

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday, 10th April, 2006 at 10.00 a.m.

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

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

In attendance: Councillors P.J. Edwards, Mrs. J.P. French, R.J. Phillips and
D.W. Rule MBE

52. APOLOGIES FOR ABSENCE

Apologies were received from Councillor W.L.S. Bowen.

53. DECLARATIONS OF INTEREST

There were no declarations of interest.

54. MINUTES

RESOLVED: That the Minutes of the meeting held on 13th February, 2006 be confirmed as a correct record and signed by the Chairman.

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

There were no suggestions from Members of the Public.

56. REVIEW OF THE STRATEGIC SERVICE DELIVERY PARTNERSHIP

The Committee considered the findings of the Strategic Service Delivery Partnership Review Group following the scrutiny review of the operation of the Strategic Service Delivery Partnership.

The Committee had agreed to review the Council's contract with Herefordshire Jarvis Services (HJS) in April 2005, with the decision to widen the review to include Owen Williams, who together with the Council and HJS formed the Strategic Service Delivery Partnership, being reported to the Committee in October 2005.

The Review Group's report setting out the Group's approach to its task, its findings, conclusions and recommendations was appended to the report.

The Chairman of the Committee, who had also chaired the review, presented the report going through each section of the report and the recommendations in turn.

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

- It was suggested that the difficulties the review had identified in the arrangements for commissioning work from HJS needed to be borne in mind as the Council contemplated entering into other commissioning agreements which were potentially more complex. It was important that each partner to an agreement clearly understood from the outset what each could and would contribute.
- The report at paragraph 6.2 had identified a lack of input to the Partnership of expertise and investment and benefits of economy of scale which might have been expected from the association with Jarvis PLC. The Committee noted the view of Mr S Gyford of Jarvis PLC on this point, who commented to the meeting on the extent to which newer equipment had been acquired. However, it was suggested in reply that whilst equipment might have been replaced the Review Group had not found evidence to suggest that more innovative and efficient solutions for service delivery had been introduced which the Council itself could not have pursued.
- It was stated that the cost to Social Care of cleaning buildings had significantly increased following the letting of the contract to HJS, adding weight to some of the concerns expressed in the report.
- The Leader of the Council commented that to date the HJS Board had perhaps concentrated too much on operational rather than strategic issues. The difficulties of Jarvis PLC had created problems that the Board had had to address. However, the confidence of Sub-Contractors for example, seemed to have been restored and services had not been disrupted.

He was confident that the Council had taken the proper steps to protect its position during this period. The development of the Joined Up Programme between the Partners for highways and property schemes would be important in achieving future economy and efficiency savings. Changing the name of HJS could also be an important step in improving prospects provided the timing was right. The recent success of HJS in securing work from the Highways Agency was to be welcomed, offering hope of improved prospects.

He agreed that the issue of the 8% fee on the sum invoiced to the Council paid to Jarvis PLC for managerial support needed to be discussed and resolved.

- There was discussion of HJS's difficulties in securing work from schools. The Chief Executive commented that the Council had made clear that it could only use its best endeavours to encourage schools to purchase its services. Whilst this had been clearly understood by HJS, HJS did have a lingering belief that the Council had not fulfilled its undertaking to HJS in this regard and he considered that there was some evidence to support that view.
- Mr R Wood of Owen Williams informed the meeting that a restructuring exercise should address the concerns expressed in the report about the engagement of Owen Williams in project meetings and should be advantageous to the Council.

It was noted that Cabinet's response to the report would be reported to the Committee and that the Review Group envisaged, subject to the outcome of the consideration of the report by Cabinet that it would wish to review the progress made in response to its recommendations in six months time.

THAT the findings and recommendations contained in the report of the Strategic Service Delivery Review Group be endorsed and submitted to Cabinet for consideration.

57. REVIEW OF ICT SERVICES

The Committee received an update on the review of ICT Services.

Further to the report to the Committee in October 2005 a revised scoping statement for the review was circulated and the Committee informed of the revised timetable for the review and how it was intended to proceed.

RESOLVED: That the revised scoping statement for the review of ICT Services be approved and the work programme for the review noted.

58. PAY AND WORKFORCE DEVELOPMENT STRATEGY

Further to its request on 13 February 2006 in considering the Minutes of its meeting on 26th January, 2006 the Committee received a report on employee turnover and an update on the findings of exit surveys.

