

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

Chief Executive's Office

Chief Executive: N.M. Pringle

Your Ref:

Our Ref: NMP/CD

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12th June, 2006

Dear Councillor,

**MEETING OF CABINET
THURSDAY, 15TH JUNE, 2006 AT 2.00 P.M.
THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD**

AGENDA (06/02)

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

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

3. INTEGRATED PERFORMANCE REPORT

To note (a) performance for the operating year 2005-06 against the Annual Operating Plan 2005-06;

(b) the full set of Best Value Performance Indicators (BVPIs); and

(c) the capital budget position and corporate risks. *(Pages 1 - 70)*



4. FINAL REVENUE OUTTURN 2005/06

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. *(Pages 71 - 96)*

5. RESPONSE TO THE REVIEW OF THE STRATEGIC SERVICE DELIVERY PARTNERSHIP

To set out the Cabinet's response to the recent Strategic Monitoring Committee's review of the Strategic Services Delivery Partnership between Herefordshire Jarvis Services, Owen Williams and Herefordshire Council. *(Pages 97 - 106)*

Yours sincerely,



N.M. PRINGLE
CHIEF EXECUTIVE

Copies to: Chairman of the Council
Chairman of Strategic Monitoring Committee
Vice-Chairman of Strategic Monitoring Committee
Chairmen of Scrutiny Committees
Group Leaders
Directors
Head of Legal and Democratic Services

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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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INTEGRATED PERFORMANCE REPORT

PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES

CABINET

15TH JUNE, 2006

Wards Affected

County-wide

Purpose

- To note (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.

Key Decision

This is not a Key Decision

Recommendation

- THAT (a) performance for 2005-06 be considered and noted;**
- (b) the actions being taken to improve performance against indicators for 2006-07 (in paragraph 7) be supported; and**
- (b) the Best Value Performance Indicators for 2005-06 be approved for publication subject to any detailed textual amendments required.**

Reasons

The Council's Corporate Plan for 2005-08 set out the Council's objectives, priorities and targets for the three years 2005-08. The Annual Operating Plan (AOP) is the detailed action plan for the first of these years, 2005-06. This report looks back and summarises the Council's performance in the operating year 2005-06.

In line with the Council's wish to integrate planning and performance management, the BVPI outturns and future targets will now be published electronically as an annex to an updated version of the Council's Corporate Plan 2006-09. The Council is required to publish performance information for 2005-06 by 30th June. Cabinet should be aware that there are still missing pieces of performance information from the BVPI Outturn (Appendix B), often for legitimate reasons, which will be available prior to the 30th June publication date.

Considerations

1. This is the last Integrated Performance Report for the operating year 2005-06. For this end-of-year report, the Revenue Budget position is being reported separately so that greater detail can be given to put the end-of-year position in context.

Progress against the Annual Operating Plan 2005-06

2. This section summarises progress against the AOP 2005-06. Fuller details on each of the indicators are given in Appendix A. The appendix appears in the old, previously agreed format, which will be changed for all future reports to graphically present progress against each indicator in 2006-07.
3. As before, performance has been monitored for each indicator using the following system:
 - ✓ Everything is OK
 - ? Something's not right (for some indicators, final outturn is not yet available)
 - * Things haven't gone to plan
4. There are more indicators that have been marked *, i.e. as areas where performance has fallen short of the targets or deadlines for action identified at the beginning of the year in the Annual Operating Plan. In total, there are 53 such indicators compared to 41 reported in January, 18 in November and 9 in September. This does not in all cases reflect a fall in performance, other reasons include poor target setting initially, failure to take corrective action throughout the year.
5. Analysis of the data by Ambition and by Improved Services and Efficiency is contained in the table below.

Ambition	No. of Indicators	✓	?	*	N/a
Improve the health and wellbeing of Herefordshire people	11	5		5	1
Reduce crime and disorder and make Herefordshire safer	4			3	1
Reduce poverty and isolation in Herefordshire	6	3		3	
Encourage communities to shape the future of Herefordshire	6	1		1	4
Develop Herefordshire as an active, vibrant and enjoyable place to be	5	1		4	
Protect and enhance Herefordshire's distinctive environment	7	5		2	
Develop an integrated transport system for Herefordshire	6	1	5		
Meet Herefordshire's accommodation needs	4	2		2	
Support business growth and create more and better paid work in Herefordshire	5	1		4	
Provide excellent education, training and learning opportunities in Herefordshire for all ages	13	2		11	
Children and Young People: A Golden Thread	8	1		7	
Improved Services	9	5	1	2	1
Improved Efficiency	15	3	3	9	
	99	30	9	53	7

6. The main points are:

- a) There are 7 indicators against which a judgement of n/a has been reported. In the case of indicator **24**, which relates to the ‘% of parishes uncontested in local elections’, there were no elections this year and as such it is impossible to judge performance against this indicator; in retrospect this indicator should possibly not have been included this year. The other 6 indicators are LPSA2G indicators, where a baseline has now been set following the publication of survey results conducted in 2005/06. These baselines will be used to establish the target for the LPSA and set milestones for 2006-07.
 - b) There are 25 indicators within the AOP that are linked to the LPSA2G, of which 17 have been marked *****, compared with 24 to January. Although outturn performance has been reported against some of these indicators, they are still judged to be failing because, in the majority of cases, no target has been set. The reason for the reduction in the number of indicators marked ***** is described in a) above.
 - c) Many indicators have been marked ***** because there has been an absence of targets and actions set, a task that should have been completed by August 2005. Although outturn performance may have been reported, the absence of targets has meant that performance cannot be positively judged.
7. The outturn against the AOP indicators is clearly disappointing. For the future the following steps are being taken:
- a) Clearer, simpler graphical templates.
 - b) Continuing to work with Heads of Service, individually and through Senior Management Team, to ensure the templates are completed to a high standard as the basis for monitoring during the year.
 - c) Piloting a standardised agenda for the monthly performance improvement meetings between Cabinet Members and Directors.

Best Value Performance Indicator Outturns 2005/06

- 8. BVPI outturns and targets for the next 3 years are at Appendix B. There are still outturns that have yet to be reported, some of which legitimately rely on the closure of accounts before outturn can be reported. This is standard practice with other authorities.
- 9. The table below shows, where outturn data is available for internal comparison from last year and where the Audit Commission have indicated that comparison is applicable, whether performance is improving against the national BVPIs. Groupings of the PIs follow the guidance in the Office of the Deputy Prime Minister (ODPM) publication ‘Best Value Performance Indicators 2005-06’. External comparison, i.e. our quartile position relative to other authorities, will be possible following publication of the figures for all authorities later in the year.
- 10. Given the high level of indicators that are getting worse or show no improvement an action plan will be developed with Heads of Service to ensure improvement.

	No. of PIs	Improving	Getting worse	No change	Unavailable

Corporate Health	14	4	8	1	1
Education	14	3	-	11	-
Health & Social Care – Children	6	4	2	-	-
Health & Social Care – Adults	4	3	-	1	-
Housing	1	1	-	-	-
Homelessness	4	-	3	1	-
Housing Benefit & Council Tax Benefit	3	1	2	-	-
Waste & Cleanliness	9	5	1	1	2
Transport	14	6	6	-	2
Environment & Environmental Health	2	-	2	-	-
Planning	7	5	2	-	-
Culture & Related Services	3	-	3	-	-
Community Safety & Well-being	4	2	1	1	-
	85	34	30	16	5

Capital Budget Monitoring

11. Details of spending on the **capital programme** are at Appendix C.
12. The Capital Programme outturn for 2005-06 totalled £31,845,000 compared to an original budget forecast of £37,131,000, which represents a decrease of £5,286,000 or 14%.

Risk monitoring

13. Details of **corporate risk monitoring** are at Appendix D.

New Risk: Herefordshire Connects

14. Since the last Integrated Performance Report in February the Herefordshire Connects programme has been added as an additional risk to the Corporate Risk Log.
15. The potential significant level of investment in this programme will require robust investment appraisals in order to minimise the likelihood of service cuts as a result of identified savings not being realised. Strong corporate governance arrangements are already in the process of being set up. The programme will have a major impact on the Medium Term Financial Strategy for the Council and the operations of every service within the organisation.

Adult Social Care and Children's Services

16. Steady progress is being made against other key corporate risks, including the creation of a budget plan for containing spending within Adult Social Care and the submission to Cabinet on the 25th May of a draft JAR Action Plan. These are still considered to be high existing risks however. A detailed needs analysis is currently taking place on future demand for Adult Social Care and the services that will be needed to meet it. Its initial findings confirm that we can expect steadily increasing demand for social care year-on-year. The Council will need to take a strategic view on the results of this review towards the end of summer and make appropriate

provision in its plans.

Overall Performance Improvement Action Plan

17. The overall CPA Performance Improvement Action Plan was agreed in March. Its success will depend greatly on the effective implementation of the corporate planning and performance frameworks, including the full integration of financial planning. The Medium Term Financial Strategy will need to be agreed soon and fit in with the proposed timetable for the Performance Improvement Cycle for 2006-07. One of the key dates will be the submission of three-year proposals for service improvement by Directors by the end of July. The risk is that these are agreed without a full understanding of the medium term financial prognosis and the challenges placed on services by the corporate change programme, certainly in the short term. This will be controlled by requiring the preparation of the three-year plans within a set of clear ground rules and by subjecting them to systematic interrogation by CMB and Cabinet.

Conclusion

18. In considering this report it should be recognised that progress against the Annual Operating Plan has been reported against target and not against previous performance.
19. Looking at the BVPIs shows that 59% of indicators have either improved or maintained performance compared to 57% last year; 35% of PIs have deteriorated in performance, compared with 43% deterioration in 2004-05. This comparison has been made against last year's performance and not against the targets set.

