

A G E N D A

Strategic Monitoring Committee

Date: **Monday, 26th June, 2006**

Time: **10.00 a.m.**

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

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

For any further information please contact:

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**County of Herefordshire
District Council**

AGENDA

for the Meeting of the Strategic Monitoring Committee

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

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

	Pages
1. APOLOGIES FOR ABSENCE To receive apologies for absence.	
2. DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on this agenda.	
3. MINUTES To approve and sign the Minutes of the meeting held on 10th April, 2006.	1 - 6
4. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY To consider suggestions from members of the public on issues the Committee could scrutinise in the future.	
5. PERFORMANCE MANAGEMENT	7 - 94
(a) The Council's Overall Performance Improvement Plan To draw the Committee's attention to the Council's Overall Performance Improvement Action Plan and to the proposed arrangements for reporting progress against it to the Committee.	
(b) The Council's Performance Improvement Cycle To draw the Committee's attention to the Council's Performance Improvement Cycle and to invite the Committee to continue to have regard to it in the development of the scrutiny programme.	
(c) Integrated Performance Report – 2005/06 End of Year Report To report: (a) performance for the operating year 2005-06 against the Annual Operating Plan 2005-06; (b) the full set of Best Value Performance Indicators; and (c) the capital budget position and corporate risks.	
(d) Final Revenue Outturn 2005/06 To note the final revenue outturn position for 2005/06 and associated issues.	

<p>(e) Integrated Performance Report 2006/07 April-May Progress Report (To Follow) To report performance to the end of May 2006 against the Annual Operating Plan 2006/07 and the remedial action to address areas of underperformance.</p>	
<p>6. REVIEW OF THE STRATEGIC SERVICE DELIVERY PARTNERSHIP - CABINET'S RESPONSE To consider Cabinet's response to the recommendations made to it in the Scrutiny Review of the Strategic Service Delivery Partnership.</p>	<p>95 - 106</p>
<p>7. ICT SERVICES SCRUTINY REVIEW - PROGRESS REPORT To receive a progress report from the Chairman of the Review Group.</p>	
<p>8. SCRUTINY IMPROVEMENT PLAN To endorse the Scrutiny Improvement Plan.</p>	<p>107 - 114</p>
<p>9. WORK PROGRAMMES To consider the Scrutiny Committees' current and future work programmes.</p>	<p>115 - 128</p>
<p>10. SCRUTINY ACTIVITY To consider the work being undertaken by the Scrutiny Committees.</p>	<p>129 - 134</p>
<p>11. PRESENTATIONS BY EXECUTIVE (LEADER, CABINET MEMBER (CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES), AND CABINET MEMBER (RESOURCES)). To receive 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.</p>	<p>135 - 148</p>

PUBLIC INFORMATION

HEREFORDSHIRE COUNCIL'S SCRUTINY COMMITTEES

The Council has established Scrutiny Committees for Adult Social Care and Strategic Housing, Childrens' Services, Community Services, Environment, and Health. A Strategic Monitoring Committee scrutinises corporate matters and co-ordinates the work of these Committees.

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

The principal roles of Scrutiny Committees are to

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

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

PUBLIC INFORMATION

Public Involvement at Scrutiny Committee Meetings

You can contact Councillors and Officers at any time about Scrutiny Committee matters and issues which you would like the Scrutiny Committees to investigate.

There are also two other ways in which you can directly contribute at Herefordshire Council's Scrutiny Committee meetings.

1. Identifying Areas for Scrutiny

At the meeting the Chairman will ask the members of the public present if they have any issues which they would like the Scrutiny Committee to investigate, however, there will be no discussion of the issue at the time when the matter is raised. Councillors will research the issue and consider whether it should form part of the Committee's work programme when compared with other competing priorities.

Please note that the Committees can only scrutinise items which fall within their specific remit (see below). If a matter is raised which falls within the remit of another Scrutiny Committee then it will be noted and passed on to the relevant Chairman for their consideration.

2. Questions from Members of the Public for Consideration at Scrutiny Committee Meetings and Participation at Meetings

You can submit a question for consideration at a Scrutiny Committee meeting so long as the question you are asking is directly related to an item listed on the agenda. If you have a question you would like to ask then please submit it **no later than two working days before the meeting** to the Committee Officer. This will help to ensure that an answer can be provided at the meeting. Contact details for the Committee Officer can be found on the front page of this agenda.

Generally, members of the public will also be able to contribute to the discussion at the meeting. This will be at the Chairman's discretion.

(Please note that the Scrutiny Committees are not able to discuss questions relating to personal or confidential issues.)

Remits of Herefordshire Council's Scrutiny Committees

Adult Social Care and Strategic Housing

*Statutory functions for adult social services including:
Learning Disabilities
Strategic Housing
Supporting People
Public Health*

Children's Services

Provision of services relating to the well-being of children including education, health and social care.

Community Services Scrutiny Committee

*Libraries
Cultural Services including heritage and tourism
Leisure Services
Parks and Countryside
Community Safety
Economic Development
Youth Services*

Health

*Planning, provision and operation of health services affecting the area
Health Improvement
Services provided by the NHS*

Environment

*Environmental Issues
Highways and Transportation*

Strategic Monitoring Committee

*Corporate Strategy and Finance
Resources
Corporate and Customer Services
Human Resources*

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- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public Register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday, 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

PERFORMANCE MANAGEMENT

(A) THE COUNCIL'S OVERALL PERFORMANCE IMPROVEMENT PLAN

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide.

Purpose

1. To draw the Committee's attention to the Council's Overall Performance Improvement Action Plan and to the proposed arrangements for reporting progress against it to the Committee.

Financial Implications

2. There are no new financial implications arising from the creation of the Overall Performance Improvement Action Plan.

Background

3. 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 has produced the Action Plan at Appendix 1. It has been discussed with the Government Office for the West Midlands, the Audit Commission and the Commission for Social Care Inspection. It was approved by Cabinet on 27th April, 2006.
4. This Overall Plan is supported by detailed action plans for the individual sections. Some of these, such as the JAR Performance Action Plan, already exist; others are being developed.
5. Reports on progress against this Overall Plan are being made to Cabinet as part of the normal Integrated Performance Report (IPR). The first such report is included in the IPR to the end of May, which is a separate item for this meeting of the Committee.
6. These regular reports will be supplemented in the intervening months by additional reports to Cabinet where there is any significant shortfall in performance against the targets, or a risk that this could occur, together with an account of the remedial action in hand or proposed.

Further information on the subject of this report is available from
Steve Martin, Corporate Policy and Research Manager, on 01432 261877

7. The latest report to Cabinet will be presented to each meeting of the Committee. Reports on the individual detailed action plans that underpin the Overall Plan will be submitted to each meeting of the relevant scrutiny committees.
8. The Audit Commission will be reviewing the Council's progress in implementing the Overall Plan, initially in September. They have said that they will be focusing on the success of our efforts to strengthen performance management, testing this particularly in respect of children's social care. .

RECOMMENDATION

- 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.**

BACKGROUND PAPERS

- None

Herefordshire Council's Overall Performance Improvement Plan 2006

Introduction

This Plan comprises the key aspects of the Council's comprehensive programme of improvement. It provides the basis for the strategic management of performance improvement. It is underpinned by detailed action plans for the individual elements, including the Joint Area Review Performance Improvement Plan and the Adult Social Care Performance Improvement Plan. A number of these are already in place, with the others in development.

- Wider improvements than those included in this Plan continue, for instance in respect of the Youth Service, planning applications and welfare benefits.

It has been prepared with the Corporate Management Board and the Senior Management Team in the light of the 2005 Corporate Performance Assessment, the Joint Area Review of Services for Children and Young People, the Annual Audit and Inspection Letter, and the findings and recommendations of inspections generally.

It is equally rooted in the Council's own assessment of the need for continuous improvement in both customer services and greatly improved efficiency to yield high levels of savings for investment in priority services and to hold down Council Tax increases to the absolute minimum.

These considerations are at the heart of the Council's Corporate Plan 2006-09, which says:

"In a fast-changing world of increasing economic competition, social change, greater diversity and increased public expectations about the quality and flexibility of services, a successful future for Herefordshire will only be secured through an ambitious programme of continuous improvement.

"The Council is leading that programme. Developed with the enthusiastic involvement of people and organisations across the county, the new *Herefordshire Community Strategy* will set out the agreed vision for the next 15 years. Our *Local Area Agreement* with our partners and the Government will provide the core of the action plan for the next three years to turn the vision into reality.

"Recent major independent inspections rate highly our work with our partners and our achievements: despite spending power 8% lower than the average for other unitary authorities, our performance has improved against 52% of the national Best Value Performance Indicators, with 31% in the top quartile. But the inspectors also confirmed that our performance is not consistently high and that our pace of improvement should be faster. We agree.

"The Council is therefore determined to accelerate its rate of improvement and achieve a high standard of effectiveness and efficiency across all that it does.

"To do this it must:

- ensure that social care services for children are at least adequate in all respects, with priority accorded to the safeguarding of vulnerable children

- improve the performance and prospects of social care services for adults, including older people

- achieve a consistently high standard of planning and performance management across all aspects of the Council's work
- review and, if necessary, reconfigure political structures in line with our corporate priorities
- strengthen the scrutiny function in respect of its role in both performance enhancement and policy development
- increase the Council's capacity to deliver better services, by delivering its ICT and accommodation strategies and making significant further efficiency savings, particularly through the implementation of the *Herefordshire Connects* Service Improvement Programme"

⇌

This Overall Plan reflects these priorities. It begins with the *Herefordshire Connects* service improvement programme, which is the fundamental driver to achieve transformational benefits, with its three pillars of *Performance Management*, *Integrated Support Services* and *Integrated Customer Services*.

The second overarching element is the delivery of the new *Herefordshire Community Strategy* and the associated *Local Area Agreement*: leading a successful *Herefordshire Partnership* so that we match our unquestioned ambition with measurable improved outcomes for the people of the county.

The next elements of the Plan address directly the recommendations in the Corporate Assessment. At the heart of these is the rapid development and introduction of a comprehensive rolling programme of performance improvement, as an integral part of a business cycle that links corporate, service and financial planning and performance management.

These elements are followed by the Council's uppermost priorities for service improvement: social care for children and young people and for vulnerable adults, including the contribution of decent housing.

Most important of all is rapidly to ensure fully effective arrangements for safeguarding children, key steps towards which have already been taken or are in hand, as set out in the attached updated draft JAR Performance Improvement Plan.

The other elements are key cross-cutting issues that need to be followed through with renewed determination and rigour: promoting equality and diversity in all we do and seek to achieve; the development of managers and staff across the organisation to deliver sustained improvement; and ensuring truly excellent two-way communication with our customers and our staff to ensure responsive and effective services.

Performance management of this Plan

This Plan will be the basis for high-level performance monitoring and management. Its targets, milestones and actions are an integral part of the Council's Annual Operating Plan 2006-07 and will be, for the longer term, in the Corporate Plan for 2007-10.

An Overall Performance Improvement Plan Group is being established to oversee the delivery of the Plan. It will be chaired by the Director of Corporate and Customer Services, with its members including the Head of Policy and Performance. It will report in writing fortnightly to the Chief Executive.

¹ The routinely scheduled bi-monthly corporate performance reports to Cabinet, Corporate Management Board and Senior Management Team will include progress and issues relating to the Plan. These will be underpinned by monthly exception reports to Cabinet, Corporate Management Board and Senior Management Team.

The latest progress report will be provided to each meeting of the Strategic Monitoring Committee.

Effective performance management is underpinned by the Plan identifying the accountable Director and/or Head of Service for each target, milestone or action. This will be reflected in their personal objectives and targets for 2006-07, against which their performance will be judged.

Performance management of the detailed supporting action plans

Similarly rigorous arrangements are either in place, or being put in place, for the detailed supporting action plans. They already are, or will become, an integral part of the relevant directorate and service plans for 2006-07.

Progress against their targets, milestones and actions, highlighting exceptions, will be reported monthly in writing to the lead Cabinet member and to the Overall Performance Improvement Plan Group. The latest relevant report will be provided to each meeting of the scrutiny committees. The designated responsible Director and/or Head of Service will be required to ensure that significant issues threatening the successful achievement of the detailed plans are highlighted.

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Project management

This overall plan and all the supporting plans have, or will have, a designated project manager, with a proportionate approach being taken to the extent and nature of the project management required in each case.

The detailed action plan follows below. Actions that have already been completed have been shaded.

THE OVERALL PERFORMANCE IMPROVEMENT PROGRAMME

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
1. Herefordshire Connects Comprehensive programme for improved customer services and organisational improvement to deliver the Council's priorities, including £ millions efficiency savings; with a prioritised programme for implementation						
1.1 Identify the priority areas for service improvement programmes that will deliver transformational benefits	DoCCS, HoITCS	February 2006	Achieved: Project Board approval 14/02/06. Service Improvement Programme areas: Performance Management; Integrated Support Services; Integrated Customer Services	AXON; Project Board; assigned project roles	As for people/partners; continuity of the contribution by designated staff. Appointment of a permanent lead for the overall programme.	70% plus return on investment over 5 years Measurable improvements in outputs and outcomes for customers (to be confirmed in the course of approving the business cases and reflected in the implementation plans)

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Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
1.2 Develop full business cases for each of the identified Service Improvement Programme areas, including costs and benefits (the latter to include cashable and non-cashable savings)	DoCCS, HoITCS	March 2006	Final drafts presented to CMB on 11 th April and submitted for Cabinet on 20 th April.	AXON; Project Board; assigned project roles	As for people/partners	70% plus return on investment over 5 years Measurable improvements in outputs and outcomes for customers (to be confirmed in the course of approving the business cases and reflected in the implementation plans)
1.3 Develop the costed and timetabled implementation plans, including interdependencies and the ICT Strategy	DoCCS, HoITCS	TBC	Dependent on OJEU procurement and partner(s)/solution(s) selected.	Project Board; assigned project roles	TBC (will include costed spend-to-save programme for ICT and other investments, such as staff training and development)	

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
1.4 Implement the programmes	DoCCS, HoITCS	TBC	Dependent on OJEU procurement and partner(s)/solution(s) selected and agreed implementation approach/timetable.	Project Board; assigned project roles	TBC	

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
1.5 Develop and gain acceptance of a transformation programme to address the Herefordshire Connects Programme and other key authority projects	DCCS, HITCS	TBC	Draft change management approach developed; draft communications strategy developed and initial communications begun; change readiness assessments completed with change champions. Change toolkit drafted to include governance such as business case and programme/project management standards and templates; presented to CMB on 11 th April and submitted for Cabinet on 20 th April.	CMB Programme Board; SMT; HoC Change Champions; Corporate Programmes	As people/partners	Measurable improvements in outputs and outcomes for customers
1.6 Herefordshire Connects – communications	HoC	March 2006	Revised draft prepared and implementation	ICT; SMT	Support of ICT for electronic communications	Targets to be set within strategy

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
communications strategy			implementation started.		communications aspects	

Reference Documents

- Herefordshire Connects Strategy
- Business Cases for each of the 3 Service Improvement Programme areas
- ICT Strategy
- Herefordshire Connects Communications Strategy

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
2. The Herefordshire Community Strategy (HCS) 2006 - 2020 and the associated Local Area Agreement (LAA) 2006-09						
2.1 Conclude the LAA, incorporating the LPSA2G, so it is operational from 1 April 2006	DoCCS, HoPP	March 2006	Negotiations concluded successfully. Agreement with Govt. signed on 23/03/06	Cabinet; GOWM; Herefordshire Partnership Board members and secretariat, Performance Management Group,		Realistic stretch targets for improved services to customers
2.2 Develop the action plan to implement the HCS and the LAA	DoCCS, HoPP	April 2006	Drafting commenced; Performance Management (PM) Group of the Board established; PM framework being drafted	SMT; CMB; Cabinet; Partnership Board, members and secretariat	New team structure to be implemented	SMART targets (outcomes for customers), milestones and actions defined, and lead responsibility for each agreed.
2.3 Council and other Partnership members approve the HCS	DoCCS, HoPP	May 2006	Strategy drafted	Cabinet; Council; Partnership Board members and secretariat	New team structure to be implemented	Strategy adopted by all key partners as the basis for their plans and programmes

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
2.4 Implement sound performance management (PM) systems to deliver the HCS and LAA action plan, integrated with those of the Council and any public service trust - First report to the Performance Management Group and Partnership Board - First progress report provided to GOWM	DoCCS, HoPP	June 2006 to Group, and July to Board. Reports will be prepared bi-monthly. October 2006	PM template for Pls drafted using the Council's new model	Partnership Board and secretariat; Policy and Performance; ICT	Additional Research input to analysis for PM ICT investment, alongside the development of the Council's PM systems under Herefordshire Connects	Successful implementation of the action plan, particularly in terms of improved outcomes for customers

Reference Documents

- Draft Herefordshire Community Strategy
- Herefordshire's Local Area Agreement

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
<ul style="list-style-type: none"> - simpler, clearer and more consistent corporate and service performance reports - including regular reporting of performance in respect of Council-wide issues to Council, Cabinet, Scrutiny, CMB and SMT 		June 2006	New strategic PIs template developed; being populated with comparative data, milestones, actions etc. for in-year performance management		<p>(see below) and training and development, including new programme for the Managers' Forum</p> <p>PM framework now included in the Council's essential systems and its operation therefore subject to annual internal audit</p>	

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
<ul style="list-style-type: none"> - disciplined system to ensure that all proposed strategies, policies, programmes and procedures are proofed as regards Council-wide policies, including in the presentation of reports to SMT, CMB, Cabinet and Scrutiny - consider participation in the ODPM 'Performance Management - Real Improvement, Real Time' 			Meeting taken place with Pricewaterhouse Coopers on 4 th April. Consideration being given as to candidates.			
3.2 Implement a corporate-directed network of skilled policy	HoPP	May 2006	JD & PS drafted for the lead managers and have been through job	CMB; SMT	May require some additional appointments.	<i>Intermediate:</i> Better, more effective plans and performance

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
of skilled policy, planning and performance staff in all directorates and HR, focusing central assistance where most appropriate			through Job Evaluation. Discussion to secure Directors' buy-in completed. Further discussion required with the Children's Services Directorate. Discussion with the Adult & Community Services Directorate to determine individual requirements has been completed.		Review of existing structures, skills and development needs with the designated lead managers, when confirmed. Tailored individual and collective training and development programme for slotted in existing staff and new appointees. Rolling programme of network development	management [contributing to improved Direction of Travel rating]. <i>Ultimately:</i> Improved / better VFM services in accordance with the Council's priorities
3.3 All managers' SRD objectives and targets for 2006-07 to reflect the agreed non	HoPP	May 2006. Assessment of performance - September	Initial non-negotiables to CMB in May 2006.	CMB; SMT; Managers' Forum	Effective two-way communication to embed the requirements	<i>Intermediate:</i> Better, more effective plans and performance management [contributing to

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
agreed non-negotiables, including those necessary to implement the strengthened PM framework in 3.1 above		2006, December 2006, March 2007.				improved Direction of Travel rating]. <i>Ultimately:</i> Improved / better VFM services in accordance with the Council's priorities
3.4 Identify and secure appropriate performance management software as part of the Herefordshire Connects Programme.	HoPP, HoITCS	TBC as one of the priorities within the Herefordshire Connects programme	Need identified in the PM Service Improvement Programme business case under Herefordshire Connects. Awaiting further information on the next steps.	HITCS; Herefordshire Partnership	Software. Associated management and staff development programme to ensure effective rollout and operation. System to be capable of supporting Performance Management of the LAA and the Herefordshire Community Strategy.	<i>Intermediate:</i> Better, more effective plans and performance management [contributing to improved Direction of Travel rating]. <i>Ultimately:</i> Improved / better VFM services in accordance with the Council's priorities.

