

**Chief Executive's Office**

Chief Executive: N.M. Pringle

**To: All Members of Cabinet:  
R.J. Phillips (Leader)  
G.V. Hyde (Deputy Leader)  
Mrs. L.O. Barnett  
P.J. Edwards  
Mrs. J.P. French  
J.C. Mayson  
D.W. Rule MBE  
R.V. Stockton  
D.B. Wilcox  
R.M. Wilson**

Your Ref:

Our Ref: NMP/CD

Please ask for: Mr. N.M. Pringle

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5th January, 2005

Dear Councillor,

**MEETING OF CABINET  
THURSDAY, 13TH JANUARY, 2005 AT 2.15 P.M.  
THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD**

**AGENDA (05/01)**

**1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

**2. DECLARATIONS OF INTEREST**

To receive any declarations of interest by members in respect of items on this agenda.

**3. CORPORATE PERFORMANCE ASSESSMENT FROM 2005**

To advise Cabinet of receipt of the provisional timetable for joint area reviews and Corporate Assessment. *(Pages 1 - 12)*

**4. LOCAL PUBLIC SERVICE AGREEMENT UPDATE**

To receive a report on progress towards developing the second Local Public Service Agreement (LPSA2) with the Government. *(Pages 13 - 26)*

**5. BUDGET MONITORING 2004/05**

To note the position with regard to revenue budget monitoring as at 30th November, 2004 for programme areas in 2004/05. *(Pages 27 - 34)*

**6. CAPITAL PROGRAMME MONITORING 2004/05**

To note the current position of the Capital Programme forecast for 2004/05, including a review of Prudential Borrowing and the current position regarding Prudential Indicators. (Pages 35 - 46)

**7. DEVELOPING THE CHILDREN'S AGENDA IN HEREFORDSHIRE - CHANGE FOR CHILDREN**

To receive a report on the Change for Children and Local Performance Improvement Agenda and the next steps locally; and to agree arrangements which will support the change/improvement and the preparation for Joint Area Review (JAR) now provisionally set by the Audit Commission for autumn 2005. (Pages 47 - 64)

**8. EDGAR STREET GRID JOINT VENTURE COMPANY**

To agree the allocation of funding to establish a Joint Venture Company to deliver the Edgar Street Grid Masterplan. (Pages 65 - 66)

**9. APPOINTMENT OF TRAFFIC MANAGER**

To agree the means by which the Council will fulfil the requirement imposed by the Traffic Management Act 2004 to appoint a Traffic Manager. (Pages 67 - 70)

Yours sincerely,



**N.M. PRINGLE  
CHIEF EXECUTIVE**

Copies to: Chairman of the Council  
Chairman of Strategic Monitoring Committee  
Vice-Chairman of Strategic Monitoring Committee  
Chairmen of Scrutiny Committees  
Group Leaders  
Directors  
County Secretary and Solicitor  
County Treasurer

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- 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.
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# **COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL**

**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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# COMPREHENSIVE PERFORMANCE ASSESSMENT FROM 2005

## PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

**CABINET**

**13TH JANUARY, 2005**

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### **Wards Affected**

None

### **Purpose**

To advise Cabinet of receipt of the provisional timetable for joint area reviews and Corporate Assessment dated 21st December 2004 but received on the 24th December 2004, indicating that Herefordshire was included in the provisional timetable for the period September – December 2005. A copy of the provisional timetable is attached for information as appendix 1.

### **Key Decision.**

This is not a key decision.

### **Recommendation**

**THAT the Cabinet**

- (a) notes the publication of the provisional timetable**
- (b) approves the arrangements for supporting the process**
- (c) gives consideration to the merits or otherwise of some form of external peer review and give authority to the Chief Executive to pursue the options for such a review.**

### **Reasons**

The experience of the first round of the Comprehensive Performance Assessment established the importance of appropriate preparation and in particular the importance of an effective and accurate self-assessment. The provisional timetable with the anticipated inclusion of Herefordshire in the first block of authorities to be inspected places a premium on prompt preparation.

### **Considerations**

1. The changes in the proposed approach to the Comprehensive Performance Assessments have been well heralded and a paper entitled "Proposals for Comprehensive Performance Assessment in 2005" was published on the 9th December. There is an opportunity to respond to the consultation and the closing

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Further information on the subject of this report is available from  
Neil Pringle, Chief Executive, on Hereford 260044

date for that consultation is the 18th February 2005. It is important that the council should respond and that will be the subject of a separate report

2. It is difficult to summarise what are in practice quite significant changes in the approach. The proposed new approach will be similar in many respects to the current CPA in that:

- There will be a Corporate Assessment;
- Individual service blocks will be updated annually, with some services being accorded greater weight than others;
- There will be a use of resources judgement which will also be updated annually; and
- These three elements will be brought together in an overall assessment updated annually and summarised by assigning each local authority to a category bearing a simple description.

3. The consultation document summarises the main changes in the following way –

a) The Corporate Assessment - this will become more challenging in that it will –

- Include an explicit judgement of the quality and impact of the Council's efforts to promote user focus and diversity;
- Assess how well the Council contributes to the achievement of shared priorities between local and central government while understanding and meeting the needs of its local community;
- Include within the key lines of enquiry more explicit consideration of management of resources and value for money and reaching judgements about capacity; and
- Assess the performance of the Council in leading and influencing communities, local partnerships and other local agencies, with a focus on what difference Councils are making to local places and people.

b) Service Blocks - these will be revised and their content improved by:

- bringing together services for children and young people into a single service block reflecting the focus of The Children Act;
- removing dependence on inspection of individual services permitting a further reduction in the overall level of inspection and making better use of other available information about the performance of local authority services; and
- taking account of consultation with government departments about appropriate performance indicators and other information for use in the CPA

c) Use of Resources - there will be a more rigorous assessment than previously. It will

- include an explicit judgement on value for money;
- provide the opportunity for Council to show, through their annual efficiency statement that they are delivering the efficiency gains required under the



efficiency review.

- d) Overall Assessment – there will be a simpler but more robust and informative approach to bringing together the various elements of CPA into an overall assessment and categorisation
- Within each category authorities will be more clearly distinguished from each other by the introduction of a “Direction of Travel Statement”;
  - To ensure that authorities attach importance to improving services across the board, the overall CPA categories will be determined by the use of rules rather than the addition of scores.
4. Finally in making these changes the Audit Commission make it clear that
- CPA beyond 2005 will be a more demanding test, but the overall burden of regulation will reduce as there will be less service inspection;
  - The Commission remains committed to continuous improvements so key lines of enquiry will develop over time;
  - Precise comparisons between the old and the new system will be difficult and there will inevitably be movements between categories both up and down.
5. It is not possible or necessary to cover all the aspects of what is a relatively complex consultation document in this relatively short report. It is however important to emphasise the significance of the Joint Area Reviews of Children’s Services which will now be undertaken in conjunction with the Corporate Assessment itself. That does have implications for the pace at which the Council addresses some of the structural issues necessary to complete the initial step it took in making the appointment of interim Director of Children’s Services.

The Corporate Assessment Report will set out a conclusion on each of the following main themes:

- Ambition for the Community;
- Prioritisation;
- Capacity;
- Performance Management;
- Achievement

In addition, however, the Executive Summary will include clear statements for every Council on Community Leadership, political and managerial leadership, user focus and diversity, as well as value for money. The understanding is that political leadership will be address in terms of the Council as a whole and not simply the leadership of the administration (where an administration is formed) and will therefore deal with some of the areas which have traditionally been the province of corporate governance reports.

It is suggested that the Chief Executive addresses some of these issues in greater detail with political group leaders.

6. As has previously been stated in this report only an outline of the assessment process is given and there will be further opportunities commencing with the seminar on the 17th January to give further information to members on the process.

## **Preparation**

7. As with the last Comprehensive Performance Assessment it is important to adequately resource the process. That does involve shifting the focus of the work of some key postholders. As might be anticipated, overall managerial responsibility must lie with the Chief Executive. The formula employed for the 2002 inspection was to give the coordinating role to the Director of Policy and Community who was then able to utilise the resources of the existing Policy team. The appointment since 2002 of the Head of Performance Management has created another key resource which needs to be similarly coordinated. The contemporaneous joint area review of services for children and the stated intention to integrate the management of the two services places a greater importance on that coordinating role. The Chief Executive will develop more fully at the meeting how that coordination might best be achieved.
8. There will also be a particular need for coordination of the inspection of the political and managerial leadership and the Chief Executive will need to liaise in particular with the Leader and Deputy Leader of the Council and the Chair and Vice Chair of the Strategic Monitoring Committee as well as with the political group leaders.
9. Prior to the last Comprehensive Performance Assessment the Council had had the benefit of an IdEA peer review and the subsequent EFQM Assessment. That was able to inform the inspection process and assist in particular with the preparation of the self-assessment and for the review on site. If the Herefordshire inspection was to be early in the period September-December then the time available for a full IdEA peer review is potentially very limited. It is not yet clear when the Council will receive notification of the likely dates of inspection. There are, however, other forms of external review available to the Council and the Chief Executive will wish to describe at the meeting both the preferences and the different styles of review which might be available to the Council to assist the process.
10. It is important in the context of the self assessment to record the fact that under the recently published 2004 assessment the Council remains a good performing authority and but for the unexpected fall back in performance within the Social Care star ratings, would have had a service score which would enable it to aspire to excellent. The description which accompanied the 2004 Statement stated that "Based on its current plans Herefordshire is well placed to continue to improve the services it provides to local people". That is not to be complacent but simply to give the factual basis on which the Council goes forward to an early review under the revised comprehensive performance assessment in 2005.

## **Alternative Options**

There are no alternative options which are applicable because the Council's position in the inspection timetable is determined by the Audit Commission.

## **Risk Management**

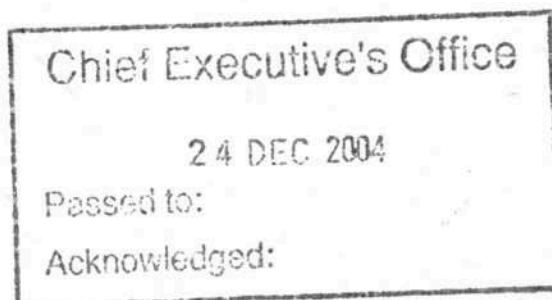
There are clear risks to the reputation of the Council. The Commission are consulting on reducing the number of overall categories from 5 to 4 thus categorising authorities as

excellent, good, fair and establishing a new category effectively merging those currently described as “weak” and “poor”.



21 December 2004

To all Chief Executives



Dear Colleague

### **Joint Area Reviews and Corporate Assessment: Provisional Timetable**

In the recent consultation material on proposals for joint area reviews of services for children and corporate assessments, we stated our intentions to integrate the management of the two assessments as far as possible.

We are now able to set out the proposed timetable for the assessments beginning in September 2005 and ending in December 2008. This timetable in respect of the joint area reviews must be provisional at this stage since it needs formal approval by the Secretary of State under section 20(1)(a) of the Children Act. This cannot be done until the relevant section of the Children Act comes into force in the New Year.

This timetable has been agreed between the Audit Commission as the inspectorate responsible for the corporate assessments, and those inspectorates principally involved in the joint area reviews – Ofsted; the Commission for Social Care Inspection; and the Healthcare Commission. It has also been subject to consultation with other inspectorates and commissions involved, including HMI Probation who will use the timetable to plan the best match of joint area reviews with the inspection of youth offending teams after September 2005. The timetable has taken account of:

- the overall CPA rating for the council;
- the date of the most recent corporate assessment for the council;
- the CPA scores for education and social care in 2003;
- the dates of the last inspections of council education and children's social care services;
- the latest CSCI performance assessment judgement on children's social care services;

- the latest Ofsted inspection judgement on the effectiveness of the LEA;
- information from the Healthcare Commission;
- the need to secure balanced geographical coverage during the programme.

Before September 2005 we are proposing to conduct three jointly programmed joint area reviews and corporate assessment and one stand alone joint area review. Two of the jointly programmed assessments will be scored to contribute to the 2005 CPA rating of the councils concerned. The involvement of the areas identified for joint area review pilots is still subject to confirmation.

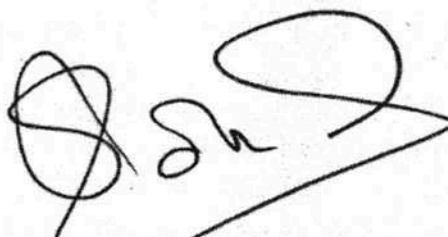
Following approval by the Secretary of State for Education and Skills in respect of the timing of the joint area reviews, we will confirm the timetable in the New Year. This timetable will give precise dates for the reviews to be conducted from September 2005 to March 2006, and thereafter, the period within the year for reviews planned from April 2006 to December 2008.