Alternative Options

Effective performance monitoring and management are crucial for continuous improvement. Following the 2005 Corporate Assessment, the Council's improvement plan includes further measures to strengthen these arrangements across the Council such as simpler, more effective performance management reports against the AOP for 2006-07 and an annual performance improvement cycle.

Risk Management

Effective performance reports and their follow-up are an essential element in the management of risks.

Consultees

Relevant internal officers have been consulted. No external consultation has been necessary.

Background Papers

None

The Action Plan 2005-06: The Details

APPENDIX A

Part One – Making a reality of the Herefordshire Plan: service targets

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Improve the health and wellbeing of Herefordshire people					
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	1 % of babies born in the South Wye area of Herefordshire who are breast feeding at 6 weeks of age (LPSA2G)	No interim target set. (LPSA final target is 40% against a baseline of 25.4% in 2004).	2005-6 are not available until all info is collected which will be by end of June - this is because info re babies born at end of March has not yet been returned to Child Health	x
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	2 % of babies born to teenage mothers in Herefordshire who are breastfeeding at 6 weeks of age (LPSA2G)	No interim target set. (LPSA final target is 30% against a baseline of 15.1% in 2004).	No outturn reported.	x
Cllr Rule & Mr Dunhill	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	3 % of 11-15 year olds smoking 1+ cigarettes per week	11%	Data for this indicator was not collected. New baseline data is to be established through a young person's lifestyle survey that has been commissioned.	x
Cllr Mrs Barnett & Mr Hughes	Enable vulnerable adults to live independently	4 The number of people aged 65 and over helped to live at home, per 1000 adults aged 65 and over	75	78.6	✓

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Improve the health and wellbeing of Herefordshire people					
Cllr Mrs Barnett & Mr Hughes	Enable vulnerable adults to live independently	5 Satisfaction with the help received from Herefordshire Social Services by people 65 and over using home care services provided through Social Care and people 65 and over who directly purchased services using Direct Payments (LPSA2G)	N/a. (LPSA target will be set using the 2005/06 survey to establish a baseline).	Taken from Older People Home Care Survey: 18.9 Extremely Satisfied 34.7 Very Satisfied 33.8 Quite Satisfied 7.2 Neither Satisfied or Dissatisfied 3.6 Quite Dissatisfied 0.5 Very Dissatisfied 1.4 Extremely Dissatisfied Not able to provide data for Direct Payments only.	N/a
Cllr Mrs Barnett & Mr Hughes	Enable vulnerable adults to live independently	6 Number of emergency unscheduled acute hospital bed days (defined in the Department of Health guidance for Local Delivery Plans 2005-2008) occupied by a person aged 75 or more in NHS hospitals, commissioned by Herefordshire PCT (LPSA2G)	No interim target set. (LPSA final target is 31,222 against a baseline of 34,691 in 2003/04).	Figures not yet available from Health.	x
Cllr Mrs Barnett & Mr Hughes	Enable vulnerable adults to live independently	7 The number of carers receiving a specific carers' service as a % of clients receiving community based services	2%	10%	✓
Cllr Mrs Barnett & Mr Hughes	Enable vulnerable adults to live independently	8 The number of adults and older people receiving direct payments at 31 st March per 100,000 population aged 18 years or over	100	68.5	x

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Improve the health and wellbeing of Herefordshire people					
Cllr Mrs Barnett & Mr Hughes	Enable vulnerable adults to live independently	9 Adults with physical disabilities helped to live at home per 1,000 population aged 18-64	4.2 (from 2.8)	4.7	✓
Cllr Mrs Barnett & Mr Hughes	Enable vulnerable adults to live independently	10 Adults with learning disabilities helped to live at home per 1,000 population aged 18-64	2.2	2.4	✓
Cllr Mrs Barnett & Mr Hughes	Enable vulnerable adults to live independently	11 Adults with mental health problems helped to live at home per 1,000 population aged 18-64	1.75	3.5	✓

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Reduce crime and disorder and make Herefordshire safer					
Cllr Stockton & Ms Fiennes	Develop its community leadership role	12 Number of violent crimes in Herefordshire (LPSA2G)	No interim target set. (LPSA final target is 2,553 against a baseline of 2,844 in 2003/04).	2589 YTD	x
Cllr Stockton & Ms Fiennes	Develop its community leadership role	13 The number of criminal damage incidents (LPSA2G)	No interim target set. (LPSA final target is 2,101 against a baseline of 2,524 in 2003/04).	2690 YTD	x
Cllr Stockton & Ms Fiennes	Develop its community leadership role	14 To reduce the percentage of people who think that: a) speeding traffic is a problem b) Vandalism, graffiti and other deliberate damage to property or vehicles is a problem c) People using drugs is a problem d) People dealing drugs is a problem e) People being drunk or rowdy in public places is a problem (LPSA2G)	N/a. (LPSA target will be set using the 2005/06 survey to establish a baseline).	80.6% 59.8% 59.7% 52.8% 52.7%	N/a

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Reduce crime and disorder and make Herefordshire safer					
Cllr Mrs Barnett & Ms Fiennes	Enable vulnerable adults to live independently	15 Assessment of the overall provision and effectiveness of local authority services designed to help victims of domestic violence and prevent further domestic violence – checklist score	No target was set.	63.6%	x

The Council's Contribution		Indicator	Target	Performance against target		
Cabinet and CMB Lead	Council Priority					
Ambition: Reduce poverty and isolation in Herefordshire						
Cllr Phillips & Mrs Jones	Promote diversity and community harmony and strive for equal opportunities	16 Number of racial incidents recorded by the authority per 100,000 population	>25	88.5		✓
Cllr Phillips & Mrs Jones	Promote diversity and community harmony and strive for equal opportunities	17 The % of racial incidents that resulted in further action	100%	100%		✓
Cllr Mayson & Mrs Jones	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	18 % of respondents finding it easy to access a (a) local shop; (b) a supermarket; (c) a post office; (d) a doctor; (e) a local hospital; (f) a green space; (g) public transport; (h) shop selling fresh fruit & vegetables; (i) chemist/ pharmacy; (j) bank/cash point; (k) library; (l) sports/leisure centre; (m) council office; (n) cultural/ recreational facility	(a)86% (b)79% (c)82% (d)77% (e)56% (f)81% (g)75% (h)80% (l)77% (j)73% (k)69% (l)66% (m)60% (n)53%	(a) 89% (b) 80% (c) 84% (d) 77% (e) 57% (f) 80% (g) 73% (h) 80% (l) 80% (j) 73% (k) 70% (l) 69% (m) 55% (n) 55%	✓ ✓ ✓ ✓ ✓ x x ✓ ✓ ✓ ✓ ✓ x ✓	✓

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Reduce poverty and isolation in Herefordshire					
Cllr Wilson & Ms Rees	Enable vulnerable adults to live independently	19 The number of people in receipt of Pension Credit (LPSA2G)	No interim target set. (LPSA final target is 8,138 against a baseline of 7,596 in 2004/05).	Early Estimates for PC recipients as at November 05 = 8,000 (taken from the DWP website).	x
Cllr Wilson & Ms Rees	Enable vulnerable adults to live independently	20 The number of people in receipt of Attendance Allowance (LPSA2G)	No interim target set. (LPSA final target is 6,702 against a baseline of 5,874 in 2004/05).	Latest figures as at August 05 = 6,560	x
Cllr Wilson & Ms Rees	Enable vulnerable adults to live independently	21 The number of people in receipt of Council Tax Benefit aged 60 or over (LPSA2G)	No interim target set. (LPSA final target is 8,061 against a baseline of 6,862 in 2004/05).	7,326	x

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Encourage communities to shape the future of Herefordshire					
Cllr Phillips & Mr Hughes	Develop its community leadership role	22 % of Herefordshire Voice respondents who feel that the Council does enough to give local people the opportunity to influence important decisions	20%	23% (taken from the Annual Satisfaction Survey).	✓
Cllr Phillips & Mr Hughes	Develop its community leadership role	23 % of young people aged 13-19 who feel that the Council does enough to give young people the opportunity to influence important decisions	25%	Survey was not undertaken during the year.	✗
Cllr Phillips & Mr Pringle	Develop its community leadership role	24 % of parishes uncontested in local elections	N/A (next election in 2006/7)	N/a	N/a
Cllr Mayson & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	25 % of Herefordshire adult residents satisfied with their local community as a place to live (LPSA2G)	N/a. (LPSA target will be set using the 2005/06 survey to establish a baseline).	80%	N/a
Cllr Mayson & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	26 % of adult residents who feel they can influence decisions affecting their local community (LPSA2G)	N/a. (LPSA target will be set using the 2005/06 survey to establish a baseline).	35%	N/a

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Encourage communities to shape the future of Herefordshire					
Cllr Mayson & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	27 % of adult residents reporting that they have engaged in formal volunteering for an average of two hours or more per week (LPSA2G)	N/a. (LPSA target will be set using the 2005/06 survey to establish a baseline).	49%	N/a

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Develop Herefordshire as an active, vibrant and enjoyable place to be					
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	28 % of people who use sports and leisure facilities at least once a month	25%	25%	✓
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	29 % of people who use libraries at least once a month	No target was set.	32%	✗
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	30 % of people who use museums or galleries at least once every 6 months	26.5	19%	✗
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	31 % of people who use theatres or concert halls at least once every 6 months	35%	32%	✗
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	32 % of people who use parks, open spaces, play areas & other community recreational facilities at least once a month	50%	49%	✗

