

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, 35 Hafod Road, Hereford on Friday, 15th April, 2005 at 10.00 a.m.

Present: Councillor T.M. James (Chairman)

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

In attendance: Councillors Mrs. J.P. French and D.W. Rule MBE.

61. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Mrs P.A. Andrews, A.C.R. Chappell, and W.J.S.Thomas and also from Councillor R.J. Phillips (Leader of the Council).

62. DECLARATIONS OF INTEREST

There were no declarations of interest.

63. MINUTES

RESOLVED: That the minutes of the meeting held on 8th February, 2005 be confirmed as a correct record and signed by the Chairman.

64. DEVELOPING THE CHILDREN'S AGENDA IN HEREFORDSHIRE CHANGE FOR CHILDREN

Further to the report to the Committee in January 2005 the Committee received an update on progress in implementing the national Change for Children Programme locally.

The report to Cabinet on 17th February, 2005 was appended to the report.

The Chief Executive reported that a change team to assist in implementing and embedding change for Children's Services had now been appointed. The provision of these additional resources should help to ensure that service delivery was not adversely affected during the change process.

He noted that recognition of the need for effective collation and co-ordination of information by the various agencies involved in dealing with Children, had been one of the key factors prompting legislative change to the framework for Children's Services. Whilst acknowledging the complexities involved he advised that it was therefore of concern that it would be some 2-3 years before the necessary NHS information systems were expected to be in place.

The Cabinet Member (Children's Services) reported that the Children's and Young People's Partnership Board (CYPPB) had held its first meeting. The meeting had been well supported with representation at a senior level from Partner agencies.

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

- It was stated that Herefordshire Hospitals NHS Trust was mindful of the action which needed to be taken to improve sharing of information and action was being taken.
- It was confirmed that efforts were being made to recruit Head Teacher representation from both the primary and secondary sector to the CYPPB.
- A note of caution was sounded that whilst the CYPPB structure might be in place it was important to ensure that it operated effectively in practice and that its deliberations were translated into action on the ground.
- The Chief Executive responded to a point that not all the key groups involved in Children's Services, for example Schools and GPs, were statutorily required to engage with the Council in delivering the requirements of the Children Act 2004. He advised that this was not thought likely to create a difficulty locally. The Schools were willing to participate and so, broadly speaking, were GPs although there were some complexities in their case which would need to be addressed.
- Clarification was sought on the reference in the report to Cabinet to special educational needs statements not being prepared within the required timescales. The Chief Executive commented that this shortcoming had been recognised for some time, but devising a solution had not been given the attention it merited. Improving performance had now been confirmed as a priority, as reflected in paragraph 4 of the report.

RESOLVED: That the report be noted.

65. TRANSPORT CROSS SERVICE REVIEW IMPLEMENTATION PROJECT PROGRESS REPORT

Further to the report to the Committee in October 2004 the Committee was informed of progress made on implementing the recommendations of the Transport Cross-Service Review.

The Director of Environment presented the report, highlighting progress on work to co-ordinate arrangements for letting contracts for transport services across the Council, ongoing work on further aspects of integration, and the position on the pilot project for staggered opening times for education and social care establishments.

He also noted the delay in the delivery by the supplier of the scheduling software elements for planning mainstream education transport.

In response to questions the Transportation Manager said that the pilot project on staggered opening hours, which was to be carried out at Blackmarston Special School and St Owen's Centre, Hereford, should be completed in December 2005. The findings would then be reported to the Committee.

He also confirmed to the Committee that the suppliers of the scheduling software had given an assurance that they would supply and install the awaited part of the system by mid-April and training had been scheduled for the end of April. Herefordshire Council was a pilot project for the Company concerned. Other Councils had already expressed interest in the system and it was therefore in the Company's interest to provide a good service.

RESOLVED: That progress on the implementation of the Transport Cross-Service Review be noted.

66. ANNUAL EFFICIENCY STATEMENT

The Committee was informed of the Council's forward looking Annual Efficiency Statement (AEF).

The report to Cabinet on 14th April, 2005 was appended to the report. This noted that the AEF, setting out the approach to making efficiency savings, was required to be prepared for submission to the Audit Commission.

The County Treasurer commented that the Government guidance on how efficiency savings were to be calculated for the purpose of the formal submission to the Audit Commission was not clear and the Statement had had to be produced to a tight timescale. He emphasised that identifying efficiency savings was part of the Council's ongoing work and not simply a paper exercise to comply with the Government's requirements. He advised that the final Statement would be circulated to all Councillors.