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
4. Review and reconfigure, if necessary, the current political structures in line with corporate priorities, particularly looking at the use of scrutiny in managing performance and in corporate policy development						
4.1 Reconvene the Constitutional Review working group	CE, Leader	Report to Annual Council in May 2006			To strengthen the capacity of senior management, a new Head of Legal and Democratic Services has been appointed and commences employment on 3 rd April.	Structure that meets future business needs
4.2 Review existing Scrutiny Improvement Plan and implement revised proposals	DoCCS, Chairman of SMC	April 2006		Committee staff	Establish the corporate-directed network of policy, planning and performance staff (see 3.2 above)	<i>Intermediate:</i> Effective scrutiny programme reflecting best practice. <i>Ultimately:</i> Demonstrable contribution of scrutiny to policy development and improved

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
						performance.
4.3 Develop a 2006 programme of enquiry visits for scrutiny members to best practice authorities	HoPP, HoLDS	June 2006		Committee staff	Members' Services Manager and Executive Officer	<i>Intermediate:</i> Effective scrutiny programme reflecting best practice. <i>Ultimately:</i> Demonstrable contribution of scrutiny to policy development and improved performance.
4.4 Propose developments to Members' Development Programme to support changes	DoCCS, HoLDS		Defined programme already exists for Members' Development Working Group			

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria	
5.							
a) Build on the investment the council has made and continue to enhance capacity through examining the effective use of ICT to transform services for people in Herefordshire							
5a 1	Develop and implement the Corporate ICT Strategy	HITCS	June 2006	Draft strategy has been prepared and being finalised; cross-referencing with the Herefordshire Connects Programme has begun; priorities for the coming year to be agreed	CMB; ICT Services; Corporate Programmes	As for people/partners	Measurable improvements in outputs and outcomes for customers, plus efficiency savings. Deliver an ICT communications infrastructure capable of enabling the Herefordshire Connects Programme, the Customer Services Strategy and the Accommodation Strategy
5a 2	Continue the rollout of the new corporate voice and data network	HITCS	April 2007	Data Centres are fitted out for the new network equipment; Plough Lane and Thorn office users have been migrated onto	ICT Services Siemens	Additional ICT engineers required to backfill	Measurable improvements in outputs and outcomes for customers, plus efficiency savings. Deliver an ICT Communications

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
			the new network; migration of the high schools has started - first phase due for completion by April; voicemail pilot roll-out due to conclude April 2006.			Communications infrastructure capable of enabling the Herefordshire Connects Programme, the Customer Services Strategy and the Accommodation Strategy

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
5a 3 Develop and implement a desktop standardisation	HITCS	April 2007	Consultant appointed to assess impact, preferred approach and potential investments required.	ICT Services Accommodation Board	Funding required to carry out a programme.	
5a 4 Ensure the authority's e-Government programme is managed through Directorates and monitored by the Information Policy Group (IPG)	HITCS	April 2006	Final IEG6 statement has been approved by CMB; on Cabinet agenda for 30/03/06; submission and acceptance by ODPM; IPG meeting 05/04/06 to ensure the handover to nominated officers	Directorate nominees		Achievement of BVPI 157 target (99% e-enablement); successful implementation of the programme; evidence of benefits to the citizens of Herefordshire.
5a 5 Ensure any outstanding priority outcomes are incorporated into the Herefordshire Connects Programme	HITCS	March 2006	Requirements included in the programme; draft business cases presented to CMB on 11 th April and submitted for Cabinet on 20 th April.	AXON; Programme Board; Assigned programme roles	As for people/Partners	Measurable improvements in outputs and outcomes for customers, plus efficiency savings.

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
Programme						
5a 6 Ensure a robust succession strategy to ensure that the programmes hitherto carried out under Herefordshire in Touch are taken forward under the aegis of the Herefordshire Partnership and reflected in its governance arrangements	HITCS	February 2006	e-Gateway continues to deliver new sites including the new community portal and the migrant workers' information site; that a sustainable commercial model for the ongoing support of the e-gateway is approved and implemented before external funding ceases; Broadband - the remaining 5 rural exchanges have been enabled; new programme launched by AWM and WMNC to address known non-spots with capital grants of upto	Herefordshire Partnership; Web Services; CAPS Programme Board	Funding strategy for sustained support of the e-Gateway platform required.	A sustainable commercial model for the support of the e-gateway is approved and implemented before external funding ceases; Evidence that Broadband usage in the remaining 5 rural exchanges across the county is encouraged and happening; a regional strategy for addressing the broadband 'black spots' is in place; that broadband usage. The pilots undertaken are deemed successful and a broader rollout programme across the county is enabled.

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
			<p>£3,000 available.</p> <p>Communications plan to be developed to promote the scheme.</p> <p>Community Access Points – 4 pilot sites agreed: Ivington, Hampton Bishop, Longtown and Michaelchurch Escley. Press launch of first site in Michaelchurch Escley planned for early June 2006.</p>		<p>Failure of local steering groups to ensure uptake and sustainability of CAPs.</p>	

Reference Documents

- ICT Strategy
- IEG6 Statement

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
5.						
b) Build on the investment the council has made and continue to enhance capacity through examining the effective use of accommodation to transform services for people in Herefordshire						
5b 1 Cabinet to confirm approach to acquiring / developing the Plough Lane site	DoR	20 th April 2006	Cabinet did not take report on 20 th April as planned. Paper now to be submitted to Cabinet on 25 th May.		Further work will be needed to introduce flexible / home working and the supporting ICT to increase the people to workstation ratio at Plough Lane so that the Council can rationalize its property portfolio in line with the Accommodation Strategy.	<i>Intermediate:</i> Implementation of the Accommodation Strategy to schedule. <i>Ultimately:</i> Measurable productivity improvements and cash savings.
5b 2 Appoint Facilities Manager for Plough Lane		May 2006 TBC				
5b 3 Complete purchase of existing building at Plough Lane		July 2006 TBC				
5b 4 Carry out adaptations to Plough Lane		October 2006 TBC				

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
5b 5 Complete internal moves at Plough Lane		October 2006 TBC				
5b 6 Complete moves from Blueschool House and Bath Street		December 2006 TBC				
5b 7 Communications strategy to support Accommodation Strategy	HoC	April 2006	Initial draft prepared	Project Board	Support of ICT for electronic communications aspects	Evaluation set in strategy (EOS)

Reference Documents

- Accommodation Strategy
- Communications Strategy (Accommodation)

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
6. Improving services and outcomes for vulnerable adults						
6.1 Adult Social Care Performance Improvement Plan	DoACS, HoSCA		New senior management structure determined and being rolled out.	Dept. of Health consultant; PCT; voluntary sector; private care sector; customers and their reps; Policy and Research Manager	Strengthened management structure to be fully developed and implemented.	<i>Intermediate:</i> Improvement in APA 2006 inspection rating to at least "Serving some people well" and "Promising prospects". <i>Ultimately:</i> Full achievement of the Improvement Plan and measurable improvements in outcomes for all the main categories of vulnerable adults
a. Improvement proposal		April 2006	Improvement proposal submitted to Dept. for Health in mid-April; Cabinet sign-off in May.	Council has appointed external project manager from PWC as recommended by Dept. for Health	Project Managers. Other: included in the improvement proposal.	Dept. for Health responds favourably to requests for additional resources/support.
b. Full Improvement		May 2006				

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
Plan - first draft						
6.2 Assessment of future social care needs and services for older people and adults with learning disabilities: <ul style="list-style-type: none"> - assessment of needs - costed options for service development 	DoACS, HoSCA	Completed April 2006 August 2006	Assessment brief and monthly milestones approved. Comparator LAs on board.	PCT; voluntary sector; private care sector; Police; Fire; customers and their reps; Policy and Research Manager	Expert consultants to advise, help develop and validate findings	<i>Intermediate:</i> Delivery of the assessment on schedule in accordance with the brief, with realistic options for improved services. <i>Ultimately:</i> Council commits to and delivers a five-year service improvement programme
6.3 Develop and implement the Older People's Strategy <ul style="list-style-type: none"> - Consultation event with older people - First draft available for consultation 	DoACS	June / July 2006 July / August 2006	Project scoped; consultation with stakeholders and agencies underway; met with 'Better Government for Older People' in February	PCT; voluntary sector; private care sector; Police; Fire service; older people and their organisations	TBC in light of the strategy.	<i>Intermediate:</i> Final strategy on schedule with clear objectives and targets. <i>Ultimately:</i> Successful delivery of the strategy with measurable improvements in outcomes for older

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
- Final strategy in place and operational		October 2006				people.
6.4 Priority being given to accommodation for single people within developments commissioned under the affordable housing development programme and achieved through planning plan	HoSH		Seeking to expand support services to young people - already a high quality service	Enabling Manager		Secure additional single person flats for care leavers (number to be confirmed).

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
<ul style="list-style-type: none"> - Affordable Housing Agreement to seek RSLs to promote the provision of single person units or under-occupation of larger units - Complete negotiations with existing support providers for expansion of outreach floating support services - Identify £500,000 capital for single-person accommodation for vulnerable young people and care leavers 		<p>May 2006</p> <p>May 2006</p> <p>May 2006</p>	<p>Agreement drafted for approval / consultation with RSLs</p>	<p>RSLs; Housing Corporation; Enabling Manager</p>	<p>Rural Housing Enabler (rural exception sites); additional sites for affordable housing via developing Local Development Frameworks.</p>	<p>Delivery of a higher proportion of single person units as a proportion of all units developed (need to establish baseline position during 2006/07).</p> <p>Additional 16 young people receiving housing related support by March 2007</p>

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
6.5 Continue to actively negotiate affordable housing provision through planning gain. - Complete review of Housing Register - Review of Empty Property Strategy - Launch new scheme with Home Zone agents to promote and deliver low-cost home ownership options	HoSH	September 2006 April 2006	2005/06 targets likely to be exceeded; priority in the Council's Fit for Purpose Housing Strategy; Prevention Service established; reduction in waiting list from 7,500 to 5,250 applicants. Scheme launched nationally and regionally in April 2006. Local operational procedures to be finalised to incorporate CBL	RSLs; Housing Corporation; Regional Housing Board; Planning Services; Parish Councils; Home Point Manager; Enabling Manager. West Mercia Housing Group Home point Enabling	Capital reserves; land availability; Affordable Housing Development Task Group to be re-established. Additional staff/resources for West Mercia	161 new affordable homes built or acquired in 2006/07. Meeting increased targets (TBC) in future years. Reduction in the number of homelessness acceptances to 417 during 2006/07. Home buy - 10 completions during 06/07 subject to funding availability.

Reference Documents

- Adult Social Care Improvement Proposal
- Homelessness Strategy

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
7. Improved services and outcomes for children & young people						
7.1 Preparation of the draft JAR Performance Improvement Action Plan	DoCS, Interim Senior Manager	First draft to CSCI and DfES in early February 2006. Revised, simplified draft in April 2006	First draft submitted in early February. CSCI and Government responses received. Revised and simplified draft action plan produced in April. Plan approved by DfES in June 2006	PCT; voluntary sector; schools; Probation; LSC; Connexions; Youth Offending Service; Herefordshire Hospital Trust	Included in the draft Action Plan proposals submitted to the Government. Recommendations on additional capacity included in the June report by the DfES commissioned consultant	Action Plan deemed acceptable by CSCI and Government

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
<p>7.2 Implementation of the JAR Performance Improvement Action Plan</p> <p>a) New threshold criteria set and rolled out</p> <p>b) Robust new management arrangements `put in place, including checks, regular reports and follow-up to ensure good practice followed</p> <p>c) Adequate arrangements for safeguarding children</p>	DoCS, Interim Senior Manager	<p>March 2006</p> <p>February 2006</p> <p>April 2006</p>	<p>Achieved on Schedule</p> <p>Achieved on Schedule</p> <p>Confirmed as being in place in the DfES consultant's June report KPI data at Appendix 1</p>	<p>PCT; voluntary sector; schools; Probation; LSC; Connexions; Youth Offending Service; Herefordshire Hospital Trust; Policy and Research Manager; critical social work friends from Salop and Worcs.</p>	As identified in the Action Plan	<p>Adequate arrangements for safeguarding children operating by April 2006.</p> <p>Achieving the targets for key safeguarding (Appendix 1)</p>

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
<p>d) Social work workforce action plan developed and being rolled out, including immediate additional capacity required.</p>		April 2006	Achieved on schedule			Qualified social work posts covered posts covered [<i>Identify % cover acceptable and current performance</i>].
<p>e) Ensure that children's social care needs are incorporated in the timetable rollout programme for Herefordshire Connects</p>		July 2006			Recruitment of IPC consultancy	Inclusion in the roll-out programme, with the earliest possible target date for the new system to be operating <i>Intermediate:</i> Improve inspection rating in APA 2006 to at least "Serving some children well" and "Promising prospects"; full achievement of Action Plan
<p>f) Design and implement effective service management systems, including for performance management</p>		TBD in July following discussion with the IPC				<i>Ultimately:</i> Measurable improvements in

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
management						C&YPs' life-chances in terms of Every Child Matters outcomes
7.3 Publish the Children and Young People's Plan 2006-08	DoCS	1 st April 2006	Published March 2006	CYY Partnership members; Children's Change Manager		Measurable improvements in C&YPs' life-chances in terms of Every Child Matters outcomes
7.4 Full SMART Forward Delivery Plan in place for: - 2006-07 (organisational and service development milestones)	DoCS	April 2006	Priorities identified in the plan to inform the action plan.	CYY Partnership members; Children's Change Manager; interim senior manager	Change Team	<i>Intermediate:</i> Specified organisational milestones <i>Ultimately:</i> Improved outcomes against targets for C&YP

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
<ul style="list-style-type: none"> - the period of the Children and Young People's Plan (organisational and service milestones, plus improved outcomes for C&YP) 		Yearly revisions building on the national improvement cycle.				

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
7.5 Secure adequate housing provision for families with young children	DoCS, HoSH		Homelessness Prevention Service now in place. Needs analysis and family support audit completed. Children's Centres development on track. Bid made for Rural Housing Enabler. Ongoing programme of Housing Needs Assessments.	Registered Social Landlords; Shelter; Planning Services; West Housing Market area partners	Change Team and Key Managers	BVPI 183a outturn 2006/07 = 0 weeks. Additional 5 units of temporary family housing. 161 affordable homes built or acquired during 2006/07. Reduction in the number of homelessness acceptances to 417 during 2006/07. Care leavers in appropriate supported housing.

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
- appoint Move-On Officer to target reducing families with young children occupying temporary accommodation		May 2006				

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Reference Documents

- Draft JAR Performance Improvement Action Plan
- Children and Young People's Plan 2006-08

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
8. Promoting equality and diversity (milestones for individual actions to be agreed April 2006)						
8.1 Complete the programme of Y3 EIA's across all services and have action plans in place	DoCCS, HoPP	September 2006	Y1&2 training given and documentation produced Training delivered to service managers who are due to undertake a Equality Impact Assessment Y3 April 11 th & 12 th	All service areas	Monitoring of actions and service changes within each directorate. Dedicated Manager post created for Equalities and Diversity from 1 st April; Diversity Assistant post confirmed and arrangements to fill are in hand.	Level 2 of the Equality standard by March 2007.
8.2 Develop and implement consultation process with designated community, staff and stakeholder groups to	DoCCS, HoPP	December 2006	Initial discussion and budget resources identified	Stakeholders; HEP; voluntary sector	Support needed from PR unit and community involvement team	Information / feedback that initiate change at service level identified in service plans.

