

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday, 26th June, 2006 at 10.00 a.m.

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

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

In attendance: Councillors J.W. Edwards, Mrs. J.P. French, R.J. Phillips,
D.W. Rule MBE and R.M. Wilson (Cabinet Member - Resources)

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors H. Bramer and W.L.S. Bowen.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

RESOLVED: That the minutes of the meeting held on 10th April, 2006 be confirmed as a correct record and signed by the Chairman.

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

There were no suggestions from Members of the Public.

5. PERFORMANCE MANAGEMENT

(A) The Council's Overall Performance Improvement Plan

The Committee considered the Council's Overall Performance Improvement Action Plan and the proposed arrangements for reporting progress against it to Committee.

Councils are required to produce an overall performance improvement action plan following Comprehensive Performance Assessment, including Corporate Performance Assessment and Joint Area Review of Services for Children and Young People (JAR). Following its Comprehensive Performance Assessment in the autumn of 2005, the Council produced the Action Plan set out at Appendix 1 to the report. Following discussion with the Government Office for the West Midlands, the Audit Commission and the Commission for Social Care Inspection the action plan was approved by Cabinet on 27th April, 2006.

Reports on progress against the Overall Plan are being made on an exceptions basis to Cabinet as part of the normal Integrated Performance Report (IPR). The first such report was included in the IPR to the end of May, and was the subject of a

later agenda item.

The Audit Commission will be reviewing the Council's progress in implementing the Overall Plan, initially in September 2006.

On scrutinising the Overall Improvement Plan the Committee noted the following principal points.

- That as further performance elements were confirmed they would be added to the plan. This had already been done for the Children's Service elements of the Plan, with particular importance attached to the indicators and performance against the targets that related to the safeguarding of children.
- A number of local targets had been included so that significant over or under achievement against national comparators would trigger areas for concern.
- On a suggestion that the percentage of children adequately housed could be added to the key children's safeguarding performance indicators, it was noted that housing targets were included in other sections of the plan.
- With regard to the reference to the Constitutional Review Working Group in Section 4 of the plan there was a question on whether Cabinet portfolios were now aligned with Council's priorities. Scrutiny would be looked at with a view to strengthening its performance management and enquiry work.

RESOLVED:

- That**
- (a) the Council's Overall Performance Improvement Action Plan be noted;**
 - (b) the proposed arrangements for reporting progress against the Plan to the Committee be noted;**
- and**
- (c) progress against the Plan be noted as part of its consideration of the separate item on the Integrated Performance Report to the end of May 2006.**

(B) The Council's Performance Improvement Cycle

The Committee was invited to consider the Council's Performance Improvement Cycle and have regard to it in developing the scrutiny programme.

In accordance with the Council's Overall Performance Improvement Plan the previous corporate planning and budget processes had been brought together to ensure that there was a direct relationship at all stages between the planning of budgets (and other resources) and the outputs and outcomes they were allocated to achieve. The core elements of the performance improvement cycle were shown in Appendix 1 to the report. This year the cycle had not been implemented in full for the reasons set out in the report. The Plan would contribute to the medium term financial strategy and provide the basis for performance monitoring.

RESOLVED:

- That**
- (a) the new Performance Improvement Cycle be noted;**

and

(b) regard continue to be had to the Performance Improvement Cycle in the development of the scrutiny programme.

(C) Integrated Performance Report – 2005/06 End-of-Year Report

The Committee received reports on:

- (a) performance for the operating year 2005-06 against the Annual Operating Plan 2005-06;
- (b) the full set of Best Value Performance Indicators (BVPs); and
- (c) the capital budget position and corporate risks.

The report to Cabinet on 15th June 2006, covering the above suite of reports had previously been issued to Members.

The Corporate Policy and Research Manager highlighted that there were 25 indicators within the Annual Operating Plan that were linked to the LPSA2G, of which 17 had been marked as not having gone to plan, compared with 24 to January 2006. Although outturn performance had been reported against some of these indicators, they were still judged to be failing because, in the majority of cases, no target had been set. He also highlighted that of the Best Value Performance Indicators 58% had either improved or maintained performance compared to 57% last year. 36% had deteriorated, compared with 43% in 2004-05. Information was awaited on 6% of the indicators. He reported that Capital budget monitoring was the subject of a later agenda item. Corporate risk monitoring was set out at Appendix D to the report and 'new risks', principally in Adult Social Care and Children's Services, had been detailed in the report.