The Chief Executive commented that he did have a concern in general terms that the auditing arrangements for the AEF had the potential to become overly bureaucratic and complex if the intention was to seek to track individual efficiencies over the medium term. However, he emphasised that this concern should not obscure how important it was for the Council both to secure efficiency gains and then to ensure that the resources released were directed to the Council's agreed priorities. Whilst efficiencies had been made since the Council's formation, the tendency had been for resources released as a result to be used simply to augment expenditure on the service area which had generated the saving, rather than being reallocated to the Council's overall priorities.

In the ensuing discussion the following principal points were made:

- The County Treasurer confirmed that the efficiency savings required for 2005/2006 had been identified as part of the budget process. Progress would need to be carefully monitored to ensure the savings were achieved.
- That it would be timely for the Committee to receive a full report on the operation of the contract with Herefordshire Jarvis Services. In requesting the report it was noted that successes of the contract were not publicised to the extent that some of the difficulties had been. It was suggested consideration might be given to remedying this by highlighting successes in the Council's newsletter: Herefordshire Matters.
- In response to a question the Chief Executive stated that it was expected that the new Corporate Planning arrangements would help strengthen the process for allocating resources released from efficiency gains and re-directing them to the Council's agreed priorities, although he acknowledged that further work on the process was needed.

RESOLVED: That the report be noted.

67. RISK MANAGEMENT REPORT YEAR END 2004/05

The Committee received a report summarising the key risks faced by the Council

and the mitigating actions being applied to control them.

The report to Cabinet on 14th April was appended to the report.

The Chief Executive commented that the report was designed to highlight the corporate risks which needed to be monitored at a strategic level. Each Directorate also held a service risk register. It was noted that Diversity had been added to the highlighted key risks by Cabinet on 14th April.

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

- A request was made for information on the numbers of staff employed on temporary contracts. It was agreed to circulate this information separately to Members of the Committee. It was confirmed that the employment of agency staff was being examined to determine whether that it was cost-effective.
- The Cabinet Member (Human Resources and Corporate Support Services) commented on the action being taken as part of the Job Evaluation process to identify training opportunities for staff. She noted that the way forward would be set out in the Pay and Workforce Development Strategy. She welcomed the evidence that, despite the difficulties the process had created in some parts of the organisation, staff commitment to delivering a good service appeared to have been unaffected.
- The County Secretary and Solicitor reported that the number of requests received under the Freedom of Information Act was in line with the New Unitary Authorities Benchmarking Group. No additional resources had been made available to deal with requests but, after an initial surge when the Act came into force in January 2005, the frequency of requests appeared to be declining. Experience in responding to requests had reinforced the need for the Authority to improve its record keeping. In the longer term it was hoped that ICT development could lead to efficiency savings in this area.

RESOLVED: That the report be noted.

68. STRATEGIC AUDIT PLAN 2005/06 - 2008/09

The Committee was informed of the process used to develop the Strategic Audit Plan for 2005/06 to 2008/09 and the Annual Audit Plan 2005/06.

The report to Cabinet on 14th April, 2005 was appended to the report.

The Principal Audit Manager reported that the Plan was risk-based and consistent with the Council's Risk Management Plan. Whilst some reductions to the risk-based Plan had been made in aligning the Plan to available resources he considered this did not have any significant bearing on the Plan. The Plan was flexible and included contingencies to enable issues which arose during the year to be addressed.

He noted the Council's Corporate Assessment under the Comprehensive Performance Assessment framework would examine the Council's vulnerability to fraud and corruption and he drew attention also to the Audit Commission's national Fraud Initiative. Whilst this had not been a problem for the Council to date the Plan accordingly included work on these aspects.

RESOLVED: That the report be noted.

69. PERFORMANCE MONITORING - CORPORATE HEALTH

The Committee considered reports to Cabinet on the Council's corporate performance in relation to the Council's Best Value Performance Indicators from 1st April 2004 to 31st January, 2005.

The reports to Cabinet on 27th January and 14th April, 2005 were appended to the report.