We intend to review the timetable each December, taking account of overall performance information, including the outcomes of the new annual performance assessments of council services for children. Revisions in respect of joint area reviews will be subject to the approval of the Secretary of State.

Yours sincerely



**DAVID BELL**  
Ofsted



**STEVE BUNDRED**  
Audit Commission

## **Provisional timetable for joint area reviews and corporate assessments**

### **Spring/Summer 05 pilots (4)**

(subject to confirmation)

- 1 Blackburn with Darwen
- 2 Sutton
- 3 Rochdale (rating for CPA)
- 4 West Sussex (rating for CPA)

### **September - December 05 (12)**

- 1 Bournemouth
- 2 Enfield
- 3 Staffordshire
- 4 Stoke-on-Trent
- 5 Slough
- 6 Herefordshire
- 7 Calderdale
- 8 Wirral
- 9 Doncaster
- 10 Stockport
- 11 Windsor & Maidenhead
- 12 Hillingdon

### **January - March 06 (16)**

- 1 Northamptonshire
- 2 Rutland
- 3 Salford
- 4 Trafford
- 5 Hounslow
- 6 Brent
- 7 Blackpool
- 8 Bristol City
- 9 North Somerset
- 10 Milton Keynes
- 11 Lincolnshire
- 12 Dudley
- 13 Wakefield
- 14 Coventry
- 15 Newham
- 16 Hackney

**April 06 – March 07 (48)**

- 1 Barnet
- 2 Bedfordshire
- 3 Bexley
- 4 Birmingham
- 5 Brighton & Hove
- 6 Bromley
- 7 Buckinghamshire
- 8 Cambridgeshire
- 9 Cheshire
- 10 Croydon
- 11 Cumbria
- 12 Devon
- 13 Ealing
- 14 Gateshead
- 15 Greenwich
- 16 Haringey
- 17 Harrow
- 18 Hartlepool
- 19 Havering
- 20 Isle of Wight
- 21 Isles of Scilly
- 22 Islington
- 23 Kensington & Chelsea
- 24 Kingston Upon Hull
- 25 Kingston Upon Thames
- 26 Manchester
- 27 Medway
- 28 Merton
- 29 Middlesbrough
- 30 Newcastle Upon Tyne
- 31 North East Lincolnshire
- 32 North Tyneside
- 33 North Yorkshire
- 34 Nottingham City
- 35 Oxfordshire
- 36 Peterborough
- 37 Plymouth
- 38 Redbridge
- 39 Rotherham
- 40 Sandwell
- 41 Sefton
- 42 Somerset
- 43 Sunderland
- 44 Swindon
- 45 Thurrock
- 46 Torbay
- 47 Wigan
- 48 Wolverhampton



**April 07 - March 08 (48)**

- 1 Barnsley
- 2 Bolton
- 3 Bracknell Forest
- 4 Bradford
- 5 Bury
- 6 Camden
- 7 City of London
- 8 Darlington
- 9 Derby City
- 10 Derbyshire
- 11 Dorset
- 12 Durham
- 13 East Sussex
- 14 Gloucestershire
- 15 Halton
- 16 Hammersmith & Fulham
- 17 Hampshire
- 18 Hertfordshire
- 19 Kent
- 20 Kirklees
- 21 Knowsley
- 22 Leeds
- 23 Leicestershire
- 24 Leicester City
- 25 Lewisham
- 26 Liverpool
- 27 Luton
- 28 North Lincolnshire
- 29 Northumberland
- 30 Poole
- 31 Richmond Upon Thames
- 32 Sheffield
- 33 Shropshire
- 34 Solihull
- 35 Southampton
- 36 Southend-On-Sea
- 37 Southwark
- 38 St Helens
- 39 Stockton-On-Tees
- 40 Suffolk
- 41 Surrey
- 42 Tower Hamlets
- 43 Walsall
- 44 Wandsworth
- 45 Warrington
- 46 West Berkshire
- 47 Westminster
- 48 York

**April 08 - December 08 (24)**

- 1 Barking and Dagenham
- 2 Bath and North East Somerset
- 3 Blackburn with Darwen
- 4 Cornwall
- 5 East Riding of Yorkshire
- 6 Essex
- 7 Lambeth
- 8 Lancashire
- 9 Norfolk
- 10 Nottinghamshire
- 11 Oldham
- 12 Portsmouth
- 13 Reading
- 14 Redcar & Cleveland
- 15 South Gloucestershire
- 16 South Tyneside
- 17 Sutton
- 18 Tameside
- 19 Telford & Wrekin
- 20 Waltham Forest
- 21 Warwickshire
- 22 Wiltshire
- 23 Wokingham
- 24 Worcestershire

## LOCAL PUBLIC SERVICE AGREEMENT UPDATE

### PROGRAMME AREA RESPONSIBILITY – CORPORATE STRATEGY AND FINANCE

CABINET

13TH JANUARY 2005

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#### Wards Affected

No wards are affected.

#### Purpose

To notify Cabinet on progress towards developing the second Local Public Service Agreement (LPSA2) with the Government.

#### Key Decision

This is not a Key Decision.

#### Recommendation

**That members agree the revised timetable as set out in paragraph 5 and comment on:**

- (a) The feedback to the original draft submission from the Office of the Deputy Prime Minister (ODPM) in Appendix 1; and**
- (b) The updated draft priority outcomes and performance measurements in Appendix 2.**

#### Reasons

Cabinet members need to agree the timetable in developing LPSA2 and ratify the current draft proposals being put forward for stretching performance across services in Herefordshire.

#### Considerations

1. The second LPSA commences on 1st April 2005, and like the current agreement will last for three years. Cabinet members have been sent the original draft submission to the Office of the Deputy Prime Minister (ODPM) outlining the Council's approach to LPSA 2 and the service priorities within the county. The response to this submission has only just been received from the ODPM and the Council is required to reply to these proposals before a more detailed submission is made.

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Further information on the subject of this report is available from  
Andrew Tanner, Assistant County Treasurer on 01432 260162

2. The letter from the ODPM is attached as Appendix 1 to this report and the main points are summarised below:

- The Council's approach to Partnership working is seen as highly beneficial and ministers are keen on this being strengthened for LPSA 2.
- There are some service omissions, however, highlighted within the draft and a significant amount of work needs to be carried out on establishing outcome focused targets.

More specifically:

- An indicator around reducing the earnings gap between Herefordshire and the national average is likely to be too problematical.
- Better outcome measures need to be developed for the 'improving the quality of life for older people target'. Signposting to local services and increasing the number of direct payments are not acceptable outcome measures.
- Two omissions identified within the Social Care area are reducing the number of falls (within LPSA 1) and helping people with learning disabilities to live at home.
- Greater clarity is required between the alcohol related crime and anti-social behaviour targets.
- Greater clarity in regard to the transport and environmental targets in terms of outcomes. The ODPM has noted the omission of the non-principal road maintenance score as an area for improvement.
- The discussions on LPSA2 early drafts with ODPM did not include the need for a Children's Services target. Herefordshire considers that this is essential to local priorities for delivering the national "Change for Children" agenda and supporting its introduction locally, alongside assessment of areas for improvement. This view has been supported by the ODPM feedback letter.

3. Many of the points raised by the Government departments have already been addressed by the Steering Group of officers across organisations within Herefordshire. These include the focus on outcomes, the addition of targets relating to looked after children and a realisation that an earnings related target is likely to be unachievable under the LPSA timescales. There are some new points, however, which will require a response and these specifically relate to the highlighted omissions around road maintenance, learning disabilities, preventing falls for older people and the wider educational attainment target at GCSE. An officer response to these will be tabled at Cabinet.

4. Appendix 2 provides a detailed update of how the Steering Group has developed its thinking against the draft submission. Considerable progress will need to be made in January in agreeing targets which are outcome focused and which also tie in with the risk based approach the Council needs to adopt. These are both important in securing an LPSA which will ultimately be successful both in terms of financial reward but also in converging with Herefordshire Plan priorities.

5. The draft timetable in the previous Cabinet report had planned for a government response by 22 October 2004. The development of the detailed targets would,

therefore, follow on from this date so Cabinet members need to note considerable slippage in the timetable. The proposed revised timetable, which will need to be agreed with the ODPM, is as follows:

13th January	Cabinet receive LPSA2 update and consider officer responses to the ODPM feedback
14 January	Formal response made to ODPM on revised priority areas
21 January	Update provided to Herefordshire Partnership Board.
28 January	Completion by steering group of draft agreement for negotiation with ODPM
Early February	Cabinet and Herefordshire Partnership Board approval of draft agreement
February	Detailed negotiation of draft agreement with government departments
Late March	Cabinet and Herefordshire Partnership Board approval of LPSA 2

6. Cabinet Members are reminded that it was originally intended for Performance Reward Grant for LPSA 1 to be rolled forward into pump priming LPSA 2. It has been prudently estimated that this will amount to at least £1.5 million with an additional £950,000 as a direct grant for LPSA 2 from Government. The latter grant is not reliant on performance.

## **Alternative Options**

Not applicable.

## **Risk Management**

Failure to negotiate achievable stretched targets will result in the loss of potentially significant Performance Reward Grant for the Council. Additionally, failure to focus on priorities within the Herefordshire and Corporate Plans may have a detrimental impact on future commitment to the LPSA from all organisations. This will not only affect the Council financially but also in corporate performance assessments.

## **Consultees**

There are no consultees.

## **Background Papers**

PSA Report to Cabinet on 14th October 2004

PSA Report to Cabinet on 18th March 2004.



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17th December 2004

Dear Andrew

### **Herefordshire's Second Local PSA - Priorities for Improvement**

Thank you for your submission of 18 August setting out Herefordshire's proposals for your Second Generation Local PSA. We have now consulted Government Departments, the Government Office West Midlands, and the Audit Commission Relationship Manager. The overall government response to your proposed priorities for improvement in Herefordshire is set out below. I am sorry that this has taken longer to provide than you had been led to expect.

At this stage, the focus is on agreeing the priorities for improvement locally. The selection of appropriate indicators will follow, after which will come the negotiation of figures that will define the 'stretch' in performance Herefordshire must achieve to receive the reward grant. That said, where colleagues or ODPM have provided comments that may be relevant when you move on to the next stage of precise specification of indicators we have included them here for your consideration. These are not intended to be comprehensive, and they do not need a response before that next stage.

We were glad to see that your authority has engaged with the Herefordshire Partnership, and we would encourage you to develop these linkages as your LPSA2 develops. Ministers are very keen to see these strengthened in the second round, and your partners will prove invaluable to the delivery of your local improvement priorities. We also welcome the attention your priorities give to rural issues and their integration within your document.

There are, however, one or two omissions that we would wish to raise with you, and these are set out below in the commentary to your priorities and a section toward the end. Also, in a number of cases the priorities you set out relate to processes, rather than the outcomes you seek. To help the process along, we have inferred the outcome you may intend, and invite you to say whether we have interpreted your intentions correctly.

### **Priority Theme 1 - Learning and Skills and the Economy**

We have interpreted your proposal as identifying three priorities for improvement within this headline:

- More adults achieving certain qualifications

- More employees achieving certain qualifications
- A reduced gap in weekly earnings between Herefordshire, the region, and England

If this is a correct interpretation, then we agree this priority for improvement.

Regarding the first two elements, we would want you to use indicators measuring achievement of substantive qualifications - enrolment or participation are not measures of outcomes. DfES can advise what the relevant qualifications could be. The number of economically inactive persons is likely to be acceptable. But we would see IIP certification as a means by which organisations might improve, not an outcome in its own right.

In considering which kinds of qualifications you wish to improve, we would recommend considering the skills in demand in the area. The LSC's Strategic Area Review would have relevant indications.

On the local economy, the outcome here is clear but the selection of a suitable indicator could prove complicated. The local earnings relative to the region and England seems entirely relevant, but are changes in the data for a single small local authority area sufficiently reliable to form the basis of substantial reward grant? Changes in number of VAT-registered businesses is not a measure of the desired outcome, and does not take account of business size or indeed whether that company actually adds to the local economy.

## **Priority Theme 2 - Caring, Active and Healthy Communities**

We have interpreted your proposal as identifying two priorities for improvement within this headline:

- Improving the quality of life of older people
- More people actively involved in community activity

If this is a correct interpretation, then we could accept that these might be priorities for improvement locally. However, the difficulty we have encountered with community activity type targets is in identifying an objectively verifiable and quantifiable outcome measure by which to judge performance. As such, whilst we acknowledge that this is an area Herefordshire is keen to promote, we are doubtful that such a priority could be developed into a satisfactory target for LPSA2 purposes.

We would be more positive towards an outcome of "improving the quality of life of older people". Whilst ostensibly similar to your first outcome, 'more people helped to live at home' is a measure of the input performance of the authority. The suggested indicators are unpromising, and stray some way from the intended outcomes, but we can probably work with you to find something we could agree as a relevant outcome measure.

