

**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/SAHC

Please ask for: Mr. N.M. Pringle

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20th September, 2006

Dear Councillor,

**MEETING OF CABINET  
 THURSDAY, 28TH SEPTEMBER, 2006 AT 2.00 P.M.  
 THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD**

**AGENDA (06/07)**

**HEREFORDSHIRE COUNCIL - NOTICE UNDER REGULATION 15 OF THE LOCAL  
 AUTHORITIES (EXECUTIVE ARRANGEMENTS((ACCESS TO INFORMATION) REGULATIONS  
 2000 (AS AMENDED)**

Notice is hereby given that the following reports contain key decisions. When the decisions have been made, the Chairman of the relevant Scrutiny Committee will be sent a copy of the decision notices and given the opportunity to call-in the decisions.

<b>Item No</b>	<b>Title</b>	<b>Portfolio Responsibility</b>	<b>Scrutiny Committee</b>	<b>Included in the Forward Plan Yes/No</b>
5	Building Schools for the Future	Children and Young People	Children's Services	No
9	Rotherwas Futures	Economic Development and Highways and Transportation	Community Services and Environment	Yes
11	Land at Belmont	Environment	Environment	No



**Putting People First Providing for our Communities Preserving our Heritage Promoting the County Protecting our Future**

County of Herefordshire District Council, PO Box 239, HEREFORD, HR1 1ZU

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**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. TREASURY MANAGEMENT ACTIVITIES 2005/06**

To note the Council's Treasury Management activities for the period 1st April, 2005 to 31st March, 2006 and the outturn of prudential indicators for the year 2005/06. *(Pages 1 - 12)*

**4. DIRECTION OF TRAVEL**

To seek approval of the Council's self-assessment for the 2006 Direction of Travel Statement. *(Pages 13 - 22)*

**5. BUILDING SCHOOLS FOR THE FUTURE**

To approve two major developments in Secondary School Provision within Herefordshire. *(Pages 23 - 26)*

**6. EMPLOYEE OPINION SURVEY 2006**

To note the content of the report. *(Pages 27 - 30)*

**7. HEALTH AND SAFETY ANNUAL REPORT**

To summarise the key activities of the Health and Safety Service, including Occupational Health during the last twelve months. *(Pages 31 - 40)*

**8. LOCAL GOVERNMENT PENSION SCHEME - RESPONSE TO INITIAL CONSULTATION ON FOUR OPTIONS**

To endorse the proposed response to an initial consultation exercise being undertaken by the Department for Communities and Local Government (DCLG) in respect of four options for the Local Government Pension Scheme (LGPS). *(Pages 41 - 46)*

**9. ROTHERWAS FUTURES**

To seek approval to enter into a funding agreement with Advantage West Midlands (AWM) in order to progress the Rotherwas Futures Project. *(Pages 47 - 54)*

**10. OMBUDSMAN AND COMPLAINTS AND COMPLIMENTS MONITORING REPORT 2005/06**



To inform Cabinet of the Ombudsman Annual Letter 2005/06 and the figures for complaints and compliments recorded including complaints determined by the Local Government Ombudsman and the Complaints Panel for the year ended 31st March, 2006. (Pages 55 - 66)

#### **EXCLUSION OF THE PUBLIC AND PRESS**

**In the opinion of the Proper Officer, the next item will not be, or is likely not to be, open to the public and press at the time it is considered.**

#### **RECOMMENDATION:**

**That the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act as indicated below.**

#### **11. LAND AT BELMONT**

To update Cabinet on the acquisition of land off Dorchester Way, Belmont, known as "the Pond Area" and shown on the attached plan (Appendix 1) and to agree a way forward to resolve the longstanding issues concerning the adoption of the former landfill site area at Belmont, known as Areas A and Area B, and shown on the attached plan (Appendix 2). (Pages 67 - 82)

**This item discloses information relating to the financial or business affairs of any particular person (including the authority holding that information).**

Yours sincerely,



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

**N.M. PRINGLE  
CHIEF EXECUTIVE**





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- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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# **COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL**

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

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# TREASURY MANAGEMENT ACTIVITIES 2005/2006

## PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

28TH SEPTEMBER, 2006

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### Wards Affected

Countywide.

### Purpose

To note the Council's Treasury Management activities for the period 1st April, 2005 to 31st March, 2006 and the outturn of Prudential Indicators for the year 2005/06.

### Key Decision

This is not a key decision.

### Recommendation

**THAT the report detailed in Appendix 1 be noted.**

### Reasons

The reporting of the past financial year's performance is a requirement of the Council's Treasury Management Policy.

### Considerations

1. A detailed report is attached at Appendix 1 with the following key points specifically drawn to the attention of Cabinet:
  - With regard to the transactions for the financial year 2005/06, the cost of borrowing was below the budget and the investment income was above the budget (Section 2 and 3 of the report refers).
  - The return on internally managed investments exceeded the index benchmark for 2005/06 (Section 3 of the report refers).
  - The net return on externally managed funds was marginally below the index benchmark for 2005/06 (Section 3 of the report refers).
  - The treasury limits and prudential indicators were complied with during 2005/06 (Section 6 of the report refers).

## **Risk Management**

Risk is managed in accordance with the Treasury Management Policy Statement approved by Cabinet in February 2006.

## **Consultees**

None identified.

## **Background Papers**

None identified.

## **TREASURY MANAGEMENT REPORT 2005/06**

### **PURPOSE**

**The purpose of this report is to advise Cabinet of the Council's Treasury Management Activities for 2005/06.**

### **1. INTRODUCTION AND BACKGROUND**

1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management 2001 was adopted by this Council in February 2002 and this Council fully complies with its requirements. The primary requirements of the Code are the:-

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the Cabinet of an annual strategy report for the year ahead and an annual review report of the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

1.2 Treasury management in this context is defined as:

"The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "

1.3 An Internal Audit Review in March 2006 noted that the treasury management system has a good system of control.

1.4 This annual treasury report covers:

- the Council's Borrowing Transactions 2005/06;
- the Council's Investment Transactions 2005/06;
- the Strategy for 2005/06;
- the economy in 2005/06 (borrowing and investment rates in 2005/06);
- compliance with treasury limits and Prudential Indicators;

1.5 Effective treasury management can make a useful contribution to helping achieve the Council's strategic objectives.

## 2. THE COUNCIL'S BORROWING TRANSACTIONS 2005/06

2.1 The following summary gives information relating to the Council's long-term borrowing transactions in 2005/06.

Long-term Borrowing	£
As at 1 <sup>st</sup> April 2005	67,719,702
New Borrowing (see paragraph 2.3)	18,000,000
Less: Repayments	(3,423,523)
<b>As at 31<sup>st</sup> March 2006</b>	<b>82,296,179</b>

2.2 The Public Works Loan Board (PWLB) remains the main source of long-term borrowing for the Council. In addition to PWLB loans the Council have also borrowed from the money market in the form of two LOBO (Lender Option, Borrowing Option) loans.

2.3 After careful consideration of interest rate forecasts, expected capital spending, repayment profile and having regard to the existing debt, loans were taken during 2005/06 as follows:

Date	Loan Type	Lender	Amount £	Period (years)	Interest Rate %
20/05/05	Fixed Maturity	PWLB	3,000,000	4	4.40
20/05/05	Fixed Maturity	PWLB	3,000,000	29	4.45
21/11/05	Fixed Maturity	PWLB	5,000,000	28	4.25
23/01/06	Fixed Maturity	PWLB	7,000,000	41	3.70
			<b>18,000,000</b>		

2.4 Rates of interest available during the year for PWLB Fixed Rate – Maturity (25 to 30 years) loans ranged from 3.85% to 4.80%. From December 2005 it became possible to borrow funds from the PWLB for up to 50 years.

2.5 The cost of borrowing in 2005/06 was £911,311 less than the budget, mainly due to slippage on the Capital Programme leading to lower debt repayment in the year, and new borrowing at low interest rates. Interest payments totalled £3,301,451. The average rate of interest paid on borrowings during the year was 4.43% compared to 4.62% in 2004/05, reflecting the new borrowing at low interest rates.

2.6 The longer term debt at 31<sup>st</sup> March 2006 falls due for repayment as follows:

Long-term Debt Profile	£	% of total debt
<b>Within</b>		
<b>1 year</b>	12,443,384	15
<b>1 – 5 years</b>	9,473,191	11
<b>5 – 10 years</b>	1,688,708	2
<b>10 – 15 years</b>	3,862,385	5
<b>15 years and over</b>	54,828,511	67
<b>TOTAL</b>	<b>82,296,179</b>	<b>100</b>

2.7 In addition to the external borrowing identified above, the Council has a bank overdraft facility with its bankers, National Westminster Bank plc, of £6,000,000, which was used on a limited basis during the year. This was used in replacement of any short-term borrowing

of amounts less than £100,000 where it would not be cost effective to borrow through the money market.

- 2.8 The Council's aim is to maintain a nil cleared balance, as far as possible, in low-interest bearing accounts. In practice this is hard to achieve because some payments are made directly in to the bank. However, such sums are not significant in overall terms. The average daily bank balance for 2005/06, on which debit and credit interest is calculated was £5,835 in credit, indicating we were extremely close to achieving our target. **Annex A** illustrates the balances for 2005/06.