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
underpin the rolling programme of impact assessments						
8.3 Develop information and monitoring systems for service users, staff and complaints process.	HoITCS, HoPP	March 2007	Equality categories agreed. Some budget identified Political support approved and new form used in DES consultation. Guidance leaflet produced to inform use of monitoring	Research; HR; PR	Directorate support needed to embed in service areas Training issues need to be discussed to assist with implementation of monitoring form	Data produced by all service areas regarding service users
8.4 Develop an equality action planning process for employment, pay and service delivery	HoHR	March 2007		HR; Directors		Increased number of employees from the Equality categories
8.5 Develop and implement new Disability	DoCCS, HoPP	October 2006	Timetable in place for the development of the strategy;	Stakeholders; Research.		<i>Intermediate:</i> Delivery of best practice scheme and action plan

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
Equality Scheme and action plan			meeting with disability organisations held 14 th March; survey questionnaires to employees and the public designed. Consultation with Internal staff, questioner for disabled members of staff on line for the month April			scheme and action plan to schedule. <i>Ultimately:</i> Measurable improvements in outcomes for people with disabilities.
8.6 Develop a system of self assessment, scrutiny and audit to drive the Council's continuing improvement	HoPP	March 2007				Level 5 by 2010

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
9. Ensuring that the Councils Managers and staff are able to deliver sustained improvement						
9.1 Agree timetable for achieving Investors In People, including key actions and milestones, based on 'light touch' assessment report.	HoHR	July 2006	Report to SMT planned for July	Senior Management Team	Possible consultancy support.	Agreed timetable in place.
9.2 Implementation of the Pay and Workforce Development Strategy	HoHR		Recruitment Centre in operation since 1 st April. Revised local advertising established. Turnover at 7.73% for year end March 06 Absence at 10.5dys per FTE for year end March 06			Strategy actions delivered and targets achieved. Sickness levels reduced to 9 days by March 2007 Turnover maintained at no more than 9%

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
<p><i>Children's and Adults' Social Care</i></p> <p>- develop full plan for Social Care workforce development</p> <p><i>Sickness</i></p> <p>- identify 'problem sickness areas'</p> <p>- develop action plans for improving levels of sickness in 'problem areas'</p> <p><i>Workforce Planning</i></p> <p>- scope workforce planning system requirements and identify key shortage areas</p>		<p>May 2006</p> <p>April 2006</p> <p>May 2006</p> <p>June 2006</p>	<p>Plan being developed (Social Care managers and HR).</p> <p>Report to SMT April 06 identified areas for focus with recommended actions.</p> <p>Main action identified is compliance with Managing Attendance Policy</p> <p>Work commenced, key shortage areas initially identified are Children's Social Care.</p>			

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
<ul style="list-style-type: none"> - assess good practice in workforce planning (benchmarking with Staffordshire) - recommendations for workforce planning system - implement workforce planning system 		<p>July 2006</p> <p>September 2006</p> <p>March 2007</p>	<p>Staffordshire model requested.</p> <p>Nothing to report at this time</p> <p>Nothing to report at this time</p>			

Reference Documents

- Pay and Workforce Development Strategy

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
10. Improving the Council's communications with its customers and staff						
10.1 New integrated internal and external communications strategy to be created and implemented	HoC	April 2006	New communications tool kit produced and being consulted upon. Initial draft prepared and to be consulted on in May.	Cabinet; CMB; SMT; HR; ICT; Media	To strengthen the capacity of senior management, a new Head of Communications commenced employment on 30 th January. Support of ICT for electronic communications aspects	Strategy approved by cabinet in May. Targets to be set by strategy
10.2 Annual Public Satisfaction Surveys - First annual survey results	HoPP	March 2006	Survey conducted and report written. Presented to CMB and SMT; Lead Members briefed.	Cabinet; CMB; SMT; all Managers and staff; Herefordshire Partnership	In-house team established	<i>Intermediate:</i> SMART actions to improve services identified and included in service plans.

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
<ul style="list-style-type: none"> - BVPI General Survey results - Follow-up work to establish the reasons for particular lack of satisfaction in priority areas - Supporting communications plan 	HoC	February 2007 (TBC) TBC in April 2006 March 2006	Proposal approved and being implemented.	Partnership Policy and Research.		in service plans. <i>Ultimately:</i> Improved public satisfaction levels with key services and the Council as a whole. <i>Intermediate:</i> Positive media coverage. <i>Ultimately:</i> Improved public satisfaction levels with key services and the Council as a whole.
10.3 Team briefing system to be implemented	HoC	April 2006	A new, more robust and measurable team briefing system, with feedback management, now in place	SMT; CMB		70 per cent of service areas regularly implementing team brief in year one

Action to be Taken	Lead	By When	Progress to date	People/ Partners	Additional Capacity/ Requirement	Target/Success Criteria
10.4 Communications structure to be upgraded	HoC	April 2006	Principles paper agreed	Cabinet; CMB; SMT; unions	£20,000 rise in salary costs to be top sliced through directorates – further savings to be identified	New structure being implemented and recruitment process underway in May
10.5 Significant increase in volume of positive media coverage	HoC	September 2006	Strategy and structure to be finalised		None	200 increase in volume
10.6 Internal and external communications channels to be upgraded	HoC	June 2006	Reviews of quality underway	SMT	None	Targets to be set

Reference Documents

- Draft Herefordshire Council Communications Strategy

Annual Satisfaction Survey Communications Strategy

APPENDICES

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Key children's safeguarding performance indicators

No of PI	PERFORMANCE MEASUREMENT	Position March 06	End of April 06 ***	End of May 06 ***	Target March 07*
CH141	Referrals of children in need per 10,000 population aged under 18	175	181	196	220
CH142	% of referrals that are repeat referrals within 12 months	17.2	18.0	18.3	17.0
CH143	% Referrals of children in need leading to initial assessments	54.0	49.1	44.9	60.0
DIS1704	% of initial assessments within 7 working days of referral	70.1	66.7	67.8	75.0
CH145	<i>Number of core assessments of children in need per 10,000 population under 18</i>	30.0	26.5	26.7	45.0
CH01	Number of children on child protection register per 10,000 population under 18	16.8	16.8	17.1	17.0
--	Number of Looked After Children	157	158	161	155
--	Number of children on Child Protection Register	63	63	64	63

GLOSSARY

DoCCS Director of Corporate & Customer Services

HoPP Head of Policy & Performance

HoLDS Head of Legal & Democratic Services

DoACS Director of Adult & Community Services

HoSH Head of Strategic Housing

HoC Head of Communications

HoHR Head of Human Resources

HoITCS Head of Information, Technology & Customer Services

DoR Director of Resources

DoCS Director of Children's Services

HoSCA Head of Social Care (Adults)

CDT Corporate Diversity Team

CIC Community Involvement Co-ordinator

CE Chief Executive

Document Log

Version	Status	Date of Update	Description of Change	Pages affected
	Draft		Draft for internal comment	All
V3	released	13/06/06	7.2, 7.3 amended following updates from Steve Martin	36,37

(B) THE COUNCIL'S PERFORMANCE IMPROVEMENT CYCLE

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1. To draw the Committee's attention to the Council's Performance Improvement Cycle and to invite the Committee to continue to have regard to it in the development of the scrutiny programme.

Financial Implications

2. The performance improvement cycle will operate within the Council's Medium-Term Financial Strategy.

Background

3. The Council's Overall Performance Improvement Plan, endorsed by Cabinet, says that the Council will put in place "...a strengthened performance improvement-driven business cycle that fully integrates corporate, service and financial planning."
4. The core elements of the performance improvement cycle, approved by Cabinet, are shown at Appendix 1. The timetable shown is that intended for future years. For the reasons explained below, it is not possible to start as early as this in the current year.
5. The cycle builds on the previous corporate planning and budget processes, bringing them together to ensure that there is a direct relationship at all stages between the planning of budgets (and other resources) and the outputs and outcomes they are allocated to achieve.
6. Equally, the proposed cycle is intended to ensure that performance reports, and performance management generally, address financial and service performance in the round. The integrated performance reports that have been in place since June 2005 have already sought to do this, but the full integration of corporate, service and financial planning will provide a much better basis to do this well.
7. The cycle is recognised best practice: to secure the maximum value for money; to raise performance in the context of tight financial constraints and increased demand for essential services; and to have this recognised in external assessments.
8. To enable this to be done thoroughly and effectively, particularly so as to allow adequate time for the preparation and testing of costed proposals for the three years to come, the cycle needs to begin considerably earlier than hitherto. Key is the earlier preparation of the Corporate Plan, which it is proposed should be approved by September. This will provide the high-level framework for the preparation, in most

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

cases for the first time, of three-year plans for services. This will be further facilitated by Government financial settlements from now on being for three forward years.

9. The first step in the process is to launch the annual cycle on the basis of key initial assumptions and groundrules. These will cover such matters as the Council's priorities and expectations as regards areas where services need to improve; the requirements for cash-releasing and non-cash-releasing efficiency savings; and the overall financial framework within which the Council has to operate. In this initial round of the proposed annual cycle, the financial elements of the assumptions and groundrules can only be finalised once a new (and more detailed) Medium-Term Financial Strategy (MTFS), to reflect major developments such as the *Herefordshire Connects* programme, has been approved. It is the intention to have this in place by July. In future years, it is intended to issue the assumptions and guidelines in May, so that the three-year proposals can be submitted by July. This will allow more time for the interrogation and development of the proposals.
10. From time to time, but certainly not every year, it will be necessary for the Council to undertake strategic consultation with the public and stakeholders about the Council's service priorities, and the trade-off between services and the level of Council Tax. This needs to be undertaken in good time for the results to be taken into account before the Corporate Plan for the succeeding years is approved. This was done comprehensively in the autumn of 2004, with the results being taken into account in service and budget planning for 2005-06 and in the Council's most recent Corporate Plan (2006-07 to 2008-09). Given the clear messages received from that consultation and the value of there being early strategic consultation by the incoming Executive following the May 2007 elections, it is not felt that any useful purpose would be served by carrying out such consultation in 2006.
11. The cycle will culminate in the presentation to Council of the Annual Operating Plan, including the proposed budgets to deliver the outputs and outcomes in the Plan. The proposed cycle would therefore replace the previous arrangements for budget planning. Further consideration needs to be given to the detailed arrangements for wider member involvement, including through scrutiny.
12. Members of the Committee have had regard to the new cycle in informal discussions about the development of the scrutiny programme.

RECOMMENDATION

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.

BACKGROUND PAPERS

- None

Action for a Better Herefordshire: Performance Improvement Cycle
 Integrated Corporate, Service and Financial Planning: The Motorway

	April	May	June	July	August	September	October	November	December	January	February	March	
										LG financial settlement			
	Assumptions & rules for 2007-10 planning cycle		Strategic Consultation (not necessarily every year)	Draft CP 2007-10		CP 2007-10 approved	Draft AOP 2007-08			AOP including proposed budget distribution	AOP approval including budget & Council tax setting		
		Commission 3 year proposals from CMB members											
	Draft Medium Term Financial Strategy (inc. Strategic Capital)		Final Medium Term Financial Strategy (inc. Strategic Capital)						LAA 6 month review			LAA refresh concluded	
				3 year proposals submitted by CMB members									
			CE Interrogation of CMB proposals		Briefing of Cabinet	Cabinet Interrogation of CMB proposals			Draft directorate objectives, targets & resources including corporate challenge process	Draft service objectives, targets & resources including corporate challenge process	Final draft directorate objectives, targets & resources	Final draft service objectives, targets & resources	Directorate & service objectives, targets & resources approved
					Wider member involvement						Wider member involvement		

**(C) INTEGRATED PERFORMANCE REPORT – 2005/06
END-OF-YEAR REPORT****Report By: Director of Corporate and Customer Services****Wards Affected**

County-wide

Purpose

1. To report:
 - (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.

Financial Implications

2. None.

Background

3. The report to Cabinet on 15th June, 2006 is enclosed separately for Members of the Committee.

RECOMMENDATION

THAT the report be noted, subject to any comments the Committee wishes to make.

BACKGROUND PAPERS

- None

(D) FINAL REVENUE OUTTURN 2005/06**Report By: Director of Resources****Wards Affected**

County-wide

Purpose

1. To note the final revenue outturn position for 2005/06 and associated issues.

Financial Implications

2. As set out in the Cabinet report.

Background

2. The report to Cabinet on 15th June is appended. Cabinet agreed that the final outturn for 2005/06 be approved; the Corporate Management Board's recommendations for carry forward of unspent budget into 2006/7 be agreed; the creation of the new reserves in the 2005/6 Accounts be approved; and 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.

RECOMMENDATION

THAT the report be noted subject to any comments which the Committee wishes to make.

BACKGROUND PAPERS

- None

FINAL REVENUE OUTTURN 2005/06

PORTFOLIO RESPONSIBILITY: RESOURCES

CABINET

15TH JUNE, 2006

Wards Affected

Countywide.

Purpose

1. To consider and approve:
 - the final outturn position for 2005/06;
 - Corporate Management Board's proposals for carry forward of unspent budget into 2006/07;
 - the creation of new reserves and provisions in the 2005/06 Accounts; and
 - a revision to the Council's policy on the minimum level of general reserves and working balances.

Key Decision

This is not a Key decision.

Recommendations

- That**
- (a) the final outturn for 2005/06 be approved;**
 - (b) CMB's recommendations for carry forward of unspent budget into 2006/7 be agreed;**
 - (c) the creation of the new reserves in the 2005/6 Accounts be approved; and**
 - (d) 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 agreed.**

Reasons

2. Whilst work continues on the range of tasks necessary to prepare the Council's statutory Statement of Accounts for 2005/06, it is sufficiently advanced for Cabinet to consider the final outturn for the revenue account.

3. The full Statement of Accounts for 2005/06 will be presented to the Audit Committee for formal approval on 30th June 2006. Approval on this date will meet the statutory deadline for the approval of the accounts.
4. The Audit Committee will receive a report giving additional information in respect of the 2005/06 Statement of Accounts. It will also receive routine supplementary reports on early retirements, redundancies and changes in the Council's bank account arrangements during the year.

Considerations

DIRECTORATE BUDGET OUTTURNS FOR 2005/06

5. An overall summary of the outturn position for Directorate budgets is as follows:

	£000
Directorate outturns 2005/06	
Adult & Community Services – an over spend	1,568
Children & Young People's Services – an under spend	-1,541
Corporate & Customer Services – an under spend	-1,514
Environment – an under spend	-847
Human Resources – an under spend	-70
Resources – an under spend	-135
Chief Executive's – an under spend	-13
Corporate budgets – an under spend	-1,167
Net Directorate Under Spend	3,720

6. The above table shows that the final outturn position for 2005/06 was an under spend of £3.7m on Directorate budgets. This compares to a forecast outturn for the year at month 10 of an over spend of £1.3m. Each Directorate's final outturn position was better than forecast.
7. The improved position is partly explained by an under spend at outturn of £895k on schools related budgets that was not identified at Month 10. However, the main reason for the up turn in performance appears to be service managers' reluctance to declare an under spend position for the year. The more transparent budget carry forward arrangements outlined later in this report are designed to encourage service managers to provide a more accurate assessment of spend for the year as part of routine budget monitoring procedures for the future. The revised process will ensure that budgets that are unspent at year-end for a genuine reason will be carried forward into the new financial year for continued support of corporate priorities.
8. The sudden improvement in financial performance also highlights the need to continue to develop and embed a culture for financial management where cash is treated as a corporate resource by all levels of management. Service managers will be encouraged and supported by staff in the Resources Directorate to concentrate their energies on delivering improved services at or below the available budget in line with corporate priorities rather than on protecting resources for their own particular service area.
9. The new approach to financial management the Cabinet and Corporate Management

Board is promoting provides the appropriate channels for service managers to identify additional resource needs in line with corporate priorities without the need for such a high degree of protectionism. The Council's external auditor will be looking for evidence that the new regime is 'embedded' as they review our 2006 self-assessment for the financial management theme within the Use of Resources assessment.

10. We therefore need to be able to demonstrate an improved level of accuracy in our budget monitoring arrangements for the future. Training is being provided in the coming months. There is little point in aiming for excellence in service delivery if we do not match that ambition for the areas covered by the Use of Resources assessment (financial reporting, financial management, financial standing, internal control and Value for Money). A council cannot be rated as excellent overall if it scores less than a 3 for Use of Resources.
11. The better than expected outturn position is however welcome news as it improves the Council's financial standing – one of the themes in the Use of Resources assessment – providing some additional flexibility for matching cash resources to corporate priorities into the future. The Medium Term Financial Strategy is currently in preparation for Cabinet to consider next month and will build on an improved opening resource position for 2006/07.
12. The overall under spend means that there is also scope to review the Council's current policy on the minimum acceptable level of general reserves and working balances (see paragraphs 46 to 48).
13. A summary of the key variations between outturn and budget for each Directorate is provided in the following paragraphs. Further detail is provided in Appendix A.

Adult & Community Services

14. This Directorate over spent compared to budget by £1.568m in 2005/06. The forecast outturn at month 10 was for an over spend of £3.345m. This represents an improvement in financial performance of some £1.8m.
15. The over spending on Adult Services was significantly better than the £1.5m predicted at £828k. The major areas of over spending were Learning Disability (£861k), Mental Health (£159k), Physical Disability (£330k) and Strategic Housing including homelessness (£456k).
16. Spending on services for Older People was lower than expected (£260k). Adult Services' Commissioning & Improvement was also under spent by (£430k). Spending on Community Services was below budget by some £430k.

Children & Young People's Services

17. This Directorate under spent compared to budget by £1.541m in 2005/06. This figure includes an under spend of £895k that was not forecast at Month 10. The forecast outturn at month 10 was for an under spend of £130k excluding schools budgets. This represents an improvement in financial performance of some £517k excluding schools budgets.
18. The net under spend for the Directorate of £1.541m includes £895k in respect of the standards fund and schools absence scheme which will be carried forward as any savings will not return to the Council.

19. There was an over spend on the Schools Music Service budget due to a change to billing in arrears (£320k) and Joint Agency Management SEN placements (£342k).
20. There were significant under spends on school transport (£953k) and SEN placements in independent schools (£452k).
21. The provisional level of school balances as at 31st March, 2006 is £8.653million, approximately £309,000 or 3.5% less than the total as at 31st March, 2005. Primary School Balances have reduced by £754,000 or 12.5%. Secondary school balances have increased by £532,000 or 21.2% and special school balances are £88,000 or 21.3% less.
22. A full report on the level of school balances at the end of the financial year 2005/06 will be considered at the next Schools Forum.

Corporate & Customer Services

23. This Directorate under spent compared to budget by £1.514m. The forecast outturn at month 10 was for an under spend of £219k. This represents an improvement in financial performance of some £1.3m.
24. The ICT trading budget was in deficit at year-end by £95k due to under recovery of Service Level Agreement income from schools and an over spend on decommissioning the Operations Room. This deficit will need to be recovered in 2006/07.
25. The ICT base budget was under spent by £903k for the year mainly due to delays in projects with links to the Herefordshire Connects programme. The other main under spends for this Directorate were in Policy & Performance Management (£147k), the Herefordshire Partnership (£142k) and Info in Herefordshire (£185k).

Environment

26. This Directorate under spent compared to budget by £847k. The forecast outturn at month 10 was for an under spend of £30k. This represents an improvement in financial performance of £817k.
27. The major areas of over spending included Highways Winter Maintenance (£353k), Street Cleansing (£230k) and Public Conveniences (£101k). One of the reasons for the recommended revision to the Council's policy on the minimum level of general reserves and working balances is to provide additional capacity in the event of a severe winter. The existing earmarked reserve for this purpose stands at just £108k and would be used first in the event of an unavoidable over spend.
28. Planning fee income was £421k higher than budgeted for the year. There was slippage in Planning Development grant of £209k and an under spend on Conservation services of £104k. There was also an under spend on street lighting of £280k. Car Park income was £178k higher than budgeted for the year.