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Protect and enhance Herefordshire's distinctive environment					
Cllr Edwards & Mr Dunhill	Protect the environment, including recycling waste and reduce carbon emissions	33 % of Council-owned or managed land without a nature conservation designation, managed for biodiversity	2.6%	2.49%	x
Cllr Edwards & Mr Dunhill	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	34 Percentage of streets and public areas falling below Grade B for cleanliness (LPSA2G)	25%	18%	✓
Cllr Edwards & Mr Dunhill	Protect the environment, including recycling waste and reduce carbon emissions	35 % of all new homes built on previously developed (Brownfield) land	60%	71.3%	✓
Cllr Edwards & Mr Dunhill	Protect the environment including recycling waste and reduce carbon emissions	36 CO ² emissions in tonnes of carbon dioxide equivalent per head of population/year	13.7	14.3 Although the target was not achieved there has been a reduction in emissions. In future the Council's contribution to this target of the Herefordshire Partnership will be measured using an indicator based on carbon emissions from its own operations only.	x
Cllr Edwards & Mr Dunhill	Protect the environment including recycling waste and reduce carbon emissions	37 EMAS/ISO14001 certification	Extend EMAS/ ISO 14001 to other activities	Milestone of 6 services by February achieved and on-target to achieve whole Council certification by July 2006.	✓

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Protect and enhance Herefordshire's distinctive environment					
Cllr Edwards & Mr Dunhill	Protect the environment including recycling waste and reduce carbon emissions	38 % of schools registered as eco-schools	65%	72% (NB this is a different indicator to 'achievement of the national standard', under which we expect to reach 50% by the end of December 2006)	✓
Cllr Edwards & Mr Dunhill	Protect the environment including recycling waste and reduce carbon emissions	39 Total tonnage of household waste arising – % landfilled	78.2%	76.11%	✓

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Develop an integrated transport system for Herefordshire					
Cllr Wilcox & Mr Dunhill	Improve transport and the safety of roads	40 Number of people killed or seriously injured in road traffic collisions (LPSA2G)	<187	Outturn for 1 st January – 31 st December 2005 = 147	✓
Cllr Wilcox & Mr Dunhill	Improve transport and the safety of roads	41 Local bus services (passenger journeys per year) (000's)	3,928	2005-06 outturn figures will be available in May	?
Cllr Wilcox & Mr Dunhill	Improve transport and the safety of roads	42 Change in Annual Average Daily Traffic (AADT) volumes (index)	104	2005-06 outturn figures will be available in May	?
Cllr Wilcox & Mr Dunhill	Improve transport and the safety of roads	43 No. of cycling trips (index)	118	2005-06 outturn figures will be available in May	?
Cllr Wilcox & Mr Dunhill	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	44 % of the non-principal road network where structural maintenance should be considered	26	Results for 2005 are awaited from the specialist survey company accredited to undertake this work. Results are expected to be close to target.	?
Cllr Wilcox & Mr Dunhill	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	45 % of the local authority principal road network where structural maintenance should be considered	3	Results for 2005 are awaited from the specialist survey company accredited to undertake this work. Results are expected to be close to target.	?

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Meet Herefordshire's accommodation needs					
Cllr Mrs Barnett & Mr Hughes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	46 The average length of stay in bed and breakfast accommodation of households that are unintentionally homeless and in priority need	0 weeks	10.65 weeks	✘
Cllr Mrs Barnett & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	47 No. of people accepted as homeless & towards whom the council has a full statutory duty	490	416	✓
Cllr Mrs Barnett & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	48 Proportion of unfit private sector dwellings made fit or demolished as a direct result of action by the local authority	3.5%	2.7% Previous Home Improvement Agency provider unable to accept further cases from March 2005 until withdrawal in September 2005.	✘
Cllr Mrs Barnett & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	49 No. of new homes & affordable homes built (net of replacements)	100 units	188 This includes total number of additional units provided both with and without grant funding. It does not take into account any loses – therefore 188 is not net of replacements.	✓

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Support business growth and create more and better paid work in Herefordshire					
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	50 Average weekly earning in Herefordshire compared with the average in the West Midlands	No target was set.	Herefordshire = £351.20 West Midlands = £402.50	✗
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	51 Gross Value Added (GVA) per head in Herefordshire compared with the West Midlands average	No target was set.	Herefordshire = £11,875 West Midlands = £13,803	✗
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	52 % of working age in employment (average over year)	80%	81.5%	✓
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	53 Completions of employment land (hectares)	No target was set.	No outturn reported.	✗
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	54 No. employed in technology & knowledge intensive industries (LPSA2G)	No interim target set. (LPSA final target is 10,286 against a baseline of 9,339 in 2003).	No outturn reported.	✗

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Provide excellent education, training and learning opportunities in Herefordshire for all ages					
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	55 % of 3 year olds who have access to a good quality free early years education place in the voluntary, private or maintained sectors	85%	Latest outturn is for the autumn term 2005 = 78%. Although this is lower than the Summer term 2005, it is higher than the Autumn term 2004. It also records actual take-up. More places are available if parents wanted to use them.	x
Cllr Rule & Ms Fiennes	Improve the achievement of pupils	56 Proportion of pupils in LEA schools in the previous summer achieving Level 4 or above in the Key Stage 2 Mathematics test	82%	76%	x
Cllr Rule & Ms Fiennes	Improve the achievement of pupils	57 Proportion of pupils in LEA schools in the previous summer achieving Level 4 or above in the Key Stage 2 English test	81%	81%	✓
Cllr Rule & Ms Fiennes	Improve the achievement of pupils	58 % of all pupils in LEA schools achieving 5 or more 5A* - G grades at GCSE, or equivalent (LPSA2G)	95%	93%	x

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Provide excellent education, training and learning opportunities in Herefordshire for all ages					
Cllr Rule & Ms Fiennes	Improve the achievement of pupils	59 The number of those young people who were looked after on 1 st April in their 17 th year (aged 16) who were engaged in education, training, or employment at the age of 19 (LPSA2G)	94.7% (46)	Latest figures based on 1.04.05 when 12 out of cohort of 15 were in education, training or employment i.e. 80%. 100% of those 16 year olds who left care during 04-05 are in education, employment or training. Of those individuals known to Connexions there were in December 05 22 or 40.9% of 19 year olds who were in education, employment or training. 19 in 05/06 14 in 06/07 17 in 07/08	x
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	60 The number of Herefordshire residents aged 19+ achieving a Level 2 qualification (excluding manufacturing & engineering) (LPSA2G)	No interim target set. (LPSA final target is 1,872 against a baseline of 1,738 in 2003/04).	10	x

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Provide excellent education, training and learning opportunities in Herefordshire for all ages					
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	61 The number of Herefordshire residents aged 19+ achieving a Level 3 qualification (excluding manufacturing & engineering) (LPSA2G)	No interim target set. (LPSA final target is 878 against a baseline of 825 in 2003/04).	8	x
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	62 The number of Herefordshire residents aged 19+ achieving a Level 2 qualification in manufacturing & engineering (LPSA2G)	No interim target set. (LPSA final target is 57 against a baseline of 35 in 2003/04).	0	x
Cllr Stockton & Mr Hughes	Sustain vibrant and prosperous communities, provide more efficient, effective and customer-focused services and clean streets	63 The number of Herefordshire residents aged 19+ achieving a Level 3 qualification in manufacturing & engineering (LPSA2G)	No interim target set. (LPSA final target is 44 against a baseline of 32 in 2003/04).	4	x
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	64 No. of new out of school hours childcare places provided	A net 1300 more	478	x
Cllr Rule & Ms Fiennes	Improve the achievement of pupils	65 % of half days missed due to total absence in secondary schools maintained by the authority (LPSA2G)	7.4%	7.4%	✓

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Ambition: Provide excellent education, training and learning opportunities in Herefordshire for all ages					
Cllr Rule & Ms Fiennes	Improve the achievement of pupils	66 % of half days missed due to total absence in primary schools maintained by the authority (LPSA2G)	4.9%	5.05%	x
Cllr Rule & Ms Fiennes	Improve the achievement of pupils	67 The number of children who had been looked after continuously for at least 12 months and were of school age, who missed a total of at least 25 days of schooling for any reason during the previous school year (LPSA2G)	9	Autumn 2005 outturn identified 9.2% of cohort (120) i.e. 11. No end of year figure available.	x

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Children and Young People: A Golden Thread					
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	68 Change in the number of conceptions to females aged under 18, resident in an area, per thousand females aged 15-17 resident in the area, compared with the baseline year of 1998	50% reduction in rate by 2010 (based on 1998 return)	Teenage pregnancy rates are well below the national average and below comparison groups. The Teenage Pregnancy Annual Report for 2004-5 and Action Plan for 2005-6 anticipate hitting the target of a 50% reduction in teenage conceptions by 2010. However, no actual outturn has been reported.	x
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	69 Number of re-registrations on the Child Protection Register	15%	19.48% (NB Good performance is generally low. However a very low level of re-registrations may mean that a council is not re-registering some children who are in need.	x
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	70 % of half days missed due to total absence in secondary schools maintained by the authority (LPSA2G)	7.4%	7.4%	✓
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	71 % of half days missed due to total absence in primary schools maintained by the authority (LPSA2G)	4.9%	5.05%	x