### 3. THE COUNCIL'S INVESTMENT TRANSACTIONS 2005/06

- 3.1 **Internally Managed Investments** – The Council manages its in-house investments with the institutions listed in the Council's approved lending list. The Council placed investments for a range of periods from overnight to 364 days. The length depended on factors such as cash flow requirements and if it was viewed that interest rates would change.
- 3.2 During the year the interest rate earned on internally managed funds varied between 4.49% and 4.96% and the average daily investment managed internally was £34,836,135. The actual daily investments ranged from £21,193,636 to £48,830,000, which illustrates how much the temporary cash flow fluctuates throughout the year. The temporary short-term investment transactions for 2005/06 are summarised as follows:

<b>Internally Managed Investments</b>	<b>£</b>	<b>£</b>
As at 31 <sup>st</sup> March 2005		25,990,000
Investments made during year (266 transactions)	2,148,495,586	
Less: Investments recalled during year	(2,144,065,586)	4,430,000
<b>As at 31<sup>st</sup> March 2006</b>		<b>30,420,000</b>

- 3.3 The level of funds that were available for investment increased during the year, due to budget underspends and slippage on the Capital Programme.
- 3.4 The average interest rate achieved on internally managed funds was 4.65%, which compares favourably with the generally accepted yardstick of the average 7-Day London Inter-Bank Bid (LIBID) rate (uncompounded) of 4.54%. The Council's return on temporary investments largely mirrored the prevailing base rate. **Annex B** compares the average interest rate earned on internally managed funds, the 7-day LIBID rate, borrowing rates offered by the PWLB and the Bank of England Base Rate.
- 3.5 **Externally Managed Investments** – Council funds of £7,469,030 (as at 31<sup>st</sup> March 2006) continued to be managed externally by Investec Asset Management Ltd (Investec). The fund management agreement between the Council and Investec defines the limits for maximum duration of investments for the fund and the Counterparty criteria and exposure limits.
- 3.6 The average net return for the year was 4.45% and the net income earned is then added to the fund. Investec's return was marginally below the benchmark of the average 7-day LIBID rate (compounded) of 4.64%. The Council continues to monitor Investec's performance on a monthly basis.

- 3.7 The Council achieved well above its investment income budget of £705,000 in 2005/06 (as summarised below). This was primarily due to slippage on the Capital Programme and cash flow advantages on delays in spending to budget, together with increased interest rates.

<b>Summary of Investment Income</b>	£	£
Internally Managed Funds		1,639,161
Externally Managed Funds (net)		328,070
		<u>1,967,231</u>
Less: transfers to Schools	(222,602)	
Interest payments to trusts etc.	(96,104)	
		<u>(318,706)</u>
<b>Interest Received 2005/06</b>		<b>1,648,525</b>

#### 4. THE STRATEGY FOR 2005/06

- 4.1 The treasury strategy for 2005/06 was based on a view of a weakening of the rate of growth in the U.K. economy precipitated by a downturn in household spending, in conjunction with a weakening of the housing market. Inflation was expected to rise due to increases in oil and commodity prices which would cause the Monetary Policy Committee (MPC) to be on alert for increases in the prices of goods and services and pay inflation. The forecast for base rate was that there would probably be one final increase in base rate to 5.00% in quarter 1 of 2005. After that, the MPC would be on hold until the reduction in economic activity gathered momentum and inflation pressures subsided to enable base rate to be cut to 4.50% by the end of 2005/06.
- 4.2 The U.S. Federal Bank was expected to continue its policy of a gradual increase in its interest rate (still only 2.25% at the beginning of 2005) as the economy continued to expand at a robust rate, though less strong than in 2004. The Eurozone growth rate was expected to improve, but only weakly, and so the rates were expected to remain unchanged at 2.00% for probably most of 2005/06 until the economy improved. Inflation in all three areas was expected to be contained.
- 4.3 The effect on interest rates for the U.K. was therefore expected to be as follows:

**Shorter-term interest rates** - The "average" City view anticipated that the peak of growth in the U.K., U.S. and world economies had passed in 2004 and that moderating growth rates in 2005 would lead to only a slight decrease in U.K. base rate from an average of 5.00% in 2006 to reach about 4.75% by the end of 2007.

**Longer-term interest rates** - The view on longer-term fixed interest rates was that long term PWLB rates would be fairly stable around the 4.75% level for most of the financial year (equivalent to a long term gilt yield of approximately 4.60%).

4.4 All of the above was taken into account in the strategy agreed by Cabinet, that was:

- That the expectation for falling base rates in the future was so strong that the drawing of cheaper, shorter term funding later in the year for some of the 2005/06 borrowing requirement would assist in lowering debt servicing costs. The risk was that leaving longer term borrowing to later years could lead to higher longer-term interest costs.
- That the risks around shorter term variable interest rates are such, when compared to historically low long-term funding costs, that the Council will maintain a stable, longer term portfolio by drawing longer term fixed rate funding.
- The Council operated both borrowing and investment portfolios and as a consequence was at lower risk from being impacted by a sharp, unexpected rise in short-term variable interest rates. The strategy for the year was therefore to maintain a balance of funding at short-term rates to match short-term investments thus maintaining balanced treasury risk.

## 5. THE ECONOMY IN 2005/06

5.1 **Shorter-term interest rates** – Base rate started 2005/06 at 4.75%, having been unchanged at this level since August 2004. It fell to 4.50% in August 2005 and remained at that level for the rest of the year. The strong growth of consumer expenditure and housing prices in 2004 was less evident during 2005 though the housing market did pick up to recover later in the year and in early 2006. High oil prices and major increases in utility prices reduced spending power. GDP growth picked up from a low point of 1.7% year on year in quarter two to 2.3% in quarter one 2006. This was still slightly below the long term average annual growth rate of about 2.5%.

5.2 **Longer-term interest rates** – The PWLB 25-30 year rate started the year at 4.75% and fell to a low of 3.85% before rising back to a new peak of 4.25% at the end of the year. 50-year gilts were launched and on 7 December, the PWLB introduced new PWLB borrowing maturity periods longer than 25-30 years and up to a maximum of 45-50 years. This longest band started at a rate of 4.20% (compared to 4.30% for 25-30 year borrowing) and the rate bottomed at 3.70% in late January before ending the year at 4.15%.

## 6. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

6.1 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Policy Statement and annual Treasury Management Strategy. The outturn for the Prudential Indicators is shown in **Annex C**. The Prudential Indicators set out are recommended by the CIPFA Prudential Code for Capital Finance.

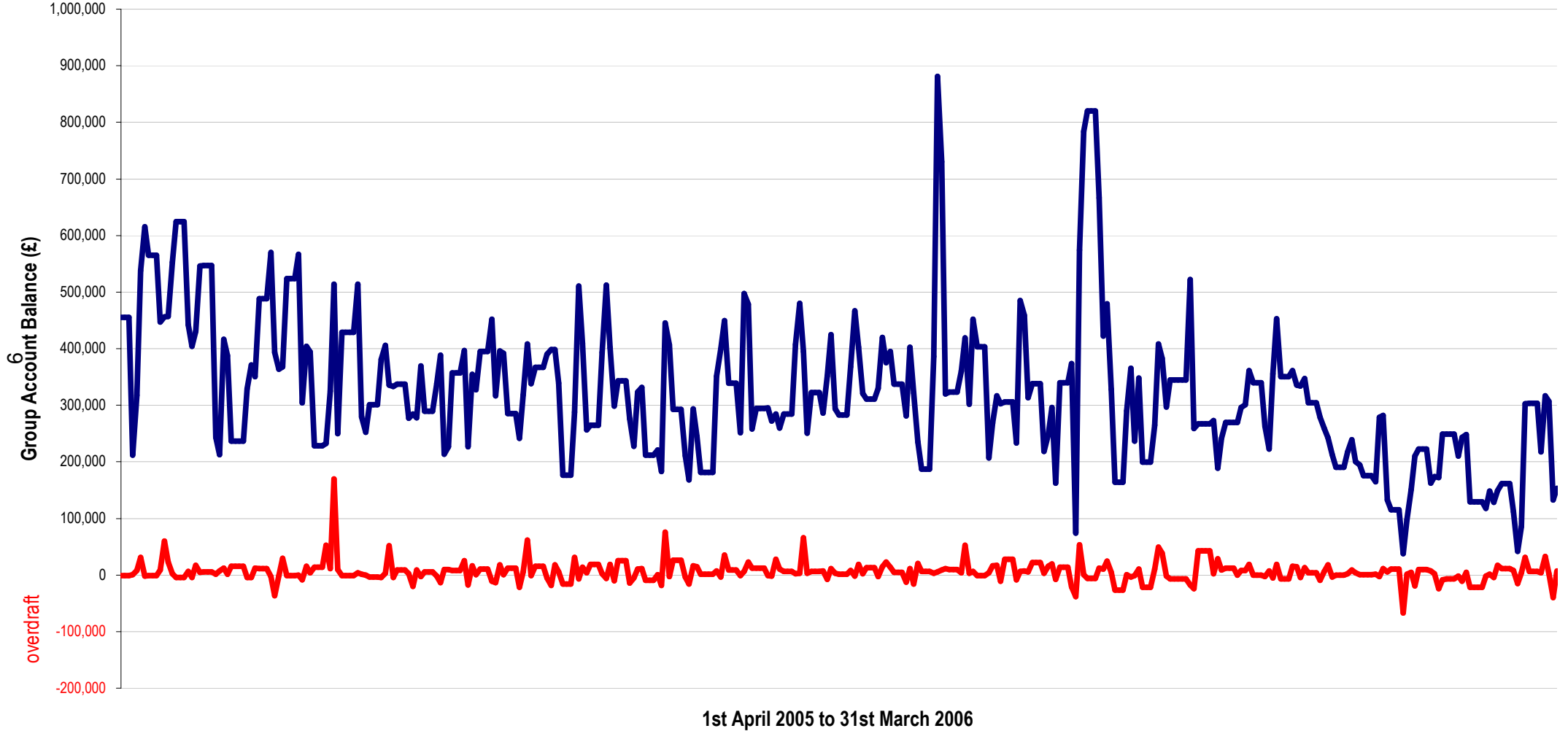
6.2 The outturn of the Capital Programme was provided for Cabinet as part of the Integrated Annual Outturn Report 2005/06. The capital programme outturn for 2005/06 totalled £31,845,249 compared to an original budget of £37,130,299, which represents a decrease of £5,285,050 or 14%. This is due to new schemes and new sources of funding being identified, project slippages and deferment of schemes into future years.

