the final report is implemented.

AUDIT REPORTING

The Audit Plan

A four-year strategic plan providing for the review of significant Council activities will be prepared for approval by the Chief Executive's Management Team and the Cabinet prior to the start of each financial year. It will also be reported to the Strategic Monitoring Committee. The strategic plan will be based on an assessment of the risk pertaining to the achievement of the Council's objectives.

Mid-Year Assurance Report

The mid-year assurance report will identify the key internal control issues the Principal Audit Manager has identified or continues to be concerned about as a result of routine audit work. The report will provide summary information on special investigations and completed audit assignments and will be presented to CXMT for their comment before it is presented to Cabinet and then SMC.

Annual Audit Report

The first year of the strategic plan forms the basis of the annual operational plan for the Audit Services Team. An annual report on progress against that plan is required for the Chief Executive's Management Team and Cabinet before the end of June following the end of the relevant financial year. The annual report will also be presented to the Strategic Monitoring Committee.

Audit Assignment Reports

The Audit Services Team are required to submit timely reports on all audit assignments in accordance with the procedures and guidelines set out in the Audit Manual.

AUDIT STANDARDS

The Council requires Audit Services Team to follow the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom (published in November 2000).

DETECTING AND DETERRING FRAUD

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Deterrence of fraud is a responsibility of management. The Audit Services Team is responsible for examining and evaluating the adequacy and effectiveness of actions taken by management to fulfill this obligation.

The Audit Services Team shall be trained to recognise the potential indicators of fraudulent activity. If sufficient control weaknesses are detected, the Audit Services Team will carry out additional tests in order to confirm or otherwise an acceptable level of propriety and probity.

The Audit Services Team will not and can not, however, be as skilled in the detection of fraud as individuals whose sole purpose is to detect and investigate fraud – the remit of the internal audit function is much wider than prevention of fraud as set out in this Charter. Service managers must also be clear that auditing procedures alone, no matter how professionally they are carried out, cannot guarantee that fraud will be detected.

The Audit Services Team will assist in the investigation of fraud in order to: -

- Determine if controls need to be implemented or strengthened
- Design audit tests to help disclose the existence of similar frauds in the future
- Meet the internal auditor's responsibility to be able to recognise fraud.

A written report will be issued at the conclusion of each investigation. It will include all findings, conclusions, recommendations and corrective action to be taken.

March 2002

AUDIT OPINION

Quantification and Classification of Internal Control Levels

Control Level	Definition
Good	A few minor recommendations (if any).
Satisfactory	Minimal Risk- a few areas identified where changes would be beneficial.
Marginal	A number of areas have been identified for improvement.
Unsatisfactory	Unacceptable risks identified, changes should be made
Unsound	Major risks identified, fundamental improvements are required.

BUDGET MONITORING 2004/05**Report By: County Treasurer****Wards Affected**

County-wide

Purpose

1. To note the position with regard to revenue budget monitoring for Programme Areas in 2004/05.

Financial Implications

2. As detailed in the attached Cabinet report dated 9th September 2004.

Background

3. The report on Budget Monitoring 2004/05 considered by Cabinet on 9th September 2004 is appended.

RECOMMENDATION

- THAT**
- (a) **the contents of the attached Cabinet report dated 9th September 2004 be noted; and**
 - (b) **the Committee considers whether there are any issues it wishes to be brought to Cabinet's attention.**

BACKGROUND PAPERS

- Cabinet Report on Budget Monitoring dated 9th September 2004.

BUDGET MONITORING 2004/05

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

9TH SEPTEMBER, 2004

Wards Affected

County-wide

Purpose

To note the position with regard to revenue budget monitoring for Programme Areas in 2004/05.

Key Decision

This is not a Key Decision

Recommendation

THAT the report be noted.

Reasons

Reports are presented to Cabinet as part of the Council's Performance Management arrangements. Cabinet Members will discuss the individual Programme Area figures with their Directors and Departmental Managers as appropriate.

Considerations

1. Appendix 1 shows the details of the spending as at 31st July, 2004 for each Programme Area, together with the projected outturn for 2004/05.
2. The budgets shown for 2004/05 include the final carry forwards from 2003/04. No adjustment has yet been made for the amount required to meet the capping of £300,000. A report will be presented to the next meeting of Cabinet.