Numbers of people "signposted to low-level support services" is clearly an input measure and unacceptable, whilst the numbers receiving direct payments is a measure of a means not an outcome. ODPM and DH are discussing a potential measure of quality of life of older people.

Numbers of people *living in* dwellings that do not meet the Decent Home Standard (not just numbers of dwellings) is arguably an outcome measure, but the DHS targets may leave you with little scope for "stretch" in performance to justify much reward grant. Improvement in home energy efficiency - though an input measure - is well evidenced as a



leading indicator of the outcomes of reduced fuel costs to occupiers and reduced emissions. However, we need to consider whether these aspects of "quality of life of older people" really are priorities for improvement, since the connection is rather indirect.

You might alternatively consider looking at certain health improvements, such as reducing falls. These provide measurable outputs that would contribute towards the quality of life of older people. This approach might also allow you to capitalise on synergies between the various agencies involved in the provision of services to older people through joint working.

In terms of omissions, CSCI noted the Council's reduced and low performance under indicator C30, 'people with learning disabilities being helped to live at home'. They have also pointed out that only 86% of clients are receiving care plans, and only 50% a review, these figures being respectively short of the national targets and the average of your comparators. You might therefore consider a priority of improving the quality of life of disabled people. We would welcome your response as to why this was not considered one of the priorities for improvement locally.

### **Priority Theme 3 - Liveability**

Within this theme we have interpreted your proposal as identifying three priorities for improvement, whilst we are unclear as to the outcome desired in two of the areas. Those we are clear on are:

- Reducing the amount of alcohol related crime
- Reducing the amount of antisocial behaviour
- Reducing the amount of total waste/waste sent to landfill

On the first, though the outcome is clear there would have to be confidence that Herefordshire and your partners in the Police could reliably distinguish violent crime and crime and disorder, and the alcohol-related elements within these. We would ask for further clarity and an assurance that appropriate data (including current performance) is available before we agree these priorities. The Home Office report "*Alcohol-related crime and disorder data: guidance for local partnerships*" may be of help in this.

There is a lot of overlap between the two crime targets, which could be problematic in terms of justifying reward grant. For both to go forward we would have to be sure that we could justify the reward grant for not only reducing the number of incidents, but also in reducing the number of alcohol related crimes on top of this. On the face of it, this may not be possible.

It is worth being aware at this stage that Ministers do not wish survey evidence to form the basis for more than a moderate share of the reward on a target, and so it would be worth giving further thought to the full range of indicators you might use to measure anti-social behaviour. Additionally, tied in with these priorities you might also wish to consider an indicator based around the successful completion of treatment for alcohol-related illness.

With your priority on waste, the outcome is clear and we support this. You might wish to consider targets to increase recycling and composting (BV82 a&b), and/or to reduce waste per head (BV84) as well as a reduction in waste sent to landfill (BV82d), though this discussion can be continued in the next stage of the LPSA process after you have submitted indicators. The performance improvement we seek under any landfill indicator

will be influenced by the Landfill Allowance Trading Scheme, as we cannot reward you for the same performance.

There are two areas in this theme where we are unsure of the outcomes you are looking for:

- Increasing walking, cycling and public transport use
- Improving public rights of way and footways

On the first, it is unclear what end result you want to achieve - is it a modal shift, less congestion, road safety, improved health? We shall await your response before deciding on this priority. We note that in terms of bus patronage numbers, you currently have a relatively low target for growth, and we would be happy to look at your proposals in this area. Furthermore, though your KSI figures on road safety are on target, recent accident levels would have had the effect of pushing up Herefordshire's figure for this year and it might therefore be that this should be considered as a priority for improvement.

We are also unclear what outcome it is you intend under the 'Streetscene' heading - is it time taken to make journeys (which would overlap with priority h on transport) or the number of injuries on the streets? If so, would the latter apply only to the elderly? Mobility is apparently an issue for older people in the county, but mainly in terms of access to services, which this priority does not attend to. The declared outcome is clearly an output, and we will have to reserve agreement on this priority until it is clearer what outcome you are seeking here. Additionally, according to our figures your latest BVPI figure for footways is no worse than average. However, your non-principal road condition scores, especially non-principal classified roads, are very poor and you might therefore consider this as a priority for improvement.

## **Geographical Pilots**

We are not yet certain what your intentions here are, and we would be happy to discuss this matter further if you wish to pursue it. However, it should be noted that you could not receive reward grant twice both for the achievement of an overall target and again for that same improvement in a specific location.

## **Other areas to consider**

We have noted your section on areas of underperformance not included in LPSA2. However, we have raised concerns over certain omissions, some of which have been covered in the commentary above.

In addition to these, CSCI has asked you consider the educational outcomes, school attendance, and long-term stability of Looked After Children, all of which we understand requires improvement.

More widely, we are not persuaded that your explanation for the absence of any children's services targets is adequate. Although the focus on older people is laudable, your LPSA2 should be about whatever is a priority for improvement locally, irrespective of whether these apply to older people, adults or children. We would therefore ask that you look again for priorities for improvement within children's services. DfES has asked you to consider a focus on encouraging and supporting the development of broad and balanced learning opportunities for 14-19 year olds. This would contribute to addressing the skills shortage

and is a priority for the Authority as agreed with the DfES in Herefordshire's Compact. A possible indicator is improving the % of pupils achieving GCSE 5 A\*-G and equivalent qualifications. The equivalent part of the indicator would include all qualifications approved for use pre-16 on an equivalent basis. We note that in comparison to the Ofsted statistical neighbours, in 2004 Herefordshire was in the bottom quartile for performance at GCSE 5 A\*-G.

With only 10 priorities in your submission, some priorities involving children would also prove advantageous should we fail to overcome some of the obstacles in the other headings.

In terms of next steps, for those areas where we are both in agreement on the choice of priority, as indicated in this letter, you can now start putting together proposed indicators taking into account those points made below. For the other areas you will need to address the points raised and return to us with revised or additional outcomes. Additionally, we would ask that you respond to the omissions highlighted.

Clearly the timetable has slipped substantially, and my apologies for our contribution to that. Hopefully, once we have settled at a list of priorities we can move on with greater pace to the selection of indicators and negotiation of stretch. I look forward to hearing from you in due course.

Yours sincerely,

**James Collier**



## APPENDIX 2

### SECOND GENERATION LPSA - PROPOSED PRIORITIES AND OUTCOMES

Priority Element	Proposed outcomes and performance measurements as at December 2004
<b><i>Adult Learning and Skills</i></b>	<p>A more highly qualified adult population measured by:</p> <ul style="list-style-type: none"> <li>• the number of learners achieving a skills for life qualification</li> <li>• the number of Herefordshire residents achieving a Level 2 and a Level 3 qualification</li> </ul>
<b><i>Workforce Development</i></b>	<p>More sustainable employment and skills opportunities in Herefordshire measured by:</p> <ul style="list-style-type: none"> <li>• the percentage of people employed in technology and knowledge intensive industries</li> <li>• the percentage of people with a Level 4 NVQ</li> <li>• the number of employers reporting hard to fill vacancies because of skills shortages and skills gaps</li> <li>• the economic Inactivity rate</li> <li>• participation in Higher Education</li> <li>• availability of adult apprenticeships</li> </ul>
<b><i>Ability for Older People to Live Independently</i></b>	<p>More people helped to live independently and who find it easy to access appropriate local services measured by:</p> <ul style="list-style-type: none"> <li>• the number of journeys carried out by volunteer drivers within the Community Transport</li> </ul>

	<p>schemes</p> <ul style="list-style-type: none"> <li>• the number of multi service trips such as libraries; medical related journeys and access to leisure and cultural services</li> <li>• the number of people contacted by the 19 Signposting Scheme partners and signposted to preventative services</li> <li>• the number of people who take up preventative and sub-threshold services following signposting</li> <li>• the number of Carers receiving assessment and services resulting from the Signposting Scheme</li> <li>• the number of these carers assessments (resulting in at least one improvement in quality of life)</li> <li>• the number of Pension Credit claimants processed through Welfare Rights Team</li> <li>• the number of Attendance Allowance claimants processed through the Welfare Rights Team activity</li> <li>• the number of Council Tax Benefit claimants aged 60 or over processed by the Welfare Rights Team</li> <li>• the amount of additional benefits claimed by Herefordshire residents, processed by the Welfare Rights Team</li> <li>• the percentage of assessments or reviews which lead to a service being provided</li> <li>• the number of adults and</li> </ul>
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	<p>older people (aged 65 and over) who take up the opportunity for Direct Payments</p> <ul style="list-style-type: none"> <li>households receiving intensive home care per 1,000 population aged 65 or over</li> <li>number of individuals trained to NVQ Level 2/3 in care associated qualifications</li> </ul>
<b>Active and Involved Communities</b>	More people actively involved in community activity. Limited progress has been made against this priority area.
<b>Alcohol Related Crime and Disorder</b>	<p>To reduce alcohol related crime and disorder in Hereford City measured by:</p> <ul style="list-style-type: none"> <li>the number of alcohol related incidents in Hereford City</li> <li>the number of referrals to the Community Alcohol Referral Scheme</li> <li>the number of new contacts made with the Community Alcohol Service</li> </ul>
<b>Tackling Anti Social Behaviour</b>	<p>To reduce anti-social behaviour in identified hot spots in Herefordshire measured by:</p> <ul style="list-style-type: none"> <li>the number of recorded incidents of nuisance inappropriate gatherings</li> <li>the number of recorded incidents of nuisance neighbours</li> <li>the number of recorded incidents of noise nuisance</li> <li>the number of recorded incidents of nuisance behaviour</li> </ul>
<b>Herefordshire's Transport</b>	Reduce congestion and impact of transport on the local environment and improved health and well being through increased physical activity measured by:

	<ul style="list-style-type: none"> <li>• the number of walking trips into the central area of Hereford</li> <li>• the number of cycles parked at public cycle parking facilities in Hereford City and the number of cycle trips</li> </ul>
<b>Streetscene</b>	Measurements and outcomes still being developed
<b>Waste Management</b>	More bio-degradable waste being diverted from landfill. Detailed targets currently being drawn up as part of the Joint Waste Strategy with Worcestershire.
<b>Children's Services</b>	<p>Overall local outcome still being developed but initial discussions based on the following:</p> <ul style="list-style-type: none"> <li>• Foster placements and better development progress in family settings</li> <li>• Looked after children - performance in school at 16 and opportunities post 16</li> <li>• Development of target around the Herefordshire Child Concern Model</li> <li>• Performance improvement for pupils not achieving 5 A*-C (approx. 40% of cohort)</li> <li>• Increasing the level of secondary school attendance to meet or exceed comparison with peers (statistical neighbours)</li> </ul>



# BUDGET MONITORING 2004/05

## PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

13TH JANUARY, 2005

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### Wards Affected

County-wide

### Purpose

To note the position with regard to revenue budget monitoring as at 30th November, 2004 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 30th November 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 and the adjustments made following the Government's decision to limit the Council's budget for 2004/05.

#### 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. Other budgets such as Pupil Referral Units, Standards Fund, and the Schools' sickness scheme are likewise carried forward at the year-end.

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

4. After such accounting adjustments, it is anticipated that there will be an overall net underspend of approximately £465,000. A budget review in the Autumn has confirmed underspends on transport (£600,000) (£200,000 is a one-off saving resulting from six fewer transport days in this financial year) and reduced take-up for early years provision for three and four year olds (£470,000), which together with other smaller underspends on staff vacancies and awards administration were reported to Education Scrutiny Committee in December.
5. Within the overall total, overspends are predicted for PFI set-up consultancy fees (£400,000), SEN banding delegated to schools (£250,000), targeted funding for school improvement (£200,000) and centrally funded SEN staffing costs (£75,000).
6. A detailed report based on expenditure trends to the end of February will be prepared for Education Scrutiny Committee on the 14th March 2005

### **Policy and Finance General**

7. At this early stage in the year no significant overspendings have been identified for Policy and Finance General. Based on the information at present, it would be reasonable to anticipate an underspending of approximately £742,000 across all services during 2004/05. This reflects the significant carry-forward from 2003/04 and the general spending pattern of the year to date.
8. It has been assumed that the ongoing costs of the job evaluation process, at present estimated at £110,000 for 2004/05, will be met from reserves.

### **Policy and Finance Property**

9. The projected overspend for Property is now £456,000 including £433,000 brought forward from 2003/04. The two major problems are the Markets and Fairs deficit brought forward from previous years which has risen to £456,000 and the shortfall on Industrial Estates income, which by the year end is expected to reach £350,000. The two overspendings are offset by savings on other services and additional retail income of £100,000 and income from internal and external clients (£250,000).
10. The recovery plan to deal with this overspend situation has been reviewed with the Director of Environment considering reductions in building maintenance to address the over- spending over a three-year review.