6.3 The original Prudential Borrowing allocated for 2005/06 was £7,607,000. The outturn for the use of Prudential Borrowing was £5,131,000 as set out below.

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)	<u>(£4,487,000)</u>
Actual Prudential Borrowing in 2005/06		<u>£5,131,000</u>

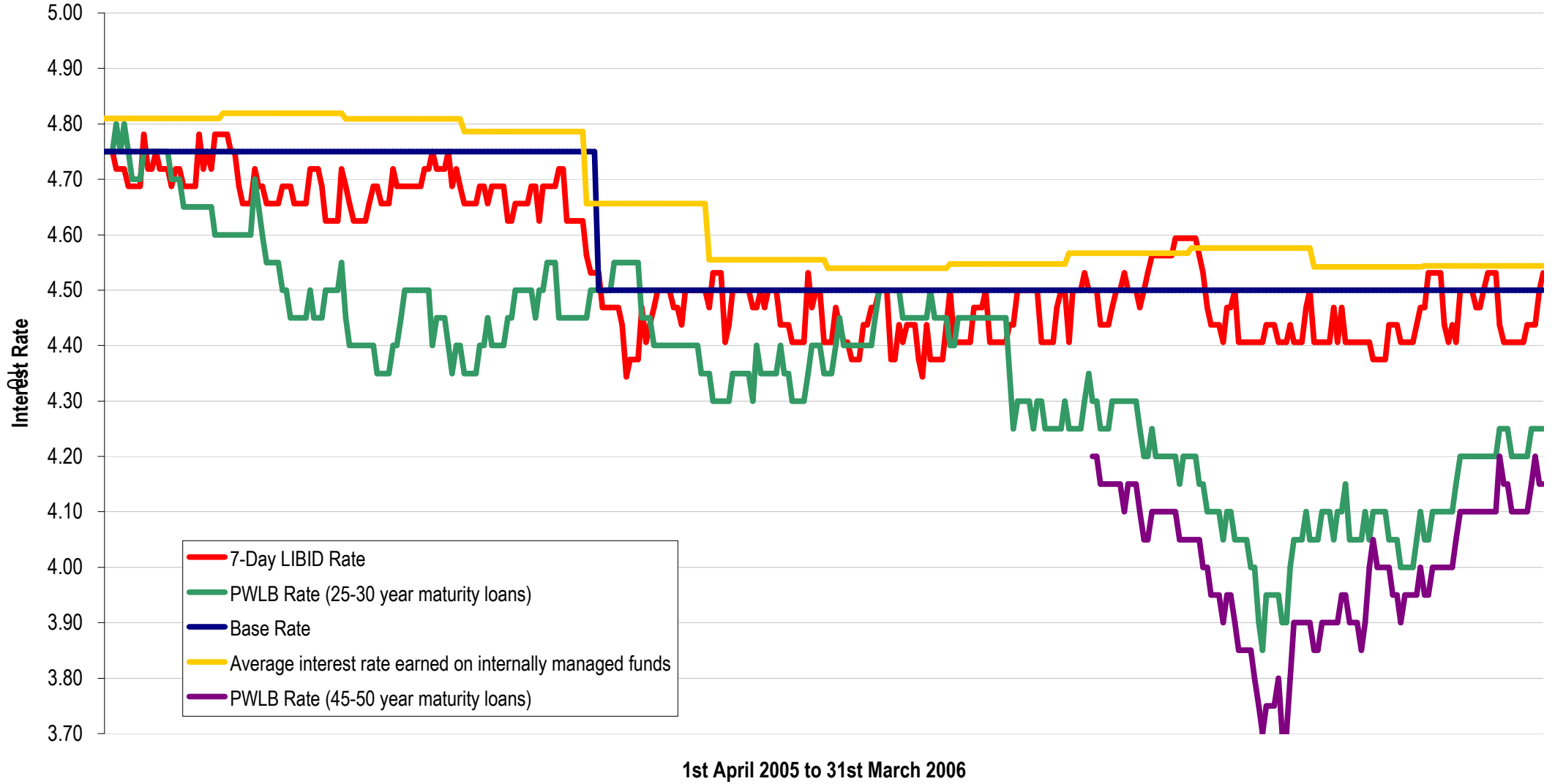


Herefordshire Group Account Bank Balances for 2005/2006



— Represents the uncleared group account bank balance i.e. some transactions included in this balance are subject to clearance. (This balance agrees to the bank statements).  
— Represents the cleared group account bank balance i.e. all transactions included in this balance have cleared. (This is the balance on which interest is charged or earned)

Comparison of Interest Rates for 2005/2006



**PRUDENTIAL INDICATORS**

<b>PRUDENTIAL INDICATOR Extract from Budget Setting Report</b>	<b>2004/05 Actual</b>	<b>2005/06 Original</b>	<b>2005/06 Actual Outturn</b>
<b>Capital Expenditure (£'000)</b>	£33,198	£34,493	£31,845
<b>Ratio of financing costs to net revenue stream</b>	3.02%	4.53%	4.41%
<b>Capital Financing Requirement as at 31<sup>st</sup> March (£'000)</b>	£95,371	£110,347	£109,330
<b>PRUDENTIAL INDICATOR Treasury Management Prudential Indicators</b>	<b>2004/05 Actual</b>	<b>2005/06 Original</b>	<b>2005/06 Final</b>
<b>Authorised Limit for External Debt -</b>			
Borrowing (£'000)	£119,000	£133,000	£133,000
Other Long Term Liabilities (£'000)	£3,000	£3,000	£3,000
Total (£'000)	£122,000	£136,000	£136,000
<b>Operational Boundary for External Debt -</b>			
Borrowing (£'000)	£73,500	£94,500	£94,500
Other Long Term Liabilities (£'000)	£1,500	£1,500	£1,500
Total (£'000)	£75,000	£96,000	£96,000
<b>Upper Limit for Fixed Interest Rate Exposure</b>			
Net principal re: fixed rate borrowing/investments	100%	100%	100%
<b>Upper Limit for Variable Rate Exposure</b>			
Net principal re: variable rate borrowing/investments	50%	50%	50%
<b>Upper limit for total principal sums invested for over 364 days (£'000)</b>	£10,000	£10,000	£10,000

<b>Maturity structure of fixed rate borrowing during 2005/06</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	30%	0%
12 months and within 24 months	60%	0%
24 months and within 5 years	90%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	20%



# DIRECTION OF TRAVEL STATEMENT 2006: SELF-ASSESSMENT

## PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

28TH SEPTEMBER, 2005

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### Wards Affected

County-wide.

### Purpose

To seek approval of the Council's self-assessment for the 2006 Direction of Travel Statement.

### Key Decision

This is not a Key Decision.

### Recommendation

**THAT the self-assessment for the 2006 Direction of Travel Statement be approved, subject to the addition of material that is still being collated.**

### Reasons

As part of the process of Corporate Performance Assessment, each year the Audit Commission produces a Direction of Travel Statement, which gives the Commission's judgement on the Council's rate of improvement. As part of the evidence considered by the Commission for this purpose, it requires councils to submit a self-assessment.

### Considerations

1. A draft of the self-assessment is at Appendix 1. It has to be submitted to the Audit Commission by 30 September.
2. Following the Corporate Performance Assessment and the Joint Area Review in 2005, the Audit Commission judged the Council's rate of improvement to be adequate. The self-assessment is an important opportunity for the Council to demonstrate that it has responded by taking a firm grip on all areas of improvement and is now progressing well.
3. The self-assessment needs to be as up-to-date as possible. Some of the evidence is not yet available (for example, the material on health that will be derived from the Director of Public Health's annual report). This will be added before submission, insofar as it becomes available in time. Adjustments to be made taking account of comments to date are marked in bold type.
4. The draft has been produced in accordance with the Audit Commission's published

guidance. In particular, it specifies the three sections and the maximum permitted length of each.

5. The Council is not expected to make its own summative judgement of its rate of improvement, but it is clear that, in important respects (notably in ensuring that its arrangements for safeguarding children are now adequate), the Council has improved its performance significantly.

## **Financial Implications**

There are no financial implications.

## **Alternative Options**

None. The Council is required to submit a self-assessment in line with the Audit Commission's requirements.

## **Risk Management**

The self-assessment demonstrates how the Council is managing key risks.

## **Consultees**

There has been no formal consultation, but partner organisations, notably the PCT and the Police, contribute information for inclusion in the self-assessment.

## **Background Papers**

None identified.