Human Resources

29. This Service under spent compared to budget by £70k. The forecast outturn at month 10 was for a spend at budget.
30. The main reasons for the under spend were slippage in corporate training programmes and Health & Safety audit work and Employee Wellbeing days. A budget carry forward request has been approved for recommendation to Cabinet by CMB to complete this work in 2006/07 given its relevance to corporate priorities.

Resources

31. This Directorate under spent compared to budget by £135k. The forecast outturn at month 10 was for an under spend of £125k.
32. The Directorate managed to a bottom line position as Cabinet now require all Directorates to do. There were however significant variations within the Property Services budget. An over spend on Administrative Buildings (£561k) was more than offset by under spends on Industrial Estates (£400k) and Retail Properties (£182k).

Corporate Budgets

33. Corporate budgets showed an under spend of £1.167m at outturn. The forecast outturn at month 10 was for an under spend of £807k. This represents an improvement in financial performance of £360k.
34. The main reasons for the under spend compared to the original budget are as follows:
 - Lower than budgeted Housing Benefits expenditure which was not identified at Month 10 (£411k);
 - Local Authority Business Growth Incentive grant income not included in the original budget for the year (£602k);
 - Lower than budgeted spend on insurances (£143k);
 - No call on the Environment Agency levy contingency required (£134k); and
 - West Mercia Supplies dividend not included in the original budget (£262k).

DIRECTORATE BUDGET CARRY FORWARD PROPOSALS

35. The better than anticipated overall outturn position indicates that areas of the budget are under less pressure than others despite the views of service managers as expressed in routine budget monitoring reports.
36. With this in mind, Corporate Management Board, working as a team, sought to ensure that total budget carry forwards into 2006/07 did not exceed the £3.7m of Directorate under spends in 2005/06 outlined in the table in paragraph 5. This was necessary as the initial list of 'bids' for budget carry forward exceeded the total available by some £1.m.
37. CMB also sought to ensure that budget carry forward requests supported key corporate priorities. CMB therefore agreed the following set of principles as a basis of determining which bids to recommend to Cabinet for approval:
 - Allocating budget in 2006/07 for corporate priorities such as the Accommodation Strategy and the Edgar Street Grid project (£663k);
 - Carry forwards that have matching external funding;
 - Carry forwards that support corporate improvement priorities;
 - Carry forwards that support Directorate efficiency / improvement plans; and
 - Earmarking any remainder for Herefordshire Connects related priorities (£1.9m has already been set aside for this purpose).

38. The following table summarises CMB's proposals for budget carry forwards:

	£000
Total under spend available for carry forward	3,720
Less:	
Schools related under spends that would otherwise be lost	-895
Corporate top-slice	-663
Chief Executive's Development Fund	-20
Chairman's Fund	-9

Total available for Directorate carry forwards	<u>£2,133</u>
CMB recommendations for Directorate carry forwards:£000	
Adult & Community Services	161
Children & Young People	414
Corporate & Customer Services	364
Environment	413
Human Resources	49
Resources	85
Remainder for topping up reserves/Herefordshire Connects	647

	<u>£2,133</u>

39. More detail on the carry forward bids and those recommended by CMB to Cabinet for approval can be found in Appendix B.

GENERAL RESERVES

40. Various items of expenditure were met from general reserves in 2005/06. These have been allowed for in the outturn position reported above. The approach to using general reserves has been consistent with decisions taken in previous years or outlined in the financial sections of the Integrated Performance Reports for the year.

41. The following table sets out the items of expenditure paid for from general reserves:

Item	£000	Comment
Claw back of Revenue Support Grant	315	Government adjustments from previous years
Herefordshire Connect initial costs	150	Consultancy support & accommodation
Job Evaluation implementation costs	125	Staffing & consultants costs
Funding repaid to ODPM	123	SRB grants in respect of 1998/99
Miscellaneous	234	Including funding for backfilling a Unison post, CPA costs, HR changes and the Accommodation Strategy
Change management in Children's Services	50	£200,000 remains available to spend in 2006/07.
TOTAL	997	

42. Having considered the outturn position for 2005/06 and CMB's budget carry forward proposals, it is now possible to update Cabinet on the level of general reserves as at 31st March 2006.
43. Cabinet will recall that the Director of Resources was forecasting that there would be approximately £6m in general reserves at the end of the 2005/06 financial year based on service managers' expectations on outturn for the year at that time and policy decisions on dealing with over spend positions. This figure excluded the unspent Invest to Save budget for the year of £1.9m which is now an earmarked reserve for the Herefordshire Connects programme. It also excluded a sum of £1.4m set aside for the Waste Management PFI project that this report recommends treating as an earmarked reserve for the future.
44. When the budget for 2005/06 was set, a contribution from the general reserve of £4.1m was necessary to balance the revenue account for the year. Because the outturn position for the year is much improved, a small contribution to the general reserve of £34k will be made instead.
45. The closing position for the year on the general reserve (excluding the budget carry forward bids of £3.7m) is now anticipated to be £10.4m. The main reason for this increase is the reduced level of over spending in Adult Services, Property Services and Strategic Housing. It is also helped by a surplus position on the Financing Transactions budget for the year of £1.8m.
46. The improved outturn position and hence the level of general reserves provides the opportunity to review the Council's policy on the minimum level of general reserves that the Director of Resources signalled in her budget report to Council in March was appropriate at the first available opportunity.

47. This particular policy has not been reviewed since 1998. At that time, it would have offered a suitable level of comfort in the event of an unforeseen contingency. A minimum level of £3m now only represents 2.5% of the net revenue budget for 2006/07 excluding schools. This is the range for the minimum level recommended by the Chartered Institute of Public Finance & Accountancy (CIPFA) is 2.5% to 5%. The Director of Resources advises Cabinet that the current policy is barely adequate given the financial risks outlined in her recent budget reports and those emerging in this outturn report such as dealing with the expenditure in excess of budget if there is a severe winter.
48. The Director of Resources therefore recommends that the opportunity is taken to revise the lower limit on general reserves upwards by £1.5m to £4.5m. This would provide a general reserve that represented 3.75% of net revenue spending excluding schools. This is still not excessive in terms of CIPFA guidance.

RESERVES

49. The Director of Resources requests that Cabinet approve the creation of the following new earmarked reserves in the accounts:

Title	£000	Reason
Waste Management	1,366	Previously this amount was shown under General Reserves. The amount has been built up in recent years to provide funding flexibility following the renegotiation of the Waste Management Contract.
Herefordshire Connects	1,928	A reserve has been created from the remaining 2005/06 Invest to Save Budget in order to fund initial Herefordshire Connects expenditure.
Wye AONB	93	Amount held by the Council as the Accountable Body for Wye AONB initiatives.
LATS	19	This reserve has been set up as part of the new arrangements for the Landfill Allowances Trading Scheme
College Hill Community Centre	180	Money received from an insurance claim following the burning down and demolishing of the old building. To be used to fund a new Community Centre.
Elections	89	A new reserve is to be set up to help facilitate the Election Budget over the four-year period.
Members Services	30	To fund increasing Members' ICT costs arising from increased use and the forthcoming elections.
School Energy Audit	50	An "invest to save " commitment made to schools in the light of the increased energy costs.

Risk Management

The Council is required to publish end of year BVPI outturns by 30th June and to ensure the closure of accounts within statutory deadlines. Failure to do so carries a reputational risk for the Council in relation to its corporate governance role.

Consultees

The relevant internal officers have been consulted. No external consultation was considered necessary.

Background Papers

None identified.

2005/06 Outturn Summary of Major Variations

Adult and Community ServicesAdult Services

	£000	
<i>Overspendings</i>		
Learning Disabilities	861	
Mental Health	159	
Physical Disabilities	330	
Service Strategy	99	
Section 31 (PC host)	<u>69</u>	
		1518
<i>Less underspendings</i>		
Older People	-260	
Commissioning Improvement	<u>-430</u>	
		<u>-690</u>
Net overspending Adult Services		<u>828</u>
2004/5 Social Care overspending		<u>714</u>

Strategic Housing

<i>Overspendings</i>		
Homelessness	<u>593</u>	
		593
<i>Less underspending</i>		
Enabling Activities	-36	
Private Sector Housing	-62	
Other services	<u>-39</u>	
		<u>-137</u>
Net overspending Strategic Housing		<u>456</u>

Community Services

<i>Overspendings</i>	£000	
Parks and Countryside	213	
Leisure Contracts	134	
Other Services	<u>2</u>	349
 <i>Underspendings</i>		
Cultural Services	-28	
Sports and Physical Activities	-32	
Community Leisure Partnerships	-70	
Community Safety	-202	
Library Services	-12	
Heritage Services	-50	
Social and Economic Regeneration	-340	
Edgar Street Grid	-45	
		<u>-779</u>
Net underspending Community Services		-430
Net overspending Adult and Community Services		<u>1,568</u>

Children & Young People

<i>Underspends</i>	£000	
Committed to be carried forward		
Standards Fund (Local Authority contribution)	-565	
Pupil Referral Units – LMS balances	-225	
Schools Absence Scheme	<u>-105</u>	-895
 <i>Underspends (general)</i>		
Recoupment – income for extra district pupils	-64	
SEN placements in independent schools – education only	-452	
Transport	-953	
Surplus at end of ESF school projects	-61	
Nursery education funding for 3 and 4 year olds	-117	
Awards & grants Worcs CC Service	-103	
SEN central staffing	-28	
Banded funding	-22	
Youth service	-53	
Children’s Social Care	<u>-61</u>	
		-1,914
 <i>Overspends</i>		
PFI – additional commitments in Whitecross	153	
Music Service – change to billing in arrears	320	
Severances (incl. August 2006 commitments)	156	
LEA swimming pool	20	
ICT – Service Level Agreement	65	
Joint Agency Management SEN placements	342	
Change Management Team	129	
School meals – kitchen improvements	75	
Other net variation	<u>8</u>	
		1,268
Net underspending Children’s Services		<u><u>-1,541</u></u>

**Corporate and Customer Services
(excluding ICT)**

	£000	
<i>Overspendings</i>		
Land Charges	94	
Coroners	48	
Legal Services	<u>123</u>	
		265
<i>Underspendings</i>		
Policy and Performance Management	-147	
Communications	-36	
Herefordshire Partnership	-142	
Corporate Policy	-96	
Information Services	-18	
Info in Herefordshire	-185	
Members Expenses	-59	
Elections	-89	
Other Services	-104	
ICT	-903	
		<u>-1,779</u>
Net underspending Customer and Corporate Services		<u>-1,514</u>

EnvironmentEnvironmental Health and Trading Standards

<i>Overspendings</i>	£000	
Licensing	67	
Recycling	299	
Other services	<u>67</u>	433
<i>Underspendings</i>		
Trade Waste Collection	-282	

Planning

<i>Overspending</i>	£000	
Legal Fees	<u>117</u>	117
<i>Underspendings</i>		
Additional fee income	-421	
Staffing	-158	
Conservation	-104	
Planning Development Grant Carried Forward	-209	
Other Services Various	-58	
		<u>-950</u>
Net underspending Planning		<u>-833</u>
Domestic Waste Collection	<u>-88</u>	
		<u>-370</u>
Net overspending Environmental Health and T S		<u>63</u>

Highways and Transportation

<i>Overspendings</i>	£000	
Winter Maintenance	353	
Street Cleansing	230	
Public Toilets	<u>101</u>	684
<i>Underspendings</i>		
Street Lighting	-280	
Road maintenance	-257	
Additional Parking Income	-178	
Public Rights of Way	-46	
		<u>-761</u>
Net underspending Highways and Transportation		-77
Net underspending Environment		<u>-847</u>

Human Resources

<i>Underspends</i>	£000	
Corporate Training	-21	
Occupational Health	-21	
HR Teams	-18	
Diversity	-10	
Net underspending Human Resources		<u>-70</u>

Resources

	£000	
<i>Overspendings</i>		
Administrative Buildings	561	
Property Maintenance	38	
Markets and Fairs	259	
Customer Services	14	
Agriculture Services	<u>6</u>	
<i>Underspendings</i>		878
Highways Depots	-113	
Other Corporate Properties	-182	
Management and Admin	-286	
Industrial Estate	-400	
Other services	-32	
		-1013
Net underspending Resources		<u>-135</u>
Chief Executives (including Development Fund)		
Net underspending		-13

Corporate Budgets

	£000	
<i>Overspendings</i>		
CPA costs	95	
Herefordshire Connects	150	
JE Implementation	125	
Other Services	<u>15</u>	
		385
<i>Underspending</i>		
Housing Benefits	-411	
Business Incentive Grants	-602	
Corporate Insurances	-143	
Environment Agency Levy contingency	-134	
WMS supplies divided	<u>-262</u>	
		<u>-1552</u>
Net underspending Corporate Budgets		<u>-1167</u>
Net Directorate Underspending		<u>-3720</u>

ADULT AND COMMUNITY SERVICES					
Summary					
The Directorate was £1.6m overspent for the year. This was a lower than anticipated overspend due to an improved position at year-end on adult social care and homelessness, and an under spend on community services budgets. Some budget carry forwards are desirable in line with CMB's agreed principles despite the overall over spend position for the Directorate.					
Service Area	Budget Heading	Carry Forward Requested £000	Reason	CMB's agreed position	Carry Forward Recommendation £000
Strategic Housing	Homelessness	93	Unspent Invest to Save Allocation	Support – needed to deliver budget reductions for this service	93
Community Services	Community Regeneration	45	Funding to support ESG project in 2006/07	Delete – covered in top slice	-
-	Economic Development	90	Funding to support ESG project in 2006/07	Delete – covered in top slice for 2006/07 but funding for 2007/08 and beyond needs further consideration	-
-	Community Regeneration	70	Outstanding commitments re South Wye SRB Programme	Delete – reserve fund of £96k available to cover costs incurred in 2006/07	-
-	Community Regeneration	15	Annual cost of actuarial strain for a redundancy	Delete – too small – manage within existing resources	-
-	Community Safety	202	Relates to Home Office and other match funding contributions for 2006/07	Support – otherwise external funding will be lost	202
-	Leisure Services Deficit	-134	To be paid by Halo	Support – only convenient way of tracking this sum due to the Council	-134
-	Various	50	Directorate moves	Delete – covered in top slice	-
		431			161

CHILDREN AND YOUNG PEOPLE					
Summary					
There were under spends on ring-fenced schools budgets of £895k which will automatically carry forward into the new financial year. The outturn position for the year on the non-schools budgets was a higher under spend than anticipated as the pressure on children's social care budgets was contained within budget.					
Service Area	Budget Heading	Carry Forward Requested £000	Reason	CMB's agreed position	Carry Forward Recommendation £000
Integrated Services & Inclusion	-	235	Additional known placements and loss of anticipated PCT funding in S31 pooled budgets for 2006/07	Support – corporate improvement plan. Further resources available if needed in Change Management Reserve (£200k)	235
Corporate	-	70	Directorate moves	Delete – covered in corporate top slice	-
Safeguarding	-	44	CRB checks on school staff	Support – Child Protection/ statutory requirement	44
Safeguarding	-	35	Includes external funds for Local Safeguarding Children's Board	Support – external funds would be potentially lost	35
Integrated Services & Inclusion	Youth Service	53	To meet unmet budget items	Defer – Youth Service consistently under spends	-
Safeguarding	-	209	To meet projected over spends on social care and help avoid the need to call on social care contingency of £1.3m	Partially support – social care did not over spend in 2005/06 due to use of one-off grant despite forecast. The social care contingency is under significant pressure from adult social care and there is a social care.	100
		646			414

CORPORATE AND CUSTOMER SERVICES					
Summary					
The underspend for the year was significantly higher than anticipated, mainly due to delays in ICT projects funded from the base budget. The initial list of carry forwards exceeded the under spend. The Directorate has inherited a number of non ICT budgets where spending has been higher than the base budget – a problem that needs permanent resolution. It is assumed that the ICT trading deficit in 2005/06 will be recovered in 2006/07.					
Service Area	Budget Heading	Carry Forward Requested £000	Reason	CMB's agreed position	Carry Forward Recommendation £000
Policy and Performance Management		40	Contribution from Race Equality Partnership to be carried forward to fund agreed diversity work and one-off cost of restructuring the service	Support – external funding could be potentially lost and organisational development issues arising from senior management review	40
Diversity		30	Impact assessments planned for 2005/06 but not completed due to capacity issues	Support – supports corporate improvement plan	30
Communications		50	Possible one-off costs of restructuring	Support – for this purpose if needed as an organisational development issue resulting from senior management review	50
Herefordshire Partnership		107	Question marks over ability of partners to continue contributing to the Partnership. The Community Strategy needs funding and there are back filling issues arising from Herefordshire Connects and the LAA	Support – for these purposes if needed as they supports corporate priorities	107
Policy Development Fund		15	Money earmarked to fund support to the Voluntary Sector around LAA	Delete – too small – manage within existing base budget plus carry forwards	-

CORPORATE AND CUSTOMER SERVICES Cont.					
Service Area	Budget Heading	Carry Forward Requested £000	Reason	CMB's agreed position	Carry Forward Recommendation £000
Archive Unit		10	To fund feasibility study for Lottery bid to extend building	Delete – too small – manage within existing base budgets plus carry forwards	-
Info in Herefordshire		183	Required to fund the one-off costs of the contact centre which now forms part of the Herefordshire Connects Programme	Defer – explore possible links to the Herefordshire Connects programme	-
Members Services		59	To fund the increase in ICT SLA as more members use ICT, plus likely additional costs arising from elections	Reduce – election is in 2007/08 and create reserve to smooth impact of election costs on budget	30
Registration Services		36	To fund restructure of service and move to Town Hall	Delete – removal costs covered in top slice and remainder too small – manage within existing budgets	-
Electoral Registration		22	Implications of new legislation	Support – legal requirement	22
Elections		89	Accumulated carry forwards to offset cost of elections in May 2007	Delete – create reserve of £118k to include this item and members ICT above. Transfer unspent base budget to this reserve annually. More appropriate accounting treatment	-
ICT	CRM	29	Project delayed due to difficulties securing Plough Lane Info by Phone site and problems with recruitment. Post now filled and needs funding into the future	Query – need to clarify whether base budget funding already exists	-