### **Environment General**

11. Spending on some areas including road maintenance looks low but this is largely owing to the timing of the payments to Herefordshire Jarvis Services. A net underspending of £770,000 (inc Waste Disposal) is predicted for 2004/05 for Environment General as a whole.
12. The Waste Disposal PFI contract budget is expected to be underspent by at least £700,000 largely owing 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.

13. The income received so far this year for Cemeteries and Crematorium suggests an underspending of approximately £70,000 in 2004/05.

#### **Environment Regulatory**

14. 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**

15. During the first eight months, building control and development fee income is above budget by approximately £220,000. The income continues to be very buoyant, although it should not be assumed this would continue in the same way for the remainder of the year. Staff savings owing to vacancies have led to an underspending during the period of approximately £130,000. Unless the vacancies can be quickly filled, a net underspending of at least £400,000 for Planning as a whole can be anticipated during 2004/05. Any additional fee income during the remainder of the year will increase this figure, as would any Planning Delivery Grant not spent during 2004/5.

#### **Economic Development**

16. Spending on Economic Development is well within budget at present. A net underspending of approximately £238,000 is estimated. Staff vacancies are expected to generate savings during the year. In addition, £121,000 from the carry-forward from 2003/04 has been allocated to cover expected income shortfalls in future years.

#### **Social Development**

17. Overall a broadly breakeven position is anticipated. Recruitment problems are likely to generate further underspendings for the Youth Service. A net underspending of £100,000 is expected. The accumulated subsidy budget for the old Sydonia Pool is being ringfenced to meet the revenue costs of the new pool. It is intended that this sum (£125,000) will be carried forward into 2005/06. This amount is shown as the projected underspend for the year. 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. An overspending of around £100,000 is predicted. 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.

#### **Social Care**

18. The projected year-end position for Social Care is an overspend of £740,000. The underlying trend, if no action were taken, would be for an over-commitment of over £1,000,000, which is neither acceptable nor sustainable. The latest budget projection does not show improvement on the previously reported position, despite applying harsh management action. The projection also includes certain assumptions about spending plans over the last four months of the financial year, which carry a potential risk of not being achieved.
19. The considerable pressures have emerged from rising demand and costs across

both children and vulnerable adults.

20. The Directorate has held two budget “clinics” to examine each service area in more detail. There was consideration of longer-term financial strategies, and short-term measures necessary to reduce the projected overspend in the current financial year. Every service has been given a “savings plan” to achieve by the end of the financial year. This has led to additional actions being taken, which include:
  - Further analysis of those children in residential placements, with specific targets to return some to local provision.
  - Making a risk assessment of those service users in need of care and supporting only those in emergency or critical need at this stage.
  - Reviewing care services provided to existing service users, and making adjustments to the level of care provided where possible to meet the Council’s eligibility criteria.
  - Reviewing those service users receiving transport.
  - Maximising occupancy levels against block contracts.
  - Reducing the choice for service users in accessing day care.
  - No use of agency staff to cover absence, which has led to cancellation of day care.
  - Reviewing service users potential entitlement to free nursing care (funded by health).
21. Further discussions are also taking place with colleagues across the Council and partner organisations about how the financial risks can be shared.
22. The main risks within the budget include assumptions on:
  - Appropriate costs being covered by central Education funding.
  - Continuing Care contributions from the Primary Care Trust.
  - Sharing the financial risks within the pooled budgets with the PCT.
  - Funding of judicial reviews.
  - Interim costs as a result of the delay in the transfer of homes for Older people.
  - Loss of grants, in particular Supporting People grant for Learning Disability services.
23. The Directorate’s aim to completely eradicate the “debt” brought forward on the Social Care budget has not proved possible. In addition, the projection makes assumptions about the achievement of targets, which is a risk. Savings targets are being reviewed with managers on a regular basis. Any achievement of savings is at a cost to service delivery.

24. The picture being managed at present is very concerning and the challenges will remain for the remainder of this financial year and 2005/06.

### **Strategic Housing**

25. Whilst the Strategic Housing budget is projected to break-even, there is a potential risk that additional expenditure may be incurred on homelessness. Unfortunately, the authority has recently been billed for expenditure for the first five months of the year, which is more than the anticipated spend for the whole year.
26. Strategic Housing managers are currently reviewing how this impacts on the remainder of the budget, but are taking measures to ensure that the budget is managed to “break-even”, including the underspend brought forward from 2003/04.

### **Financing Transactions**

27. A net underspending of £1,100,000 is expected during 2004/05 primarily as a result of debt rescheduling, a stabilisation of interest rates and significant slippage of the capital programme.

## **Conclusion**

28. The projected 2004/05 outturn for the Programme Areas, together with financing transactions, is an under-spending of £2,674,000.

### **Revenue Reserves Position as at 31st December 2004**

29. The estimated value of general reserves as at 31 March 2005 total £5,000,000 incorporating the prudent reserve of £3,000,000, which has anticipated some limited use of reserves for overspendings at the year-end. The £1,100,000 projected saving from Financing Transactions is included in this total. The expected underspending on Waste Management is in addition to the overall total.

## **Alternative Options**

There are no alternative options.

## **Consultees**

None identified.

## **Background Papers**

None identified.



## Appendix 1

## Summary Budget Monitoring Report 2004/05 - 30th November 2004

Programme Area	2004/05 Original budget	2003/04 Carry forwards	Budget 2004/05	Actuals to Period 8	Budgets to Period 8	Projected Outturn	Projected over or (under) spend	Variation percent- age
	£000	£000	£000	£000	£000	£000	£000	%
Education	81,153	(1,369)	82,522	53,680	54,228	82,057	-465	-0.6
Social Care	35,990	245	35,745	26,376	24,460	36,485	740	2.1
Policy and Finance - General	14,999	(1,929)	16,928	23,469	24,805	16,186	-742	-4.4
Policy and Finance - Property	2,094	433	1,661	599	889	2,117	456	27.5
Environment - General	17,657	97	17,560	10,461	11,954	16,790	-770	-4.4
Environment - Regulatory	2,405	(31)	2,436	1,487	1,624	2,406	-30	-1.2
Environment - Planning	2,226	(411)	2,637	1,317	1,758	2,237	-400	-15.2
Social Development	8,056	(192)	8,248	5,849	6,035	8,123	-125	-1.5
Economic Development	2,162	(331)	2,493	1,136	1,550	2,255	-238	-9.5
Housing	1,320	(56)	1,376	-804	809	1,376	0	0.0
	168,062	(3,544)	171,606	123,570	128,112	170,032	(1,574)	-0.9
Financing adjustments etc	7,511	3,797	3,714	1,696	2,240	2,614	(1,100)	
	175,573	253	175,320	125,266	130,352	172,646	(2,674)	-1.5





# CAPITAL PROGRAMME MONITORING 2004/05

TO 30 NOVEMBER 2004

## PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

13TH JANUARY 2004

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### Wards Affected

County-wide

### Purpose

To note the current position of the Capital Programme forecast for 2004/05, including a review of Prudential Borrowing and the current position regarding Prudential Indicators.

### Key Decision

This is not a Key Decision.

### Recommendation

**THAT the position be noted.**

### Reasons

Report for noting only.

### Considerations

1. This report is broken down into two sections. The first section reports on the current position of the capital programme and prudential borrowing. The second section reports on the current position of Prudential Indicators.

### Capital Programme Monitoring

2. This is the third round of the 2004/05 capital monitoring process. The purpose of this monitoring exercise is to update the capital budget position, as at 30th November, reporting new funding allocations and to manage any slippages or overspends.

### Overview

3. The revised forecast outturn for 2004/05 as at 30th November totals £33,907,000, an increase of £904,000 from the budget reported at the end of September. An explanation of this change is detailed in the body of this report. This programme is funded as detailed in Appendix 1.

4. Cabinet allocated Prudential Borrowing of £4,741,000 to various capital schemes on the 22nd July, 2004. The current forecast for 2004/05 is £4,313,000 owing to slippage of £428,000 being identified. It is expected that further amounts of the 2004/05 allocation may slip into 2005/06 but as this funding is unconditional no resources will be lost. Only 23% of the revised forecast of Prudential Borrowing has been spent to date.
5. Each individual capital project has an expected spend profile and expected spend in the first eight months was 64% of the revised forecast. However, actual spend at £15,352,000 was just 45% of the revised forecast. Actual spend reported at this time last year was 60%. A summary of the expenditure for each service area is set out on Appendix 2.
6. Set out in Appendix 3 is a list of all capital schemes with a budget in excess of £500,000. The detailed capital programme listing all capital schemes can be found on the Intranet. (*Information Library > Treasurers > Financial Policy > Capital > Capital Programme*).
7. Set out in Appendix 4 is a list of capital receipts received and expected in 2004/05.

## **Capital Programme Areas**

### **9. Education**

The capital budget for this area has increased in this round of capital monitoring by £43,000. This is mainly owing to an allocation of SCE(R) capital funding towards the Minister College specialist sports project. Unless spend accelerates towards the year end there will be slippage on capital schemes. The funding is earmarked and will be carried forward into future years.

### **10. Social Care**

The budget for this area has decreased by £247,000 owing to slippage on the Community Equipment and ICT Development capital schemes approved by Cabinet in July. This slippage will be included in the 2005/06 Social Care capital programme.

### **11. Property**

The budget for this area has not changed during this round of capital monitoring. Actual spend to date is lower than expected; the position is being reviewed monthly.

### **12. Policy and Finance**

The budget for this area has not changed during this round of capital monitoring.

### **13. ICT Services**

The budget for this area has increased by £1,253,000 in this round of capital monitoring. This is because grant funding has been secured towards the Herefordshire-in-Touch E Gateway Phase 2 capital project. This project will provide a new e-Gateway delivery platform for the electronic delivery of information and services. This will contribute to funding legislative, statutory and target objectives in delivering information and services via the Internet.

#### 14. **Environment General**

The budget for this area has decreased by £70,000. Delays have been encountered on the Crematorium capital scheme resulting in slippage on capital spend into 2005/06. The Council has also received confirmation of £26,000 SCE(R) funding towards the Stretton Sugwas Landfill site remediation and investigation capital works. Actual spend to date is lower than expected. However, committed spend represents 52% of the revised forecast.

#### 15. **Social Development**

The budget for this area has decreased by £75,000. This is because consent has not yet been received from English Heritage for the removal of silt from the Castle Pool. The budget has been re-profiled into 2005/06. A cost benefit should arise if the timing of the silt removal were to coincide with works at the Aylestone Hill Park.

#### 16. **Economic Development**

There are no budget changes to be reported for this area in this round of capital monitoring. The total cost of the Leominster Industrial Estate Access Road will be reported separately to Cabinet.

#### 17. **Strategic Housing**

There are no budget changes to be reported for this area in this round of capital monitoring.

### **Prudential Indicators**

18. As Cabinet will recall from previous reports, the Prudential Code applies from 2004/05 onwards. The key objectives of the Code are to ensure that capital investment plans and treasury management decisions are made in a manner that supports prudence, affordability and sustainability.
19. Cabinet endorsed a range of Prudential Indicators (PIs) on 19th February, 2004 and these are required to be monitored on a regular basis. This will be achieved by enhancing the existing Capital Programme monitoring process to include specific PI information. Any significant deviations from expectations are to be highlighted and reported accordingly.
20. The Prudential Code recommends the PIs set out below. The framework of PIs covers Capital Expenditure and Treasury Management and includes the following:
  - Actual and estimated capital expenditure for the current and future years (Appendix 5).
  - Ratio of financing costs to net revenue stream (Appendix 6).
  - Capital Financing Requirement (Appendix 7).
  - Authorised limit for External Debt (Appendix 8).
  - Operational boundary for External Debt (Appendix 9).
  - Council Tax implications of the incremental effect of capital decisions (Appendix 10).
  - Treasury Management Indicators (Appendix 11).

## **Conclusion**

Capital programme actual spend to date is lower than expected and may be a cause of concern should spending not accelerate. Prudential Indicators are being monitored as required by the Prudential Code.

## **Alternative Options**

There are no alternative options.

## **Consultees**

Not applicable.