Education

3. A very large proportion (80%) of Education budget is delegated to schools. Any under or over spending in school budgets will be automatically carried forward into the next financial year under the statutory arrangements for delegation to schools.
4. As far as the non-schools budget is concerned there is a carry forward of £1,415,000 from 2003/04 of which £1,011,000 is for existing commitments, mainly for schools and government funded grants. The remaining carry forward (£404,000) has been used to fund one-off contributions to summer capital projects (£277,000), additional provision for Whitecross PFI fees (£41,000) and support for schools in special measures (£40,000).

Further information on the subject of this report is available from
David Keetch, Assistant County Treasurer on (01432) 260227

5. At this early stage in the year it is anticipated that final expenditure will be within the overall budget after accounting for the carry forward of Standards Fund, the Schools' sickness scheme and PFI balances at next year-end. Trends evident to date suggest that underspends on transport and early years are likely and that higher budgets will be needed for the PFI set-up fees and centrally funded SEN support costs. A detailed budget review in the autumn is planned to verify these early trends.

Policy and Finance General

6. At this early stage in the year no significant overspendings or underspendings have been identified for Policy and Finance General. This assumes that the budget carry forwards of £1,986,000 from 2003/04 will be spent in full during 2004/05. There has already been significant spending against this sum, including amounts from the Development Fund, I.T and the Treasurer's investment in new systems for Council Tax and Housing Benefit. Based on the information at present, it would be reasonable to anticipate an underspending of £500,000 across all services during 2004/05.
7. It has been assumed that the ongoing costs of the job evaluation process, at present £35,000, will be met from reserves.

Policy and Finance Property

8. The projected overspend for Property of £492,000 includes £433,000 brought forward from 2003/04. The two major problems are the Markets and Fairs deficit brought forward from previous years which is remaining steady but not declining (£383,000) and the shortfall on Industrial Estates income which by the year end is expected to reach £400,000. The two overspendings are offset by savings on other services and additional retail income of £172,000.

Environment General

9. No particular budget issues have been identified so far, with the exception of Waste Disposal.
10. The Waste Disposal P.F.I contract budget is expected to be underspent by around £500,000 largely due to the sums included for additional costs following renegotiation not being required until 2005/06 and 2006/07. In addition the costs for the existing contract are anticipated as being lower than the budget assuming existing volumes are maintained. Any underspending will be transferred to the Council's General Reserves in line with current policy.

Environment Regulatory

11. Spending on Environment Regulatory is very much in line with the budget at present. Vacancies seem likely to produce modest savings of some £30,000 during the year.

Planning

12. During the first four months building control and development fee income is above budget by approximately £150,000. Staff savings due to vacancies have led to an underspending during the period of approximately £60,000. Unless the vacancies can be quickly filled a net underspending of at least £300,000 can be anticipated during 2004/05. Any additional fee income during the remainder of the year will increase this figure.

Social Care

13. The Social Care objective remains that of budget balance. There is a high risk that this may not be achieved, even though every effort will be made to do so. The Social Care budget is under considerable pressure this year from rising demand and costs across both children and vulnerable adults services. Unusual trends are showing at the first quarter.
- Children's services are experiencing higher costs in both residential and foster placements, including transport.
 - Learning Disability Services have lost Supporting People Grant and have more complex user needs to meet.
 - Mental Health Services (integrated with the Primary Care Trust) are experiencing increased demand.
 - Older People's Services have experienced the same number of requirements to pick up care home funding from people who previously funded themselves in the first quarter as for the whole of last year.
14. The risk assessment suggests a projection of £700,000 over-commitment (including the £245,000 debt carried forward). The underlying trend, if no action was taken, would be for a £1,450,000 over commitment at the end of the year, which is neither acceptable nor sustainable.
15. Robust management action is being taken to rectify the position. This will have an impact on the capacity to deliver services.

Strategic Housing

16. The projected year-end position is a balanced position, after incorporating the 2003/04 underspend. The General Fund is currently underspending as a result of staff vacancies and associated costs, but there are plans in place which will increase the rate of spend. The risk area is spend on homelessness, which is currently underspending, and no adverse circumstances are known.

Economic Development

17. Spending on Economic Development is within budget at present. Staff vacancies are expected to generate modest savings during the year. The carry-forward from 2003/04 of £355,000 included significant amounts for 2004/05 projects. In addition £121,000 from the carry forward has been allocated to cover expected income shortfalls in future years.