CORPORATE AND CUSTOMER SERVICES Cont.					
Service Area	Budget Heading	Carry Forward Requested £000	Reason	CMB's agreed position	Carry Forward Recommendation £000
ICT	ICT Budget	306	Funding required for the continued upgrading of the corporate data storage facility and server consolidation £250k already committed	Defer – explore possible links to the Herefordshire Connects programme	-
ICT	Electronic Records Document Management	2	Small sum to be carried forward as a contingency	Delete – too small – manage within existing resources	-
ICT	ICT Services	405	£320k committed to the Corporate Active Directory project which is ongoing and a further £85k has been contracted with Mary Gober International for Corporate Customer Services training	Support customer services training - corporate strategy. Defer bid for Corporate Active Directory – explore possible links to the Herefordshire Connects programme	85
ICT	HIT Programme	291	Funds required for committed ongoing development and maintenance thus alleviating budget pressures	Defer – explore possible links to the Herefordshire Connects programme	-
ICT	CAPS	12	Small balance to complete work	Delete – too small – manage within existing resources	-
ICT	IEG Contingency	105	Funding from this contingency will be required	Query – more information needed	-
		1,791			364

ENVIRONMENT					
Summary Planning income was higher than forecast and highways spending more in line with the budget for the year than expected.					
Service Area	Budget Heading	Carry Forward Requested £000	Reason	CMB's agreed position	Carry Forward Recommendation £000
Planning	Conservation	104	To fund the continuation of various projects to conclusion	Support – one-offs needed to complete work in progress	104
Highways & Transportation	-	19	Partnership contributions to continue funding the work on the Rotherwas Travel Plan	Delete – fund from remainder of £96k reserve for the South Wye SRB	-
Planning	Planning Delivery Grant	209	Carry forward PDG	Support – maximise use of external funding	209
Highways & Transportation	Winter Maintenance	100	Contribution to Winter Maintenance Fund to cover adverse weather conditions	Defer – Winter Maintenance provision stands at £108k increase minimum working balances so there is sufficient to release additional funding in the event of a severe winter	-
Highways & Transportation	Street Lighting	143	Require to meet backlog in Street Lighting works from 2005/06 to achieve planned level of service	Defer – base budget provision available in 2006/07 – need to rephrase work programme	-
Planning	-	125	To meet outstanding costs of the UDP Inquiry and Adoption process and ongoing cost of implementing transition from the UDP to the LDF development plan	Defer – assume will be met by planning fee income in excess of target	-
Highways & Transportation	Street Lighting	100	Invoices fro 2005/06 relating to electricity, Christmas lights etc. identified after final accounts closedown	Support – unavoidable commitment – adjusting year end figures if possible rather than using carry forward route	100
		800			413

HUMAN RESOURCES					
Service Area	Budget Heading	Carry Forward Requested £000	Reason	CMB's agreed position	Carry Forward Recommendation £000
-	Corporate Training	21	Relates to planned work not carried out for: <ul style="list-style-type: none"> ■ Management Competence Development ■ Senior Management Leadership Development ■ Customer Relationship Skills 	Support – meets corporate priorities	21
-	Diversity	10	Planned training did not go ahead for Equality Impact Assessments and subsequent training	Support – meets corporate priorities	10
-	Occupational Health	18	The Health and Safety Audit and Employee Wellbeing days planned for 2005/06 are now taking place in 2006/07	Support – meets corporate priorities	18
		49			49

RESOURCES					
Service Area	Budget Heading	Carry Forward Requested £000	Reason	CMB's agreed position	Carry Forward Recommendation £000
-	-	50	Recruitment and selection process for new Heads of Service posts	Support – expenditure committed as a consequence of senior management review	50
-	-	35	Council match funding for project to upgrade Comino document management system	Support – use for this purpose if exception request supported as service improvement is a corporate priority	35
-	-	30	Proposal to fund property strategy reviews & co-ordinate S106 activity	Delete – use additional fee income to cover any upfront costs	-
		20	Directorate moves	Delete – covered in top slice	-
		135			85

REVIEW OF THE STRATEGIC SERVICE DELIVERY PARTNERSHIP – CABINET’S RESPONSE

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1. To consider Cabinet’s response to the recommendations made to it in the Scrutiny Review of the Strategic Service Delivery Partnership.

Background

2. In April 2006 this Committee approved the findings of the Scrutiny Review of the Strategic Service Delivery Partnership, which comprises the Council, Herefordshire Jarvis Services Ltd and Owen Williams Ltd. The report was then submitted to the Leader of the Council for the Executive to consider.
3. Cabinet considered its response to the findings on 15th June 2006. A copy of the report is appended. Cabinet agreed that the response be approved and that consideration be given to engaging an external consultant to undertake a brief piece of work to verify a number of aspects of the services supplied by the Partnership.
4. This Committee had previously agreed that, subject to Cabinet’s response, it would review progress made in response to its recommendations in six months time.

RECOMMENDATION

THAT Cabinet’s response to the findings of the review of the Strategic Service Delivery partnership be noted, subject to any comments which the Committee wishes to make.

BACKGROUND PAPERS

- None

RESPONSE TO THE REVIEW OF THE STRATEGIC SERVICE DELIVERY PARTNERSHIP

PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

15TH JUNE, 2006

Wards Affected

County-wide.

Purpose

To set out the Cabinet's response to the recent Strategic Monitoring Committee's review of the Strategic Service Delivery Partnership between Herefordshire Jarvis Services, Owen Williams and Herefordshire Council.

Key Decision

This is not a Key Decision.

Recommendation

THAT the response to the Strategic Monitoring Committee's review of the Strategic Service Delivery Partnership be approved.

Reasons

The report of the Strategic Monitoring Committee represents the first major scrutiny of the operation of the partnering arrangements that the Council has with Herefordshire Jarvis Services Limited and Owen Williams Limited since these arrangements were instituted in September 2003. Recommendations from the review have been considered and an action plan prepared.

Considerations

1. The Herefordshire Strategic Service Delivery Partnership (The Partnership) began on 1st September, 2003 with the award of initial 10-year contracts to Herefordshire Jarvis Services Limited (HJS) and Owen Williams Limited. Herefordshire Jarvis Services Limited is a joint venture between Herefordshire Council and Prismo Limited, a wholly owned subsidiary of Jarvis plc. The arrangements have their origins as a result of a decision in 2001 to review the operation of Herefordshire Commercial Services, the Council's in-house Direct Service Organisation, and to examine whether the private sector could offer a better service.
2. By July 2005 performance had been mixed and it was clear that all parties would have to continue to develop the joint working arrangements to extend good working practices across the services and overcome some initial problem areas. Nevertheless it was also the case that there had been significant improvements in many service areas since the partnership arrangements were instituted.

3. Against this backdrop, at its meeting on 1st July, 2005, the Strategic Monitoring Committee agreed to scrutinise the operation of the Council's contract with Herefordshire Jarvis Services. The desired outcomes from the review were: to establish that the aims and objectives contained in the Service Delivery Agreement are being met; to establish that the Council is receiving value for money; and to establish that the Partnership is meeting the priorities of the Council's Corporate Plan.
4. The Review Group commenced work in October 2005 and took written and oral evidence from a number of witnesses from all three members of the partnership. The final report was published in April 2006.
5. The review report provides a useful basis for further development of the contract and reflects the broad direction being pursued in developing the work. Whilst evidence was received which would support many of the conclusions reached by the Review, those giving evidence could not always provide quantitative evidence nor specific examples to support the headline assertions that were made. Whilst this does not invalidate the conclusions reached, the lack of such evidence does make it difficult to assess the levels of concern expressed and thus prioritise improvement. In addition, a number of important questions set out in the original terms of reference were not fully addressed in the review. For example, it was not possible to consider the method of measurement of the aims and objectives nor the ability of the Partnership to meet the aims of the Council's Corporate Plan. Nevertheless, the recommendations do need to be addressed individually and the Executive will have to prioritise activity against that background.
6. It is important to note at the outset that although the report is critical of the partnership arrangements in a number of respects it does also bring to light many positive aspects of the partnership. Whilst understandably the report concentrates on further improvements to the contractual arrangements, it does not fully balance those with the real improvement and added value which the contract offered over those which had operated under the previous DSO trading as Herefordshire Commercial Services. Whilst the report makes passing reference to a number of these issues, it is felt that there could have been a greater recognition of issues such as improved health and safety practices; health and safety compliance; improved sub-contractor registration; improvements in the quality of work; improvements in quality of service on the ground and associated efficiency savings.

These all contribute to improved value for money from the new arrangements.

7. It is also felt that recognition could have been given to the inevitable delay in progressing some of the items raised given the context of the potential sale of HJS to a third party and the protracted negotiations around that proposal. Inevitably, this meant that for the duration of that period less attention was given to driving forward improvements in the contract itself.
8. However, the review identified a number of concerns and recommended that action be taken.
9. The Review Group's report is welcomed as an important and timely contribution to the partnership arrangements that the Council has entered into. The report has been carefully considered and the response to the specific conclusions and recommendations of the Review Group's report is set out below. The corresponding action plan is shown in Appendix 1.

10. **That the scope for further improvements in the working practices of both HJS and the Council should be vigorously explored.** Taken in isolation this recommendation could be construed as implying that working practices are poor; it is not accepted that this is the case since working practices within the partnership are considered generally good and a number of examples of this were mentioned in evidence heard by the Strategic Service Delivery Review Group; indeed, the Review Group's report itself states that working practices have improved. Examples of good practice include health and safety practices, enhanced staff training, better early contractor involvement in schemes, and an increased focus on the programming of works rather than a reactive approach. Nevertheless, in any business, working practices are always susceptible to improvement and a number of initiatives are already underway to identify and capture such enhancements. These include: a relationship development activity involving members of the senior management group from both the Council and HJS, a management consulting assignment that is examining the business processes within HJS with a focus on identifying areas of improvement in operations and support functions, initiatives to improve communications at all levels within the partnership framework, and an initiative aimed at improving the partnership performance management arrangements in respect of both data capture and data interpretation.
11. **That each partner needs to have a clearer understanding of what each can contribute to the Partnership to improve service delivery and consider what can be done to remove the barriers which are impeding progress, with the Council proactively seeking to draw on the expertise available from Jarvis which HJS representatives have said is available.** The facilitated relationship development exercise launched in April and involving the senior management teams from both partners has made significant advances both in generating the improved mutual understanding and in the removal of barriers impeding progress. Specific work streams undertaken by the senior management group that are addressing these include: the development of a clear joint understanding of the partnership's objectives and how the interests of the Council and HJS can be aligned in pursuit of these objectives, the rebranding of the partnership in terms of overall vision and mission statement, the promotion of autonomy and accountability throughout the management structures of the partners, and the development and rollout of integration between partner work teams.
12. **That HJS be encouraged to revisit its business planning process.** The obligation upon HJS to have a process for annual business planning is captured in the Shareholders Agreement between Herefordshire Council and Prismo Limited executed on 1st September, 2003 which sets out the terms and conditions on which the Council and Prismo as shareholders have agreed to establish HJS, as well as the rights and obligations of each party. Under the Agreement, Prismo Limited must ensure that the directors of HJS prepare a draft business plan prior to the commencement of each financial year. This would have implied the preparation of business plans in March 2004, 2005 and 2006. In practice the level of adherence to this provision of the Shareholders Agreement has been relatively rudimentary until 2006 when a draft business plan was duly produced by HJS in early March and submitted to the Council in time for review and comment before the start of the financial year. The preparation of the current business plan has benefited from an improved understanding of the market for the services, and a better appreciation of the validity or otherwise of some of the assumptions that underpinned earlier efforts at planning. With the move to a more strategically focussed board, it is expected that business planning in the future will be greatly enhanced compared with the situation that has pertained to date. Further work will be needed in particular to improve the robustness of the planning.

13. **That action should be taken to ensure compliance with the provisions of the Shareholders Agreement.** The principal provisions of the Shareholders Agreement that reflect ongoing commitments rather than commitments prior to completion are those in relation to working capital, conduct of the business, management of the company, the taking of important management decisions, and business planning. The operation of the Shareholders Agreement is kept under regular review by the Council's project manager for the service delivery agreement with HJS and as and when a particular provision becomes triggered steps are taken to ensure that the relevant party carries out the appropriate actions. A recent example would be the provision relating to business planning, as mentioned above.
14. **That the Council's Observers on the Board should take a more proactive role.** The role of the Council's observers on the Board is currently being re-examined in the context of a fundamental review of the *modus operandi* of the board of HJS. To date, the board has tended to adopt an approach that is focused on the operational detail of the business rather than the more traditional board role of having a strategic outlook. This can be seen at least partly as a consequence of needing to bed down the new partnership arrangements and, in the early days of the partnership at least, an operational focus may have been appropriate. A lack of senior management continuity in the early stages of the partnership may also have contributed to the balance of board activity being too heavily biased towards operational matters. With day-to-day operational matters now running smoothly, and with continuity of board-level staffing now reasonably assured, the operation of the board is being reviewed in order to define its purpose and added value more closely. This is being done as a component of the facilitated relationship development exercise mentioned above, with the active participation of the most senior management levels involved in the partnership. Robust stances were taken by the Council's observers on grounds maintenance and the highways joined up programme. An improved strategic focus rather than an operational one will automatically enhance the value that can be brought to the board by the Council's observers, since their seniority dictates that they are less involved in day-to-day operational matters.
15. **That monitoring reports should be presented to the Corporate Management Board and to Cabinet by the Council's observers on a quarterly basis.** This recommendation has been duly noted and accepted. An appropriate reporting format and mechanism for the proposed quarterly monitoring are under active consideration.
16. **That it be clearly understood that the 8% recharge relates only to that part of the turnover of the Company that is related to the work undertaken for the Council under the Service Delivery Agreement.** The basis for the 8% recharge is set out in the Management Agreement between Prismo Limited and Herefordshire Jarvis Services executed on 1st September, 2003. The wording in the Agreement is very clear and stipulates that HJS shall pay a fee to Prismo equivalent to 8% of the amounts properly invoiced by the Company to the Employer pursuant to the Service Delivery Agreement, where the Company means HJS and the Employer means Herefordshire Council. Whilst there is no lack of clarity concerning the 8%, it has been useful for the review to have highlighted this, especially given a number of staff changes since the suite of agreements underpinning the partnership were drafted. No one involved in the management of the partnership is now in any doubt as to the exact definition and calculation basis of the 8% management charge.
17. **That the issue of the accruing HJS deficit needs to be addressed and firm representations should be made to Jarvis to write this sum off. As the Group could find no evidence that the Joint Venture Company received value for money from this fee it further recommends that the Council explore whether it**

is possible to ensure that future payments for management services are only made when evidence is received that these have been provided and that the payment therefore does represent value for money. A breakdown of costs of past services should be requested to inform this discussion. It is accepted that this is an issue that needs to be addressed in the medium term. It needs to be addressed in parallel to the other matters raised by the Review. Some of the areas identified for improvement do require significant changes to partnership working and it is accepted that this could provide the basis for negotiations on this issue. Cabinet also needs to be aware, however, that this is a contractual issue and improvement can only be achieved by negotiation.

18. **That a robust updated contingency plan be prepared.** An updated contingency plan has been prepared. The revised plan takes account of the updated position following the restructuring of the Jarvis plc parent company and makes appropriate adjustments to the risk assessment of the various scenarios envisaged in the earlier version of the plan. It also sets out in more detail how continuity of service delivery would be achieved following a contingency event. It is to be taken in conjunction with the relevant service continuity plans for the services that would be most strongly affected by a contingency event. The revised updated plan will be kept under regular review as part of the Council's formal risk management arrangements.
19. **That emphasis be placed on the development of good, closer working relationships between HJS and client officers and progress closely monitored by Senior Management/the Corporate Management Board.** This recommendation is being addressed through day-to-day activities initiated by operational management of both partners, through the Partnership Project Management Team, and through the facilitated relationship development activity involving members of the senior management group from both the Council and HJS already mentioned. The active involvement of the most senior management levels in the latter activity automatically provides the close monitoring that has been recommended by the Strategic Service Delivery Review Group.
20. **That the need for staff to be familiar with the detail of the Contract with HJS should be reinforced and appropriate training provided, with refresher sessions for trained staff at appropriate intervals and a clear formal induction programme for new staff.** It is considered that the majority of staff involved in the day-to-day delivery of services through the partnership arrangements are in fact sufficiently familiar with the contract provisions to allow them to perform effectively in the delivery of the services. In cases where there is doubt over the provisions of the contract, resources are available for immediate advice in the form of the project manager, the Council's legal department, and current operational staff who had a major role in the initial drafting of the agreement. Steps are in hand to develop a training module for new staff. It is considered, however, that a renewed focus on partnership working in line with other recommendations made by the Strategic Service Delivery Review Group should obviate the need for over-reliance on the contract, although it clearly remains desirable that all staff involved have at least a working knowledge of it.
21. **That the fee levels charged by Owen Williams require careful monitoring and examination with clear procedures in place to ensure fee levels are controlled.** The review examined the fee levels for work carried out by Owen Williams and concluded that no evidence had been presented to suggest that they were out of line with the construction industry norm. Nonetheless, as pointed out by the Review Group, in any situation where consultants are being employed it is clearly prudent business practice to monitor the fee levels on individual work items to ensure that the

value for money that pertained at the outset following a competitive tendering exercise is being maintained. Formal procedures are in place to allow the fee levels to be monitored, with each individual piece of work conducted by Owen Williams being the subject of a client brief prepared by the Council in response to which a formal project quality plan is then prepared by OW. The project quality plan sets out in detail how the work identified in the client brief will be delivered and also includes a full definition of the resources that will be employed together with the hourly fee rates for the grades of personnel that will be used. In principle this should lead to a firm price for each assignment at the outset with any subsequent variations being subject to mutual agreement and each variation being the subject of a formal documentary agreement. The individual fee rates for different grades of professional staff are themselves subject to annual review and the service delivery agreement contains a clause that sets out the detailed basis for the annual escalator.