## **Risk Management**

Capital Programme and Prudential Indicator monitoring is an integral part of risk management. Potential over and under spends 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**

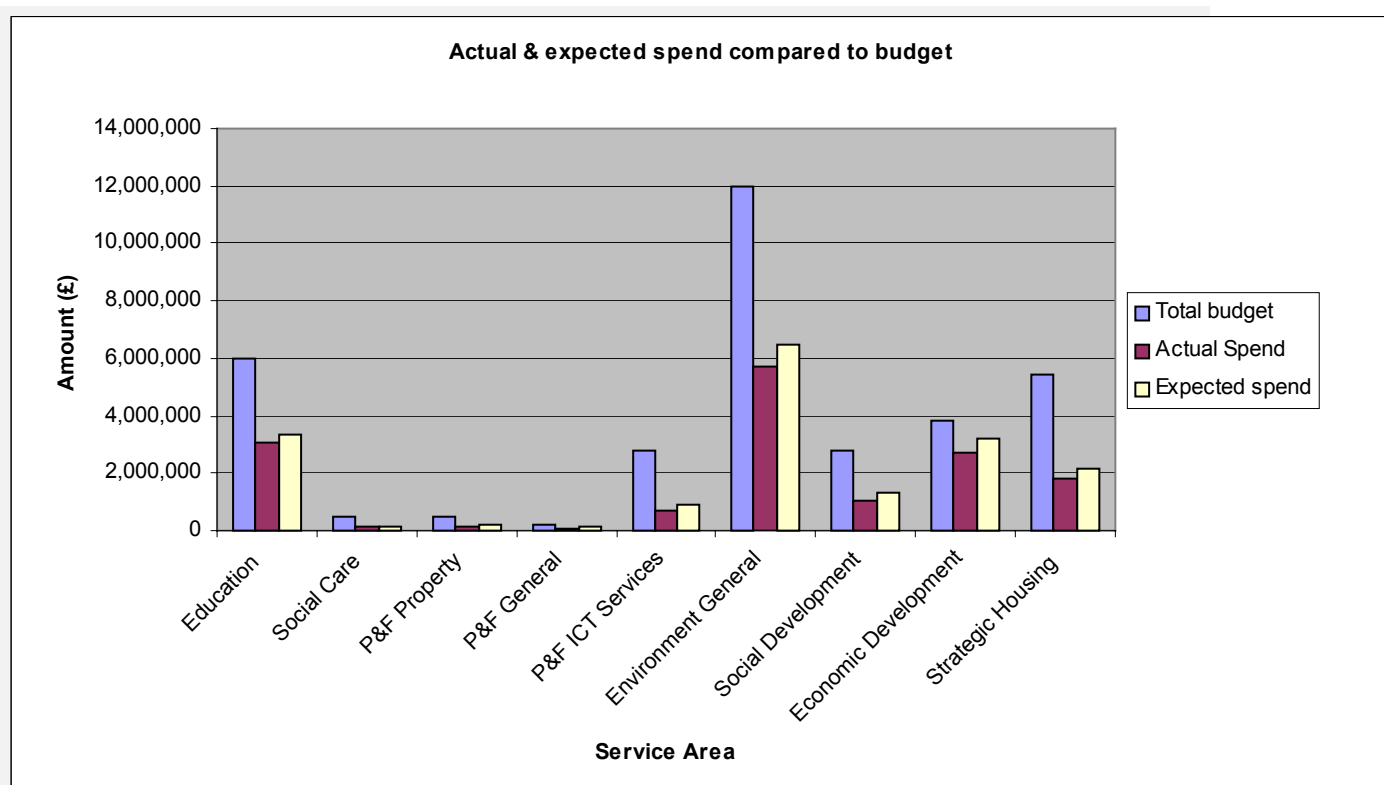
<b>Capital Programme Area</b>	<b>2004/05 Revised Forecast 30/11/04</b>	<b>SCE(R)</b>	<b>Prudential Borrowing</b>	<b>LPSA UCA</b>	<b>Grants</b>	<b>Revenue Contribution</b>	<b>Capital Receipts Reserves</b>	<b>Unfunded</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Education	5,857	3,411	-	-	2,381	65	-	-
Social Care	473	92	124	-	117	-	140	-
P&F – Property	503	-	300	-	25	6	172	-
P&F – General	265	-	4	-	60	100	90	11
P&F – ICT Services	2,803	-	1,020	126	1,541	-	116	-
Environment General	11,974	11,098	305	-	571	-	-	-
Social Development	2,792	-	2,050	-	667	-	75	-
Economic Development	3,805	-	310	-	1,638	-	1,647	210
Strategic Housing	5,435	2,055	200	-	585	-	2,595	-
<b>Total Revised Forecast</b>	<b>33,907</b>	<b>16,656</b>	<b>4,313</b>	<b>126</b>	<b>7,585</b>	<b>171</b>	<b>4,835</b>	<b>221</b>
<b>Original Budget</b>	<b>34,938</b>	<b>16,483</b>	<b>5,000</b>	<b>-</b>	<b>8,585</b>	<b>-</b>	<b>4,870</b>	<b>-</b>
<b>Change from original budget</b>	<b>(1,031)</b>	<b>173</b>	<b>(687)</b>	<b>126</b>	<b>(1,000)</b>	<b>171</b>	<b>(35)</b>	<b>221</b>

<i>Reported to date</i>								
<i>Original Budget</i>	34,938	16,483	5,000	-	8,585	-	4,870	-
<i>July Forecast</i>	32,921	16,430	4,511	126	6,479	247	5,055	73
<i>September Forecast</i>	33,003	16,529	4,479	126	6,103	258	5,287	211
<i>November Forecast</i>	33,907	16,656	4,313	126	7,585	171	4,835	221

## APPENDIX 2

### CAPITAL EXPENDITURE BY PROGRAMME AREA

	Outturn	Original Budget	Revised 2004/05 Forecast as at 30/11/04	Change from previous forecast as at 31/07/04	Actual spend at 30/11/04	Actual spend as a % of the revised forecast	Expected spend as a % of the revised forecast
Programme area	2003/04	2004/05	2004/05	2004/05	2004/05	2004/05	2004/05
	£'000	£'000	£'000	£'000	£'000	%	%
Education	8,248	7,014	5,857	43	3,034	52%	57%
Social Care	413	132	473	(247)	135	29%	23%
P&F – Property	2,142	402	503	-	119	24%	38%
P&F – General	924	25	265	-	87	40%	55%
P&F – ICT Services	882	127	2,803	1,253	716	26%	34%
Environment General	10,879	11,846	11,974	(70)	5,711	48%	54%
Social Development	460	2,467	2,792	(75)	1,070	39%	47%
Economic Development	4,157	4,092	3,805	-	2,682	71%	85%
Strategic Housing	4,929	5,633	5,435	-	1,798	33%	39%
Prudential Borrowing to be allocated	-	3,200	-	-	-	-	-
<b>Total</b>	<b>33,034</b>	<b>34,938</b>	<b>33,907</b>	<b>904</b>	<b>15,352</b>	<b>45%</b>	<b>64%</b>



**APPENDIX 3**

**MAIN CAPITAL SCHEMES OF REVISED 2004/05 CAPITAL PROGRAMME**

<b>Capital Programme Area</b>	<b>Schemes with a Revised Forecast &gt;£500,000</b>
	<b>£'000</b>
<b>Education schemes:</b>	
Site Acquisitions	680
John Kyrle High – Sixth Form Extension	506
Weobley High – Science Laboratories	548
New Deal for Schools Condition Improvement Works	1,200
<b>ICT Services schemes:</b>	
ICT The Golden Thread Network Enhancement	770
Herefordshire in Touch E-Gateway Phase 2	1,229
<b>Environment General schemes:</b>	
Roman Road Improvements	3,270
Rural low floor bus project	500
Capitalised maintenance of principal roads	1,225
Capitalised maintenance of non-principal roads	3,272
Footways	550
Capitalised assessment & strength of bridges	500
<b>Social Development schemes:</b>	
Replacement Swimming Pool for North Herefordshire	1,709
Friar Street Museum Resource and Learning Centre	555
<b>Economic Development schemes:</b>	
Leominster Industrial Estate Access Road	3,049
<b>Strategic Housing schemes:</b>	
Social Housing Grants	3,100
<i>Other schemes with a revised forecast of less than £500,000</i>	<i>11,400</i>
<b>Revised Forecast</b>	<b>34,063</b>

**APPENDIX 4**

**CAPITAL RECEIPTS FOR 2004/05**

<b>Sale Detail</b>	<b>Directorate Share</b>	<b>Directorate Share</b>	<b>Corporate Share</b>	<b>Total receipt</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><i>Received</i></b>				
The Old Goods Shed, Ross on Wye	50% Property	154	154	308
Wye Street Depot Store	50% Social Development	45	45	90
Trinity House	100% Corporate	-	300	300
Right to Buy Clawbacks, Discounts and Improvement Grant Repayments to date	100% Housing	152	-	152
<b>Sub Total</b>		<b>351</b>	<b>499</b>	<b>850</b>
<b><i>Anticipated</i></b>				
Various	100% Housing	1,660	-	1,660
Various	50% Property	35	35	70
Various	100% Corporate	-	800	800
<b>Sub Total</b>		<b>1,695</b>	<b>835</b>	<b>2,530</b>
<b>Total</b>		<b>2,046</b>	<b>1,334</b>	<b>3,380</b>



## APPENDIX 5

### ACTUAL AND ESTIMATED CAPITAL EXPENDITURE

Capital Monitoring information is set out in the first part of this report. A forward looking capital programme is currently being prepared based on supported borrowing allocations, unsupported prudential borrowing, known grants, use of reserves and existing commitments. The forecast capital programme will be dependant upon the final allocation of supported borrowing sums and the level of any new prudential borrowing considered affordable and these are the subjects of a separate Cabinet report.

## APPENDIX 6

### RATIO OF FINANCING COSTS TO NET REVENUE STREAM

The net revenue stream is the budget amount to be met from Formula Grant and Council Tax income (the budget requirement). The ratio is the proportion of the budget requirement that relates to the ongoing capital financing costs. The Ratio has reduced in 2005/06 and 2006/07 mainly due to a reduction in the expected capital financing costs due to a revision of expected interest rates. The indicator will also change in due course based on revised estimates of the net revenue stream.

<b>Ratio of financing costs to net revenue stream</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Net Revenue Stream (estimated)	169,444	175,320	184,239	194,241
<b>As at 30/11/04 :-</b>				
Capital Financing Costs	5,557	5,730	7,935	9,325
Indicator	3.28%	3.27%	4.31%	4.80%
<b>As at 30/9/04 :-</b>				
Capital Financing Costs	5,557	6,020	8,245	9,718
Indicator	3.28%	3.43%	4.48%	5.00%
Original Indicator	3.28%	4.12%	4.71%	5.35%

## APPENDIX 7

### CAPITAL FINANCING REQUIREMENT

This indicator represents the underlying need to borrow for a capital purpose. The indicator has reduced slightly mainly due to a reduced estimate of future supported borrowing allocations. Future years requirements includes a potential £5 million Prudential Borrowing per year. This indicator will change in due course as the allocation of supported and unsupported borrowing is confirmed. This indicator is affected by Governments decisions to provide capital funding either in the form of supported borrowing or by direct grant.

<b>Capital Financing Requirement</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Revised 30/11/04	78,090	95,043	108,956	121,530
Revised 30/9/04	78,090	95,298	110,463	125,938
Original Indicator	78,090	94,892	111,063	126,538

## APPENDIX 8

### AUTHORISED LIMIT FOR EXTERNAL DEBT

The Authorised Limit for external debt represents the absolute maximum level of debt that may be incurred. This limit would only be reached in exceptional circumstances. There is no change to this indicator and the limits have not been exceeded.

	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	105,000	119,000	142,000	163,000
Other Long Term Liabilities	1,500	3,000	3,000	3,000
<b>Total</b>	<b>106,500</b>	<b>122,000</b>	<b>145,000</b>	<b>166,000</b>

## APPENDIX 9

### OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

The Operational Boundary for external debt is the prudent expectation of the maximum level of external debt. There is no change to this indicator and the limits have not been exceeded.

	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	63,000	73,500	94,500	115,500
Other Long Term Liabilities	1,500	1,500	1,500	1,500
<b>Total</b>	<b>64,500</b>	<b>75,000</b>	<b>96,000</b>	<b>117,000</b>

## APPENDIX 10

### COUNCIL TAX IMPLICATIONS OF THE INCREMENTAL EFFECT OF CAPITAL DECISIONS

This indicator represents the increases in Council Tax resulting from unsupported Prudential Borrowing. Separate indicators were stated originally based on different levels of potential borrowing. The revised indicators below are based on the actual level of Prudential Borrowing allocations made by Cabinet on 22 July 2004 and have been further revised following slippage in the sum allocated for 2004/05.