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

- The County Treasurer acknowledged that performance was below target in relation to staffing levels to provide housing benefit security and the report set out the planned measures to achieve improvement. He advised that benefit fraud was not a significant issue in the County although his Department remained alert to the potential for fraud. There had been a number of successful prosecutions and fraud prevention activity was publicised.
- In addition to the work to prevent fraud the County Treasurer confirmed that the Council had been successful in increasing the take-up of benefits by those entitled to them. Joint working with the Pensions Service was being developed to make it easier for people to submit claims.
- It was noted that as well as being important that individuals received the benefits to which they were entitled, establishing the correct level of need in the County was important for the County as a whole in securing appropriate recognition in the Government's financial settlement.
- The County Treasurer added that the new benefits processing system was in place and that, as expected, there were some teething problems. He remained confident, however, that the outcome would be a more effective service.
- Members acknowledged that, as they had been previously advised, there were benefits in encouraging people to complain about shortcomings in services because improvements could then be made. However, the way in which the setting of a target for complaints was presented in performance monitoring reports could easily be misinterpreted. There was concern that the public, who had not had the benefit of the explanation given to the Committee, would find the approach surprising and there was the potential for this to damage the Council's reputation. It was requested that consideration be given to the way in which the Council's approach to this issue was presented.

RESOLVED: That the Council's corporate performance from 1st April, 2004 to 31st January, 2005 be noted.

70. CAPITAL PROGRAMME MONITORING 2004/05

The Committee was informed of the Capital Programme forecast for 2004/05 including Prudential Borrowing and the current position regarding Prudential Indicators.

The report to Cabinet on 17th March, 2005 was appended to the report.

The County Treasurer updated the report advising that it was expected that the position at the year-end would show that no resources conditional upon expenditure being incurred in the year had been lost. Further improvement needed to be made

to the timescale for the planning of individual projects. However, there were no matters of major concern.

He responded to questions about particular schemes, noting that a report would be made to Cabinet proposing how the increased costs of the Leominster Industrial Estate Access Road capital scheme be met.

The Committee also noted consideration was being given to changing the policy on retention of capital receipts. The policy currently provided for 50% of a receipt to be retained by the relevant Programme Area, with the other 50% being pooled corporately. The County Treasurer said that he was exploring whether 100% of capital receipts should be retained corporately in future for redirection to corporate priorities. The Chief Executive emphasised the need to provide an incentive to dispose of surplus assets.

RESOLVED: That the report be noted.

71. BUDGET MONITORING 2004/05

The Committee was informed of the position with regard to revenue budget monitoring as at 28th February, 2005 for Programme Areas in 2004/05.

The County Treasurer drew attention to the overspend on the Social Care budget and the intention that the findings of a review (external to the Directorate) of financial arrangements and spending decisions would be submitted to Cabinet in May.

The Chief Executive explained that he was concerned that the predicted outturn for the Council as a whole had been inaccurate in the last two financial years after a period of sound forecasting. There had been an underspending in 2003/04 and in 2004/2005 the outturn for social care had been double the predicted figure.

The Chairman of the Social Care and Housing Scrutiny Committee commented that it was unacceptable that negotiations with the Primary Care Trust on their contribution to pooled budgets had not been concluded. This was causing significant problems. The matter needed to be resolved and future budgets agreed before the start of each financial year.

The Chairman of the Education Scrutiny Committee expressed surprise at the overspend on Special Educational Needs Banding delegated to schools and centrally funded SEN staffing costs. He had understood that the banding arrangements were expected to deliver savings. It was suggested clarification could be provided in a future report.

RESOLVED: That the report be noted.

72. WORK PROGRAMME

The Committee considered its Work Programme and the Work Programmes of the other Scrutiny Committees.

It was noted that the Education and Social Care and Housing Scrutiny Committees had not approved work programmes pending the outcome of a review of the Scrutiny Committee structure as part of a review of the Constitution.

The County Secretary and Solicitor announced that it was intended to hold a scrutiny event in June for Scrutiny Committee Members. This would enable Members to

shape their work programmes taking account amongst other things of priorities in the Council's Annual Operating Plan. She also noted the need to build in arrangements for considering items of concern raised at Local Area Forums.

It was noted that the Committee had already identified the need for a report on Herefordshire Jarvis Services to be added to its Work Programme. It was also proposed that a report should be submitted on the Council's recruitment process and its cost.

RESOLVED:

- That**
- (a) the Committee's work programme be confirmed as amended, pending review;**
 - (b) the work programmes of the other Scrutiny Committees be noted pending review; and**
 - (c) a workshop be held in June to give further consideration to the development of Work Programmes.**

73. SCRUTINY ACTIVITY REPORT

The Committee noted the work being undertaken by the Scrutiny Committees.

The meeting ended at 12.00 p.m.

CHAIRMAN