Social Development

18. An overall break-even position is currently anticipated. All carry forwards from 2003/04 services have been carefully reviewed. Recruitment problems are likely to generate further underspendings for the Youth Service. The additional budget of £79,000 allocated for grounds maintenance is unlikely to be sufficient to fully absorb the adopted land and inflationary issues that have impacted on the outturn in previous years. Some progress should be made in reducing the accumulated leisure deficit but it is unlikely that the position will be fully recovered in 2004/05.

Financing Transactions

19. A net underspending of £320,000 is expected during 2004/05 primarily as a result of debt rescheduling and slippage of the capital programme.

Conclusion

20. The projected 2004/05 outturn for the Programme Areas is an underspending of £304,000. In broad terms the expected overspendings on Social Care and Property have been more than offset by savings on Planning, the Waste Management P.F.I contract and some residual amounts left over from the carry forward from 2003/04.

Revenue Reserves Position as at 16th August 2004

21. The estimated value of general reserves as at this date total £3,725,000 incorporating the prudent reserve of £3,000,000. This sum reflects all the transactions in the 2003/04 accounts. In addition the Council hold earmarked reserves including amounts in respect of the Magistrates Courts and Waste Management P.F.I, in anticipation of future commitments. At this stage, no account has been taken of potential underspendings during the course of the current financial year.

Alternative Options

There are no alternative options.

Consultees

None identified.

Background Papers

None identified.

Summary Budget Monitoring Report 2004/05 - 31 st July 2004
Appendix 1

Programme Area	2004/05 Original budget	2003/04 Carry forwards	Budget 2004/05	Actuals to Period 4	Budgets to Period 4	Projected Outturn	Projected over or (under) spend
	£000	£000	£000	£000	£000	£000	£000
Education	81,153	(1,415)	82,568	27,220	27,440	82,568	0
Social Care	36,050	245	35,805	14,298	14,125	36,505	700
Policy and Finance - General	15,052	(1,986)	17,038	12,933	14,301	16,538	(500)
Policy and Finance - Property	2,167	433	1,734	633	266	2,226	492
Environment - General	17,652	97	17,555	2,591	4,352	17,055	(500)
Environment - Regulatory	2,337	(31)	2,368	745	789	2,338	(30)
Environment - Planning	2,226	(437)	2,663	433	888	2,363	(300)
Social Development	8,021	(34)	8,055	3,247	3,676	8,055	0
Economic Development	2,144	(355)	2,499	521	737	2,353	(146)
Housing	1,260	(60)	1,320	301	400	1,320	0
	168,062	(3,543)	171,605	62,922	66,974	171,321	(284)
Financing adjustments etc	7,511	3,543	3,968	320	387	3,648	(320)
Less Budget Limitation			(300)			-300	300
	175,573	0	175,273	63,242	67,361	174,669	(304)

**CAPITAL PROGRAMME MONITORING 2004/05 TO
31ST JULY 2004****Report by: County Treasurer****Wards Affected**

County-wide

Purpose

1. To report on the Capital Programme forecast for the period up to the end of July 2004/05.

Financial Implications

2. As detailed in the attached Cabinet report dated 9th September 2004.

Background

3. Performance in relation to the delivery of the approved capital programme is reported to both Cabinet and Strategic Monitoring Committee on a regular basis. The report considered by Cabinet on 9th September is appended.

RECOMMENDATION

- THAT**
- (a) **the contents of the attached Cabinet report dated 9th September 2004 be noted; and**
 - (b) **the Committee considers whether there are any issues it wishes to be brought to Cabinet's attention.**

BACKGROUND PAPERS

- Cabinet report on the Capital programme dated 9th September 2004.

CAPITAL PROGRAMME MONITORING 2004/05 TO 31 JULY 2004

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

9TH SEPTEMBER, 2004

Wards Affected

County-wide

Purpose

To note the current position of the Capital Programme forecast for 2004/05.

Key Decision

This is not a Key Decision.

Recommendation

THAT the position be noted.

Reasons

Report for noting only.

Considerations

1. This is the first round of the 2004/05 capital monitoring process. The purpose of this monitoring exercise is to update the original budget position, as at 31st July, reporting new funding allocations and movements following the closedown on the 2003/04 capital programme.