Increase in council tax (Band D, per annum):	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>
<b>Original</b>				
Position if £5,000,000 Prudential Borrowing is taken for 2004/05.	N/A	3.75	7.06	7.34
Position if £5,000,000 Prudential Borrowing is taken for 2004/05 and subsequent years.	N/A	3.75	10.52	17.28
<b>Revised 30/09/04</b>				
£4,741,000 Prudential Borrowing allocated for 2004/05, and assuming Prudential Borrowing only taken for the future years commitments already approved (£2,455,000 for 2005/06 and £813,000 for 2006/07)	N/A	3.56	8.26	10.34
£4,741,000 Prudential Borrowing allocated for 2004/05, and assuming £5,000,000 Prudential Borrowing is taken for 2005/06 and subsequent years.	N/A	3.56	10.17	16.93
<b>Revised 30/11/04</b>				
Taking account of prudential borrowing slippage into 2005/06. So £4,313,000 Prudential Borrowing in 2004/05. Assuming Prudential Borrowing only taken for the future years commitments already approved (£2,883,000 for 2005/06 (inc slippage) and £813,000 for 2006/07)	N/A	3.24	9.70	10.34
£4,313,000 Prudential Borrowing allocated for 2004/05, and assuming £5,000,000 Prudential Borrowing is taken for 2005/06 and subsequent years.	N/A	3.24	10.17	16.93

## APPENDIX 11

### TREASURY MANAGEMENT INDICATORS

These are specific indicators, which relate to the management of the Treasury Management process. There is no change to these indicators and the limits have not been exceeded.

	2003/04	2004/05	2005/06	2006/07
<b>Upper Limit for Fixed Interest Rate Exposure</b>				
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%
<b>Upper Limit for Variable Interest Rate Exposure</b>				
Net principal re variable rate borrowing / investments	25%	50%	50%	50%
<b>Maturity Structure of new fixed rate borrowing during 2004/05</b>	<b>Upper Limit</b>	<b>Lower Limit</b>		
Under 12 Months	30%	0%		
12 months and within 24 months	60%	0%		
24 months and within 5 years	90%	0%		
5 years and within 10 years	100%	0%		
10 years and above	100%	20%		
<b>Upper Limit for total principal sums invested for over 364 days</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
(per maturity date)	7,000	10,000	10,000	10,000

# DEVELOPING THE CHILDREN'S AGENDA IN HEREFORDSHIRE - CHANGE FOR CHILDREN

## PROGRAMME AREA RESPONSIBILITY- CHILDREN'S SERVICES

CABINET

13TH JANUARY, 2005

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### Wards Affected

County-wide

### Purpose

To receive a report on the Change for Children and Local Performance Improvement Agenda and the next steps locally.

To agree arrangements which will support the change/improvement and the preparation for JAR (Joint Area Review) now provisionally set by the Audit Commission for autumn 2005.

### Key Decision

This is not a Key Decision

### Recommendation

**THAT Cabinet agree:-**

- **to work with partners to establish a Children's Partnership Board and to agree this may well form the groundwork for a Herefordshire Children's Trust (as outlined in paragraphs 4 and 5);**
- **to agree in principal to set up a Change/Improvement/Development Team to support the Children's Services Directorate Leadership Team and the short-term investment needed;**
- **to identify, as part of the current budget considerations, the resources needed to meet the costs of the Change Team;**
- **to introduce lead roles for School-Strategy and Change, and Adult Social Care/Strategic Housing as described in paragraphs 13 and 14 (noting that the Cabinet Member for Children has already signed a decision notice to agree the Schools leadership role be undertaken by Mr. Ted. St. George, Head of Inspection Advice and School Performance). This approach was agreed, in principle, by Cabinet on 21st October, 2004.**

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Further information on the subject of this report is available from  
Sue Fiennes, Director of Children's Services on 01432 260039

## Reasons

To keep Cabinet informed on the change programme looking ahead.

## Considerations

1. The Every Child Matters (ECM) outcomes framework has now produced a template for a national and local change programme - including performance targets and measures (attached).
2. Herefordshire has now experienced the introductory conversation meeting with the Regional Change Advisor, CSCI Business Relationship Manager and the Children's Service Improvement Advisors (Education).
3. A self-assessment matrix was produced for the meeting (attached), on the readiness of the Council to move on Change for Children. This matrix was broadly agreed by the Regional Change Advisor before being report nationally.
4. There is an expectation that there will be a "Children's Trust" locally by 2006. Children's Trust arrangements will have four essential components:
  - professionals enabled and encouraged to work together in more integrated front-line services, built around the needs of children and young people;
  - common processes which are designed to create and underpin joint working;
  - a planning and commissioning framework which brings together agencies' planning, supported as appropriate by the pooling of resources, and ensures key priorities are identified and addressed; and
  - strong inter-agency governance arrangements, in which shared ownership is coupled with clear accountability.
5. The basis of Children's Trust arrangements can be determined locally. It is anticipated that the components described could and should be promoted and arranged by a new Children's Services Partnership Board. The feasibility of using this route is supported by the good track record of Partnership work in Herefordshire. Given that the Children Act 2004 gives a particular leadership role to Local Authorities in securing co-operation, it is necessary for Cabinet to support the direction of developing a Children's Partnership Board as a Children's Trust Approach, subject to proper discussions with key partners and stakeholders.
6. The priorities for the first year from January 2005 can be outlined as:-
  - Keeping the focus on outcomes for children
  - Creating a strong local partnership focused on wellbeing for children - a Children's Trust "approach".
  - Preparing for a Joint Area Review of Children's Services in Herefordshire.
  - Promoting and sustaining the right professional leadership in each key area.
  - Driving appropriate change to secure the next steps locally.

- Keeping services safe and ensuring further implementation of the Child Concern Model.
  - Promote early intervention and achievement alongside, quality and choice.
  - Clarify accountability and governance to ensure risk management.
7. The ECM - Change for Children document has been published and this may require a revision of the priorities. Further guidance documents are to be published through to September 2005, the majority coming by May 2005.
  8. In order to respond to the change programme and prepare for the provisional JAR date of autumn 2005, a change team needs to be established. The change team will report to the Children's Services Directorate. The CPA/JAR programme will be confirmed later in January 2005.
  9. The team should have a change manager, a "performance support" officer, current performance leads, information sharing project officer, secondment for at least a term of head/deputy head secondary schools and head primary school, and contribution from links to the group formed to co-ordinate the approach to inspections in the Children areas outside Social Care and make connections to CPA expectations.
  10. The performance assessment for Children's Social Care 2003-04 did fall in the November announcement, leading to a loss of a star overall. The focus was on re-registrations on the child protection register as well as life chances. The improvements needed were reported to Cabinet early this year in the CSCI (Commission for Social Care Inspection) annual review letter.
  11. The education yearly stock-take did recognise the need to improve on school attendance and achievement for vulnerable children and children with complex needs (including looked after children).
  12. The performance improvement needs further attention both on direction and delivery, and this adds to the agenda of a change and improvement team. The children's social care direction requires increased local fostering resources and family support. This will be further outlined in a report to Cabinet later in January 2005.
  13. Enhanced interim roles to support the Interim Director of Children's Services and Director of Social Care & Strategic Housing (for the next year) and demonstrate the Council's commitment, need to be established for schools leadership and adult social care/strategic housing leadership. These need to be established immediately. Whilst these need to be evaluated, it is anticipated they would be evaluated within HOS 3, i.e. broadly in line with existing Head of Department roles.
  14. Consideration needs to be given to expanding CXMT to include the lead roles for School Improvement/Development and Adult Social Care/Strategic Housing. Whilst the Director of Social Care and Strategic Housing can hold the latter role, at least initially, because of her professional background, this will not be sustainable in the longer term. It may well have to be resolved pre the JAR. In the former case of schools, however, it is essential reassurance to schools that there should be professional representation of their interests at CXMT and that the school contribution to the Change for Children programme has a significant voice in the Council's arrangements.
  15. In addition, the new Children's Services Directorate will need to have head of profession roles for special needs and social care. It would seem appropriate to

scope these roles and include them in Head of Service reviews of salaries in 2005.

16. In order to enable the leadership role in adult social care/strategic housing to be effective, support is needed to change learning disability services. A contribution to a change manager role will be required.
17. The change programme needs to be understood and guided by both the Lead Member, Cabinet and Members more broadly.
18. The governance arrangements of the NHS and other Children's Programmes, including the voluntary and independent sectors, need to be part of the broader understanding, commitment and developments. The duty to co-operate must be present at strategic and front-line levels. This needs to build on the effective practice already in place in Herefordshire.

## **Alternative Options**

There are no alternative options

## **Risk Management**

The reputation of the Council in relation to CPA and the progress on the Children's Agenda needs to be high priority. The arrangements outlined would give the necessary capacity.

## **Consultees**

Not applicable.

## **Background Papers**

None identified.

## **Financial Assessment**

It is necessary to ensure a dedicated change team is appropriately resourced. Short-term ring-fenced investment is required. Appropriate team support costs and the support for change in learning disabilities would need to be added to the resources needed. The children's change team would be for 2 years (subject to review) the learning disability resources for 1 year (subject to review).



Guidance to completing the intelligence gathering matrix – HEREFORDSHIRE COUNCIL DECEMBER 2004

Question	Definition of 'mature'
<p><b>1. How does the local area manage the change process?</b></p>	<p>There is dedicated, full-time resource allocated to the change process and clear mechanisms for reporting to senior staff.</p> <p><i>The newly appointed Director of Children's Services (12<sup>th</sup> November 2004) is in the process of proposing an approach to the Chief Executive which is likely to include a change team to explore options and develop an action plan for change in the next 4 months (?); this will build on the work by a group that made recommendations to the chief executive prior to the appointment;</i></p> <p><i>the change team would report to the leadership team of the current education and children's services in the council;</i></p> <p><i>a stakeholder day in Spring 2005 will begin to develop the county's strategy for children based on the ECM framework;</i></p> <p><i>a high level Children and Young Person's strategy Board will be developed in early 2005 chaired by the Director of Children's Services. The CYP Strategic Board could act as a "trust board" ensuring that in the development of any strategic plan for children and families in Herefordshire it encapsulates a shared vision based on</i></p> <ul style="list-style-type: none"> <li><i>• mapping/analysis of needs and resources</i></li> <li><i>• ensuring resources are appropriately targeted.</i></li> <li><i>• any organisational changes e.g. integration following a child centred outcome based approach</i></li> <li><i>• involving children and their families in the planning/evaluation of services</i></li> <li><i>• monitoring outcomes around the 25 aims of Every Child Matters.</i></li> </ul> <p><b>DEVELOPING</b></p>
<p><b>2. What measures has the authority put in place to maintain and improve its existing</b></p>	<p>A joint analysis of risk has been completed and there are clear mitigation strategies in place to ensure that existing statutory service provision is maintained and improved.</p>

<p><b>statutory service provision (e.g. safeguarding children, looked after children services, school attendance, special educational needs, adoption services) while it manages the change process?</b></p>	<p><i>The new leadership team under the DCS will build on the current arrangements that are in place by developing a risk plan as part of any proposals.</i></p> <p><b>MATURE</b></p> <p><i>To include any technical advice on mapping; leadership workshops locally; national protocols for sharing information across all professionals; best practice signposting.</i></p>
<p><b>3. What support does the local area require in managing their change programme?</b></p>	<p>Needs analysis is complete and clearly linked to outcomes for children, young people and families. Establishes a clear baseline and an analysis of local need against the outcomes. Evidence that all partners were meaningfully involved - including the voluntary and community sectors, children, young people and families. There is a good understanding of how the market of providers (statutory and non-statutory) can meet the needs of children, young people and families in the area.</p>
<p><b>4. How far has the local area progressed with a needs analysis?</b></p>	<p><i>In December/January 2005 the IMPACT team (Health/social care planning) is working with Connexions in mapping need and to translate in to terms of ECM and the 25 aims. Considerable work has been undertaken by Children's Fund; Early years; Surestart; CAMHS and there is work to be done to ensure that these are linked and developed into an overall base document which can be used to produce a county wide commissioning strategy</i></p> <p><b>DEVELOPING</b></p>
<p><b>5. Has the local area undertaken a childcare needs analysis to establish demand for places?</b></p>	<p>Childcare supply is mapped, demand and need are assessed, weaknesses and market failures are identified. Well-targeted plans are in place for ensuring sustainable, flexible provision in response to local need/demand and are agreed with partners and providers. Needs analysis gives specific attention to the needs of lower income parents who are working or aspiring to work.</p>

	<p><i>The Herefordshire Early years Development and Childcare partnership has mapped the needs and the supply across the county. The published EYDCP Audit report 2003 reflects this and identifies further actions. The 2004 report is being compiled. SureStart has a clear delivery plan. (2004-2006) .</i></p> <p><b>DEVELOPING</b></p>
<p><b>6. What progress has the local area made on agreeing a shared vision?</b></p>	<p>Vision has been agreed with all partners and children, young people and families have been consulted. The vision is documented and includes clear local priorities / targets.</p> <p><i>Herefordshire has well described approaches in all the major areas of intervention. The development of the CYP Strategic Board will contribute to a more coherent approach and develop the overall vision within the aims of ECM. A multi agency project group has been set up (meets in December 2004) to agree approach to the NSF.</i></p> <p><b>EARLY STAGES</b></p>
<p><b>7. What has the local area done to establish an understanding of the current workforce?</b></p>	<p>Joint analysis of the workforce has been completed. This includes skills audit and the identification of training needs. Clear joint plan agreed for tackling gaps, using the Common Core of Skills and Knowledge. This should include all partners.</p> <p><i>Social Services (Children) have a training/development officer will be contributing to the workforce development strategy. Has begun identifying shared needs with partners in child protection. Workforce needs have not been collated across the agencies.</i></p> <p><b>EARLY STAGES</b></p>
<p><b>8. What plans are there for workforce development?</b></p>	<p>Joint consideration has been given to issues of recruitment and retention and action is being taken. Local area is aware of the common core and is planning for its implementation. Plans include joint training for a wide range of staff. Work includes all partners.</p> <p><i>The project group formed re the NSF will ensure there is an awareness raising programme</i></p>