**DRAFT 19 09 06**  
**Herefordshire Council**  
**Direction of Travel Self Assessment 2006**

**1. Setting the scene – our local context**

- 1.1 *The State of Herefordshire Report 2006*<sup>1</sup> gives a detailed account of the context in which the Council operates. In most respects this has not changed significantly since the summary given in the Council's self-assessment for the 2005 Corporate Assessment.<sup>2</sup> Material changes since are:
- the total population is now estimated to be 178,800, compared with 177,800 in 2004<sup>3</sup>
  - a lower forecast for overall population growth – of 1.7% by 2011, compared to the national growth forecast of 3.7%
  - falling numbers of people of working age – a forecast decrease of 1.1% by 2011, against a forecast increase of 3.4% nationally
  - falling numbers of children – a forecast decrease of 11.7% fewer by 2011, compared with a 3.1% fall in England and Wales
  - experimental statistics from the Office for National Statistics show Herefordshire's BME population to have increased from 2.7% of the total population in 2001 to 3.3% in 2003 (4,300 people in 2001 to 5,900 in 2003)
  - Home Office data shows that Herefordshire had an inflow of seasonal and migrant Eastern European worker of between 5,500 and 6,000 in 2005, the majority between 18 and 34.<sup>4</sup>
- 1.2 Following extensive public and stakeholder consultation, *The Herefordshire Community Strategy*<sup>5</sup> for 2006-2020 has been published, setting out clear objectives for the Council and the other members of the Herefordshire Partnership. Reflecting national priorities and how they can be delivered to meet the distinctive needs and characteristics of the county, the core of the action plan to realise the objectives through to 2009 is the Local Area Agreement<sup>6</sup> signed with Government in March 2006.
- 1.3 Several of the Council's main partners – the LSC, the Police and the PCT – have been subject to structural review and a period of major uncertainty. The Council is working closely with them to try to secure the best outcomes for the county and to manage the risks so as to maintain progress in delivering the community strategy. Government having confirmed that the Herefordshire PCT will continue in existence, detailed work is in hand with a view to the early establishment of a Public Service Trust/Children's Trust arrangements that will bring together the planning and commissioning of children's services and adult health and social care. **[Latest position will be available before sending]**
- 1.4 Updating the financial position for the 2006-07 figures shows the funding gap to have widened:
- Formula Grant per head of population is £259 – 21% below the unitary authority average of £329
  - Formula Grant plus Dedicated Schools Grant per head of population is £698 – 19% below the unitary authority average of £862; and
  - Dedicated Schools Grant per head of population is £439 – 18% below the unitary authority average of £533

<sup>1</sup> The State of Herefordshire Report 2006

<sup>2</sup> Corporate Assessment 2005: Herefordshire Council's Self-Assessment

<sup>3</sup> ONS 2005 mid-year estimate

<sup>4</sup> Home Office data, analysed in Herefordshire Council's 'Review of data on migrant & seasonal workers in Herefordshire, July 2006'

<sup>5</sup> [http://www.herefordshirepartnership.co.uk/docs/community\\_strategy.pdf](http://www.herefordshirepartnership.co.uk/docs/community_strategy.pdf)

<sup>6</sup> [http://www.herefordshirepartnership.com/docs/LAA\\_Unified\\_document\\_for\\_website\\_June\\_2006%281%29.doc](http://www.herefordshirepartnership.com/docs/LAA_Unified_document_for_website_June_2006%281%29.doc)

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Despite this, the Council's financial situation is sound, with a healthy level of reserves and a strong balance sheet. However, the Council's ability to sustain major improvements in priority services in response to future challenges depends on large-scale transformational change, including high levels of efficiency savings. The implications are at the heart of the Council's new *Medium Term Financial Management Strategy* (MTFMS) 2006 – 2009, which will be finalised in October 2006 alongside the Corporate Plan 2007 – 2010.

### 2. The Council's track record in improving outcomes

2.1 The Council's priorities are set out in its Corporate Plan 2006-09 and Annual Operating Plan 2006-07.<sup>7</sup> The subsequently agreed LAA PIs and targets are consistent with these priorities, and all are monitored and managed through the single process of integrated performance reports (IPRs).

2.2 The Council's highest priority is ensuring that the arrangements for safeguarding children are operating adequately, following the adverse findings in this respect in the 2005 Joint Area Review. The next highest priorities are securing major improvements in adult social care and raising to a consistently high standard performance management across the Council, so as to improve outcomes and efficiency generally.

2.3 Overall, the Council modestly improved its performance against the national BVPIs in 2005-06 compared with 2004-05 (33 improved, 31 deteriorated, 16 unchanged). More important is that the Council has made significant progress in respect of many PIs in its priority areas and continues to do so.

#### 2.4 In respect of **children and young people**:

- appropriate criteria have been set for the involvement of the local authority's professionally qualified social care staff in child protection cases; these are understood by all concerned and consistently applied in practice. This has led to excellent progress in the number of referrals of children in need (from 175 per 10,000 in March 06 to 223 in July 06, against a target of 220)
- as a result, we are carrying out many more assessments but are having to manage intensively the flow of referrals, with all under constant review to ensure that Section 47 safeguarding assessments are carried out urgently
- recruitment and retention problems within Safeguarding and Assessment are being addressed immediately through the use of selected agency staff and, longer-term, through a dynamic workforce strategy
- as a result of these and other improvements, Government has accepted that the Council's arrangements for safeguarding are now adequate
- good progress is being made more generally with the implementation of the JAR Action Plan, in respect of which the Council has allocated an additional £100K, as well as contingency funding. For example, the number of families in B&B has been cut from 54 at the end of 2005 to 10; the 12-week target for occupational therapy is now being met; and involvement and consultation with children and young people is increasing: the Shadow Children and Young People's Board was set up at the end of 2005 and Youth Council elections were held in March 2006
- **[Whitecross school PFI; environmental aspects and pupil involvement in design]**
- **[most recent exam results]**

Fuller details are in the Annual Performance Assessment self-assessment of May 2006.<sup>8</sup>

2.5 In **adult social care** significantly improved outcomes were achieved in 2005-06 in respect of:

- older people helped to live at home up to 82.9 per 1,000, against a target of 80

<sup>7</sup> [http://www.herefordshire.gov.uk/council\\_gov\\_democracy/council/1855.asp](http://www.herefordshire.gov.uk/council_gov_democracy/council/1855.asp)

<sup>8</sup> [http://www.herefordshire.gov.uk/docs/JointAreaReview/APA\\_2006.pdf](http://www.herefordshire.gov.uk/docs/JointAreaReview/APA_2006.pdf)



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- adults with physical difficulties helped to live at home up to 4.8 per 1,000, against a target of 4.2
- adults with mental health problems helped to live at home up to 3.7 per 1,000 against a target of 3.0 (performance was below target in respect of adults with learning disabilities helped to live at home)
- adults and older people receiving direct payments up from 60 per 100,000 to nearly 80
- the continued success of the Signposting scheme, under which more than 20 organisations, including the Council, the PCT, the Fire Service, the Police, the Pensions Service and voluntary bodies, work in partnership to enable older people to live independently in their own homes: over 2,100 referrals in 2005-06, bringing the total since 2002 to over 8,000, with the welfare rights element helping people claim more than £9.5m of additional benefits.
- the number of people accepted as homeless to whom the Council has a full statutory duty was reduced from 510 to 416 (even more dramatically, as a result of intensive action and the establishment of a dedicated team, there were only 29 acceptances in the first quarter of 2006-07, compared to 115 in Q1 2004-05)
- Between 2003-04 and 2006-07 a total budget addition of over £4m was made in respect of Adult Services. A Social Care contingency of £1.3m has been created for 2006-07 and the Medium- Term Financial Management Strategy recommends that this should increase to £3m.

Fuller details are in the Annual Review Meeting self-assessment of August 2006

### 2.6 In respect of **economic and community development and regeneration**:

- development of a new economic development strategy with partners, including AWM
- significant progress with the county's premier regeneration and economic development project, the Edgar Street Grid, with the appointment of the Chief Executive and the purchase by AWM of the trading site for the relocation of existing businesses
- completion of the first phase of the refurbishment of Hereford city centre
- commissioned the development of a business centre on the Leominster Enterprise Park, with lots sold to developers and development underway
- 45 business start-up grants already awarded in 2006-07, compared with the original target of 30 for the whole year
- an increase from 33 in 2004-05 to 54 in 2005-06 in the number of empty private dwellings returned to occupation as a result of action by the Council
- development of a Museum and Learning Resource Centre where users are reporting an over 90% satisfaction rate; regional awards for the Parks Service; and development of the Cultural Pathfinder initiative
- the Council's new annual public satisfaction survey in November 2005 showed that well over 60% of users of cultural and recreational services were satisfied with them, with most people believing that access to nature and sports and leisure facilities had improved
- but there were higher than previous levels of dissatisfaction with cultural services amongst non-users, which coincided with lower numbers of users, in line with the national trend. It also showed a deterioration in perceptions of some aspects of quality of life, especially traffic congestion, wage levels and the local cost of living. Follow-up work is in hand to find out the underlying reasons and provide the basis for targeted action, with citizen's panel surveys in the summer and autumn.
- **[Widemarsh street pedestrianisation – Richard Ball]**
- **[Rotherwas – heads of agreement to be signed on 28 Sept]**

### 2.7 Significant **improvements in environmental outcomes and services** have been achieved. Leading examples of improved performance in 2005-06 over 2004-05 are:

- 23.89% of waste recycled or composted, compared with 21.79%, with kerbside collection of two recyclables being extended in September

## DRAFT 19 09 06

- waste landfilled down from 78.2% to 76.1% and waste collected per household down from 528.03 to 521.7 kilograms
- streets not reaching the BVPI cleanliness standard down from 27% to 18%
- traffic controls down from 3.18 to 0 days
- determination of planning applications within national target timescales up from 46% to 61% for major applications; 51% to 73% for minor; and 64% to 85% for others; and the quality of service checklist score up from 89% to 94%

### 2.8 **Community safety** shows generally positive progress:

- low overall crime levels have been maintained
- the annual satisfaction survey in November 2005 showed that, compared with three years ago, anti-social behaviour is now seen as less of a problem
- although the number of people killed or seriously injured on the roads rose slightly between 2003 (141) and 2004 (147), this compares very favourably with earlier years; and there was a significant fall in the number of people slightly injured per vehicle kilometre between 2003 (783) and 2004 (732)

### 2.9 Health

***[Main content dependent on sight of the Director of Public Health's annual report, which should be published before the end of September]***

- increased facilities for physical activity and higher participation: 403 new participants in the South Herefordshire Activity Promotion and Education Scheme (SHAPES) since its start in 2005; the Sports Referral project exceeded its target by 1.5 times; Lady Hawkins Community Leisure Centre on target to exceed 6% increase in usage figures, with over 30,911 attendances; Wigmore Leisure Centre on target to exceed 8% increase in usage figures, with over 13,000 attendances; and the opening of the new swimming pool for North Herefordshire, where attendances have been 150% higher than they were for the old pool.