22. **That the Partnership Board renew its focus on developing the Partnership to maximise the potential benefits.** Once again this is being addressed through the facilitated relationship development exercise launched in April and involving the senior management teams from both partners. Details of the relevant work streams that are contributing to the fulfilment of this development of the partnership have been described above.
23. **That HJS should change its name and adopt a new name which does not include the words Jarvis or Herefordshire.** The Review Group's conclusion that neither the word Herefordshire nor the word Jarvis in the HJS company name is conducive to the winning of external business is accepted. The association with Herefordshire is not seen as helpful for the generation of work in neighbouring counties, for reasons of local pride. The Jarvis name suffered a significant degree of reputational risk at the time of the Potters Bar rail accident and subsequently during the financial restructuring. Whilst there has been a reasonable degree of recovery there can be said to be an element of residual negative perception. Although there have been some signs of recovery, for example the winning of Highways Agency business, a name change for HJS is viewed as a sensible strategic move. It is currently being actively addressed by the senior management group. The intention is that in the short term, by June 2006, an alternative name from within the Jarvis group stable will be used for tendering for new external work. Alongside this, steps will be taken to rebrand HJS for internal purposes. The timescale for this will be slightly longer with the intention that a transition to a new name may be achieved by October 2006.
24. The above indicates that: Cabinet is of the view that the Review Group has provided a useful set of recommendations concerning the development of the partnership; many of these were in fact already in hand or in process as part of existing management initiatives; the Review Group report has however helped to give impetus to the process and has helped all members of the partnership to focus on how to optimise the working arrangements both for the immediate benefit of the Herefordshire public and also to set the foundations for a successful long term business model with scope for expansion, recognition for excellence, and replication.

Financial Implications

None identified.

Alternative Options

Not applicable.

Risk Management

The proposed responses to recommendations made by the Strategic Service Delivery Review Group will strengthen the operation of the Partnership and thereby strengthen the Council's ability to deliver the services encompassed by the partnership arrangements with Herefordshire Jarvis Services Limited and Owen Williams Limited.

Consultees

None at this stage.

Background Papers

None.

ACTION PLAN

APPENDIX 1

Action to be taken	Lead partner	By when	Progress to date (end May 2006)	People	Target/success criteria
Explore the scope for further improvements in the working practices of both HJS and the Council	HJS/HC	Ongoing	Integration of highways teams is in progress. Further integration to follow. Other initiatives in hand with senior management group.	Mark Thomas, Peter Cross, Stewart Barton	Improved performance as evidenced by KPIs. Reduced levels of dispute.
Develop a clearer understanding of what each partner can contribute to the Partnership to improve service delivery and consider what can be done to remove the barriers which are impeding progress	HCHJS	Oct-06	Facilitated relationship development exercise launched with clear work streams identified to address barriers.	Neil Pringle, Roger Phillips, Graham Durrill, Sonia Rees, Peter Cross, Andrew Martin, Michael Goldberg, Stan Gyford, Mark Thomas, Andy Lake, Richard Lewis	Improved relationships and improved levels of trust. Clear understanding of mutual objectives of partners.
Revisit the HJS business planning process	HJS	Jun-06	Draft Business Plan produced for 2006/07 on schedule. Comments prepared by HC.	Stan Gyford, Richard Lewis, Peter Cross	Business outline more closely in line with business plan projections than previously. Actual performance used to refine key assumptions in the plan.
Ensure compliance with the provisions of the Shareholders Agreement	HC	Ongoing	All provisions clearly identified for ensuring compliance.	Peter Cross	All ongoing provisions fully complied with.
Council's Observers on the Board take a more proactive role	HC	Jun-06	Role of the board is being re-examined in senior management group	Neil Pringle, Roger Phillips	Improved strategic focus of Board with reduced emphasis on operational detail.
Monitoring reports to be presented to the Corporate Management Board and to Cabinet by the Council's observers on a quarterly basis	HC	Initially June then ongoing quarterly	Initial response to the review has been prepared for Cabinet. Content of future monitoring reports to be agreed along with timing.	Neil Pringle, Roger Phillips	Availability of regular monitoring reports on schedule for review on a quarterly basis.
Clarify to all parties that the 8% recharge relates only to that part of the turnover of the Company that is related to the work undertaken for the Council under the Service Delivery Agreement	HJS/HC	May-06	Complete	Neil Pringle, Roger Phillips, Graham Durrill, Sonia Rees, Peter Cross, Stan Gyford, Mark Thomas, Andy Lake	Full understanding by all parties of the exact definition of the 8% management fee.

Action to be taken	Lead partner	By when	Progress to date (end May 2006)	People	Target/success criteria
Address the issue of the accruing HJS deficit and make firm representations to Jarvis to write this sum off	HC	Oct-06	Commenced and in hand	Neil Pringle, Roger Phillips	EITHER a formal write-off of the sum involved OR a clear understanding of the circumstances under which the accruing deficit will be called in by Jarvis plc. See comment under progress to date.
Explore whether it is possible to ensure that future payments for management services are only made when evidence is received that these have been provided	HC	May-06	Complete. The management fee is a contractual obligation and it is not possible to make the payments conditional in the manner suggested.	Neil Pringle, Roger Phillips	
Prepare a robust updated contingency plan	HC	Jun-06	Complete	Peter Cross	Robust updated contingency plan prepared.
Place emphasis on the development of good, closer working relationships between HJS and client officers with progress closely monitored by Senior Management/Corporate Management Board	HJS/HC	Ongoing	Facilitated relationship development exercise launched with clear work streams identified	Stan Gyford, Graham Dunhill, Peter Cross, Mark Thomas	Systematic reduction in levels of disputed payments against monthly application.
Provide appropriate staff training on the detail of the Contract with HJS, with refresher sessions for trained staff at appropriate intervals and a clear formal induction programme for new staff	HC	Oct-06	Initiated. Consideration being given to the content of suitable training modules.	Peter Cross, Clive Hall	A training module is available for induction for staff to provide basic familiarity with the contractual arrangements.
Monitor the fee levels charged by Owen Williams carefully, and put in place clear procedures to ensure that fee levels are controlled	HC	Ongoing	Appropriate procedures are already in place.	Graham Dunhill, Peter Cross, Stephen Oates, Colin Elks	Fee levels for OW work items seen as competitive and in line with industry practice.
Review the focus of the Partnership Board on developing the Partnership to maximise the potential benefits	HC/OW/HJS	Ongoing	A team activity has been undertaken to articulate and confirm the core values and vision of the partnership. An exercise is under way to refine the performance management framework to ensure that progress towards the benefits can be measured.	Graham Dunhill, Andrew Martin, Ruth Jeffs	Benefits being realised. Quantitative evidence of good performance available through KPIs and benchmarking.
Change the HJS name to a new name which does not include the words Jarvis or Herefordshire.	HJS	Oct-06	Prismo name in principle available immediately for external tenders. Active consideration being given to a new name for HJS.	Andrew Martin, Michael Ockberg, Stan Gyford	New name agreed and introduced.

SCRUTINY IMPROVEMENT PLAN

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1. To endorse the Scrutiny Improvement Plan.

Financial Implications

2. Any financial implications will be met from within existing budgets.

Background

3. In response to the comments made on the scrutiny function by a Peer Challenge team in Spring 2005 a Seminar was held in July 2005 involving the Chairmen and Vice-Chairmen of the Scrutiny Committees and Directors to look at how the scrutiny function in Herefordshire could be improved. An Improvement Plan was subsequently drawn up based on discussions at the seminar using the Centre for Public Scrutiny's self-evaluation framework.
4. A revised and updated draft Improvement Plan having regard to the Council's Corporate Assessment was presented to an informal meeting of Members of the Committee on 4th May, 2006 for discussion. A finalised Plan is appended for consideration.

RECOMMENDATION

THAT the Scrutiny Improvement Plan be endorsed.

BACKGROUND PAPERS

- None

Scrutiny Improvement Plan 2006

Abbreviations:

CSMC – Chair, Strategic Monitoring Committee

TB – Tim Brown

RB – Robert Blower

AM – Alan McLaughlin

TG - Tony Geeson

SR – Sonia Rees

MH -Martin Heuter

CD – Christine Dyer

SH – Scrutiny Handbook

	Action to be taken	Lead	By When (end of month)	Outcome/Success Criteria	Progress to date
1	Providing Critical Friend Challenge – to improve: effectiveness of challenge to the Executive; impact on the work of the Executive; challenge to corporate strategy and budget; involvement of external partners in scrutiny; effectiveness of relationship with the Executive and senior management.				
1.1	Cabinet Members to make annual presentation to relevant Scrutiny or Strategic Monitoring Committee presenting future plans, identifying key issues, reviewing past performance, highlighting areas of good practice/success, and summary of scrutiny impact.	CSMC/TB	June 06	Presentations made.	Achieved for 2006 with Cabinet Member (Rural Regeneration and Strategy) reporting in October.
1.2	Hold informal meetings of SMC and Cabinet to provide focus for development of effective relationship	CSMC/TB	End September/early October 06 March 07 (post budget being set)	Six monthly joint meetings at critical stages in work planning. Clear communication links; identification of key issues where engagement will be advantageous.	Ongoing
1.3	Informal meetings of SMC to provide focus for development of the role of Scrutiny.	CSMC/AM	May 06	Six monthly meetings scheduled. (September/March)	Ongoing

	Action to be taken	Lead	By When (end of month)	Outcome/Success Criteria	Progress to date
1.4	Review use of the Forward Plan in identification of issues and revise guidelines in SH accordingly.	AM	July 06	Guidelines updated. Consideration by Constitution Review Working Group (September)	Ongoing
1.5	Prepare guidelines for inclusion in SH on powers to scrutinise external bodies.	TB	July 06	Prepared for inclusion in revised handbook in September – see 3.1)	Ongoing
1.6	Publish procedure note on arrangement/remit of Officer Briefings. Include in SH.	TB	July 06	Procedure note included in SH.	Ongoing
1.7	Establish schedule of Integrated Performance Reports for consideration by SMC and referral to each Scrutiny Committee as required.	TG/TB	June 06	Integrated Performance report on each SMC agenda (including progress in relation to Council's overall Improvement Plan.) Evidence of referral of relevant individual items to individual Scrutiny Committees.	Ongoing
1.8	Establish process and timetable for challenging the budget.	SR/TB	July 06	Process established	Ongoing
1.9	Provide progress reports on the Overall Improvement Plan to each SMC meeting.	TG/TB	June 06	See 1.7 above	Ongoing
1.10	Provide progress reports on detailed improvement plans for individual service areas (eg JAR etc which should go regularly to each meeting of the relevant Scrutiny Committee. Directorate Plans to be presented in March 2007, with additional reports on	TG/TB	ongoing	Reports made	Ongoing

	Action to be taken	Lead	By When (end of month)	Outcome/Success Criteria	Progress to date
	selected service plans throughout the year at the relevant Scrutiny Committee's discretion.				
1.11	Document process for scoping of reviews in SH.	TB	July 06	Process recorded	Ongoing
1.12	Hold seminar(s) for Scrutiny Members on the newly developed network of Policy & Performance officers able to provide information/research to support scrutiny activity, and how this is accessed. Include workshop on Communication as well.	TG/RB/TB	Sept 06 See 1.13 below	Seminar held	Ongoing
1.13	Hold workshop(s) for Scrutiny Members on how Scrutiny can interact with Corporate & Financial Planning and Integrated Performance Report processes and consistently and effectively scrutinise them.	TG/SR	Link to 1.13 above	Seminar held	Ongoing
1.14	Implement an annual review of compliance and effectiveness of the revised performance management framework.	TG	Internal audit to provide baseline by June 06	Report to Audit Committee/SMC in September/October Recommendations made as a result	Ongoing
1.15	SMC to oversee all Scrutiny Committee work plans to monitor levels of consideration being given to corporate priorities and major risks. Annual Review and update to take place. Updates in-year to be reported to SMC as they occur. Include in update of handbook.	CSMC/TB	Ongoing	Standing item to SMC	Ongoing

	Action to be taken	Lead	By When (end of month)	Outcome/Success Criteria	Progress to date
2.	Reflecting the voice and concerns of the public and its communities – to improve: how the work of scrutiny is informed by the public; how scrutiny makes itself accessible to the public; how scrutiny communicates internally and externally;				
2.1	Through the Community Involvement Strategy to clarify the role of scrutiny in public consultations.	MHR/RB	June 06	RB to put programme together with a timetable.	Ongoing
2.2	Develop and publicise the link between Scrutiny and Community Forums. Information on what scrutiny can do and is doing should be presented to the Forums. Matters raised by Forums to be considered by Scrutiny as appropriate.	RB/CD	September 06	Agenda item for Forums and issues picked up by Scrutiny from the Forums.	Ongoing
2.3	Develop protocols and guidelines to ensure a consistent approach in publicising the activities and outcomes of Scrutiny. (Include in handbook)	RB	September 06	Protocols in place.	Ongoing
2.4	Following 2.3, conduct a communications workshop for Scrutiny Members and officers to promote use of the protocols etc	RB	September 06 (see 1.12 above)	Workshop held	ongoing
2.5	To establish a Scrutiny Web presence.	TB/RB	Dependent on resources available.	Presence established	Ongoing
3.	Take the lead and own the scrutiny process – to improve: the political impartiality of scrutiny; scrutiny ownership of its own work programme; scrutiny members' views that they have a worthwhile and fulfilling role; the development of a constructive working partnership with officers including support arrangements for scrutiny				
3.1	Produce revised SH with clear guidelines and protocols on the scrutiny processes and relationships with the Executive and officers.	CSMC/AM	September 06	Handbook produced	Ongoing

	Action to be taken	Lead	By When (end of month)	Outcome/Success Criteria	Progress to date
3.2	Develop a programme of enquiry visits for scrutiny members to authorities successfully using scrutiny to drive performance improvement combined with invitations to representatives of other authorities to come to Herefordshire to explain their approach/provide critical friend advice and adopt any best practice points.	AM/TG/TB	September 06 (see 4.2)	Visits held and invitations accepted.	<i>(Visit to London Borough of Camden proposed but not to proceed following change of Structure.)</i> Wiltshire CC to be approached.
3.3	Explore the development of 'critical friend' role for scrutiny members in relation to specific services as part of the new performance improvement cycle.	TG	May 07	Identify successful use of critical friend approach from the programme of visits. Identify Member interests at seminar (see 1.12).	Ongoing
3.4	Undertake annual survey of Scrutiny Members to establish satisfaction with the scrutiny process to date, and to establish Member enthusiasms/ideas for future work programmes. Develop robust monitoring systems for the scrutiny process to inform an agreed set of performance indicators	TG/TB TG/TB	Feb 07	Survey Undertaken Performance Indicators agreed, monitoring system in place and report made back to SMC.	Ongoing Ongoing
3.5	SMC to co-ordinate annual work programmes of all scrutiny committees, and review quarterly. (See 1.15 above)	TB	June 06	Standing item on SMC agenda.	Ongoing
3.6	Revise Member Development Programme in response to changes in scrutiny focus.	CD	July 06	Revised programme in place	Ongoing

	Action to be taken	Lead	By When (end of month)	Outcome/Success Criteria	Progress to date
4.	Make an impact on service delivery – to improve: how the scrutiny workload is co-ordinated and integrated in to corporate processes; the evidence available to show that scrutiny has contributed to improvement; how well information required by scrutiny is managed.				
4.1	Scrutiny Chairs to agree a work programme focussing on priority areas for improvement taking account of views of other Scrutiny Committee Members Cabinet Members and Directors.	CSMC/TB	June 06	Programme agreed	Ongoing
4.2	Following 4.1 – identify and visit authorities with upper quartile performance in these priority areas	TG	September 06 (see 3.2 above)	Visits agreed	Ongoing
4.3	Implement standardised reporting procedure setting out recommendations made and executive action/response. Explore the development of scrutiny member ‘rapporteurs’ to monitor and report on progress following a scrutiny review. Include in SH.	TB	September 06	Procedure implemented.	Ongoing

WORK PROGRAMMES

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1. To consider the Scrutiny Committees' current and future work programmes.

Background

2. In accordance with the Scrutiny Improvement Plan a report on Scrutiny Committees current Work Programmes will be made to each of the scheduled quarterly meetings of this Scrutiny Committee. Copies of the current Work Programmes are attached.
3. The Scrutiny Improvement Plan also identifies the need for a work programme to be agreed focussing on priority areas for improvement, taking account of the views of other Scrutiny Committee Members, Cabinet Members and Directors.
4. On 10th April, 2006 the Committee agreed that an informal meeting of Members of the Strategic Monitoring Committee should be held to review the development of work programmes. I was recognised that the current work programmes did not substantially reflect the Council-wide themes and issues identified as priority areas in the Council's Overall Improvement Plan, the Annual Operating Plan and the Herefordshire Community Strategy including the Local Area Agreement.
5. At the informal meeting on 4th May Members were presented with a discussion paper setting out a number of possible themes for the scrutiny programme over the next year. Members expressed an interest in pursuing the following matters:
 - **Recycling:** How is it working? What message is the Council sending out (eg use of green recycling bags, opening hours for Recycling Centres and capacity.) Is the Council responding to the public's comments about the Council's approach? What are we doing, are we doing it well enough? What can be done to improve?
 - **Planning (Development Control) Policies:** What is the scope for local discretion, noting implications of some decisions on adult social care provision and other Council priorities?
 - **Understanding and Responding to Customers:** how well are we doing this?
 - **Every Child Matters:** Transition from Social Care to adult life. Exchange of information between Schools and Social Workers. Are the plans being put in place with the Council's partners working well in practice? Is the Council fulfilling its Corporate Parent Role?
 - **Older Peoples Strategy:** Is it robust enough, how does it fit with the Council's Medium Term Financial Plan, what are the implications for other services?

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

- **Improving Adult Social Care:** considering and commenting on the assessments of adult social care needs and services that are being produced, including the wider implications for health services and housing.
 - **Rural Schools Review:** Is the review addressing all the issues? What part do schools play in the Community? What is link to other Council plans?
6. It was noted that the important issue of homelessness was already being dealt with by Adult Social Care and Strategic Housing Scrutiny Committee.
 7. It was also suggested that a programme should be developed for testing whether plans and programmes are being delivered, and having desired practical impact on the user/customer, especially where they are particularly vulnerable or disadvantaged.
 8. The wish was also expressed that consideration be given to how backbench Members of the Council could play a meaningful role in developing policies which helped to improve delivery of services.
 9. It was noted that there would be a number of ways in which the Scrutiny Committees could approach possible themes for the scrutiny work programme. It was suggested that the work need not necessarily take the form of large scale in-depth reviews and that consideration should also be given to undertaking small-scale quick reviews to give the Committees a snapshot of performance in particular areas.
 10. In order to progress matters it is proposed that the Director of Corporate Services be authorised to arrange for scoping work to be carried out on the areas identified above following consultation with the Chairmen and Vice-Chairmen of the Scrutiny Committees.