	<p>across the multi agency staff group which will incorporate the ECM direction. This will be commenced when the DCS with partners has finalised the next steps in Herefordshire with an appropriate time frame. This will be clear by the end of January 2005. Specific joint workforce plans are envisaged in the integration of the children with disabilities and illness service being developed. A joint service manager across social services and health is to be advertised in January 2005. Joint training is undertaken in child protection and in the development of the Herefordshire Child Concern Model. CAMHS has a developed multi agency training programme.</p>
<p><b>9. What progress is being made to integrate services at the front-line?</b></p>	<p><b>DEVELOPING</b></p> <p>Evidence that innovative and successful services are being delivered through a range of integrated teams at the front-line, according to need. These are coordinated into a broader strategy.</p> <p>Specific examples are the CAMHS service, as well as the Youth Offender Service and the early years Child Development Centre. Discussions have commenced between PCT and the Council of the development of a building which will allow co-location of staff. As part of the work of the DCS's change team areas of integration are to be identified. The children with disabilities and illness are to be integrated between health and social care. A joint service manager aimed at being in post by April/May 2005. Areas already identified for initial development includes defining lead professional(key worker roles); single assessment(common assessment framework); single access point; information sharing</p>
<p><b>10. What consideration has been given to the concept of a lead professional?</b></p>	<p><b>DEVELOPING</b></p> <p>Evidence that a framework for lead professional is being developed at a local level and being trialled across agencies with accountability and frameworks for support in place.</p> <p>There are examples of lead professional in child protection (clear procedurally) and the development of a lead professional through the Child Concern Model which identifies</p>

	<p><i>vulnerable children at an earlier stage. Formalised protocols require multi agency development and approval as a next stage. – within 12-18 months</i></p> <p><b>DEVELOPING</b></p> <p>Clear strategy for children’s centre development agreed across all partners and seen as an integral part of the overall vision for children’s services. All implementation plans approved by the department and some children’s centres already designated.</p> <p><i>There is a clear plan to develop 3 Children’s Centres in the County. We are on target for 2006. Details are in the SureStart Plan 2004-2006. All key partners have been involved in the development.</i></p> <p><b>DEVELOPING/MATURE</b></p> <p>Clear strategy for extended school development agreed across all partners. ‘Core’ of extended services is available in all schools, either on site or across a cluster of schools/other providers. Some schools offering a wider range of extended services.</p> <p><i>There is an extended school co-ordinator in the Council and at this stage just under 25% of the schools in Herefordshire have developments which could be described as part of the “extended” approach.</i></p> <p><b>DEVELOPING</b></p> <p>Other examples clearly linked into a wider joint strategy.</p> <p><i>Specific areas of work have developed co-location(children with disabilities, YOS, CAMHS, Child Development Centre). Co location is being considered in child protection at the police family protection unit. Overall joint strategy is to be developed</i></p> <p><b>DEVELOPING</b></p>
<p><b>11. What progress is being made in developing children’s centres?</b></p>	
<p><b>12. What progress is being made in developing extended schools?</b></p>	
<p><b>13. Are there other examples of integrated, co-located services in the local area that are working well?</b></p>	

<p><b>14. What progress is being made in developing services providing information, advice and support for parents, carers and families?</b></p>	<p>Integrated services offer information, advice and support to parents, carers and families. <i>A Children and Families Resource Directory has been launched onto the Herefordshire website which is accessible to parents and families and professionals. (November 2004). This was developed as part of the Herefordshire Child Concern Model initiative in May 2004. There is a Child Information Service for early years. Partners were involved in the development of the information available.</i></p> <p><b>MATURE</b></p>
<p><b>15. What consideration has been given to the implementation of the Common Assessment Framework?</b></p>	<p>Local area is aware of the CAF and a clear plan has been agreed with all partners about implementation. In some cases, common assessment processes are already in use.</p> <p><i>A major initiative, which took 18 months of multi-agency development has been the Herefordshire Child Concern Model (CCM). This was launched in May 2004 and has positive connections with the common assessment framework. Herefordshire made a multi agency response to the recent consultation on the CAF (November 15<sup>th</sup> 2004). Herefordshire is confident that the CCM will complement the CAF and aid implementation. The cultural change required in such an initiative can not be underestimated and the work so far in the county will help the process of the CAF's implementation.</i></p> <p><b>DEVELOPING</b></p>
<p><b>16. What progress is the local area making on information sharing?</b></p>	<p>Service directory fully populated and used by practitioners and children, young people &amp; families. There is guidance available for children, young people and families about information sharing (particularly on consent). Protocols for information sharing agreed with all partners and joint training and guidance provided for front-line staff. In some cases, information sharing is already be supported by a technical system and anonymised data is used to inform service planning.</p> <p><i>Work in all these areas are being developed through the process of the CCM. Consent and information sharing continues to be a challenge. There is active discussion between the PCr and the Council re information sharing protocols initially in child protection. The development</i></p>

	<p><i>of a new NHS electronic system will be a challenge for other agencies in gaining access to information and developing a tracking system for our most vulnerable children. Work is to be undertaken on the developing of social services client index system (CLIX). Any changes needs to take account of the NHS national spine.</i></p>
<p><b>17. What progress is being made towards joint planning?</b></p>	<p><b>DEVELOPING</b></p> <p>Joint strategic plan agreed with (at least) Health, Education, Children's Social Services and Youth Justice and strategy in place for integrating with plans of other partners. This summarises local needs for children, probably drawing on audit activity by a number of partners, and sets out a clear vision, strategic analysis and activities against outcomes.</p> <p><i>Herefordshire has all the main plans in place. There is a current exercise being undertaken through joint social services/health planning group (IMPACT) to bring all the plans together and identify the cross overs in the terminology of ECM in order that a more coherent strategy can be developed. The setting up of the strategic board will contribute to this as a joint overarching plan would be a clear outcome with a vision for Herefordshire and consequent targets and aims reflecting the 25 aims of ECM. This work aims to be completed in the first 6 months of 2005 and then a subsequent timetable to be established for the medium term reflecting the ECM dates to 2008.</i></p>
<p><b>18. How is the local area planning to move towards more preventative service provision?</b></p>	<p><b>MATURE</b></p> <p>The local area has a clear strategy for enhancing preventative service provision which includes learning from existing initiatives e.g. Children's Fund, Sure Start local programmes and children's centres</p> <p><i>There is a local preventative service plan and this reflects a number of initiatives e.g. the children's fund; teenage pregnancy; CAMHS tier 1 and Sure Start. These require to be incorporated into an overall plan approved by the CYP Strategic Board and in the approach of Every Child Matters.</i></p>

<p><b>19. What progress is being made on joint commissioning?</b></p>	<p><b>DEVELOPING</b></p> <p>A number of services are specified and secured jointly. Commissioning is focused on meeting the needs of users and follows best value criteria. The local area has an understanding of the current market and is working to fill gaps. Monitoring arrangements are in place and lines of accountability have been agreed. Children, young people and families are involved in the process.</p> <p><i>Health, Education and Social services have begun the process of joint provision through a “virtual pooled budget”. This is the first year and the aim is to develop a joint commissioning approach. Herefordshire is also part of a multi agency West Mercia group (Herefordshire, Worcestershire, Shropshire) who are looking to jointly commission residential provision for a specific group of particularly complex needs which have been identified by all three authority areas as a concern. The “consortium” have gained agreement from the “choice protects” task force to get support in developing this initiative. This commences December 2004.</i></p>
<p><b>20. Has progress been made on pooled budgets?</b></p>	<p><b>DEVELOPING</b></p> <p>Evidence that budgets are being pooled for specific services. Clear objectives set for pooling budgets which are supported by a formal agreement (Section 31 or otherwise)</p> <p><i>There are currently no formal section 31 pooled budgets in children’s services. There is a virtual budget as described in the section above. The first year’s experience of working this formal arrangement is being reviewed and the review will identify the necessity or otherwise for a formal Section 31 registration.</i></p>
<p><b>21. Is the local area pooling other resources to support cooperation between partners? E.g. staff, goods,</b></p>	<p><b>DEVELOPING</b></p> <p>Evidence of significant pooled resources in a number of areas.</p> <p><i>There are a number of examples where resources are shared – education liaison service; the</i></p>



<p>accommodation</p>	<p>Youth offender service; the kite centre (health – children with disabilities); child development centre; police family protection unit; connexions service; Hunderton room (space in a primary school)</p>
<p>22. Has the local area considered how the work on children's trust arrangements will contribute to the Gershon efficiency gain targets?</p>	<p><b>DEVELOPING</b></p> <p>The LA has clear plans about how 2.5% efficiency gains will be made in FY05/06, and how these will be measured.</p> <p><i>This area requires specific discussion.</i></p>
<p>23. What is the local authority's strategy for working with its partners to fulfil its duty under [section 50] of the Children Act 2004 to promote the educational achievement of looked after children?</p>	<p><b>EARLY STAGES</b></p> <p>Evidence that the authority has arrangements in place to fulfil its new duty to promote the educational achievement of looked after children, with particular reference to (a) tackling the five key issues set out in the 2003 Social Exclusion Unit report; (b) ensuring that its education and social services departments work coherently together in fulfilling this duty; and (c) working positively with a range of local partners, including the schools in its area, to support it in fulfilling this duty</p> <p><i>There is the Education Liaison Service (ELSS) which has contact with every child / the looked after system and is monitoring progress; supporting schools and social service staff. The corporate parent group has reports on the educational progress. The lead member for children (commencing January 2005) is currently the cabinet member for education and the chair of the corporate parent group. Educational needs of this group are monitored and scrutinised by this senior councillor/officer group.</i></p>
<p>24. Is there a mechanism for incorporating the views of all key partners?</p>	<p><b>DEVELOPING</b></p> <p>There is a mechanism to bring together all the relevant partners (i.e. those under duty to cooperate) at a strategic level to discuss the Children's Agenda. Relationships are strong and the links to existing partnerships have been clarified and agreed.</p>

	<p><i>There is very positive relationships between the principal partners; the development of a compact with the Alliance (voluntary organisations) and the setting up of the CYP Strategic Board as described will bring together the effective local partnerships into a coherent process and ensure common language (ECM) in the development of an overall vision and unified plan for children and families in Herefordshire. The CYP Strategic Board would be chaired by the DCS and provide the wider connection with the Herefordshire Partnership Board and Herefordshire Plan.</i></p>
<p><b>25. Are front-line staff fully engaged in the partnership?</b></p>	<p><b>MATURE</b></p> <p>There is evidence of consultation with front-line staff in all agencies. This should include those not under the duty to cooperate e.g. Schools and GPs.</p> <p><i>The Child Concern Model process gives the opportunity for this broader engagement. This will require a longer term process which is sensitive to the demands and pressures on schools and health providers particularly GPs. Making the vision of the education's 5 year strategy and the NSF integrated in any overall plan is important if schools and GPs are to be engaged. Relevance of the 5 outcomes to everyone's agenda has to be stressed. Involving GPs and schools in stakeholder events is essential. Engagement of school governing bodies is an important approach.</i></p>
<p><b>26. To what extent are voluntary and community sector organisations involved in the partnership?</b></p>	<p><b>DEVELOPING</b></p> <p>The voluntary and community sectors are engaged at all levels, and in a manner that ensures the full diversity of the sectors is effectively represented'</p> <p><i>There is full involvement of this sector on all major partnerships. The part played by voluntary sector representatives in the development of the Child Concern Model by the ACPFC was crucial. There is a local COMPACT with the voluntary sector.</i></p>