Overview

2. The revised forecast for 2004/05 as at 31st July totals £32,921,000, a decrease of £2,017,000 from the original budget. The explanations for these changes are detailed in the body of this report. This programme is funded as detailed in Appendix 1.
3. The revised budgets include the allocation of Prudential Borrowing (PB) where applicable. The original budget included the total PB available of £5,000,000 and from that Cabinet allocated £4,741,000 to various capital schemes on the 22nd July. Due to the late allocation of funding £145,000 slippage on schemes has been identified and will be used in 2005/06. It is expected that further amounts of the 2004/05 PB allocation will slip into 2005/06 but as PB is unconditional no resources will be lost.
4. Actual spend in the first four months at £5,618,000 was 17% of the revised forecast. Total committed spend represents £8,824,000, 27% of the revised forecast. A

Further information on the subject of this report is available from
Josie Smith, Accountant – Capital and VAT Services, on (01432) 261867

summary of the programme expenditure for each area is set out on Appendix 2.

5. Set out in Appendix 3 is a list of all capital schemes with a budget in excess of £500,000.
6. Set out in Appendix 4 is a list of capital receipts received and expected in 2004/05.

Capital Programme Areas

7. Education

The capital budget for this area has decreased in this round of capital monitoring by £826,000 due to the revision of funding allocations within the capital programme by DfES, however no funding relating to specific projects has been lost. The budget is expected to increase in the next round of capital monitoring when National Grid for Learning schemes (to be funded by a revenue contribution) and Sure Start schemes (to be funded by capital grants) are included.

8. Social Care

The budget for this area has increased by £607,000 due to the following:

- Cabinet approved a capital bid for Community Equipment of £200,000 to help Herefordshire residents live as independently as possible in their own homes through the supply of equipment and related provisions. It is intended that these projects will complete before 31st March, 2005 although work is yet to start.
- A capital budget of £316,000 for Social Care ICT Development is to be funded temporarily from the Corporate Capital Receipts Reserve. This project is in response to the needs of the Electronic Social Care Record, which requires a re-examination of systems where service user data is held.
- A Mental Health Supported Capital Expenditure (Revenue) sum of £91,000 has been awarded to fund capital projects that assist the development of comprehensive social care mental health services for adults.

9. Property

The budget for this area has increased by £76,000 mainly due to the slippage of spend on disabled access capital schemes from 2003/04 to 2004/05.

10. Policy and Finance

The budget for this area has risen by £185,000 due to the following:

- A Garrick House Service Improvement Project of £116,000 has been approved. This budget is for internal alteration work and the installation of a British Telecom link. This project is being funded through revenue contributions mainly from the Chief Executive's Development Fund.
- Cabinet approved a capital bid for £4,000 to meet feasibility costs of providing an Info Shop in Ledbury.
- Other budget changes represent year-end creditor adjustments relating to the

Info in Bromyard and Community Participation and Planning capital schemes.

11. **ICT Services**

The budget for this area has risen by £1,422,000 due to the following:

- Cabinet approved ICT Services capital bids totalling £1,020,000. This allocation of funding is to be spent on network enhancement and continuity of service plus disaster recovery. The completion of these capital projects will help meet eGovernment targets and other business critical concerns.
- An additional budget of £70,000 for Supporting People Software has been created following the agreement of external capital grant funding.
- Other budget changes represent the carry forward, from 2003/04, of the Flexible Working Project budget and allocation of Implementing Electronic Government grant funding to pursue eGovernment plans to deliver e-enabled priority services.

12. **Environment General**

The budget for this area has increased by £484,000 due to the following:

- Cabinet approved a capital bid of £100,000 to meet planning and development costs for the provision of a new Crematorium in Hereford. Various options are being considered with a view to starting work on site next year.
- Cabinet approved a capital bid of £100,000 for the extension to Hereford Cemetery. This will involve a new burial area and improvements to the cremation vault burial area. This will extend the use and capacity of the cemetery facility.
- Cabinet approved a capital bid of £150,000 for improvements to public toilets. A rolling programme of improvements is being developed.
- Cabinet also approved a capital bid of £45,000 for restoration works on the closed landfill site at Leominster. The restoration work will involve capping the site and landscaping to comply with legal requirements. The completion of this work will result in reduced monitoring costs.
- Other budget changes are due to capital grant funding being awarded towards capital schemes, mainly Objective 2 European grant funding, towards the Rotherwas Access Road capital scheme.