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Children and Young People: A Golden Thread					
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	72 Individual young people more fully engaged in (youth work) programmes of various kinds	12% or 1,779	7.6% or 1123. Positive progress is being made although to achieve annual target further work is required.	x
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	73 Percentage of the total youth population aged 13 –19 in contact with the youth service	20% or 2,966	9.4% or 1400. Positive progress is being made although to achieve annual target of 2966 or 20% there is still some way to go.	x
Cllr Rule & Ms Fiennes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	74 Number of racist incidents in schools	TBD	Annual figures are now being collected and target setting is in progress.	x
Cllr Stockton & Mr Hughes	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	75 % of 16-18 year olds in education, training or employment	No target was set.	No outturn reported.	x

Part Two - Making it happen through greater customer focus and organisational improvement

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Improved Services					
Cllr Mrs French & Mrs Jones	Understand the needs and preferences of service users and Council-tax payers	76 % of requests answered within the 20 day time limit	95%	1048 requests received; all but 4 answered within the 20-day time limit = 99.6%	✓
Cllr Mrs French & Mrs Jones	Understand the needs and preferences of service users and Council-tax payers	77 % of appeals to the Information Commissioner that are upheld	8%	0% (Two referrals not upheld).	✓
Cllr Phillips & Mrs Jones	Understand the needs and preferences of service users and Council-tax payers	78 % of Herefordshire Voice respondents who feel that the Council does enough to give local people the opportunity to influence important decisions	20%	23% (taken from the Annual Satisfaction Survey)	✓
Cllr Phillips & Mrs Jones	Promote diversity and community harmony and strive for equal opportunities	79 The level of the Equality Standard for Local Government to which the authority conforms in respect of gender, race and disability	1	Level 1	✓
Cllr Mrs French & Mr Johnson	Recruit, retain and motivate high quality staff	80 % of personal development plans in place & % of planned activity implemented	85%	No outturn reported.	✗
Cllr Mrs French & Mr Johnson	Recruit, retain and motivate high quality staff	81 The number of working days/shifts lost to sickness absence per full time equivalent employees	10	10.5 FTE	✗
Cllr Mrs French & Mr Johnson	Recruit, retain and motivate high quality staff	82 % staff turnover	9%	7.73%	✓

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Improved Services					
Cllr Rule & Mr Pringle	Maximise the health, safety, economic wellbeing, achievements and contribution of every child	83 Outcomes of Joint Area Reviews		Score of 2 stars overall = adequate, comprising sub-scores of 3 stars for Education and 1star for Children's social care; the latter the result, primarily, of concerns regarding arrangements for safeguarding the most vulnerable children (but no instance identified of failure to safeguard individuals) Draft improvement plan revised with DfE consultant. Report awaited, but positive feedback received, particularly on safeguarding issues.	?
Cllr Mayson & Mr Hughes	Develop its community leadership role	84 % of Herefordshire adult residents satisfied with their local community as a place to live (LPSA2G)	N/a. (LPSA target will be set using the 2005/06 survey to establish a baseline).	80%	N/a

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Improved Efficiency					
Cllr French & Mrs Jones	Secure significant efficiency savings	85 Net reduction in cost of identified services (SIP)	No target was set.	Corporate Strategy Review Project now rebranded to Herefordshire Connects and has received both CMB and Cabinet approval to proceed. New governance arrangements including the formation of a Corporate Transformation Board and the reworking of IPG membership identified.	x
Cllr Wilson & Ms Rees	Secure significant efficiency savings	86 Cost of procurement	£1m saving	New Strategy approved by Cabinet on 14 July	x
Cllr Wilson & Ms Rees	Secure significant efficiency savings	87 % of milestone activities completed in the National Procurement Strategy for Local Government	Reduction of 5% in OJEC notice to contract time by October 2005	No outturn reported.	x
Cllr Wilson & Ms Rees	Secure significant efficiency savings	88 Price comparison of 10 commodities	Develop basket of commodities.	Interim Manager compared prices from a neighbouring LA and commercial suppliers with WMS to complete project.	✓
Cllr Wilson & Ms Rees	Secure significant efficiency savings	89 Average minimum cost of raising an order	No target was set.	Corporate electronic ordering arrangement will be considered together with Procurement Strategy. Continuing to roll out Cedar purchase ordering	x

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Improved Efficiency					
Cllr Wilson & Ms Rees	Secure significant efficiency savings	90 Total cost of office accommodation at 2004/5 prices	£1.65m	Some co-location has taken place	x
Cllr Phillips & Mr Pringle	Ensure that its essential assets are in the right condition for the long-term cost-effective delivery of services	91 Overall score on Auditor Scored Judgement (CPA use of resources)	3	Score of 3 achieved	✓
Cllr Phillips & Mr Pringle	Ensure that its essential assets are in the right condition for the long-term cost-effective delivery of services	92 % of the non-principal road network where structural maintenance should be considered	26	Results for 2005 are awaited from the specialist survey company accredited to undertake this work. Results are expected to be close to target.	?
Cllr Phillips & Mr Pringle	Ensure that its essential assets are in the right condition for the long-term cost-effective delivery of services	93 % of the local authority principal road network where structural maintenance should be considered	3	Results for 2005 are awaited from the specialist survey company accredited to undertake this work. Results are expected to be close to target.	?
Cllr Phillips & Mr Pringle	Ensure that its essential assets are in the right condition for the long-term cost-effective delivery of services	94 % gross internal floor space in ODPM categories A & B	87% Update Asset Management Plan by Jun-05	86.4% (measured in July 2005).	x
Cllr Phillips & Mr Pringle	Ensure that its essential assets are in the right condition for the long-term cost-effective delivery of services	95 ICT Network availability (%)	98.50%	No outturn reported.	x

The Council's Contribution		Indicator	Target	Performance against target	
Cabinet and CMB Lead	Council Priority				
Improved Efficiency					
Cllr Mrs French & Mr Pringle	Embed corporate planning, performance management and project management systems	96 The status of the Council's Best Value Performance Plan	Unqualified	Unqualified	✓
Cllr Mrs French & Mrs Jones		97 The % of those making complaints satisfied with the handling of those complaints	No target was set.	31%	✗
Cllr Phillips & Mr Pringle	Embed corporate planning, performance management and project management systems	98 Comprehensive Performance Assessment Judgement		Overall score of 3 stars. Corporate Performance Assessment of 2 stars, with judgements about our areas of strength and of weakness broadly in line with our self-assessment. Direction of Travel Statement that we are improving adequately. Overall Improvement Programme agreed and being implemented.	?
Cllr Phillips & Mrs Jones	Develop its community leadership role	99 % of complaints about District, Town and Parish Councillors to the Standards Committee upheld	15%	16% (2 of 12 complaints upheld). 1 complaint is currently waiting determination.	✗

Notes:

Performance highlights -

- ✓ Everything is OK - Performance on target, milestone or required progress towards it achieved, action completed by due date or required progress towards its completion by the due date, appropriate action taken to mitigate risk
- ? Something's not right:
performance isn't on target, or
the milestone isn't going to be achieved, or
the action isn't going to be delivered on time, or
a risk hasn't been mitigated
- * Things aren't going to plan – more than one of the following has happened:
performance isn't on target, or
the milestone isn't going to be achieved, or
the action isn't going to be delivered on time, or
a risk hasn't been mitigated



HEREFORDSHIRE COUNCIL

**Best Value Performance Indicators 2006/07
(Outturns for 2005/06)**

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BV Ref.	Indicator Detail	Audited Outturn for 2004/05	Top Quartile for all England 2004/05	Target for 2005/06	Outturn for 2005/06	Performance compared to last year	Aim	Targets for 2006/07 2007/08 2008/09
Corporate Health								
2a	The level of the Equality Standard for local government to which the Local Authority conforms in respect of gender, race and disability	Level 1	n/a	Level 1	Level 1	◀▶	High	Level 2 Level 2 Level 3
2b	The quality of an Authority's Race Equality Scheme (RES) and the improvements resulting from its application	47%	72%	70%	68%	▲	High	79% 79% 85%
3	The percentage of citizens satisfied with the overall service provided by their Local Authority						High	55% n/a n/a
4	The percentage of complainants satisfied with the handling of their complaint						High	40% 50% 50%
8	The percentage of invoices for commercial goods & services paid by the Local Authority within 30 days of receipt or within the agreed payment terms	90.22%	95.97%	100%	92.33%	▲	High	100% 100% 100%
9	The percentage of council tax collected by the Local Authority in the year	98.2%	98.3%	98.4%	97.7%	▼	High	98.3% 98.6% 98.8%
10	The percentage of non-domestic rates collected	98.3%	99.14%	98.9%	97.4%	▼	High	98.7% 99.1% 99.3%

11a	The percentage of the top-paid 5% of Local Authority staff who are women	37.4%	40.23%	50%	40.57%	▲	High	55% 55% 55%
11b	The percentage of the top-paid 5% of Local Authority staff who are from an ethnic minority	2.44%	3.48%	2.9%	1.89%	▼	High	3% 3% 3%
11c	The percentage of the top-paid 5% of staff who have a disability (excluding those in maintained schools)				0%	n/a	High	1% 1.5% 1.5%
12	The number of working days/shifts lost to the Local Authority due to sickness absence	10.4 FTE	8.4 FTE	7 FTE (Amended to 10 FTE following Audited Outturn)	10.5 FTE	▼	Low	9 FTE 7 FTE 7 FTE
14	The percentage of employees retiring early (excluding ill-health retirements) as a percentage of the total work force	0.25%	0.16%	0.2%	0.31%	▼	Low	0.1% 0.1% 0.1%
15	The percentage of Local Authority employees retiring on grounds of ill health as a percentage of the total workforce	0.14%	0.12%	0.06%	0.38%	▼	Low	0.04% 0.04% 0.04%
16a	The percentage of Local Authority employees with a disability	0.42%	3.73%	1.25%	0.39%	▼	High	1.35% 1.5% 1.5%
16b	The percentage of the economically active population in the Local Authority area who have a disability	7.8%	n/a	7.8%	7.8%	n/a	n/a	7.8% 7.8% 7.8%