RESOLVED: That the report be noted.

(D) Final Revenue Outturn 2005/06

The Committee considered the final revenue outturn position for 2005/06 and associated issues.

The Director of Resources reported that Cabinet, on 15th June 2006, had agreed that the final outturn for 2005/06 be approved; the Corporate Management Board's recommendations for the carry forward of unspent budgets into 2006/7 be agreed; the creation of the new reserves in the 2005/6 Accounts be approved; and that an increase in the minimum level of general reserves and working balances of £1.5m to £4.5m or 3.75% of budgeted net revenue spending excluding schools budgets be considered as part of the Council's Medium Term Financial Plan.

During the course of debate the following principal points were noted:

- While robust financial monitoring reports were now in place, greater financial management was needed by directorates to ensure that services were delivered. Ideally each year services should be improved with a minimal underspend.
- Questioned on the base budget for Adult Social Care the Chief Executive reported that this year additional investment had been made to that service. It would be for the Council to find reductions in other areas if it considered it necessary to supply further investment to this area.
- The Chief Executive emphasised the importance of the Herefordshire Connect

Programme in driving efficiencies to release resources to support other priorities e.g. Adult Social Care..

RESOLVED: That the report be noted.

(E) Integrated Performance Report – 2006/07 April-May Progress Report

The Committee was informed of performance to the end of May 2006 against the Annual Operating Plan 2006/07 and the remedial actions taken to address areas of under-performance.

The Corporate Policy and Research Manager reported that the Council's current Corporate Plan set out the Council's objectives, priorities and targets for the three years 2006-09. The Annual Operating Plan was the detailed action plan for 2006/7, and had been updated to include the indicators in the Local Area agreement (LAA) and the Herefordshire Community Strategy (HCS). His report summarised progress in the first two months of the current operating year and included action being taken to address underperformance. Appendix A to the report provided greater detail on each of the indicators that were currently not on schedule to be achieved.

He highlighted that out of 72 performance Indicators relating to the Local Area Agreement (which now incorporated those under LPSA2G) 42 had been "red flagged". This was of particular concern and remedial action would be required.

An exceptions report on the overall improvement plan, Appendix B to the report, was regularly provided to the Leader of the Council and Chief Executive.

RESOLVED: That the report be noted.

6. REVIEW OF THE STRATEGIC SERVICE DELIVERY PARTNERSHIP - CABINET'S RESPONSE

The Committee considered the Cabinet's response to the recommendations made to it in the Scrutiny Review of the Strategic Service Delivery Partnership.

On 15th June 2006 Cabinet agreed that its response be approved, as set out in the Appendix to the report, and that consideration be given to an external consultant being engaged to undertake a brief piece of work to verify a number of aspects of the services supplied by the partnership.

Responding to questioning the Leader of the Council and the Cabinet Member (Corporate and Customer Services and Human Resources) confirmed that the Scrutiny Review report had been carefully considered and an action plan prepared. A number of concerns were already being addressed as part of the existing management initiatives. A consultant would be engaged to comment on a number of aspects including value for money under the partnership agreement.

RESOLVED: That the Cabinet's response to the findings of the review of the Strategic Service Delivery partnership, including the proposed use of an external consultant described above, be noted.

7. ICT SERVICES SCRUTINY REVIEW - PROGRESS REPORT

The Committee received a progress report from the Chairman of the ICT Services Review Group.

Councillor BF Ashton, Chairman of the ICT Services Review Group, reported that the

review was progressing with interviews and a fact finding visit being undertaken. He warned that due to problems with programming interviews the final report would be delayed.

RESOLVED: That the report be noted.

8. SCRUTINY IMPROVEMENT PLAN

The Committee were invited to endorse the Scrutiny Improvement Plan.

The Director of Corporate and Customer Services reported that in response to comments by a Peer Challenge team in Spring 2005 and a subsequent seminar involving Members of this Committee, a Scrutiny Improvement Plan had been developed. This had been revised following the Council's Corporate Assessment and the report of the consultant on the JAR Action Plan.

RESOLVED: That the Scrutiny Improvement Plan be endorsed.

9. WORK PROGRAMMES

The Committee noted the Scrutiny Committee's current and future work programmes.

Having considered at an informal meeting a discussion paper setting out a number of possible themes for the scrutiny programme and identified a number of areas to pursue, identified in the agenda report, the Committee requested that, following consultation with the Chairmen and Vice-Chairman of the Scrutiny Committees, scoping work be carried out into the areas identified.