13. **Social Development**

The budget for this area has increased by £426,000 following Cabinet approval of four capital bids:

- £140,000 for Phase 2 of the Friar Street Museum Resource and Learning Centre capital project. This Phase will complete the conversion of the centre and will create storage space for museum collections. This funding is essential to secure external Lottery grant funding.
- £100,000 for continued improvements at Aylestone Park for public open space facilities.
- £117,000 for the Ross Creative Learning Centre. This project will provide creative learning facilities for young people of Ross and the surrounding area with recreation and training for the wider community. This scheme is expected to attract external grant funding, which will be reflected in future capital monitoring reports.

- £10,000 for initial feasibility costs in relation to the relocation of Ross Library and Info centre. This scheme will be considered in future year's capital programmes.

14. **Economic Development**

The forecast spend for this area has decreased overall by £803,000.

- Cabinet approved a capital bid for Hereford City Centre enhancements of £395,000. This capital scheme will involve the physical and economic regeneration of the city centre by improving shop fronts, Eign Gate, High Town and High Street and the Victoria footbridge.
- The decrease in the overall capital forecast is due to the removal of the development of a Business Centre at Rotherwas capital budget due to funding not being secured. This was part of the Herefordshire Strategic Regeneration Package Phase 1 capital scheme.

15. **Strategic Housing**

The forecast spend for this area has decreased overall by £388,000. This is due to a property to be purchased from the Learning Disability Development Fund no longer being available. The budget will now be carried forward to 2005/06.

Cabinet approved a capital bid for Disabled Facilities Grants of £200,000. This will fund a backlog of adaptation requests.

Recently subsidence has been reported in some properties transferred to Herefordshire Housing Limited under the Large Scale Voluntary Transfer. Costs and legal obligation are yet to be determined. Budgets for these costs may be reflected in future capital monitoring reports.

Conclusion

The monitoring arrangements in place for the capital programme continue to identify improvements in its overall management.

Alternative Options

There are no alternative options.

Consultees

Not applicable.

Risk Management

Capital monitoring is in itself is an integral part of risk management. Potential overspends are highlighted at the earliest opportunity so adjustments can be made accordingly.

Background Papers

None identified.

APPENDIX 1

FUNDING OF REVISED 2004/05 CAPITAL PROGRAMME

Capital Area	Programme	2004/05 Revised Forecast 31/01/07	SCE(R)	Prudential Borrowing	LPSA UCA	Grants	Revenue Contribution	Capital Receipts Reserves	Unfunded
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education		6,188	3,211	-	-	2,771	147	59	-
Social Care		739	92	200	-	96	-	351	-
P&F – Property		478	-	300	-	-	-	178	-
P&F – General		210	-	4	-	5	100	90	11
P&F – ICT Services		1,549	-	1,020	126	287	-	116	-
Environment General		12,330	11,072	395	-	863	-	-	-
Social Development		2,893	-	2,082	-	576	-	173	62
Economic Development		3,289	-	310	-	1,579	-	1,400	-
Strategic Housing		5,245	2,055	200	-	302	-	2,688	-
Total Revised Forecast		32,921	16,430	4,511	126	6,479	247	5,055	73
Original Budget		34,938	16,483	5,000	-	8,585	-	4,870	-
Change from original budget		(2,017)	(53)	(489)	126	(2,106)	247	185	73

APPENDIX 2

CAPITAL EXPENDITURE BY PROGRAMME AREA

	Outturn	Original Budget	Revised 2004/05 Forecast as at 31/07/04	Change from previous forecast	Actual spend at 31/07/04	Actual spend as a % of the revised forecast
Programme area	2003/04	2004/05	2004/05	2004/05	2004/05	
	£'000	£'000	£'000	£'000	£'000	%
Education	8,248	7,014	6,188	(826)	1,268	20%
Social Care	413	132	739	607	-	-
P&F – Property	2,142	402	478	76	82	17%
P&F – General	924	25	210	185	(4)	0%
P&F – ICT Services	882	127	1,549	1,422	181	12%
Environment General	10,879	11,846	12,330	484	1,690	14%
Social Development	460	2,467	2,893	426	428	15%
Economic Development	4,157	4,092	3,289	(803)	1,626	49%
Strategic Housing	4,929	5,633	5,245	(388)	347	7%
Prudential Borrowing to be allocated	-	3,200	-	(3,200)	-	-
Total	33,034	34,938	32,921	(2,017)	5,618	17%