17a	The percentage of Local Authority employees from ethnic minority communities	0.37%	4.6%	1%	0.33%	▼	High	1.2% 1.2% 1.2%
17b	The percentage of the economically active (persons aged 18-65) population from ethnic minority communities in the Local Authority area	0.8%	n/a	0.8%	0.8%	n/a	n/a	0.8% 0.8% 0.8%
156	The percentage of Local Authority buildings open to the public in which all public areas are suitable for, and accessible to, disabled people	32%	n/a	40%	45.9%	▲	High	55% 60% 68%
157	The number of types of interactions that are enabled for electronic delivery as a percentage of the types of interactions that are legally permissible for electronic delivery	85.13%	87.5%	100%	Not yet available		High	Deleted
Education								
221a	Youth Work – The percentage of young people aged 13-19 gaining a recorded outcome compared to the percentage of young people in the Local Authority area			60%	46.7%	n/a	n/a	60% 60% 60%
221b	Youth Work – The percentage of young people aged 13-19 gaining an accredited outcome compared to the percentage of young people in the Local Authority area			30%	32.3%	n/a	n/a	30% 30% 30%
38	The percentage of 15 year old pupils in schools maintained by the Local Education Authority achieving 5 or more GCSEs at grades A*-C or equivalent	58%	56.2%	63%	58%	◀▶	High	66% 67% Yet to be set
39	The percentage of 15 year old pupils in schools maintained by the Local Education Authority achieving 5 or more GCSEs or equivalent at grades A*-G including English and Mathematics	88%	90.2%	94%	88%	◀▶	High	96% Yet to be set

40	The percentage of pupils in schools maintained by the Local Education Authority achieving Level 4 or above in the Key Stage 2 Mathematics test	76%	77%	82%	76%	◀▶	High	82% Yet to be set
41	The percentage of pupils in schools maintained by the Local Education Authority achieving Level 4 or above in the Key Stage 2 English test	81%	80%	81%	81%	◀▶	High	81% Yet to be set
43a	The percentage of proposed statements of Special Educational Need issued by the Local Authority in a financial year and prepared within 18 weeks excluding exceptions	56.52%	100%	90%	56.52%	◀▶	High	92% 92% Yet to be set
43b	The percentage of proposed statements of Special Educational Need issued by the Local Authority in a financial year and prepared within 18 weeks including exceptions	44.05%	90.2%	90%	44.1%	▲	High	92% 92% Yet to be set
45	The percentage of half days missed due to total absence in secondary schools maintained by the Local Education Authority	7.8%	7.56%	7.3%	7.4%	▲	Low	7.3% 7.3% Yet to be set
46	The percentage of half days missed due to total absence in primary schools maintained by the Local Education Authority	5.2%	5.14%	5.2%	5.1%	▲	Low	5.2% 5.2% Yet to be set
159	The percentage of permanently excluded pupils offered full-time alternative educational provision of 21 hours or more			60%	Not yet available		High	Deleted
181a	The percentage of 14 year old pupils in schools maintained by the Local Education Authority achieving Level 5 or above in the Key Stage 3 test in English	76%	75%	82%	76%	◀▶	High	82% Yet to be set

181b	The percentage of 14 year old pupils in schools maintained by the Local Education Authority achieving Level 5 or above in the Key Stage 3 test in Mathematics	79%	76.1%	83%	79%	◀▶	High	83% Yet to be set
181c	The percentage of 14 year old pupils in schools maintained by the Local Education Authority achieving Level 5 or above in the Key Stage 3 test in Science	72%	70%	84%	72%	◀▶	High	84% Yet to be set
181d	The percentage of 14 year old pupils in schools maintained by the Local Education Authority achieving Level 5 or above in the Key Stage 3 test in ICT	74%	72%	84%	74%	◀▶	High	84% Yet to be set
222a	The percentage of leaders of integrated early education and childcare settings funded or part-funded by the Local Authority with a qualification at Level 4 or above				24%	n/a	High	31% 34% 39%
222b	The percentage of leaders of integrated early education and childcare settings funded or part-funded by the Local Authority which have input from staff with graduate or post graduate training in teaching or child development				20%	n/a	High	20% 25% Yet to be set
194a	The percentage of 11 year old pupils achieving Level 5 in Key Stage 2 test in English	29%	28%	31%	29%	◀▶	High	32% Yet to be set
194b	The percentage of 11 year old pupils achieving Level 5 in Key Stage 2 test in Mathematics	32%	33%	34%	32%	◀▶	High	35% Yet to be set
Health and Social Care – Children								
49	The percentage of Looked After Children at 31 March with three or more placements during the financial year	7%	n/a	9%	5.8%	▲	Low	8% 8% Yet to be set
50	The percentage of young people leaving care aged	65%	58%	71%	91.7%	▲	High	71%

	16 or over with at least 1 GCSE at Grade A*-G or a GNVQ							71% Yet to be set
161	The percentage of those young people who were looked after on 1 April in their 17 th year (aged 16), who were engaged in education, training or employment at the age of 19 to the percentage of young people in the population who were engaged in education, training or employment at the age of 19	0.96	0.84	0.74	0.84	▼	High	0.74 0.74 Yet to be set
162	The percentage of child protection cases which were reviewed regularly, out of those cases which should have been reviewed during the year	92.6%	100%	100%	100%	▲	High	100% 100% Yet to be set
163	The number of children who ceased to be looked after during the year as a result of the granting of an adoption or special guardianship order, as a percentage of the number of children looked after at 31 March (excluding unaccompanied asylum seekers) who had been looked after for 6 months or more on that day	9.5%	9.5%	10%	10.8%	▲	High	10% 10% Yet to be set
197	The percentage change in the number of conceptions amongst 15-17 year olds	- 20.7% (adjusted from 20.8% after audit)	-17.2%	- 15%	1.4%	▼	Low	-19% -24% Yet to be set
Health & Social Care – Adults								
53	The number of households receiving intensive home care per 1,000 population aged 65 or over	5.3 (qualified)	n/a	6	5.7	n/a	n/a	7.5 10 Yet to be set

54	Older people helped to live at home per 1,000 population aged 65 or over	60	98.54	75	79.8	▲	High	100 80 Yet to be set
56	The percentage of items of equipment delivered and adaptations made within 7 working days	81% (adjusted from 60% after audit)	89	70%	94%	▲	High	94% 80% Yet to be set
195	For new older clients (that is over 65 years of age), the average of (i) The percentage where the time from first contact to beginning of assessment is less than or equal to 48 hours, and (ii) The percentage where the time from first contact to completion of assessment is less than or equal to 4 weeks	64%	77.2%	75%	70%	▲	High	80% 85% Yet to be set
196	For new older clients, the percentage for whom the time from completion of assessment to provision of all services in the care package is less than or equal to 4 weeks	81.3%	89.9%	83%	79%	▼	High	83% 90% Yet to be set
201	Adults and older people receiving direct payments at 31 March per 100,000 population aged 18 or over (age standardised)	61	n/a	100	79.8	n/a	n/a	100 100 Yet to be set
Housing								
64	The number of non-Local Authority-owned vacant dwellings returned to occupation or demolished during the financial year as a direct result of action by the Local Authority	33	56.25	45	54	▲	High	50 75 Yet to be set
Homelessness								
183a	The average length of stay in bed and breakfast accommodation of households that are	4 weeks	1 week	0 weeks	10.65 weeks	▼	Low	0 weeks 0 weeks

	unintentionally homeless and in priority need							Yet to be set
183b	The average length of stay in hostel accommodation of households that are unintentionally homeless and in priority need	15 weeks (adjusted from 16 weeks after audit)	0 weeks	12 weeks	29.29 weeks	▼	Low	12 weeks 12 weeks Yet to be set
202	The number of people sleeping rough on a single night within the area of the Local Authority	0	0	< 3	0	◀▶	Low	< 3 < 3 Yet to be set
203	The percentage change in the average number of families placed in temporary accommodation	14.4%	-6.94%	0%	26.1%	▼	Low	0% -15% Yet to be set
213	The number of households who considered themselves as homeless, who approached the Local Housing Authority's housing advice service(s), and for whom housing advice casework intervention resolved their situation				68	n/a	High	Yet to be set
214	The proportion of households accepted as statutorily homeless who were accepted as statutorily homeless by the same Local Housing Authority within the last 2 years				2.88%	n/a	Low	Yet to be set
Housing Benefit and Council Tax Benefit								
76a	The number of housing benefit claimants in the Local Authority area visited, per 1,000 caseload	131.66	n/a	340	158.42	n/a	n/a	220 200 200