2.10 Performance in respect of **welfare benefits** has improved substantially. 2006-07 first quarter figures show the Council achieving the DWP standard of 36 days for processing new claims, compared with 70 in the same period in 2005-06; and processing changes in 21 days rather than 67.

2.11 The Council has continued to make progress in **mainstreaming diversity and equality of opportunity**:

- a Migrant Workers website<sup>9</sup> has been successfully launched; developed in partnership with West Mercia Police and the PCT, it's the first of its kind in the UK
- our Info. centres are advertising in various languages our translation service and free Internet access
- we have provided significantly more support to schools, including the appointment of an additional 1.5 FTE permanent advisory teachers, to enable them to meet the unprecedented increase in the number of pupils learning English as an additional language: up from just 4 new referrals in 1999-2000 to 47 in 04-05 and 69 in 05-06 (provisional figure)<sup>10</sup>
- working with users and stakeholders, we have reviewed our Disability Equality Scheme; it's now out for public consultation, with the final version due to go live in October 2006
- our Corporate Diversity Team has continued to resolve successfully complaints of discrimination, of which 50 were received in 2005-06 and another 17 by the end of July 2006
- The Council has not made all the progress it would wish in respect of increasing the top 5% of staff who are women, the percentage of employees with a disability, and the percentage of

<sup>9</sup> <http://www.welcometoherefordshire.com/>

<sup>10</sup> Pupil Level Annual School Census (PLASC)

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employees from ethnic minority communities. Our Central Recruitment Team, established in April, is focussing efforts on improving performance against these equalities targets

### The Council's reputation and profile

2.12 The Herefordshire Annual Satisfaction survey in November 2005 found that almost half of respondents were satisfied with the way the Council runs things, about twice the proportion who were dissatisfied (broadly similar to 2003); and 54% felt that the Council kept them well-informed (an increase from 49% in 2003).

2.13 Following the appointment of a Head of Communications earlier this year and a targeted programme of action, the Council has significantly increased its media profile: press enquiries have risen from 40 in April to nearly 140 in July; and press reports from about 100 in April to nearly 200 in each of June and July.

### 3. Progress in developing and delivering robust plans for improvement

3.1 The Council responded with speed to the judgement in the Corporate Performance Assessment 2005 that its rate of improvement was, for the first time, only adequate. It is implementing vigorously a comprehensive Overall Performance Improvement Plan (OPIP). This is intimately linked with the Council's long-term Business Transformation Programme (BTP). Chaired by the Chief Executive, the BTP's Overall Project Board leads an ambitious change programme to improve customer services and deliver the financial capacity needed to invest in key priorities for the future. It consists of six main inter-linking areas, each managed by its own board. They are:

- The *Herefordshire Connects* Programme
- The Customer Services Strategy
- The Children and Young People's programme
- *The Big Move*: our office accommodation strategy
- Adult Services Project
- Pay and Workforce Development

Both the BTP and the OPIP are being project-managed using Prince 2. Progress in respect of the individual elements follows.

3.2 ***Herefordshire Connects*** is the Council's strategic transformation programme. Approved in April 2006 and now in the early stages of procurement, it consists of 3 key work-streams:

1. Integrated Customer Services – electronic records and document management system
2. Integrated Support Services – finance, procurement, HR and asset management
3. Corporate Performance Management – cross-Council framework

This programme is aimed to release cash from business processes to reinvest in service and capital investment priorities, such as increasing demand for adult social care, improved children's service and essential economic infrastructure, such as the Rotherwas Relief Road. The benefit realisation target for 2007-08 is £5.8m. Integral is a corporate **ICT strategy**, which has been developed and will now be put to the Corporate Management Board and Cabinet for approval, and completion of the e-government programme.

3.3 **The Customer Services Strategy** is being rolled out, with priority being given to the creation by early in 2007 of the *Info. by phone* service and a greatly improved Information Shop for Hereford.

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- 3.4 As regards the **Children and Young People's programme**, the Children's Partnership three-year plan is being driven forward, with clear targets and milestones, through the Forward Delivery Plan. Initially for 2006-07 and integrating the JAR Action Plan, this is a live document that will be reviewed and updated regularly as the basis for continuous and sustained improvement in outcomes for children. Key issues of focus will be the embedding and progressive further improvement of the safeguarding arrangements, and the associated strengthening of the permanent complement of trained social workers. It is also intended as an important means of ensuring that pace is maintained and risks managed effectively as the present organisational arrangements are superseded by the proposed Children's Trust arrangements/Public Service Trust.
- 3.5 Significant progress has been made with the **Accommodation Strategy**, with a clear programme having been defined and detailed implementation plans drawn up.
- 3.6 The Department of Health has responded positively to the Council's initiative in seeking assistance to effect sustainable improvements in **adult social care**. It is procuring further assistance that will enable the Council to deliver on all aspects of its three pillars of improvement. We have not hung fire waiting for this to happen but have put in place an interim improvement plan, against which progress is being maintained. In particular, we have completed the assessment of future social care needs and services for older people and adults with learning disabilities.
- 3.7 In the field of **equalities and diversity**, the Council is pressing ahead towards its target of achieving Level 2 of the Local Authority Equality Standard in 2006-07. Its three-year programme of equality impact assessments is drawing to a close and will result in SMART action plans for improvement being in place across the Council, as an integral part of service plans, no later than March 2007. This will provide the platform for the Council to achieve its target of achieving both Levels 3 and Level 4 of the Standard in 2008 and Level 5 in 2010.
- 3.8 Major improvements in **performance management** are fundamental for the Council to achieve all aspects of the BTP and the OPIP. These are well in hand. Across the whole Council a comprehensive Performance Improvement Cycle (PIC)<sup>11</sup> has been developed. Its purposes are to link directly, at all stages of planning and performance management, the allocation of resources with the delivery of the Council's priorities in terms of measurable outputs and outcomes; enable the Council to make informed choices about the trade-offs between investment in different services; address successfully cross-cutting priorities, such as diversity, equalities and sustainability; achieve the best possible value for money, overall and in respect of individual services; make cash-releasing and non-cash releasing savings to meet Government requirements and deliver service improvements in priority areas; and drive continuous performance improvement for better customer services across the Council.
- 3.9 It is being rolled out with the development of three-year proposals for service improvement within the context of the MTFMS and as an integral part of the development of the Corporate Plan 2007/10. Cabinet plans to take these strategic decisions in October, so providing a sound basis for the development (in most cases for the first time) of three-year rather than annual service plans and the setting of annual budgets for 2007-08.
- 3.10 The Chief Executive's regular performance review meetings with individual directors and the Head of HR have been strengthened; monthly performance reports, with a prescribed minimum content, are made to each lead Cabinet member in respect of their portfolios; the discipline of the bi-monthly integrated performance reports to Cabinet, introduced in 2005, has exposed weaknesses in performance management and focused energy on remedial action, with the result that there has been a sharp decrease from 45 in May to 19 in July in the number of performance indicators red flagged and non-negotiable deliverables are incorporated into the objectives and targets of all heads of service (an example of the immediate impact this has had

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<sup>11</sup> Intranet: Info Library/Corporate Essentials

## DRAFT 19 09 06

is the increase in the proportion of staff review and development appraisals completed on schedule; up from 76% in 2005 to 94% in 2006).

- 3.11 Also across the Council, a linked network of performance improvement managers and supporting staff is being put in place. The managers will be line-managed by the Council's Head of Policy and Performance but be out-posted in their service areas. Some permanent appointments have been made and all others have been advertised. Where necessary, as in Children's Services, interim appointments have been made.
- 3.12 In view of the particular need to strengthen substantially performance management in Children's Services, the Council has additionally contracted with the Institute of Public Care, which is developing with management and staff tailored arrangements to meet their special needs and circumstances.
- 3.13** These arrangements are reflected in the Council's revised Performance Management Framework. **[to be presented for CMB and Cabinet approval in September]**
- 3.14 Parallel action has been taken with partners to strengthen substantially the performance management arrangements of *The Herefordshire Partnership* so as to ensure the delivery of the *Herefordshire Community Strategy*, including the LAA - targets will be set and action planning completed for all indicators by the end of September. The Partnership Performance Management Group is developing a risk management process by the end of October, and processes for scrutinising targets and planning by December.
- 3.15 Plans are also well in hand to **ensure that the Council's employees have the understanding and skills** to deliver the improvements. The Council has committed to achieving *Investor in People* accreditation by October 2007; internal communications have been overhauled, with the introduction of the *News and Views* two-way briefing system, *First Press* delivered with pay-slips and on-line, and the revamped *Leadership Forum*; and the roll-out of the comprehensive Pay and Workforce Strategy.
- 3.16 Council has recently approved a change to the Constitution that will provide the necessary flexibility to **ensure that the Council's political structures are aligned with the forward agenda**. This has been achieved by setting the number of Cabinet members at between 3 and 9, with it being a matter for the Leader to determine the actual number and the portfolios.
- 3.17 In order to **strengthen the scrutiny function**, the Scrutiny Improvement Plan has been further developed to reflect issues arising from the 2005 Corporate Performance Assessment and the Joint Area Review. It is now being rolled out. A valuable scrutiny report has been produced on the Council's service delivery partnership with Herefordshire Jarvis and Owen Williams, leading to a response and action plan from the Executive. A further scrutiny report on the Courtyard Theatre is being considered by the Executive. In addition to receiving the integrated corporate and other regular performance reports, special attention is being given to strengthen Children's Services scrutiny, including a presentation on best practice by the IDeA. More generally, visits are being organised to look at best practice in other local authorities.