The Head of Human Resources presented the report. He commented that employee turnover within the Council as a whole continued to be steady at 9%. However, within the overall turnover figures there were areas within Directorates where turnover issues needed to be addressed via the Pay and Workforce Development Strategy. Actions to address turnover and key shortage areas and the Joint Area Review findings were set out in the report.

The findings of quarterly surveys of leavers from the organisation were also set out in the report. It was indicated that the Pay and Workforce Development Strategy aimed to continue to address issues raised through the operational plan 2006/7 and as part of the longer term aims for 2008 – in particular actions to address pay, reward and recognition and developing a generic careers structure for the Council.

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

- In relation to the employee turnover statistics it was requested that the figure for the Children's Services Directorate should show school based staff separately.
- In response to questions about the vacancy rate the Head of Human Resources explained that the Council did not currently operate a fixed establishment making it difficult to assess vacancy rates accurately. An establishment was now to be put in place to make it easier to identify and manage vacancy levels in the future. It was intended that the system would retain a degree of flexibility so that employee levels could continue to be managed according to service delivery needs.

RESOLVED: That the report be noted.

59. FORWARD LOOKING ANNUAL EFFICIENCY STATEMENT 2006/07

The Committee considered the Council's strategy for achieving service efficiencies for 2006/07.

The report to Cabinet on 30th March, 2006 was appended to the report.

The Committee questioned some of the anticipated savings and some concern was expressed that the Strategy was optimistic.

RESOLVED: That the report be noted.

60. LOCAL PUBLIC SERVICE AGREEMENT

The Committee was informed of the final performance against the first Local Public Service Agreement.

The report to Cabinet on 16th March, 2006 was appended to the report.

It was noted that the Performance Reward Grant earned under the first Local public Service Agreement (LPSA1) was £1.65 million, 47% of the total available of £3.54 million and that the sum was to be invested in LPSA 2.

In response to a question about the target 9.1 in the LPSA1 (%age of pupils attaining more A* - C grades at GCSE it was confirmed that it was a challenging target and noted that very few Councils had attained the national target let alone the stretched target in the LPSA1.

RESOLVED: that the report be noted.

61. LOCAL AREA AGREEMENT

The Committee was informed of the negotiation of the Local Area Agreement (LAA).

The report noted that this would run for three years from 1st April, 2006 and that the Agreement would incorporate the second Local Public Service Agreement (LPSA2) which would in future be described as the reward element of the LAA.

The Committee's attention was drawn to the arrangements for performance management of the LAA. It was noted that this would be dealt with as part of the wider performance management arrangements for the Herefordshire Community Strategy Action Plan with regular monitoring reports being presented to Cabinet.

A question was asked about the cost of delivering the Agreement noting the investment of effort in the first Local Public Service Agreement which had resulted in 47% of the Performance Reward Grant being achieved. In reply it was advised that the Local Area Agreement was different in nature to the LPSA and the key lay in achieving savings through working closely and innovatively with partner organisations.

RESOLVED: That the report be noted.

62. THE ANNUAL OPERATING PLAN 2006-07

The Committee's attention was drawn to the Council's Annual Operating Plan (AOP) 2006-07 and to its further development to serve as the basis for performance management.

The Committee was also invited to have regard to the Plan in determining the scrutiny programme.

It was noted that the AOP would be maintained as a living document as part of the

in-year reporting and management of performance. In particular it would be updated to reflect fully the Herefordshire Community Strategy, the Local Area Agreement, the key actions in the Council's Herefordshire connects service improvement programme and the key actions in the Council's Overall Performance Improvement Action Plan, although the key issues had already been taken into account.

It was also noted that some targets, milestones and actions had yet to be determined because of the need to establish an accurate baseline.

The Chief Executive drew attention to his foreword to the Plan which highlighted the challenges facing the Council and the need to improve and to re-energise the Council's Improvement Programme, improve key processes and ensure the essential underpinning of rigorous planning and performance management was in place in all parts of the Council including the scrutiny function.

RESOLVED:

- THAT (a) the Annual Operating Plan 2006-07 and what will be done to maintain it as the basis for effective performance monitoring and management be noted;**
- and**
- (b) regard be had to the Annual Operating Plan in determining the future scrutiny programme.**

63. WORK PROGRAMME

The Committee considered its work programme.

It was agreed that an informal meeting should be held in May to consider how the work programme might be developed having regard to the Annual Operating Plan, the Community Strategy and the Council's overall improvement plan.

64. SCRUTINY ACTIVITY REPORT

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

The meeting ended at 12.35 p.m.

CHAIRMAN