76b	The number of fraud investigators employed by the Local Authority, per 1,000 caseload	0.21	n/a	0.25	0.26	n/a	n/a	0.28 0.28 0.25
76c	The number of Housing Benefit and Council Tax Benefit (HB/CTB) fraud investigations carried out by the Local Authority per year, per 1,000 caseload	38.62	n/a	29	56.61	n/a	n/a	30 35 35
76d	The number of Housing Benefit and Council Tax Benefit (HB/CTB) prosecutions and sanctions, per year, per 1,000 caseload, in the Local Authority area	7.5	n/a	5	9.24	n/a	n/a	6 8 8
78a	The average processing time taken for all new Housing and Council Tax Benefit (HB/CTB) claims submitted to the Local Authority, for which the date of decision is within the financial year being reported	31.73 days	29.38 days	25 days	52.15 days	▼	Low	28 days 26 days 22 days
78b	The average processing time taken for all written notifications to the Local Authority of changes to a claimant's circumstance that require a new decision on behalf of the Local Authority	12.93 days	7.4 days	14 days	42.56 days	▼	Low	16 days 15 days 14 days
79a	The percentage of cases within a random sample for which the Local Authority's calculation of Housing and Council Tax Benefit (HB/CTB) is found to be correct	97.6%	99%	99%	98.2%	▲	High	98.6% 98.8% 99%
79b i	The amount of Housing Benefit (HB) overpayments recovered during the period being reported on as a percentage of HB deemed recoverable overpayments during that period			45%	61.9%	n/a	High	65% 66% 70%
79b ii	Housing Benefit (HB) overpayments recovered during the period as a percentage of HB overpayment debt outstanding at the start of the period plus amount of HB overpayments identified during the period			42%	38.79%	n/a	High	45% 55% 60%

79b iii	Housing Benefit (HB) overpayments written off during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the period, plus amount of HB overpayments identified during the period			12%	5.45%	n/a	n/a	10% 9% 8%
80a	Satisfaction with the Benefit Service – contact with the office						High	83%
80b	Satisfaction with the Benefit Service – service in the office						High	85%
80c	Satisfaction with the Benefit Service – telephone service						High	77%
80d	Satisfaction with the Benefit Service – staff in the office						High	85%
80e	Satisfaction with the Benefit Service – forms						High	67%
80f	Satisfaction with the Benefit Service – speed of service						High	76%
80g	Overall Satisfaction with the Benefit Service						High	83%

Waste & Cleanliness								
82a i	The percentage of household waste arisings which have been sent by the Local Authority for recycling	15.03%	17.89%	14.95%	17.31%	▲	High	15.5% 17.14% Yet to be set
82a ii	Tonnage of household waste arisings which have been sent by the Local Authority for recycling			14,109 t	16,059 t	n/a	High	14,688 t 16,306 t Yet to be set
82b i	The percentage of household waste sent by the Local Authority for composting or treatment by anaerobic digestion	6.69%	9.8%	6.85%	6.58%	▼	High	7.1% 7.86% Yet to be set
82b ii	The tonnage of household waste sent by the Local Authority for composting or treatment by anaerobic digestion			6,465 t	6,102t	n/a	High	6,728 t 7,478 t Yet to be set
82c i	The percentage of the total tonnage of household waste arisings which have been used to recover heat, power and other energy sources	0%	7.03%	0%	0%	◀▶	High	0% 0% Yet to be set
82c ii	The tonnage of household waste arisings which have been used to recover heat, power and other energy sources			0 t	0 t	n/a	High	0 t 0 t Yet to be set
82d i	The percentage of household waste arisings which have been landfilled	78.28%		78.2%	76.1%	▲	Low	77.4% 75% Yet to be set

82d ii	The tonnage of household waste arisings which have been landfilled			73,801 t	70,599 t	n/a	Low	73,348 t 71,352 t Yet to be set
84a	The number of kilograms of household waste collected per head of the population	528.03 kg	397.7 kg	530 kg	521.7 kg	▲	Low	530 kg 530.8 kg Yet to be set
84b	The percentage change from the previous financial year in the number of kilograms of household waste collected per head of the population			0.37%	1.42%	n/a	Low	0% 0.15% Yet to be set
86	The cost of household waste collection per household	£42.59	£35.31	£42.99	Not yet available		Low	£45.19 £47.55 Yet to be set
87	The cost of waste disposal per tonne of municipal waste	£58.51	£35.40	£65.30	Not yet available		Low	£68.57 £72.00 Yet to be set
89	The percentage of people satisfied with the cleanliness standard in their area						High	65% Yet to be set
90a	The percentage of people satisfied with household waste collection						High	89% Yet to be set
90b	The percentage of people satisfied with waste recycling						High	86% Yet to be set

90c	The percentage of people satisfied with waste disposal						High	82% Yet to be set
91a	The percentage of households resident in the Local Authority's area served by a kerbside collection of recyclables	60.28%	100%		62.28%	▲	High	Yet to be set
91b	The percentage of households resident in the Local Authority's area served by a kerbside collection of at least 2 recyclables				60.28%	n/a	High	Yet to be set
199a	The proportion of relevant land and highways (expressed as a percentage) that is expressed as having combined deposits of litter and detritus that fall below an acceptable level	27%	11%	31%	18%	▲	Low	18% 17% 15%
199b	The proportion of relevant land and highways (expressed as a percentage) from which unacceptable levels of graffiti are visible				3%	n/a	Low	2% 2% 1%
199c	The proportion of relevant land and highways (expressed as a percentage) from which unacceptable levels of fly-posting are visible				2%	n/a	Low	2% 1% 1%
199d	The year-on-year reduction in the total number of incidents and increase in the total number of enforcement actions taken to deal with 'fly-tipping'				Grading 1 (Very Effective)	n/a	Low	Grading 1 Grading 1 Grading 1
Transport								
223	The percentage of the Local Authority principal road network where structural maintenance should be considered				Not yet available		Low	Yet to be set
224a	The percentage of the non-principal classified road network where maintenance should be considered				Not yet available	n/a	Low	Yet to be set
224b	The percentage of the unclassified road network where structural maintenance should be considered				Not yet available	n/a	Low	Yet to be set
99a i	The number of people killed or seriously injured (KSI)	146	94	< 197	141	▲	Low	< 187

	in road traffic collisions							< 177 < 167
99a ii	The percentage change in the number of people killed or seriously injured (KSI) in road traffic collisions since the previous year	-3%	-13.16%	-6%	-3%	▲	Low	-5% -5% -6%
99a iii	The percentage change in the number of people killed or seriously injured (KSI) in road traffic collisions since the 1994-98 average	-41%	-31.57%	-21%	-43%	▲	Low	-25% -29% -33%
99b i	The number of children (aged under 16 years) killed or seriously injured (KSI) in road traffic collisions	6	13	< 18	8	▼	Low	< 17 < 15 < 14
99b ii	The percentage change in the number of children (aged under 16 years) killed or seriously injured (KSI) in road traffic collisions since the previous year	-25%	-25.78%	-6%	33%	▼	Low	-6% -7% -7%
99b iii	The percentage change in the number of children killed or seriously injured (KSI) in road traffic collisions since the 1994-98 average	-73%	-52.66%	-20%	-64%	▼	Low	-25% -30% -35%
99c i	The number of people slightly injured in road traffic collisions	719	724	< 744	783	▼	Low	< 750 < 756 < 762
99c ii	The percentage change in the number of people slightly injured in road traffic collisions since the previous year	-15%	-8%	1%	9%	▼	Low	1% 1% 1%
99c iii	The percentage change in the number of people slightly injured in road traffic collisions since the 1994-98 average	0%	-14.2%	3%	9%	▼	Low	4% 5% 6%

100	The number of days of temporary traffic controls, or road closure, on traffic sensitive roads, caused by roadworks, per km of traffic sensitive road	3.1861	0.1	1.1	0	▲	Low	0 0 0
102	The number of local bus passenger journeys originating in the Local Authority area undertaken each year	3,447,528	19,020,944	3,928,000	Not yet available		High	3,938,000 3,948,000 4,017,000
103	The percentage of users satisfied with the local provision of public transport information						High	62% Yet to be set
104	The percentage of users satisfied with local bus services						High	62% Yet to be set
165	The percentage of pedestrian crossings with facilities for disabled people, as a proportion of all crossings in the Local Authority area	93.1%	100%	65%	80%	▼	High	90% 100% 100%
178	The percentage of the total length of rights of way in the Local Authority area, that are easy to use by the general public	45%	87%	47%	Not yet available		High	48% 49% Yet to be set
187	The percentage of the category 1, 1a and 2 footway network where structural maintenance should be considered	32.35%	16%	34%	30.68%	▲	Low	30% 27.5% 25%
215a	The average number of days taken to repair a street lighting fault, which is under the control of the Local Authority				6.43%	n/a	Low	5% 5% 5%
215b	The average time taken to repair a street lighting fault, where response time is under the control of a Distribution Network Operator (DNO)				34.15%	n/a	Low	33% 30% 25%
Environment & Environmental Health								
166a	Score against a checklist of best practice for	90%	97%	90%	45%	▼	High	90%

	Environmental Health							90% 100%
166b	Score against a checklist of best practice for Trading Standards	86.6%	100%	90%	78.75%	▼	High	90% 100% 100%
216a	The number of 'sites of potential concern' [within the Local Authority area], with respect to land contamination				5,910	n/a	n/a	5,901 5,841 5,724
216b	The number of sites for which sufficient detailed information is available to decide whether remediation of the land is necessary, as a percentage of all 'sites of potential concern'				0.15	n/a	High	1 2 3
217	The percentage of pollution control improvements to existing installations completed on time				95.29%	n/a	High	Yet to be set
218a	The percentage of new reports of abandoned vehicles investigated within 24 hours of notification				83%	n/a	High	95% 95% 95%
218b	The percentage of abandoned vehicles removed within 24 hours from the point at which the Local Authority is legally entitled to remove the vehicle				90%	n/a	High	95% 95% 95%
Planning								
106	The percentage of new homes built on previously developed land	68.3%	94%	60%	71.3%	▲	High	60% 60% 60%
109a	The percentage of major applications determined within 13 weeks	46%	68.9%	60%	61%	▲	High	60% 60% 60%
109b	The percentage of minor applications determined within 8 weeks	51%	75.4%	65%	74%	▲	High	65% 65% 65%
109c	The percentage of 'other' applications determined	64%	88%	80%	82%	▲	High	80%

	within 8 weeks							80% 80%
111	The percentage of applicants and those commenting on planning applications satisfied with the service received						High	78%
179	The percentage of standard searches carried out in 10 working days	95.32%	100%	100%	75.94%	▼	High	Deleted
200a	Did the Local Planning Authority submit the Local Development Scheme (LDS) by 28 March 2006 and thereafter maintain a 3-year rolling programme?	No	n/a		Yes	n/a	n/a	Yes Yes Yes
200b	Has the Local Planning Authority met the milestones that the current Local Development Scheme (LDS) sets out?	Yes	n/a		Yes	n/a	n/a	Yes Yes Yes
200c	Did the Local Planning Authority publish an annual monitoring report by 31 st December of the last year?				Yes	n/a	n/a	Yes Yes Yes
204	The number of planning appeal decisions allowed against the Local Authority's decision to refuse on planning applications, as a percentage of the total number of planning appeals against refusals of planning applications	21%	25%	< 25%	28%	▼	Low	< 25% < 25% < 25%
205	The Local Authority's score against a 'quality of planning services' checklist	89%	88.9%	90%	94%	▲	High	94% 94% 94%