APPENDIX 3

MAIN CAPITAL SCHEMES OF REVISED 2004/05 CAPITAL PROGRAMME

Capital Programme Area	Schemes with a Revised Forecast >£500,000
	£'000
Education schemes:	
Site Acquisitions	680
John Kyrle High – Sixth Form	506
New Deal for Schools condition property schemes	1,200
ICT Services schemes:	
ICT The Golden Thread Network Enhancement	770
Environment General schemes:	
Roman Road Improvements	3,525
Rural low floor bus project	500
Capitalised maintenance of principal roads	1,200
Capitalised maintenance of non-principal roads	3,272
Footways	550
Capitalised assessment & strength of bridges	500
Social Development schemes:	
Replacement Swimming Pool for North Herefordshire	1,709
Friar Street Museum Resource and Learning Centre	605
Economic Development schemes:	
Leominster Industrial Estate Access Road	2,533
Strategic Housing schemes:	
Social Housing Grants	3,100
<i>Other schemes less than £500,000</i>	<i>12,271</i>
Revised Forecast	32,921

APPENDIX 4

CAPITAL RECEIPTS FOR 2004/05

Sale Detail	Directorate Share	Directorate Share	Corporate Share	Total receipt
		£'000	£'000	£'000
Received				
The Old Goods Shed (deposit)	50% Property	16	15	31
Sub Total		16	15	31
Anticipated				
Various	50% Property	173	174	347
Various	100% Education	120	-	120
Various	100% Corporate	-	910	910
Total		309	1,099	1,408

SCRUTINY ACTIVITY REPORT**Report By: County Secretary and Solicitor****Wards Affected**

County-wide

Purpose

1. To consider the work being undertaken by the Scrutiny Committees.

Financial Implications

2. None

Background

3. This report summarises the matters considered by the Scrutiny Committees since the last report by this Committee to Council. It is intended to help keep Council aware of the work being undertaken.
4. The work of the Committees is analysed below as far as practicable under the following five roles for overview and scrutiny: holding the executive to account, best value reviews, policy development and review, external scrutiny, and improvement (performance management and review).

Summary By Programme Area**Education**

5. The Education Scrutiny Committee met on 5th October, 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	Special Educational Needs
Policy Development and Review	Teachers Workload Agreement – Monitoring of Process School Travel Initiatives Review of Small Schools Review of school Organisation Plan
External Scrutiny	
Improvement (Performance Management and Review)	Year 2004 Results for Herefordshire Schools Staff Sickness Absence Update on Ofsted Inspections since September 2003

Further information on the subject of this report is available from Tim Brown Committee Manager (Scrutiny) on 01432 260239

	Capital Schemes Revenue Budget Complaints, Compliments and Appeals
Other	Work Programme

6. The Environment Scrutiny Committee met on 17 September 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	Implementation of Improvement Plans
Policy Development and Review	Second Local Transport Plan Review of Parking Strategy
External Scrutiny	
Improvement (Performance Management and Review)	Capital Budget Revenue Budget Public Rights of Way Performance Indicators
Other	-

7. The Health Scrutiny Committee did not hold a formal meeting in the reporting period but Members of the Committee met informally to review its activity and plan future work.

8. The Social Care and Housing Scrutiny Committee met on 4 October 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	-
Best Value Reviews	Update on Progress
Policy Development and Review	Scoping for Reviews of Home Care and Supported Housing for people with Mental Health Problems Respite Services for People with Learning Disabilities Building Healthy Relationships – A new Policy for young People in Herefordshire's Care
External Scrutiny	
Improvement (Performance Management and Review)	Inspection of Herefordshire Fostering Service The Future Shape of Adoption and Fostering Services Performance/Budget Monitoring
Other	

9. The Social and Economic Development Scrutiny Committee met on 24 September 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	Reports By the Cabinet Members for Rural

Further information on the subject of this report is available from Tim Brown Committee Manager (Scrutiny) on 01432 260239

	Regeneration and Smallholdings, Community and Social Development and Economic Development, Markets and Property.
Best Value Reviews	
Policy Development and Review	Hereford City – Economic Situation Creative Industries and Tourism Enterprise programmes Review of Courtyard Theatre Festivals Review – Progress report
External Scrutiny	
Improvement (Performance Management and Review)	Sickness Absence Performance Indicators Revenue Budgets
Other	2004 Rural Strategy Position Statement on Countryside Rights of Way Act

10. The Committee is asked to note the addition of a review of the funding arrangements for the Courtyard Theatre to that Committee's work programme.

BACKGROUND PAPERS

- None