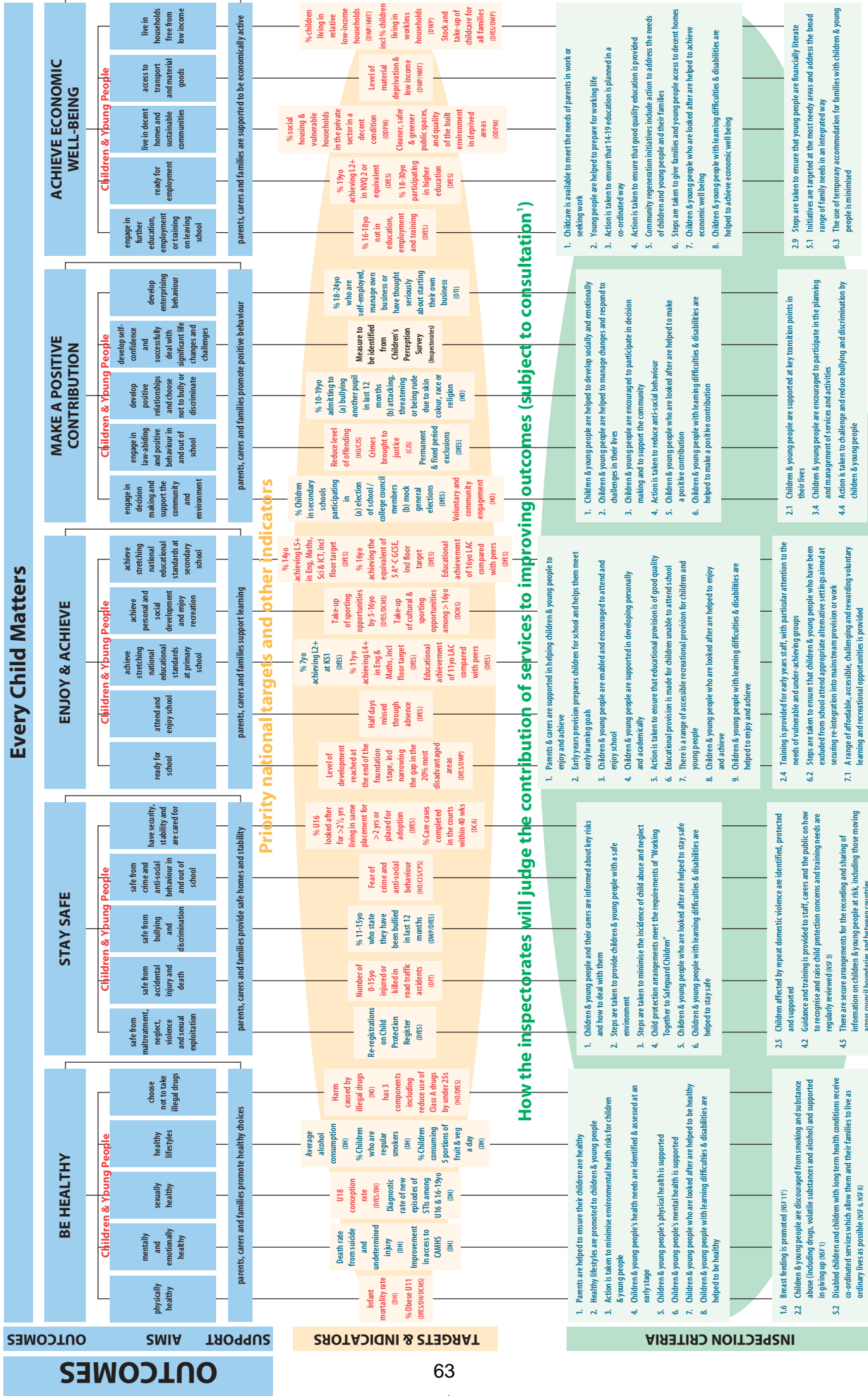
	<p><b>MATURE</b></p> <p>Children and young people are involved at all levels and there is a clear policy / strategy to ensure effective and meaningful engagement. There is evidence of positive feedback from children and young people.</p> <p><i>Children and Young people involved in surestart; children's fund; looked after children and work with advocacy. There is a need to develop further across all the service planning areas</i></p>
<p><b>28. To what extent are parents and families involved in the partnership?</b></p>	<p><b>DEVELOPING</b></p> <p>Parents and families are involved at all levels and there is a clear policy / strategy to ensure effective and meaningful engagement.</p> <p><i>This has been seen in sure start; children's fund and Herefordshire's family centre. A major provider NCH involves families in looking at outcome/efficacy of services.</i></p>
<p><b>29. Are there mechanisms in place to engage with the private sector?</b></p>	<p><b>EARLY STAGES</b></p> <p>There is an agreed strategy to support links with the private sector and evidence of good relationships e.g. with independent providers of childcare or independent schools.</p> <p><i>The early years partnership has positive private and independent sector involvement. Such groups would be part of any stakeholder events. Consideration to be made on how the sector's input is to be made at CYP Strategic Board level.</i></p>
<p><b>30. Has the local authority appointed a Director of Children's Services?</b></p>	<p><b>EARLY STAGES</b></p> <p>There is a DCS in post who fulfils all the requirements of the statutory guidance.</p> <p><i>The interim DCS has been appointed and will be in post from January 2005. The DCS is the current Director of Social Care and Strategic Housing (Ms Sue Fiennes). Her background is social care.</i></p>

	<p><b>Children Act compliant</b></p> <p>There is a Lead Member in post who fulfils all the requirements of the statutory guidance.</p> <p><i>The lead member was approved by Council in November 2004. Cllr Don Rule is the current cabinet member for Education and the chair of the Corporate Parent Working group. He takes up his responsibilities from January 2005.</i></p>
<p><b>32. Has the local authority considered how to develop LSCBs by April 2006?</b></p>	<p><b>Children Act Compliant</b></p> <p>A clear strategy has been agreed for taking forward the development of LSCBs. There is a clear idea about the remit of the LSCB and how it links to other partnership arrangements.</p> <p><i>The Herefordshire ACPC following some initial work with a consultant in May 2004 (Tony Morrison) are setting up a working group as an extension of it's standing committee. The ACPC in consultation with the DCS will be clear by the Autumn 2005 of what needs to be put into place for full implementation by April 2006. The development of the Child Concern Model by the ACPC is an example of mature multi agency working in this area. A positive transition is expected to the new body.</i></p> <p><b>MATURE</b></p>

There are 26 **PSA targets** in total and 13 other key indicators. For the PSA on stability of looked after children the associated performance indicators are also shown under Enjoy & Achieve

# OUTCOMES FRAMEWORK

**Version 1.0**  
Published with *Every Child Matters: Change for Children*, 1 December 2004  
This replaces all other previous versions



For queries please contact: [everychildmatters@dfes.gsi.gov.uk](mailto:everychildmatters@dfes.gsi.gov.uk)

NB. All the headline criteria are shown on the top row. Examples of detailed criteria are given for illustrative purposes on the bottom row.

Footnotes

1 'Ostred' will consult from 6 December 2004.

2 NSF relates to the National Service Framework, with the number referring to the corresponding standard.



# EDGAR STREET GRID JOINT VENTURE COMPANY

## PROGRAMME AREA RESPONSIBILITY: ECONOMIC DEVELOPMENT, MARKETS AND PROPERTY; AND ENVIRONMENT

CABINET

13TH JANUARY, 2005

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### Wards Affected

County-wide

### Purpose

To agree the allocation of funding to establish a Joint Venture Company to deliver the Edgar Street Grid Masterplan.

### Key Decision

This is not a Key Decision.

### Recommendation

**THAT £125,000 per annum be allocated to fund the establishment of a Joint Venture Company to deliver the Edgar Street Grid Masterplan.**

### Reasons

The Edgar Street Grid Masterplan has been adopted by the Council and has been incorporated into the second deposit draft of the Unitary Development Plan. A dedicated delivery vehicle is required to ensure the proposals are implemented. It is envisaged that the proposals will make a significant contribution to the regeneration of the County.

### Considerations

1. This report follows on from previous reports to Cabinet on the 18th December 2003 and the 15th July 2004. At the previous meeting Cabinet agreed the establishment of a Joint Venture Company to oversee the delivery of the Edgar Street Grid Masterplan.
2. AWM have made provision for a revenue contribution towards the Joint Venture Company on the basis that the costs are shared 50/50 with Herefordshire Council.
3. The Council and AWM are now in the position to proceed with the establishment of a Joint Venture Company subject to appropriate finances being available. It is anticipated that the delivery vehicle will employ a team of up to six staff. The indicative revenue budget for this team is approximately £250,000 per annum. Subject to negotiations with other partners the Council may need to make a contribution of up to £125,000 per annum. Contributions could either be in cash or through the secondment of existing staff where they have the appropriate skills.

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Further information on the subject of this report is available from  
Geoff Hughes, Head of Service (Policy and Community) on 01432 260695

## **Alternative Options**

Option 1

Not to proceed with the establishment of the Joint Venture Company

## **Risk Management**

Risk Management Issues have been dealt with in the detailed reports prepared by the Consortium of Consultants led by DTZ Pida.

## **Consultees**

Advantage West Midlands  
Bevan Ashford – Private Legal Advice

## **Background Papers**

Edgar Street Grid Masterplan and associated reports prepared by Consortium of Consultants led by DTZ Pida.



# APPOINTMENT OF TRAFFIC MANAGER

## PROGRAMME AREA RESPONSIBILITY: HIGHWAYS AND TRANSPORTATION

CABINET

13TH JANUARY, 2005

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### Wards Affected

County-wide

### Purpose

To note the means by which the Council will fulfil the requirement imposed by the Traffic Management 2004 to appoint a Traffic Manager.

### Key Decision

This is not a Key Decision.

### Recommendation

**THAT Cabinet notes that the duties of the post of Head of Highways and Transportation be extended to incorporate the statutory role of Traffic Manager for the Council.**

### Reasons

Under Section 17 of the Traffic Management Act 2004 the Council is required to appoint a Traffic Manager. The appointed person is to be known as the Traffic Manager but the post holder may carry other responsibilities for the authority.

### Considerations

1. Part 2 of the Traffic Management Act 2004 comes into effect on 4 January 2005. This places a new network management duty on the Council as Local Traffic Authority. It is to be a duty for authorities to manage their road network with a view to securing, as far as may be reasonably practicable, the expeditious movement of traffic on their own network and facilitating it on the network of others (i.e. on trunk roads and within adjoining local authority areas).
2. The overall aim of the "expeditious movement of traffic" implies a network that is working efficiently without unnecessary delay to those travelling on it. But the duty is qualified in terms of practicality and the other responsibilities of the authority.
3. The Council will be expected to promote pro-active co-ordination of the network, adopt a planned, evidence-led approach to known events and develop contingencies for the unforeseen.
4. Included within the Act is a requirement for each authority to appoint a Traffic Manager to perform the tasks that an authority considers necessary for meeting the

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Further information on the subject of this report is available from  
Graham Dunhill, Director of Environment on (01432) 260041

duty. This is a statutory post but the post holder may carry out other responsibilities for the authority. It is envisaged that the post will be at a level with the ability to consider and influence all the functions of the Council and decisions made by it that could have an impact on traffic movement. The emphasis is on a whole authority approach to the co-ordination and regulation of the flow of traffic.

5. The recent restructuring of the Highways and Transportation Service reflects the principles of the Traffic Management Act by bringing all aspects of the management of the highway network under Area teams (North, South and Central) through which maintenance and improvement schemes are delivered. The Area teams also monitor works carried out by public utilities in the highway.
6. Under this structure, the designation of Traffic Manager would most appropriately fit at Head of Service level and complement the existing duties of the current post of Head of Highways and Transportation, from where resources can be directed to carry out the network management functions specified in the Traffic Management Act 2004. The duties would be incorporated into the Plans and Strategies of the Service with the functions discharged through the Area teams.
7. The Government has powers under the Act to impose a Traffic Director on an authority if it considers that the authority has failed to carry out its responsibilities under the Act.
8. Although the Act requires the Council to facilitate the traffic activities of other Authorities, there is no similar duty within the Act for the Highways Agency on the trunk road network. It is suggested that the Highways Agency has been given a similar remit by the Secretary of State, including facilitating the movement of traffic on local networks. This will be a matter of key importance in carrying out the network management duties in Herefordshire, where much of the congestion is focused on the trunk road network, particularly in Hereford.

## **Financial Implications**

No additional funding has been provided to fulfil the functions imposed by the Act. Any costs will have to be contained within existing service budgets. However, under other provisions of the Traffic Management Act, there will be powers to make charges to public utility companies for "lane rental" and to impose fixed penalty notices for offences relating to utility street works.

## **Alternative Options**

### **Alternative Option 1**

A new post of Traffic Manager could be created. This would be an additional cost and would not have the operational effectiveness provided by attaching the duties to the current post of Head of Highways and Transportation.

## **Risk Management**

The duties imposed by the Traffic Management Act 2004 will be incorporated into the next Local Transport Plan and the Highway Maintenance Plan. This will ensure that there is effective integration with the council's existing highways and transport services. By the rural nature of the county, issues of congestion in Herefordshire are relatively localised on a few areas of the county highway network and so it seems unlikely that there is significant risk of failure to comply with the duties of the Act.

## **Consultees**

Relevant employees.

## **Background Papers**

Traffic Management Act 2004.