Culture and Related Services								
118a	The percentage of library users who found a book to borrow						High	Yet to be set
118b	The percentage of library users who found the information they were looking for						High	Yet to be set
118c	The percentage of library users who were satisfied with the service they received overall						High	Yet to be set
119a	The percentage of residents satisfied with the Local Authority's sports / leisure facilities						High	Yet to be set
119b	The percentage of residents satisfied with the Local Authority's libraries						High	Yet to be set
119c	The percentage of residents satisfied with the Local Authority's museums / galleries						High	Yet to be set
119d	The percentage of residents satisfied with the Local Authority's theatres / concert halls						High	Yet to be set
119e	The percentage of residents satisfied with the Local Authority's parks and open spaces						High	Yet to be set
170a	The number of visits to/usages of Local Authority funded or part-funded museums and galleries per 1,000 population	781	877	790	774	▼	High	800 810 Yet to be set
170b	The number of those visits to Local Authority funded, or part-funded museums and galleries that were in person, per 1,000 population	715	514	750	693	▼	High	760 770 Yet to be set
170c	The number of pupils visiting museums and galleries in organised school groups	3,835	7,031	6,000	3,810	▼	High	6,250 7,000 Yet to be set

219a	The total number of conservation areas in the Local Authority area				Not yet available	n/a	n/a	Yet to be set
219b	The percentage of conservation areas in the Local Authority area with an up-to-date character appraisal				Not yet available	n/a	High	Yet to be set
219c	The percentage of conservation areas with published management plans				Not yet available	n/a	High	Yet to be set
220	Compliance against the Public Library Service Standards (PLSS)				2	n/a	High	Yet to be set
Community Safety & Well-being								
126	Domestic burglaries per year, per 1,000 households in the Local Authority area	7.6	6.9	7.7	4.9	▲	Low	7.7 7.7 Yet to be set
127a	Violent crime per year, per 1,000 population in the Local Authority area			15.5	14.7	n/a	Low	15.5 15.5 Yet to be set
127b	Robberies per year, per 1,000 population in the Local Authority area			2.08	0.2	n/a	Low	2.08 2.08 Yet to be set
128	The number of vehicle crimes per year, per 1,000 population in the Local Authority area	6	7.77	6.1	5.5	▲	Low	6.1 6.1 Yet to be set
174	The number of racial incidents reported to the Local Authority, and subsequently recorded, per 100,000 population	13.57	n/a	19	88.5	▼	Low	95 100 110

175	The percentage of racial incidents reported to the Local Authority that resulted in further action	100%	n/a	100%	100%	◀▶	High	100% 100% 100%
225	Actions against domestic violence				63.6%	n/a	High	Yet to be set
226a	The total amount spent by the Local Authority on advice and guidance services provided by external organisations			£399,103	Not yet available	n/a	n/a	£191,103 £193,014 Yet to be set
226b	The percentage of monies spent on advice and guidance services provision which was given to organisations holding the CLS Quality Mark at 'General Help' level and above			17%	Not yet available	n/a	High	18% 18% Yet to be set
226c	The total amount spent on advice and guidance in the areas of housing, welfare benefits and consumer matters which is provided directly by the Local Authority to the public			£272,669	Not yet available	n/a	n/a	£472,669 £477,396 Yet to be set
198	The number of drug users in treatment per 1,000 population aged 15-44			7.2	10.2	n/a	n/a	Yet to be set

Statement on Contracts

Contracts awarded during the past year comply with the Code of Practice on Workforce Matters where applicable

CAPITAL PROGRAMME OUTTURN 2005/06

1. The capital programme is by its nature prone to rapid changes. New schemes and new sources of finance have been identified and reported throughout the year as part of the established Capital Monitoring process as part of the routine Integrated Performance reports. This process helps to ensure that no conditional capital resources are lost. The details of changes throughout the year are to be found in those reports. This report provides a brief summary of the overall changes from the original budget to the outturn position.
2. The capital programme outturn for 2005/06 totalled £31,845,000 compared to an original budget forecast of £37,131,000, which represents a decrease of £5,286,000 or 14%. Changes from the original capital budget forecast represent a combination of budget increases and decreases, due to new schemes and new sources of funding being identified, slippages and deferment of schemes into future years, and budget virements where necessary. **Appendix C1** gives a summary breakdown. A summary of the significant variances between the original forecast and the outturn position are set out on **Appendix C2**.
3. Cabinet allocated Prudential Borrowing of £7,607,000 to various capital schemes in February 2005. Additional Supported Capital Expenditure (Revenue) (SCE(R)), being borrowing revenue costs supported by Government, funded £125,000 of this requirement. The outturn for the use of Prudential Borrowing is detailed below. The slippage of £4,225,000 is required in 2006/07 and relates to various approved capital schemes as detailed on **Appendix C3**. As Prudential Borrowing funding is unconditional no resources have been lost.

2005/06 Prudential Borrowing Allocation		£7,607,000
Add: Slippage from 2004/05		£2,011,000
Less: Slippage into 2006/07	(£4,225,000)	
Funded by available SCE(R)	(£125,000)	
Relinquished re Queenswood Car Park	(£137,000)	(£4,487,000)
Prudential Borrowing in 2005/06		£5,131,000

4. The total capital outturn of £31,845,000 is financed through Supported Capital Expenditure (Revenue) of £13,916,000, Prudential Borrowing of £5,131,000, Revenue Contributions of £802,000, Grants of £10,169,000 and Capital Receipts Reserve of £1,827,000.
5. Part of capital monitoring is to manage the Councils VAT partial exemption position to avoid the need for a repayment of VAT previously recovered. The forecast VAT partial exemption outturn for 2005/06 is 4%, which is 1% lower than the 5% limit. If breached, VAT of approximately £750,000 would become payable. The outturn percentage is lower than anticipated partly due to the slippage on the crematorium capital scheme works. These works will require the expenditure profiling to be continually monitored until project completion in 2008.

Capital Schemes Completed

6. During 2005/06 the following capital projects were completed:
 - Kingstone High School, new sports hall works were completed for a total

scheme cost of £1,303,000 compared to an original forecast of £1,084,000.

- Roman Road improvements were completed at a total scheme cost of £5,577,000 compared to an original forecast of £5,403,000.
- North Herefordshire swimming pool works have been completed at a scheme cost to date of £2,371,000, retention payment outstanding, compared to an original forecast of £2,508,000.
- Eign Gate, Hereford refurbishment works completed for a total scheme cost of £711,000, which includes some early work funded through highway maintenance, compared to an original forecast of £680,000.

Major capital schemes

7. The following schemes will form a large part of the 2006/07 capital programme:
- Museum Resource and Learning Centre, Friar Street Hereford. Phase 3 works include the construction and refurbishment of display and storage facilities and a learning centre. This scheme is funded by the Heritage lottery fund with match funding being provided through prudential borrowing.
 - Amalgamation of Hunderton junior and infants school. The contract for these works has been let and the scheme is to be funded through Department for Education and Skills (DfES) funding allocations and prudential borrowing.
 - Work has begun on the Weobley High sports hall and work is expected to start in summer on the replacement primary school at Sutton. Both schemes are funded through the DfES.

Prudential Indicators

8. The capital monitoring process includes the need to review Prudential Indicators on a regular basis. The Prudential Indicators relating to the Capital Programme outturn are set out below.

9. **Ratio of Capital Financing costs to net revenue stream**

	2004/05	2005/06	2006/07	2007/08
	£'000	£'000	£'000	£'000
Original Indicator (prior to PB allocations)	4.2%	4.6%	5.4%	6.0%
As at 31/3/06	3.0%	4.4%	4.4%	5.2%

The ratio of capital financing costs has reduced as slippage in prudential borrowing leads to delayed debt repayment costs.

10. **Capital Financing Requirement**

	2004/05	2005/06	2006/07	2007/08
	£'000	£'000	£'000	£'000
Original Indicator	96,486	110,347	123,149	134,341
Outturn / Revised 31/3/06	95,371	109,330	126,298	137,348

This indicator represents the underlying need to borrow for a capital purpose and is affected by prudential borrowing allocations and slippage and also by forecasts of supported borrowing allocations from Government.