RECOMMENDATION

- THAT (a) the Director of Corporate Services be authorised to arrange for scoping work to be carried out on the areas identified above following consultation with the Chairmen and Vice-Chairmen of the Scrutiny Committees;**
- and**
- (b) the current Work Programmes be noted, subject to any comment the Committee wishes to make.**

BACKGROUND PAPERS

- None

Adult Social Care and Housing Scrutiny Committee Work Programme 2006/07

June 2006	
Items	<ul style="list-style-type: none"> • BVR Private Sector Housing • Monitoring Budget Position • Presentation by Cabinet Member
Scrutiny Reviews	<ul style="list-style-type: none"> • Learning Disability Services – interim report
October 2006	
Items	
Scrutiny Reviews	<ul style="list-style-type: none"> • Learning Disability Services
December 2006	
	<ul style="list-style-type: none"> •
March 2007	
Other issues to be Progressed	
Homelessness prevention services and the work of the Homelessness & Housing Advice Steering Group	

Further additions to the work programme will be made as required

**Children's Services Scrutiny Committee
Work Programme 2006/07**

31st May 2006	
(9.15 – 9.45 a.m. - Cllr only pre meeting for question setting)	
Items	<ul style="list-style-type: none"> • Update on Management Re-structure of the Directorate – including relationship with schools. (SF to do agenda paper with copy of recent letter). • Safeguarding Children – inc Criminal Record Check Policy.
Scrutiny Reviews	<ul style="list-style-type: none"> • Behaviour and Discipline Management in Schools. (prepare Scoping Statement as precursor to deciding to undertake Scrutiny Review.)
19th June 2006	
Items	<ul style="list-style-type: none"> • The effect of Homelessness, and associated issues, on Young People in Herefordshire. • Presentation By Cabinet Member. (Annual report on what went well and what didn't go so well and what will do to improve.) • The JAR Improvement Plan –implications arising. • Monitoring Performance against JAR Imp Plan
	Followed by seminar on Family Support Service in Herefordshire. At 2.00p.m C/Chamber Brockington.
6th October 2006	
Items	<ul style="list-style-type: none"> • Progress in achieving the outcomes identified in the Area Wide Inspection 14 – 19 Year Olds (inc exam outcomes*) • Monitoring Performance against JAR Imp Plan
15th December 2006	
Items	<ul style="list-style-type: none"> • Issues arising from the Childrens and Young Peoples Plan, Extended Schools and School Transport issues. • Monitoring Performance against JAR Imp Plan
19th March 2007	
Items	<ul style="list-style-type: none"> • Current School Issues e.g. School Performance, Healthy Schools, School Meals. • Monitoring Performance against JAR Imp Plan

Further additions to the work programme will be made as required

Issues requested at 16.12.05 meeting and agreed to be taken into consideration as the programme evolves during the year.

- i) **Pupil transition arrangements** between primary and secondary school and between secondary school and sixth form or college. It was suggested that parental concerns about their child e.g. in relation to pupil dyslexia problems, were not being adequately communicated at the time of transition. The Director of Children's Services reported that the Joint Area Review (JAR) had identified that "planning overall for young people with learning difficulties and/or disabilities (LDD) was a weakness" and this wider aspect may be an area to which scrutiny might give consideration.
- ii) Any potential implications arising from the feasibility of the **Steiner School** at Much Dewchurch becoming an Academy.
- iii) **School Improvement Service (SIS)** - formerly IASPS – Following clarification on what aspect of the services was to be the subject of a scrutiny report, the Committee requested comparative details on school performance, particularly in relation to the 2005 exam results, including vocational training.

13 March 06 – series of fact finding visits to various services within the Directorate. be organised.

10 April 06 Chair Briefing - Committee may wish to consider Review of Schools proposals undertaken by SOC. Take to Sept 06 Committee?

COMMUNITY SERVICES SCRUTINY COMMITTEE 2006/7

January 2006	
Items	<ul style="list-style-type: none"> • The economic impact of the experiment to pedestrianised Widemarsh Street, Hereford
March 2006	
Items	<ul style="list-style-type: none"> • HALO • Community Youth Service
Scrutiny Reviews	<ul style="list-style-type: none"> • Scoping Statement for the Proposed Scrutiny Review of the Museum Service
6 June 06	
Scrutiny Reviews	<ul style="list-style-type: none"> • Courtyard Review Report • Scoping Statement for Proposed Review of Hereford City Partnership
Items	<ul style="list-style-type: none"> • Progress on Preparations for the Three Choirs Festival
16 June 2006	
Items	<ul style="list-style-type: none"> • Presentations by Cabinet Members • Economic and Tourism Benefit of the River Wye in Herefordshire
October 2006	
Items	<ul style="list-style-type: none"> • Town Centre Issues • Report of 18-35 Review Group
December 2006	
Items	<ul style="list-style-type: none"> • No Items Identified
March 2007	
Items	<ul style="list-style-type: none"> • No Items Identified

Further additions to the work programme will be made as required

ENVIRONMENT SCRUTINY COMMITTEE 2006/7

June 2006	
Items	<ul style="list-style-type: none"> • Presentations by the Cabinet Members • Good Environmental Management Issues (GEM) • Presentation on Bio Fuels • Capital Budget • Revenue Budget • Report on Performance Indicators • Best Value Review Improvement Plans
Scrutiny Reviews	<ul style="list-style-type: none"> • Polytunnel Review Working Group to be reconvened early in 2006. Note: This may be subject to the outcome of two local public inquiries.
September 2006	
Items	<ul style="list-style-type: none"> • Travellers Policy and Site Provision Review – Consider work so far and invite Member involvement in the further development of the Travellers Policy and review of site provision. • Contribution to Herefordshire Ambitions. • Capital Budget • Revenue Budget • Report on Performance Indicators • Best Value Review Improvement Plans
Scrutiny Reviews	<ul style="list-style-type: none"> • The findings of the Polyntunnel Review Working Group. • Travellers Policy and Site Review Group underway.
December 2006	
Items	<ul style="list-style-type: none"> • GEM • Capital Budget • Revenue Budget • Report on Performance Indicators • Best Value Review Improvement Plans.
Scrutiny Reviews	<ul style="list-style-type: none"> • The findings of the Travellers Policy Development Review Group.

March 2007	
Officer Reports	<ul style="list-style-type: none"> • Biodiversity Strategy Issues • Capital Budget • Revenue Budget • Report on Performance Indicators • Best Value Review Improvement Plans

Further additions to the work programme will be made as required

Notes:

- This work programme was agreed by Committee on 5th December, 2005. However, depending on circumstances, the details may be subject to change following consultation with the Chairman.
- At 5th Dec 05 reported that Chair and V-Chair will consider the following issues as programme develops:
 - Any specific issues arising from the Corporate Plan;
 - Waste Management; (Director to update members at appropriate time – seminar?)
 - Implications from the” Hampton Review” concerning regulatory inspections and enforcement – within the context of this Committee.
 - Scrutinising progress following the Parking Review;
 - Scrutinising progress with the Local Transport Plan 2.
 - Road safety issues A49 and A465 – Chair to keep further meeting with Environment Agency under review.
 - Briefing paper on hydro generation systems

Health Scrutiny Committee Work Programme 2006/07

June 2006	
Items	<ul style="list-style-type: none"> • Presentation by Chief Executives of the Herefordshire Primary Care Trust and the Hereford Hospitals NHS Trust and Cabinet Member
	<ul style="list-style-type: none"> • July 2006
Scrutiny Reviews	<ul style="list-style-type: none"> • Communication • GP Out of Hours Services
September 2006	
Items	<ul style="list-style-type: none"> • Interview Director of Public Health following publication of Annual Report • Consideration of Public Service Trust
Scrutiny Reviews	<ul style="list-style-type: none"> • Response to Communication Review
	<ul style="list-style-type: none"> • Response to GP Out of Hours Services Review
December 2006	
Items	<ul style="list-style-type: none"> • Local Development Plan Briefing
March 2007	
	<ul style="list-style-type: none"> • Local Development Plan update
Other issues to be Progressed	
PUBLIC HEALTH	
<ul style="list-style-type: none"> • Inequalities in the South Wye Area • Delivery of the Priorities in the Choosing Health White Paper – How effectively Partners are Working Together • Councillors' potential role in managing public expectation within their constituencies 	
<ul style="list-style-type: none"> • Foundation Trust Status for Hereford Hospital NHS Trust 	

Further additions to the work programme will be made as required

Strategic Monitoring Committee – work programme 2006-07

June 2006	
Items	<ul style="list-style-type: none"> • Presentation by Executive (Leader, Cabinet Member (Corporate and Customer services and Human Resources), and Cabinet Member (Resources). • Pay and Workforce Development Strategy Monitoring • Integrated Annual Outturn Report 2005/06 • Work Programme (taking account of Council's overall Improvement Plan (potentially including monitoring of the Plan and carrying out or commissioning other Committees to undertake specific pieces of work arising from it), Community Strategy Action Plan, and Annual Operating Plan).
Scrutiny Reviews	<ul style="list-style-type: none"> • Executive's Response to Recommendations in SSDP Review
July 2006	
Scrutiny Reviews	<ul style="list-style-type: none"> • Final report on ICT Review
October 2006	
	<ul style="list-style-type: none"> • Transport Review Update
Scrutiny Review	<ul style="list-style-type: none"> • Update on Performance of SSDP • Executive's Response to Recommendations in ICT Services Review
January 2007	<ul style="list-style-type: none"> • Corporate Plan • Pay and Workforce Development Strategy monitoring (inc Staff Opinion Survey) • Comprehensive Equality Policy • Work Programme • Work Programmes of other Committees
February 2007	<ul style="list-style-type: none"> • Revenue budget consideration
April 2007	<ul style="list-style-type: none"> • Community Strategy Action Plan Monitoring • Annual Efficiency Statement

Further additions to the work programme will be made as required

Other issues

Report on Scrutinising the Budget

Community Strategy

Corporate Plan

Integrated Performance Report

Local Area Agreement

Council's Improvement Plan

Capital Strategy

Joint Area Review

- Response to Performance Plan recommendations (if necessary? Jan)
- District Audit Management Letter (if necessary) (Jan)

SCRUTINY ACTIVITY REPORT**Report By: Director of Corporate and Customer Services****Wards Affected**

County-wide

Purpose

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

Financial Implications

2. None

Background

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

Summary

5. The Adult Social Care and Strategic Housing Scrutiny Committee met on 2nd June 2006 and considered the following issues:

Theme	Reports
Holding the Executive to Account	Presentation by Cabinet Member (Adult Social Care and Health)
Best Value Reviews	Provision of Private Sector Housing – Stage 4 Report – Improvement Plan
Policy Development and Review	Learning Disability Services – Scrutiny Review Needs Analysis Phase 1 Report
External Scrutiny	
Improvement (Performance Management and Review)	Adult Social Care Improvement Planning Performance Monitoring
Other	Co-opted Membership

6. The Committee has received a presentation by the Cabinet Member (Social Care Adults and Health) informing the Committee of progress in 2005/06 and the challenges in 2006/07 and future years.

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

7. An interim report on the Committee's Scrutiny Review of services for people with a learning disability has been considered and the Committee will now consider the recommendations it wishes to make to the Cabinet Member (Social Care Adults and Health).
8. The Committee has also received a report on progress with the Adult Social Care Improvement Plan
9. The Childrens' Services Scrutiny Committee met on 31st May, 2006 and 19 June 2006 and considered the following issues:

Theme	Reports
Holding the Executive to Account	Presentation by Cabinet Member (Children and Young People)
Best Value Reviews	
Policy Development and Review	Scrutiny Review of Behaviour and Discipline Management in Schools Effect of Homelessness on Young People in Herefordshire
External Scrutiny	
Improvement (Performance Management and Review)	Revised Management Arrangements and Structure in Children and Young People's Directorate Safeguarding Children in Herefordshire Joint Area Review Improvement Plan
Other	

10. Following a briefing on the revised management arrangements and structure in the Children and Young People's Directorate, the Committee have identified a number of outcomes it would wish to see from the revised management arrangements.
11. The Committee have been informed of progress in relation to the Joint Area Review (JAR) Improvement Action Plan. The Committee conveyed to the Cabinet Member (Children and Young People) its concern over the availability of suitable housing for young people and young people and families experiencing homelessness. A further report on the JAR Improvement Plan and a report on the effect of homelessness of young people will be received at its meeting on 19th June.
12. The Committee has decided to undertake a scrutiny review of Behaviour and Discipline Management in Schools and has approved a scoping statement for the Review.
13. The Community Services Scrutiny Committee met on 6th June, 2006 and 16th June, 2006 and considered the following issues:

Theme	Reports
Holding the Executive to Account	Presentation by the Leader of the Council on the Economic Development matters Presentation by the Cabinet Member (Community Services)
Best Value Reviews	

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

Policy Development and Review	Scrutiny Review of the Courtyard Centre for the Arts Preparations for the Three Choirs Festival Scrutiny Review of Hereford City Partnership Economic and Tourist Benefit of the River Wye in Herefordshire
External Scrutiny	
Improvement (Performance Management and Review)	Performance Monitoring
Other	-

14. At its meeting on 6 June 2006 the Committee considered the final report of the Courtyard Review Group. The Review had taken place over an 8 month period and its findings were reported to the Committee by the Chairman of the Review Group, Councillor H. Bramer. The Review Group believe that the Courtyard can seriously improve its income generation activity which would allow it to address its budget deficit and reduce its reliance on the grants from Herefordshire Council and the Arts Council. The Review Group also felt that in order to encourage the Courtyard to increase its income generation activities then any future funding agreement with the arts centre should decrease in value over the course of the contract. This and other recommendations, as appended to this report, were approved by the Committee and passed onto the Cabinet Member (Community Services) for consideration.
15. The Committee also received a presentation by the Leader of the Council on Economic Development matters, approved a Review of the Hereford City Partnership and considered work undertaken in preparation for the Three Choirs Festival.
16. At its meeting on 16 June 2006 the Committee hosted a discussion on the economic and tourist benefit of the River Wye in Herefordshire, inviting a number of interested parties to participate.
17. One other point to highlight is the commencement of the Museum and Heritage Review Group which is now underway with a number of meetings and visits scheduled over the summer.
18. The Environment Scrutiny Committee met on 5th June 2006 and considered the following issues:

Theme	Reports
Holding the Executive to Account	Presentations by Cabinet Member (Environment) and (Cabinet Member (Highways and Transportation)
Best Value Reviews	Improvement Plans
Policy Development and Review	Biofuels briefing
External Scrutiny	
Improvement (Performance Management and Review)	Capital Programme Revenue Budget GEM report
Other	

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

19. Following presentations by the Cabinet Members for Environment and Highways & Transportation, the Committee questioned the Cabinet Members on issues and concerns in their respective programme areas. The meeting also debated the subject of Biofuels and how it related to aspects of Planning, Environmental Health and Trading Standards. Arising out of the debate on Biofuels the Committee have requested a briefing paper on hydro generation systems.
20. The Health Scrutiny Committee met on 15th June, 2006 and considered the following issues:

Theme	Reports
Holding the Executive to Account	Presentations on behalf of the Herefordshire Primary Care Trust, the Hereford Hospitals NHS Trust and the Cabinet member (Social Care Adults and Health)
Best Value Reviews	
Policy Development and Review	Cost Saving Proposals – Provider Arm of Herefordshire Primary Care Trust
External Scrutiny	
Improvement (Performance Management and Review)	
Other	

21. In receiving the presentation from the Herefordshire Primary Care Trust and the Cabinet Member (Social Care Adults and Health) the Committee has recognised the challenges facing the Primary Care Trust and the importance of the work taking place with the Council to develop a Public Service Trust. It has also recognised the challenges facing the Hereford Hospitals NHS Trust and its plans to become a Foundations Trust hospital.

BACKGROUND PAPERS

- None

REVIEW OF THE COURTYARD CENTRE FOR THE ARTS JUNE 2006

SUMMARY OF RECOMMENDATIONS AND SUGGESTIONS

(RECOMMENDATIONS & SUGGESTIONS APPEAR IN ORDER THEY FEATURE IN THE FULL REPORT AND CONTAIN A PARAGRAPH REFERENCE FOR CONVIENIENCE)

The turnover of the Courtyard Trading Company should be higher than the income for admissions at the arts centre. (Para 5.15)

Tenders should be sought for franchisees to operate a retail shop within the current Courtyard Complex. (Para 6.8)

That the Courtyard should investigate the possibility of operating a separate commercial gallery in addition to the current gallery sponsored by the Arts Council. (Para 6.12)

That the Courtyard seeks to develop a dedicated cinema space within the centre even if the venue does not extend. (6.19)

That the leaks in the office space be repaired as soon as possible. (Para. 6.26)

That the outside arts organisations housed at the Courtyard pay a fair market rental value for the space in line with other City Centre Office space including the real costs of utilities and services or be relocated to another premises in order to release much needed space at the Courtyard. (Para. 6.27)

That the Alloy Jewellers housed at the Courtyard pay a fair market rental value for the space in line with other City Centre workshop space including the real costs of utilities and services or be relocated to another premises in order to release much needed space at the Courtyard. (Para. 6.29)

The Courtyard should proceed with a more mainstream programme in order to generate more income to address the budget deficit. (Para 6.52)

That strict financial monitoring systems and maintained and reviewed on a monthly basis. (Para 6.53)

The feasibility of sharing certain core costs with another charitable organisation be investigated. (Para 6.54)

That tenders be invited from commercial catering operators with regard to taking up the operation of the facilities provided by the Courtyard Trading Company. (Para 6.66)

The Friends of the Courtyard be asked about the possibility of them staffing the bar area. (Para 6.68)

That methods be investigated on how to attract customers back to the Courtyard Trading Company during the day including the possibility of refunding car parking tickets. (Para 6.73)

That different methods of enforcing parking restrictions be investigated, including the four possible ways considered by the Review Group. (Para 6.79 – 6.84)

That schools be further targeted as a daytime audience and that further external funding to help with the cost of school transport be sought for when the current funding arrangement ends. (Para 7.19 and 7.20)

The Commissioning Agreement between the Courtyard and Herefordshire Council end at the same time as the current funding arrangements on 31 March 2008. (Para 7.26)

If not already done so the Commissioning Agreement between the Courtyard and Herefordshire Council be signed. (Para 7.25)

That any future funding deals with the Courtyard be negotiated at a Corporate level. (Para 7.18)

That any future funding deals with the Courtyard operate on a structured grant scheme principal with grants diminishing annually for the duration of the deal. (Para 7.27)

PRESENTATION BY EXECUTIVE (LEADER, CABINET MEMBER (CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES), AND CABINET MEMBER (RESOURCES))

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1. To receive 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.