# BUILDING SCHOOLS FOR THE FUTURE

## PORTFOLIO RESPONSIBILITY: CHILDREN AND YOUNG PEOPLE

CABINET

28TH SEPTEMBER, 2006

### Wards Affected

- (1) Leominster North, Leominster South, Upton and Hampton Court.
- (2) Belmont, St Martins & Hinton and Hollington.

### Purpose

To approve two major developments in Secondary School Provision within Herefordshire, namely:

- (i) To approve the choice of The Minster College as the school to be rebuilt under the Building Schools for the Future Pathfinder Project to be completed in the 2009 – 2010 academic year.
- (ii) To support the proposal that Wyebridge Sports College should become a “City Academy” with the Diocese of Hereford acting as principal sponsor.

### Key Decision

This is a key decision because it is likely to result in the Council incurring expenditure above agreed budgets for the service or function (shown as a line in the budget book) to which the decision relates but allowing for virements between budget heads and savings within budget heads of up to £500,000; It is significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards.

It was not included in the Forward Plan however inclusion in the agenda gives the required notice in accordance with Section 15 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000.

### Recommendations

**THAT**

- (a) The Minster College be selected under this initiative;**
- (b) consideration be given to the relocation of Westfield Special School to the College campus as part of the development; and**
- (c) approval be given for the application/expression of interest for Wyebridge Sports College to become a City Academy with the principal sponsor being the Diocese of Hereford.**

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Further information on the subject of this report is available from George Salmon, Head of Commissioning and Improvement on 01432 260802

## Reasons

For recommendation 1, the DfES require the selected school to be the one with the highest need in terms of the condition of existing buildings and the suitability of the areas for teaching and learning. The Minster College has the highest need.

For recommendation 2, the existing buildings and site at Westfield Special School are inadequate to serve the increasingly severe needs of its students, and the opportunity in terms of integration, site and funding for re-development on The Minster Campus should not be lost.

For recommendation 3, to sustain the considerable improvement in the standard of teaching and learning at Wyebridge, a significant investment is needed. The City Academy programme will provide this and on this occasion the DfES has invited the authority to make an application to join this programme. This will include a significant remodelling of the site and buildings.

## Considerations

### 1. BSF Pathfinder Project

- The set of buildings which The Minster College occupy are of poor condition, inefficiently planned and uneconomical to run.
- Maintenance costs are very high for the floor area concerned. The schedule of required repairs during the next 5 years is as follows:

2006/07	477,676
2007/08	115,950
2008/09	11,525
2009/10	66,725
2010/11	69,470
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Total	£741,346

The Minster College has been identified as one of the top Children & Young People's Directorate maintenance liabilities.

- The capacity of the new school is a critical issue both in mainstream and in the sixth form. At present the admission number is 140 with approx 120 students taking up places. The size of the sixth form is approximately 50 in each year.
  - This compares to the numbers of children living in the catchment area between 130 and 190 in various years.
  - DfES are working to see that provision does meet the aspirations of the 14-19 agenda, the use of ICT in future teaching and learning and the wider use of the school in the community.
  - The DfES also asks how SEN provision will be made, and in response to this and to resolve the shortcomings in accommodation at Westfield Special School, it is proposed to relocate the Special School onto The Minster Campus.
- ### 2. Academy Proposal:



3. Great strides have been made in improving the quality of teaching and learning with the best ever GCSE results being achieved in 2006. Although this is an essential element to shift public perception, it is critical in an era of parental preference and falling rolls to ensure that Wyebridge Sports College becomes the first choice school for the majority of students resident in the South Wye area. A major investment in the buildings is required. In the absence of local resources, and knowing that replacement under Building Schools for the Future will not happen for another decade, the City Academies programme provides the opportunity.
4. This programme has been amended to give local authorities a greater role in shaping the character of the school before the management, both of the project and of the school passes to a sponsor. This, together with the proposal that the sponsor is the Diocese of Hereford, allays many of the fears that the academy programme has raised elsewhere. The proposal assumes that the school will continue to serve its current area, and that there would be no fundamental change to the current admissions policy. There is no suggestion that any pupils are admitted on criteria relating to faith.
5. The timetable involves an expression of interest to be part of the programme to be submitted in October 2006 and a decision to be given in December 2006.
6. Feasibility work would take place between January 2007 and September 2007, which would culminate in a decision as to whether the school should become an academy in September 2008.

## **Alternative Options**

- The offer of participating in both DfES schemes could be rejected. However this is felt to be inconceivable given the problems faced and the financial support potentially available.
- Other high schools could have been considered for the BSF programme but the evidence from the Education Asset Management Plan identifies. The Minster as the school with the greatest building problems.

## **Risk Management**

Both are major projects with risk at various levels. At this stage the major risk lies in raising high expectations, but finding that, in the development of the projects within the constraints of the DfES, the aspirations cannot be met. In addition, the capacity of the Directorate and the Council to support these major projects operating in parallel will need to be assessed.

## **Consultees**

- High Schools
- Hereford Diocesan Board of Education
- Cardiff Archdiocese
- LSC

## **Background Papers**

None identified.



# EMPLOYEE OPINION SURVEY 2006

## PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

28TH SEPTEMBER, 2006

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### Wards Affected

No Wards are affected

### Purpose

To note the contents of this report.

### Key Decision

This is not a Key Decision

### Recommendation

**THAT the report be noted.**

### Reasons

The Employee Opinion Survey is carried out annually, and this report is for information on the key findings of the 2006 Survey.

### Considerations

1. The Employee Opinion Survey 2006 was run during July. This was to ensure that, as in 2005, the results could be used as part of the corporate planning process. 48.4% of employees took part in the survey compared with 40% in 2005 and 38% in 2004. 21% returned the survey form electronically; just over the fifth who used this new way to give their views in 2005.
2. The work the Council has done and is doing to improve has clearly made a difference to what employees think. This year, in response to a number of Survey questions, more respondents have felt able to agree or disagree. In many areas of the survey the message from employees is that there have been improvements. Some of the actions over the past year which have led to the positive results have included:
  - The Council-wide Transformation Programme which is underway.
  - Staff Review and Development (SRD) has improved – now the vast majority of employees have a review at least annually. The SRD process is firmly linked to the Council's performance management cycle. The Council's 94% out-turn of SRD completion is reflected in Survey responses.

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Further information on the subject of this report is available from David Johnson,  
Head of Human Resources, on 01432 383055

- The introduction of the Council's Central Recruitment Centre in April 2006 has improved the speed and efficiency of recruitment to Council posts.
  - Improvements to communications continue with, for example, the Chief Executive and Leader's Talking Point sessions for all employees, the introduction of the monthly First Press and First Press Online information bulletins and the improved team brief system – News and Views, now with publicised responses to employee questions.
  - The Council has committed to achieving the Investors in People Standard, with a target date for assessment of September/October 2007.
  - An ongoing programme of Diversity awareness is in place; the positive impact of this is reflected in the Survey responses.
  - New Directorate structures have been implemented, and were fully communicated to employees as they have progressed, as part of the Council's management of the change.
  - Support arrangements following implementation of Single Status and Job Evaluation were put in place and carried out.
  - The Senior Management Team is in place.
3. Actions taken during 2005-06 have clearly made a positive difference to employees and are mirrored by some significantly more positive differences in responses to the Survey. Some of the areas where Survey responses by employees are significantly more positive than in either of the last 2 years are:
- More employees think the Council is good to work for – 69% against 65% in 2005 and 59% in 2004. In addition, 55% agree that morale in their work area is good, compared with 41% last year.
  - More people are confident that they will still be working for the Council in 12 months time – 64%; up from 61% in 2005 and 51% in 2004.
  - Around two thirds of respondents now agree that they get recognition for a job well done – a significant increase over the previous 2 years.
  - Three quarters agree that the organisation communicates with employees regularly when going through change, against 69% in 2005.
  - Confidence in immediate managers continues to be high, as does the proportion of employees having a clear understanding of their job objectives and priorities. More people are also feeling valued by senior management, and feel that relations between senior management and employees are good.
  - More people are finding their annual Staff Review and Development discussions worthwhile and 48% agree that opportunities for development within the Council are good, compared with 43% in 2005.
  - More agree that the Council takes into account the views and diverse needs of its service users, that the Council is open, honest, and accountable to all its customers and that employees are treated fairly regardless of race, sexual orientation, age and position.