RESOLVED:

That (a) the Director of Corporate and Customer Services be authorised to arrange for scoping work to be carried out on the areas identified in the report following consultation with the Chairmen and Vice-Chairmen of the Scrutiny Committees;

and

(b) the current Work Programmes be noted.

10. SCRUTINY ACTIVITY

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

11. PRESENTATIONS BY EXECUTIVE (LEADER, CABINET MEMBER (CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES), AND CABINET MEMBER (RESOURCES)).

The Committee received presentations by the Leader of the Council, Cabinet Member (Corporate and Customer Services and Human Resources) and Cabinet Member (Resources) on performance in 2005/06 and challenges for 2006/07.

Leader of the Council

A report had been prepared by the Leader of the Council. In presenting his report the Leader of the Council highlighted the following issues:

- The Joint Area Review of Children's Services had been resource intensive and he credited the staff for continuing the provision of services during the review period. He commented that addressing the outcome of the review was a priority for the Council. While significant improvement had already been made there was still some concern about sustaining the level of improvement.
- The Council should take a clear lead role in the community in relation to diversity issues.
- The development of an integrated planning process and medium term financial strategy was underway.
- While the Herefordshire Connects Programme may be seen as a high-risk strategy it was a programme the Council had to deliver in view of the medium term financial position facing the Council.
- While some problems had arisen over sharing budgets to ensure an effective use of resources, the Council had always been committed to partnership working.
- The continuance of the Herefordshire Primary Care Trust owed a lot to the support of the Council and the Herefordshire community.

Responding to questioning the Leader expressed some concern in relation to aspects of The Lyons Review and in particular possible changes to the allocation of Business Rates. He emphasised that as Chair of the West Midland Shire Councils, his work in connection with City Regions, and in other fora he ensured that, whenever possible, the problems faced by rural Counties were raised.

Cabinet Member (Corporate and Customer Services and Human Resources)

A report had been prepared by the Cabinet Member (Corporate and Customer Services and Human Resources). In presenting her report the Cabinet Member highlighted the following issues:

- While it had been a difficult year the Council had achieved recognition for its Website, achieved the Plain English Campaign's Crystal Mark and regained the Charter Mark for Info.
- The Corporate and Customer Services Directorate had co-ordinated the Corporate Assessment work and was sponsoring the Herefordshire Connects Programme.
- Through the development of ICT, the Herefordshire Connects Transformation Programme will integrate front line services. There will also be a change to the HR culture involving changes to accommodation and working practices for a number of staff and opportunities for some staff to further develop their skills.
- Performance Management will be a critical area and Herefordshire will learn from the best practice in other authorities.

The Committee noted the report and the following are the principal points that arose during the ensuing debate:

- The Herefordshire Connects Transformation Programme created a big opportunity for the Council and its partners. However, the experiences of other authorities would be used during the development of the programme.
- The Public Service Trust will drive other ICT related developments e.g. the sharing of data.
- A rigid discipline needed to be imposed towards business planning to ensure efficiencies in moves and re-locations.
- Vacant or unfilled posts should be assessed and the job reviewed to ensure the post was appropriate for the task. Some specific hard to fill posts would need good recruitment campaigns.

- Voluntary work and the work of the Citizens Advice Bureau (CAB) was greatly appreciated. It was however important to note the continuing substantial support from the Council to the CAB.

Cabinet Member (Resources)

A report had been prepared by the Cabinet Member (Resources). In presenting his report the Cabinet Member commented that many areas of activity had already been reported on, however, he highlighted the following specific issues:

- Given the senior management changes during 2005/06 the performance of the Directorate was steady. He outlined the changes and current situation concerning senior management recruitment.
- The finance and audit teams offered solid support to the rest of the organisation contributing to a 2005 CPA judgement of 3 out of 4 on the Use of Resources element of the inspection.
- Work was ongoing to change the financial culture of the Council.
- A Medium Term Financial Strategy would be completed by July. However, while a long-term financial forecast was being worked on, difficulties arose due to variables in government funding plans.

On questioning the delay in appointing the Head of Asset Management & Property Services the Committee were informed that initially the recruitment process had been delayed pending the appointment of the Director of Resources.

The Chairman thanked the Leader of the Council and Cabinet Members for their reports and responding to the Committee's questioning.

The meeting ended at 12.34 p.m.

CHAIRMAN