APPENDIX C1

CAPITAL OUTTURN 2005/06

Capital Expenditure by Directorate Area	Original Budget	Outturn	Variance - Actual	Variance - Percentage
	£'000	£'000	£'000	%
Children's Services	6,655	7,907	1,252	19
Resources	350	662	312	89
Corporate & Customer Services	2,576	4,623	2,047	79
Environment Services	13,424	10,288	(3,136)	(23)
Adult & Community Services	14,126	8,365	(5,761)	(41)
Total	37,131	31,845	(5,286)	14

APPENDIX C2

CAPITAL OUTTURN 2005/06 – BUDGET CHANGES

Capital Scheme where original to outturn changed by >£500,000	Budget Increase	Budget Decrease	Details
	£'000	£'000	
<i>Children's Services</i>			
Weobley High Sports Hall		(507)	Work on site has started, grant funding carried forward
Leominster Family Centre	807		Grant funded childcare scheme now complete
Other (net)	952		
<i>Resources</i>			
Other (net)	312		
<i>Corporate & Customer Services</i>			
Network Enhancement	1,197		Increase due to slippage from 2004-05 and additional funding through childcare NGFL (National Grid for Learning) grant funding identified
E-Gateway	1,116		Grant funded Herefordshire in Touch technology scheme
Other (net)		(266)	
<i>Environment Services</i>			
LTP – Capitalised Maintenance of Principal Roads		(853)	Reduced to repay overspend in 2004-05
Non-LTP - Crematorium Hereford		(516)	Prudential borrowing funding carried forward, scheme to commence in 2006-07

<i>Non-LTP</i> – City Centre Enhancements, Hereford		(2,000)	Scheme reported under Adult and Community Services £413k spent in 2005-06, prudential borrowing funding carried forward
Other (net)	233		
<i>Adult & Community Services</i>			
Extra Care Housing		(4,600)	Start on site delayed until 2006-07 Department of Health grant funding carried forward
Affordable Housing Grants		(790)	Scheme alterations and timing issues, Housing Stock Transfer receipt funding carried forward
Other (net)		(371)	
Total	4,617	(9,903)	

APPENDIX C3

PRUDENTIAL BORROWING APPROVED CAPITAL SCHEMES SLIPPAGE

Capital Scheme	Slippage > £100,000	Details
	£'000	
<i>Corporate & Customer Services</i>		
ICT The Golden Thread Network Enhancement	(153)	Spend accelerated, funding brought forward from 2006-07 allocation
ICT The Golden Thread Disaster Recovery	157	Delays on cable dig and accommodation strategy
Info by Phone	118	Committed, delays re Plough Lane lease
<i>Environment Services</i>		
Restore Leominster Landfill site	197	Work has been delayed due to discharge consent issues
Crematorium Hereford	450	Slippage due to land purchase delays
Improvements to toilets facilities	161	Rolling programme of works
<i>Adult & Community Services</i>		
Aylestone Park Canal Safety	153	Continued improvement works
Kington Library Refurbishment	352	Scheme spans two financial years
Mobile Libraries	169	One purchased and one ordered
Victoria Foot Bridge	200	Work started in May 2006
City Centre Enhancements	1,732	Consultation only, work commenced in 2006-07
Community Equipment	118	Slippage due to ICT development considerations
Capital Adaptations	164	Funding committed via RSLs
<i>Other schemes with a slippage of less than £100,000</i>	407	
Total	4,225	

Managing Risk - Corporate Risks



Stage One					Stage Two				
Identified	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Risk Controls Measures	Responsible Directors	Assessment of Residual Risk (With control Measures implemented)		
		Impact (Severity)	Likelihood (Probability)	Priority Rating			Impact (Severity)	Likelihood (Probability)	Residual Priority Rating
Managing the reputational impact of the 'Staying Safe' rating being 'inadequate' in the JAR assessment and more importantly ensuring that arrangements for safeguarding the most vulnerable children .	CR1	4	4	High	Need to put in place measures to tackle the shortcomings against a planned and timed programme drawing in the assistance of better performing authorities as may be required. Draft JAR Action Plan reported to Cabinet on 25th May. External risk management experts engaged to preliminary assess level of risk in plan.	SF	4	3	High
Corporate spending pressures outweigh the level of resources available to meet them. Particular pressures prevalent in Adult Social Care and Homelessness.	CR2	4	4	High	Medium Term Financial Strategy identifies need for significant efficiency savings and use of reserves. Greater corporate resource allocated to identifying underlying budget issues in Social Care. Major project now underway aimed at estimating demand for social care and developing costed options for the service to meet them. Budget Plan to be discussed by Cabinet in July.	ALL/SR	4	3	High
Herefordshire Connects Programme does not go through robust investment appraisal and subsequent savings not being realised leading to service cuts.	CR3	4	4	High	Robust appraisals are carried out based on hard data, comparative and sensitivity analyses and deliverability. Strong corporate governance arrangements are already in the process of being set up.	JJ/SR	4	3	High
Failure to maintain CPA "3 star" rating and move from improving adequately to improving strongly	CR4	4	3	High	Capacity created at a senior level and adherence to the Overall improvement Plan agreed in March. Board to monitor progress set up under Director of Corporate & Customer Services. It requires effective implementation of the corporate planning and performance frameworks, including the full integration of financial planning.	ALL/NP	3	3	Medium
Business continuity management	CR5	3	4	High	Substantial capital investment made in ICT network and disaster recovery arrangements. Workshops held for all directorates and service continuity plans have been prepared and due for testing during the year in business critical systems and services.	ALL/NP	3	3	Medium



Managing Risk - Corporate Risks

Stage One					Stage Two				
Identified	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Risk Controls Measures	Responsible Directors	Assessment of Residual Risk (With control Measures implemented)		
		Impact (Severity)	Likelihood (Probability)	Priority Rating			Impact (Severity)	Likelihood (Probability)	Residual Priority Rating
Continuity of Herefordshire Jarvis Services and successful partnering arrangements	CR6	4	3	High	Regular consultation held between senior management from both sides of the partnership.	GD	3	3	Medium
Corporate Capacity to deliver a range of changes the Council has embarked upon.	CR7	4	3	High	Programme Management, Clear Leadership and Senior Management Restructuring. Capacity issues identified within CPA inspection and will be part of Improvement Plan. A minimum of 20% of corporate directors' time will be spent on corporate issues.	NP	4	2	Medium
Achievement of LPSA 2 targets and hence the Performance Reward Grant (PRG). Failure to manage future PRG will have a significant and detrimental impact on the Council's ability to invest in future performance gains in services.	CR8	3	3	Medium	LPSA agreement signed with government and monitoring to be undertaken within Annual Operating Plan and under umbrella of LAA. Funding has now been agreed by Cabinet and clear responsibilities communicated to Directors and managers involved in its delivery. Monitoring is vital and senior finance staff requested that this is regular and effective to ensure future reward grant is maximised.	SF/GH/GD	3	3	Medium
Delivery of Local Area Agreement	CR9	3	2	Medium	LAA has now been agreed and is part of the Integrated Performance Reporting framework.	JJ	3	2	Medium
Adult care services Green Paper (now White Paper on Community Services)	CR10	3	3	Medium	Director has implemented new structure in Adult and Community Services Directorate Closer links with universal services to support independence. Adult Social Care Improvement Plan in preparation.	GH	3	2	Medium
Recruitment and retention of staff where there are national skills shortages and including the impact of Job Evaluation.	CR11	3	3	Medium	Succession planning Utilise SRDs / implement career development posts and conclude job evaluation. 100% SRDs by the end of May.	ALL/DJ	2	2	Medium

Managing Risk - Corporate Risks



Stage One					Stage Two				
Identified	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Risk Controls Measures	Responsible Directors	Assessment of Residual Risk (With control Measures implemented)		
		Impact (Severity)	Likelihood (Probability)	Priority Rating			Impact (Severity)	Likelihood (Probability)	Residual Priority Rating
					<p>Centralisation of recruitment; Projects focussing on the recruitment and retention of young people; Implement market forces/supplement.</p> <p>Promote professional development support through training agreements and payment of professional fees. Develop secondment opportunities internally and with partners. . Improving leadership and management through a review of management development</p> <p>Promote pride in Herefordshire.</p>				
Approach to Diversity: Risk of not achieving appropriate Level and not improving Standard.	CR12	3	3	Medium	<p>Level 1 commitment signed off.</p> <p>Staff resource committed.</p> <p>Long term development plan in draft.</p>	JJ	3	2	Medium

Signed: _____

Position: __ Chief Executive

Date: _____

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

Resources

<i>Overspendings</i>	£000	
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***Overspendings*

CPA costs	95
Herefordshire Connects	150
JE Implementation	125
Other Services	<u>15</u>

385

Underspending

Housing Benefits	-411
Business Incentive Grants	-602
Corporate Insurances	-143
Environment Agency Levy contingency	-134
WMS supplies divided	<u>-262</u>

-1552

Net underspending Corporate Budgets

-1167

Net Directorate Underspending

-3720

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 Gobar 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

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.

Further information on the subject of this report is available from
Dr Peter Cross on 01432 260099

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 ARISING FROM REVIEW GROUP REPORT - APRIL 2006						
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	HC/HJS	Oct-06	Facilitated relationship development exercise launched with clear work streams identified to address barriers.	Neil Pringle, Roger Phillips, Graham Dunhill, 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 outturn 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 Dunhill, Sonia Rees, Peter Cross, Stan Gyford, Mark Thomas, Andy Lake	Full understanding by all parties of the exact definition of the 8% management fee.	
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.	

Action to be taken	Lead partner	By when	Progress to date (end May 2006)	People	Target/success criteria
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	See comment under progress to date.
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/the 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 Birks	Fee levels for OW work items seen as competitive and in line with industry practice.
Renew 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 Goldberg, Stan Gyford	New name agreed and introduced.