- The proportion who sometimes feel bullied or harassed by customers or service users has fallen from 39% in 2005, to 35%.
4. The main areas where levels of disagreement amongst employees have arisen are:
- In 2005, 31% disagreed that plans, processes and policies were understandable, whereas 40% disagree this year.
  - 4% more than last year disagree that they usually have the resources to do their jobs properly.
  - This year, 38% disagree that action will be taken on problems identified in the survey, compared with 29% last year and 34% in 2004.
  - There is a rise in disagreement that that people are encouraged to use their initiative and creativity, and to share learning and best practice.
  - Disagreement that people are satisfied with their physical work environment – from 30% in 2005, to 35% this year.
  - The level of disagreement has increased to 56% from 51% in 2005, regarding good understanding and co-operation between the Council's different service areas.
  - Disagreement about having opportunities for flexible working, has risen from 15% in 2004, to 16% last year and to 19% currently.
5. Staff Opinion Surveys are carried out annually by many Local Authorities. To get a picture of how we fare by comparison, the results are checked annually against other Councils. We compare well against the average for local government in many areas, including:
- Morale within work areas is up to 55% from 41% last year and 35% in 2004; compared with a 46% average for local government;
  - The proportion of employees feeling that they have the resources needed to do their jobs properly - 64%; the local government average being 55%;
  - Opportunities for flexible working that allow people to avoid problems in meeting home and work commitments is at 73% this year, compared with the local government average of 68%.
6. The areas where we do not seem to compare so well are:
- Our employees are not as inclined to speak highly of the Council to others outside – 47%; against the average of 56%;
  - The level of satisfaction with earnings here is at 42% as against a 44% average; and 64% intend to be working here in 12 months time against a 75% average (although our turnover is significantly below the Local Government average).
  - That it's possible to meet job requirements without working excessive hours - 56% against an average of 61%.
7. There will be a presentation on the main findings and priorities for improvement to

the October Leadership Forum (formerly Managers Forum). The Headline Report of the Survey will be made generally available concurrently with the issue of this report. Information in First Press will be issued with employees' payslips on September 25th. Heads of Service will be asked to take the lead in ensuring that actions for improvements are delivered as a result of Survey feedback. Managers will again be tasked with involving employees in giving ideas on how they think things can and should be improved to inform Service Planning to shape and deliver improvements for service users.

## **Alternative Options**

There are no alternative options

## **Risk Management**

The Survey is a key management process, part of the Council's performance management. It contributes significantly to developing the Corporate Plan, Pay and Workforce Development Strategy and to shaping priorities for management action. If the Survey contents are not noted and publicised, employees may feel the Survey is not taken seriously and this may negatively impact motivation and performance.

## **Consultees**

All employees were offered the opportunity to participate in the Survey. The Opinion Research Company is used (at no cost to the Council) for ideas in Survey construction, cross-fertilisation of improvement ideas with other Councils and to benchmark findings in key areas.

## **Background Papers**

None identified.

# HEALTH AND SAFETY ANNUAL REPORT

## PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

28TH SEPTEMBER, 2006

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### Wards Affected

None

### Purpose

To summarise the key activities of the Health and Safety Service, including Occupational Health during the last twelve months.

### Key Decision

This is not a key decision.

### Recommendation

**That the report be noted.**

### Reasons

The service aims to support and implement the statement of commitment laid out in the Health & Safety Policy of Herefordshire Council, namely:

- To secure health, safety, security and welfare of *all* employees whilst at work;
- To ensure the health and safety of any persons affected by the Council's activities.

In addition, the Occupational Health service is primarily committed to the effective promotion of the health and wellbeing of all employees of the Council.

### Considerations

1. To achieve these objectives, the service is continually reviewing actions and considering new ways in which to improve the health, safety and welfare of its workforce. This requires co-operative working and effective relationships at all levels throughout the authority.
2. This report outlines the key activities undertaken in order to ensure positive outcomes and enhanced awareness and understanding of the Health and Safety Service.

### Structure of the Occupational Health and Safety Service

3. The Health & Safety service was restructured under the remit of the HR Manager – Employee Relations in late 2005. The service was augmented with the appointment

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Further information on the subject of this report is available from David Johnson,  
Head of Human Resources, on 01432 383055

of an additional Health & Safety Officer and an Occupational Health Advisor. The current structure lends itself to working more flexibly across the Directorates of the Council, providing specialist support and advice.

### **Health and Safety Audit**

4. As a result of the restructure of the Health & Safety service, and in order to facilitate understanding of the direction and motivation for both the Council's approach to Health and Safety and the activities of the health and safety service within the organisation, it was felt that an audit of existing practices and systems should be undertaken.
5. At the beginning of May 2006, an external audit and review of health and safety provisions of Herefordshire Council was conducted, the aim of which was to identify areas for improvement, good practice and areas where responsibilities for health and safety could be further clarified.
6. The audit scope encompassed a review of two main elements, the Health and Safety Management System and Physical Controls. These two factors facilitate a more realistic judgement in assessing the overall performance of the Council.
7. Overall the audit identified that although our practices and procedures were basically sound and good in some areas, there was still room for improvement in, for example, lone working arrangements, risk assessment and a more cohesive Health and Safety Training Plan.
8. The audit report has been presented to the Corporate Health and Safety Committee and the Senior Management Team and the recommendations have been positively received as a key opportunity to achieve a high standard for the management of health and safety through both strategic and operational objectives. A proposal for the implementation of these actions is currently under consideration, with the potential introduction of a more cohesive management system as the main driver for both short and longer-term actions.

### **Corporate Health & Safety Committee**

9. The raised profile of the Committee is now being further enhanced by a recent re-write of the Committee's Terms of Reference document. The new terms of reference will further define the Committee as a proactive source for discussion and recommendations on health and safety topics. It is anticipated that the Committee will play an instrumental role in implementing the actions arising out of the Health and Safety Audit.
10. Membership of the Committee includes a Head of Service from each of the Directorates, the HR Manager with responsibility for Occupational Health and Safety, and representatives from each of the recognised trade unions. The Committee is chaired by the Head of Human Resources.

### **Equality Impact Assessment**

11. Previously, the Occupational Health EIA was conducted separately to that of Health and Safety. This year the two have been integrated into a single EIA to ensure a unified approach on the agreed actions. The integrated EIA assists in ensuring a unified approach to ensure the safety and wellbeing of employees.
12. Planned actions arising from the EIA for the year 2006/7 include:



- Modify documentation to be more accessible to all
- Produce Occupational Health and Safety literature in different formats and languages and make available to all to improve take-up of services on offer and raise profile.
- Conduct data collection and diversity monitoring to ensure that services do not unfairly discriminate.
- Source information on building surveys conducted for Disability Discrimination to effectively assess and mitigate risks to employees
- Facilitate training where Occupational Health and Safety legislation may impact on diversity groups.

### **Sickness Absence**

13. The purpose of Occupational Health and Safety is to protect and promote the health and wellbeing of employees and those affected by the Council's activities. Their work includes identifying areas of potential risk, providing advice and guidance on health related issues and how they can be managed in the work place. The aim of which is to ensure a healthy work environment for all, and encourage high levels of attendance.
14. The Occupational Health and Safety Team have contributed to a new training programme for managers, which aims to develop their skills and confidence in dealing with absence issues. The programme will provide clarification of managers' responsibilities regarding managing attendance and provide them with the opportunity to practice the skills required.
15. Attached at Appendix 1 are the latest sickness absence figures by directorate, as at the 31<sup>st</sup> July 2006, and show the total level of sickness absence to be 9.09 days per employee. This is compared to the 10.3 days absence per employee reported last year. The mechanisms we have put in place need to be consistently applied if the targets for reducing sickness absence are to be achieved.
16. Stress and depression currently account for the majority of referrals followed by musculo-skeletal disorders. This reflects national trends. For further information about the nature and number of referrals see Appendix 2 – Occupational Health statistics, for the period 1<sup>st</sup> March – 31<sup>st</sup> August 2006.
17. The Occupational Health function has continued to work with specific providers to assist employees who have been referred. Support provided for employees with stress and depression-related conditions includes employee assistance counsellors who provide a confidential counselling service dealing with a range of domestic, personal and work related issues. A fast-track physiotherapy referral service is also in place in order to reduce the time taken for those with musculo-skeletal conditions to receive treatment. Since last year's report, the time from receipt of the referral in Occupational Health, to contact with the physiotherapy service has reduced from 3 days to 1 day. This enables employees to receive prompt treatment and lessens the impact of their condition on their job.
18. Over the past year, Occupational Health and Safety personnel have increased workplace visits to the Council's locations in order to promote the importance of health and safety and to raise the profile of the health and safety team and the

services available to support managers. Further advice has been provided to managers in relation to the most frequently required risk assessments, such as 'workstation assessments for users of Display Screen Equipment (i.e. PCs) ' so that they are better able to carry out effective assessments.

19. Since last year's report, the waiting time from receipt of the initial referral to Occupational Health, and the issuing of the subsequent management report has been reduced from 21 days to 14 days. This means that managers are provided with advice about the impact of the employee's health on their ability to do their job at an earlier stage, and can therefore determine more promptly what follow-up action should be taken to facilitate a return to work.
20. The pre – employment questionnaire has been redesigned and the processing time from receipt of the form to completion for recruitment is now 48 hours compared with five days a year ago.

### **Accident/Incident Reporting**

21. Accident and Incident data is monitored by the Health & Safety Officers, and reported to the Corporate Health & Safety Committee on a quarterly basis. Key messages are communicated in terms of pinpointing areas for attention, possible reasons for trends, and recommendations for resolution.
22. The reporting of accidents continues to follow the Health and Safety Executive categorisation of accident types. See Appendix 3 showing a breakdown of accidents by directorate and by accident type since 1st February this year.
23. There were a total of 219 accidents recorded in this period of which 9 were externally reportable to the Health and Safety Executive. This is required when there is a major injury, such as a fracture, and/or there is an injury at work which results in three or more days absence.
24. This data is also to be provided regularly to Human Resource Officers, to assist them in supporting their Directorates, and to the Senior Management Team to ensure awareness and responsibility for both corrective and preventative measures are correctly devolved within the organisational structure.