Background

2. Reports from the Cabinet Members are attached.

BACKGROUND PAPERS

- None

LEADER'S REPORT TO STRATEGIC MONITORING COMMITTEE 26TH JUNE 2006

SUMMARY OF PERFORMANCE – 2005/06

The CPA/JAR inspection in 2005 presented a challenge to the authority both in terms of resourcing the inspection process, and in stepping up to address the issues raised within the reports. During the past year we have also squared up to the financial challenges facing the authority and demonstrated our commitment to ongoing improvement. It has also been of notable influence that many of our partners in the public sector have been facing significant structural change.

Whilst Cabinet colleagues have taken the lead for improvement within their portfolio areas, the development of an Overall Improvement Plan and a revised Integrated Performance Reporting system have been significant achievements. Additional examples of activity and achievement include:

Corporate Policies & Strategies/Performance

- Initiation of the Herefordshire Connects Programme
- Development of an integrated planning process

Finance/resources

- Setting a budget for 2006/07 that substantially addresses base budget issues
- Establishment of an Audit Committee

Internal support

- With the Chief Executive, implementation of regular 'Talking Points' sessions with staff
- Talking to all new staff during their induction sessions
- Staff achievement award ceremony
- Attending staff briefing sessions throughout the year, as requested

Partnership Issues

Activities and successes during the year have included:

- Negotiation of the Local Area Agreement (LAA)
- Completion of a review of the Herefordshire Partnership governance structures
- Consultation on and development of a new 'sustainable' Community Strategy
- Moved forward with implementation of the Community Involvement Strategy and Action Plan
- Lobbying – shaping policy
- Police Consultation
- Ambulance Consultation
- PCT Consultation
- Young People's Youth Council

Promotion of the Council/external liaison

It isn't possible to list all the events and activities undertaken during the year, but the following examples give a flavour of the range of interaction:

- Addressing the Voluntary Sector Assembly
- Liaison with Herefordshire Association of Local Councils
- Herefordshire Young Farmers
- Business Community meetings

- Community Forums Review

European, national and regional matters

- Regional Assembly
- Chair Regional Transport Partnership
- Attendance at Shire Leaders/Chief Executives' meetings
- Attendance at County Council Network
- New Local Government Network
- Local Government Association Human Resources Panel

Diversity

- Achievement of Level 1 of the Equalities Standard
- Corporate Diversity Team established
- Migrant Workers Website launched
- Member Training in equalities developed

Local Government Issues

- 'Future of Local Government' debate

CHALLENGES – 2006/07

The process of working closely with Cabinet colleagues to deliver improved services will continue. Particular areas of focus include:

Corporate Policies & Strategies/Performance

- Corporate oversight of the Overall Improvement Plan
- Next stage of development of the Corporate Plan using the Integrated Planning Cycle
- Working with the Chief Executive in delivering the transformation programme

Finance/resources

- Corporate oversight of the Accommodation Strategy
- Corporate oversight of the overall budget

Internal support

- Continued focus on internal communications

Partnership Issues

Challenges include:

- Delivery of LAA and achievement of LPSA targets
- Ensuring effectiveness of Herefordshire Partnership Governance Structures
- Launch of new Community Strategy
- Public Service Trust

Promotion of the Council/external liaison

- Revised Communications Strategy
- Continued ambassadorial/representational role

European, national and regional matters

- City Regions
- Police reorganisation

Diversity

- Achievement of Level 2 of the Equalities Standard
- Changing demographics
- Cultural change within the organisation

Local Government Issues

- Local elections

**REPORT FOR STRATEGIC MONITORING COMMITTEE – 26TH JUNE 2006
CABINET MEMBER (CORPORATE & CUSTOMER SERVICES AND
HUMAN RESOURCES)**

CORPORATE & CUSTOMER SERVICES

SUMMARY OF PERFORMANCE – 2005/06

The new Corporate & Customer Services Directorate draws together those services that act as the 'engine room' powering corporate improvement and development and championing quality customer services delivery throughout the authority.

Running in tandem to the establishment of the new Directorate, the Director took the lead role in co-ordinating the recent Corporate Assessment; and the Directorate has sponsored the Herefordshire Connects programme.

Key achievements for the past year for the individual service elements of the Directorate are outlined below.

Communications

A new Head of Service post has been created and in post since February 2006. A restructure of the Communications Unit is underway.

Internal Communications successes include:

- New monthly team briefing system – News & Views
- Improved employee news system replacing Core News – 'First Press' effective from 25th June
- Weekly communications update provided
- Manager's Forum reviewed
- Revision of the Communications Strategy
- Development of a network of Communications Champions
- Progress in development of a communications toolkit for personnel
- Development of Communications protocols
- Development of individual communications strategies and promotional campaigns

External Communications successes include:

- Productivity on press releases and statements increased from 16 to 47 per month
- Improved strategic management of communications activity including evaluation of effectiveness

Information, Technology and Customer Services

The role of the existing Head of Service was revised during the Senior Management restructure. Successes during the year have included:

- A third of the new network in place
- Plough Lane Data Centre up and running
- Launch of the Herefordshire Portal
- 99% of e-enablement achieved
- Website being named as No1 Council website of the 461 UK Council websites, and achieving Plain English Campaign's Crystal Mark
- Regaining the Charter Mark for Info
- Development of a Corporate Customer Complaints management system
- Incorporation of Benefits staff within Customer Services
- Development of the Migrant Workers Website

Legal & Democratic Services

A revised Head of Service post has been created and in post since April 2006. A restructure of both the Legal and Democratic Services is underway. Successes during the year have included:

- Regaining ISO9000 (Registration Services, Land Charges & Electoral Registration)
- Regaining LEXCEL for the Legal Service
- Taking over day to day management of the Registration Services pending unification

Policy & Performance

A revised Head of Service post has been created and in post since February 2006. Successes during the year have included:

- Review of and revisions to the Integrated Performance Report
- Development of an Annual Performance Improvement Cycle
- Developing the structure for a performance network throughout the authority
- Conducting and disseminating the results of the first annual customer satisfaction survey
- Review of performance review process for Chief Executive and Directors
- Development of the Overall Improvement Plan and support to the JAR and Adult Services Improvement Plans
- Supporting the development of Performance Indicators for the Herefordshire Partnership's Performance Management Group
- Supporting SMT in developing initial management 'Non-negotiables'
- Achievement of Level 1 of the Equalities Standard
- Establishment of regular Performance management meetings between myself, Cabinet Colleagues and Directors

Emergency Planning

Successes during the year have included:

- Restructuring to meet the demands of the Civil Contingencies Act
- All Business Continuity Plans in place
- Planning for influenza and Avian Flu pandemics

CHALLENGES – 2006/07

Overall the Directorate faces the challenges of unifying the Directorate's component services; delivering the major programmes already listed above; and delivering the Council's Improvement Plan.

Key challenges for the year ahead for the individual service elements of the Directorate are outlined below.

Communications

Internal Communications challenges include:

- Development of the Internet as a communication and information tool
- Introduction of a daily 'press watch' service
- Promotion of equality in the workplace
- Enabling effective communications on key corporate projects including the Customer Satisfaction Survey, Herefordshire Connects and The Big Move

External Communications challenges include:

- Delivery of a single council 'brand' underpinning 'one council one vision'

- Review of Hereford Matters
- A range of service specific campaigns including: marketing campaign to increase percentage of citizens and businesses paying rates; customer satisfaction; Annual Review and Accounts; communications between the Council and Schools; livestock market; improvement planning progress.
- Create a government relations framework at regional and national levels.

Information, Technology and Customer Services

Challenges include:

- Continuing network delivery
- Completion of Disaster Recovery Framework
- Providing the technical foundations for the Herefordshire Connects Programme
- Ensuring outstanding IEG priority outcomes are incorporated in the Herefordshire Connects programme
- Rolling out the Complaints handling system
- Refurbishment of Garrick House to provide Info shop in Hereford City
- Delivery of Phase 1 of Info by Phone
- Customer Service training for customer-facing staff
- IT staffing
- Feasibility study for Archive and Modern Records accommodation
- Strategic Review with Members
- Structuring of the finances for Customer Services and IT
- Establishing an improved relationship with Schools

Legal & Democratic Services

Challenges include:

- Addressing base budget issues, including a review of the Legal Services charges structure
- Resource implications of proposed changes to the Coroner's Service and Monitoring Officer role
- Future competitiveness of Land Charges
- Implementing unification of the Registration Services, and associated accommodation issues.

Policy & Performance

In addition to the overall challenge of embedding performance management throughout the authority, specific challenges include:

- Implementation of the revised Integrated Performance Reporting process
- Implementation of the Annual Performance Improvement Cycle
- Implementation of the new performance network within the authority
- Supporting services to use the results of the annual customer satisfaction survey in service improvement
- Conduction the 2006 customer satisfaction survey
- Implementation of the performance review process for Chief Executive and Directors
- Monitoring delivery of the Overall Improvement Plan and those plans that underpin it
- Achievement of Level 2 of the Equalities Standard
- Supporting the continuance of regular performance Management meetings between myself, Cabinet Colleagues and Directors

Emergency Planning

Challenges include:

- Verification of existing Service Continuity Plans

HUMAN RESOURCES

The Council's Pay and Workforce Development Strategy 2005-8 was agreed by Cabinet on 9th June 2005. Highlights from 2005-6 are as follows:

Pay, Reward and Recognition

- Numbers in receipt of pay protection reduced by 43% (from 838 at 31st March 2005, to 475 at 1st April 2006). Evaluation appeals concluded and Single Status implemented Post Job Evaluation support was provided for employees on protection.
- Implemented framework for corporate consultation, including improved Directorate consultation mechanisms and Joint employment policy workshops for managers and Trades Unions.
- First phase completed in the project to develop generic skills and career pathways linked to pay progression throughout the Council

Resourcing

- Social Work identified as a key resourcing issue. Response to the Joint Area Review contains detailed actions aimed at improved recruitment and retention in Social Work.
- Recruitment processes modernised to deliver improvements and savings.
- New Deal introduced – 11 placements; 2 people employed permanently.
- Employee turnover steady at just under 8% for 2005-6, compared with a target of 9%. and a median average for Unitary Councils of 16.5%.
- Market forces supplements mechanism is in place, and the comprehensive employment package has begun to be promoted both internally and externally.

Developing Leadership Capacity

- Reviewed management development provision is being progressed via Senior Management Team.
- Introduced Certificate in Leadership and Management.
- Won a Regional Award for the Leadership Development Programme commissioned and developed in partnership with the seven Worcestershire Councils.
- Supported establishment and development of Corporate Management Board and Senior Management Team.

Developing the skills and capacity of the workforce

- Expanded Social Care National Vocational Qualification (NVQ) Centre to become corporate Skills For Work Centre to better support the Council's drive to improve customer services.
- Carried out Light Touch assessment against the Investor in People Standard to identify areas for improvement.
- Delivered minimum qualifications and skills for social care workforce across Herefordshire.
- Staff Review and Development completion improved from 72% to 76%. The SRD process is firmly linked to the Council's performance management cycle.
- Nearly 2,000 attendees on corporate training events.

Organisational Development

- Set in place a programme of tailored Diversity awareness training. Voluntary language register for employees established. Introduced mandatory Diversity and Equality half-day induction for new employees.
- Achieved 10.5 FTE days lost per employee per year to sickness absence, against target of 10 days for 2005-6 and a median average of 10.2 days for local government. The long-term sickness absence rate in the former Social Care and Strategic Housing Directorate was halved. A series of events to focus on employee well being were held and well attended.
- Improved response rate to Staff Opinion Survey – 40% in 2005 against 38% in 2004, and introduced on line completion option.

Priorities for 2006-7 include:

- **Pay, Reward, and Recognition** – a formal approach for recognition developed and in place, a pay policy developed and agreed, progress generic skills and careers pathways project.
- **Resourcing** -, embed Recruitment Centre approach, develop a workforce planning system including targeted activity to address identified shortage areas e.g. Children's Social Work, Youth Service. Remove known barriers to employment.
- **Developing Leadership Capacity**- implement review of management development findings including succession management, aspiring manager development, induction of new managers.
- **Developing Skills and Capacity of the workforce**- develop workforce development plan for social care workforce, address workforce planning, skills and development, career pathway requirements in Children's and Adults Social Care. Set timeline and critical steps for Investor in People assessment accreditation.
- **Organisation Development** - meet an absence target of no more than 9 days per FTE per year. Continue Equality and Diversity training and awareness to support Equality Impact Assessments.

REPORT FOR STRATEGIC MONITORING COMMITTEE 26th JUNE 2006 CABINET MEMBER (RESOURCES)

SUMMARY OF PERFORMANCE IN 2005/06

The new Resources Directorate is made up of the former County Treasurer's Department and the Property Services section from the Environment Directorate. Responsibility for corporate procurement also transferred from the former County Solicitor & Secretary's Department. The Directorate became operational through the existing management structures in November 2005. Performance overall is perhaps best described as steady during 2005/06 given the senior management changes that happened during the year.

The implementation of a new software system in Revenues and Benefits had a major impact on performance in the earlier part of 2005/06. It recovered strongly in the last half of the year but overall performance for the year was still below target. The benefit inspectors made allowances for the dip in performance due to the software change in awarding the Council a rating of 3 out of 4 for the Benefits element of Herefordshire's Comprehensive Performance Assessment (CPA) in 2005. Continuing to improve performance will be a key issue for 2006/07.

The Property Services team had a busy year with operational workload and staffing issues making progress with strategic asset management during the year difficult. Getting back on track with strategic asset management planning will be a key issue for 2006/07, as will building the joint venture relationship with Herefordshire Jarvis Services.

The finance and audit teams continued to offer solid support to the rest of the organisation. The 2005 CPA score perhaps best reflects the contribution they made during the year with a judgement of 3 out of 4 on the Use of Resources element of the inspection. The annual Statement of Accounts for 2004/05 was completed and approved within the statutory deadline and received praise from the external auditor. An Audit Committee was established which met twice in the year. Key targets for 2006/07 include:

- continuing to develop a culture for financial management being part of everyone's day job – not just the finance technicians and professionals; and
- continuing to develop the role of the Audit Committee.

Further progress on procurement was made during the year with the production of a corporate procurement strategy. Work to co-ordinate procurement activity, embed Herefordshire's procurement policies and manage suppliers had to be left as the resource for these activities was not available. A Job Description / Person Specification has been agreed for a corporate Procurement and Efficiency Manager. Catch-up will be a key priority in 2006/07 as procurement will be a key theme within the Herefordshire Connects programme.

PERFORMANCE PLANS FOR 2006/07

The Chief Executive provided feedback on progress with management issues identified for the year in March 2006 as part of the Director's commitment process. It was agreed that the following areas required further attention in 2006/07:

- **Customers matter** – the Directorate needs to improve perceptions of its commitment to customer care. The transfer of public facing staff in the Revenues & Benefits section to Customer Services should lead to demonstrable improvements in 2006/07. A review of communications to both internal and external customers to ensure a customer friendly approach was considered overdue. It was also felt the Directorate's professional staff need to offer more proactive and innovative support in line with the move to a more corporate approach to resource management.
- **Performance management matters** – it was disappointing that performance on LPSA1 was reported as being in line with other councils during the 3-year period of the agreement only to find that final performance was in fact below average. The Directorate has a key role supporting the monitoring arrangements for the LPSA and needs to develop ways of challenging the accuracy of the performance management information

REPORT FOR STRATEGIC MONITORING COMMITTEE 26th JUNE 2006 CABINET MEMBER (RESOURCES)

being reported by lead officers. We also continue to see wide variations in the budget position forecast by service managers during the year and actual outturn. There is more work to do to encourage service managers to focus on delivering improving services within budget.

- **Budgets matter** – further service overspends occurred in 2005/06 that are not sustainable into the future. The Directorate needs to support the development and delivery of action plans to ensure that a balanced budget is delivered for 2006/07. This activity will include securing agreement to permanent virement both within and between Directorates and providing Cabinet with more regular feedback on corporate financial risks in addition to the budget monitoring exception reports that are produced as part of the Integrated Performance Report.
- **Use of Resources matters** – retaining the auditors' 2005 judgment is considered a significant challenge as even more rigorous inspection is anticipated with the arrival of a new District Auditor and Relationship Manager coupled with the current social care inspection position. Whilst the Resources Directorate can deal with many of the process issues, all Directorates will need to be able to demonstrate that they understand and comply with the corporate financial governance framework.
- **Property matters** – whilst we have a highly rated Asset Management Plan, progress in implementing it has been limited. Making progress with the Accommodation Strategy will be a key priority for 2006/07, as will reviewing the corporate policies for land and property ownership within the Council.

Recruitment and selection for the three new Head of Service posts within the Directorate took place between 6th and 9th June. Mike Toney, currently Assistant County Treasurer with Herefordshire, was appointed as Head of Benefit & Exchequer Services. David Powell, currently Head of Resources within the Education Department at Torfaen County Borough Council, was appointed subject to satisfactory personal and medical references to the Head of Financial Services post. At the time of writing, discussions with the preferred external applicant for the Head of Asset Management & Property Services were ongoing.

The new Heads of Service will be key to driving the improvements in the key areas outlined above. Detailed organisational plans to ensure a corporate approach to utilising the resources available for financial management, financial administration, strategic asset management, property operations, audit and procurement will then be developed and implemented.

Other key issues for 2006/07 include:

- Completing an unqualified Statement of Accounts for 2005/06 on time;
- Responding positively to the BFI inspection of our intervention work on benefits;
- Completing self-assessments for Use of Resources and Benefits on time;
- Developing a Medium Term Financial Strategy by the end of July;
- Supporting the Herefordshire Connects programme; and
- Implementing the Accommodation Strategy.