### **Wellbeing Days**

25. In order to contribute to and support this approach, the Occupational Health and Safety Service arrange Wellbeing Days for Council employees. The popular event is an opportunity for employees to find out about health issues including advice on work-life balance, and features topics such as well person checks, alternative therapies, and workplace safety.
26. Two Wellbeing days were run in Hereford Town Hall last Autumn which were well attended and appreciated. The feedback received was used as a basis to plan this years Wellbeing programme.
27. Wellbeing days are being held at two venues this year - Hereford and Ross-on-Wye, in October, with increased facilities on offer including reflexology, Indian head massage, health screening and healing therapy.

### **Risk Management**

Inadequate health and safety management can have a number of negative consequences in

terms of legal compliance, costs to the organisation, increased absence levels, decreased service levels and impact on employees health, safety and welfare.

The Health and Safety Service therefore strives not only to manage current processes using best practice advice and guidance, but also to work co-operatively across the Council to establish new processes and initiatives, where necessary, in order to ensure the standard of Health & Safety required of Local Authorities is met.

## **Consultees**

Recognised Trades Unions, Health and Safety Committee.

## **Appendices**

Appendix 1 – BVPI12 – Sickness Absence period 01/08/05 to 31/07/06

Appendix 2 – Appendix 2 – Occupational Health statistics, showing number and type of referral (from 1<sup>st</sup> March – 31<sup>st</sup> August 2006)

Appendix 3 - Breakdown of accidents by directorate and by accident type since 1<sup>st</sup> February 2006

## **Background Papers**

None identified.



**BVPI12 – Sickness Absence period 01/08/2005 to 31/07/2006**

<b>Directorate</b>	<b>Division</b>	<b>AVERAGE FTE Employed</b>	<b>Sickness FTE Days Lost</b>	<b>Ave days sickness lost per FTE</b>
<b>Adult &amp; Community</b>	All Divisions	562.75	5147.95	9.15 days
<b>Chief Executive</b>	All Divisions	51.72	485.52	9.39 days
<b>Children &amp; Young People</b>	School-based	2058.94	14869.50	7.22 days
<b>Children &amp; Young People</b>	Non School- based	335.68	4139.66	12.33 days
<b>Corporate &amp; Customer</b>	All Divisions	205.46	2345.89	11.42 days
<b>Environment</b>	All Divisions	342.46	4852.46	14.17 days
<b>Resources</b>	All Divisions	182.80	2150.11	11.76 days
<b>Total – All Directorates</b>		<b>3739.81</b>	<b>33991.09</b>	<b>9.09 days</b>



### Occupational Health & Safety - Numbers and Types of Referrals to Occupational Health

<b>Total Appointments</b>	<b>1st March to 31st May</b>	<b>1st June 31st Aug</b>
Adult & Community	15	38
Childrens & Young People	30	53
Corporate & Customer Services	10	14
Environment	16	25
Chief Executives	0	0
Resources	10	14
Non-Employee	6	34
<b>Total</b>	<b>87</b>	<b>178</b>

<b>Categories</b>	<b>1st March to 31st May</b>	<b>1st June 31st Aug</b>
Back/Neck	8	30
Other Musculo-Skeletal	10	30
Heart/Circulation	1	9
Stress/Depression	41	66
Infections	6	9
Operation / Post Operation	4	11
Stomach	4	7
Chest/Respiratory	1	1
Neurology	3	1
Genito / Urinary	1	2
Other cancers	4	1
Declared Disabled	1	0
Health Screening	3	6
Declared Health Issue	0	1
Ill health retirement	0	3
Other	0	1

**ACCIDENT/INCIDENT STATISTICS REPORT**

Last Reporting Period: 1st February to 30th April 2006

Current Reporting Period: 1st May to 31st July 2006

**Comparison Of Total Accidents Across Directorates**

<b>Directorate</b>	<b>01/02/06 – 30/04/06</b>	<b>01/05/06 – 31/07/06</b>
Adult & Community	22	25
Chief Executive	0	1
Children & Young Persons	63	64
Corporate & Customer	2	2
Environment	10	9
Resources	2	3
Unspecified	0	13
Non-Employee	2	1

**Comparison Of Total Accident Types**

<b>Accident Type</b>	<b>01/02/06 – 30/04/06</b>	<b>01/05/06 – 31/07/06</b>
Contact Machinery	0	0
Hit By Object	8	13
Hit By Vehicle	3	1
Hit Stationery Object	2	13
Injured While Handling	10	16
Slip / Trip on Level	12	15
Fell From Height	3	3
Trapped by Collapse	2	2
Drowned/asphyxiated	0	0
Harmful Substance	1	0
Exposed to Fire	1	1
Exposed to Explosion	0	0
Contact Electricity	0	1
Injured by Animal	2	1
Physical Assault/Threat	38	35
Other	19	17



# LOCAL GOVERNMENT PENSION SCHEME – RESPONSE TO INITIAL CONSULTATION ON FOUR OPTIONS

## PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

28TH SEPTEMBER, 2006

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### Wards Affected

None

### Purpose

To endorse the proposed response to an initial consultation exercise being undertaken by the Department for Communities and Local Government (DCLG) in respect of four options for the Local Government Pension Scheme (LGPS).

### Key Decision

This is not a Key Decision.

### Recommendation

**THAT the response to this initial consultation exercise be endorsed.**

### Reasons

To provide a prompt and comprehensive response to this initial consultation exercise in order to influence the subsequent proposals and ensure that we retain a LGPS that is affordable to Herefordshire, as well as remaining valued by current and prospective employees.

### Considerations

1. In 2001 the Government initiated a review of the Local Government Pension Scheme with the aim of safeguarding the scheme and ensuring its affordability for the future.
2. This current consultation process is in advance of a statutory consultation period, which is due to take place from November 2006, through to February 2007. The Government's intention is for final regulations to be laid before Parliament in April 2007 and the new-look LGPS to be in place from April 2008.
3. For information, approximately 64% employees in Herefordshire, who are eligible to join the LGPS, are currently members of the scheme. The employer's contribution rate is currently 17.6% for Herefordshire.
4. The current consultation exercise is seeking views on four costed options (see below), employee and employer contribution rates, and ways of making the current scheme

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Further information on the subject of this report is available from  
David Johnson, Head of Human Resources, on (01432) 383055.

more flexible by extending the opportunities for employees to access their pension whilst continuing to be employed.

5. The four costed options are summarised below. Where an indication of cost is shown, it should be noted that this is an estimate provided by the DCLG and will vary between employers, depending upon the make up/career patterns of its workforce. We have requested that the Actuary for the Pension Fund carry out an assessment of the cost implications of each option in relation to Herefordshire. To date this information is not yet available.

6. The four costed options are,

A. An updated current scheme, with additional benefit improvements

This scheme would be very similar to the existing scheme i.e. a final salary scheme, based on an accrual rate of  $1/80^{\text{th}}$  of final salary per year of membership, with a  $3/80^{\text{ths}}$  tax-free lump sum payment. There would be an increased lump sum death in service benefit, partners pensions for cohabitantes and targeted ill health provision on a two-tier basis.

This option has the benefit of retaining a final salary scheme, which is considered attractive to current and prospective employees. It is estimated by the DCLG that this would be the lowest cost-option. We are awaiting confirmation of this from the Actuary for the Pension Fund in Herefordshire. The reduction in costs is generated by the introduction of two-tier ill health pension provision. This option is also an arrangement that most employees are familiar with. Should this option be implemented consideration will need to be given to a tiered employee contribution rate.

B. A new final salary scheme with an improved accrual rate

The improved accrual rate is proposed to be  $1/60^{\text{th}}$  of final salary per year of membership, but no lump sum. As it increases the sum of the annual pension paid, it may be of benefit to those whose period of retirement subsequently proves lengthy. This option is estimated to cost more than options A & C. It would therefore be likely that an increase to the employee contribution rate (currently at 6%) is considered necessary. The option does, however, retain the final salary scheme, which is valued by employees.

C. A new, career-average scheme

This is a significant change as it moves away from a final salary scheme to a pension based on a career-average salary. The DCLG state that this structure 'would better meet the needs of the whole modern local government workforce, with high numbers of short serving, part-time employees on low salaries...as it tends to redistribute benefits towards shorter serving staff, in comparison to a final salary scheme'.

Two options have been proposed, based on different accrual rates. A move away from the final salary scheme could prove unpopular with employees and trades unions and a career-average scheme is considered complex to communicate. A tiered employee contribution rate would also need to be considered.

D. A new hybrid arrangement, based on a career-average core with a final salary option

The new hybrid option would be based on c) above (i.e. career average) but enable employees make extra contributions to ensure they obtain final salary linked benefits in retirement. The final salary choice means that those existing employees who wished to continue in a final salary scheme could do so without reducing the quality of the career average scheme which would be provided for the majority.

7. The DCLG will look to set an appropriate employee contribution rate so as to ensure affordability for scheme employers and employees. The employee contribution rates that have been used for illustrative purposes by the DCLG vary between 6.6% and 8.1%. These rates maintain or reduce the employer rates.
8. Based on the information currently available, we would recommend Option A as it is likely to be the least costly of the options and retains a final salary scheme which is valued by current and prospective employees. Further details are included in the Appendices.
9. During this initial consultation period we have sought the views of trade unions and The Pensions Administering Authority in Worcester. We have also considered detailed guidance produced by a working party of the Local Government Pensions Committee, and advice from both the LGE and the West Midlands Local Government Association (WMLGA). Employees will be consulted during the statutory consultation period, to commence later this year.

## **Risk Management**

There is a risk that the assessment carried out by the Actuary for Pension Fund for Herefordshire, finds that Options A is not the least costly option for Herefordshire. If this is the case, a modified response will be provided during the statutory consultation period. There is a further risk that the option finally selected proves unacceptable to employees and that employee relations significantly worsen as a consequence. Clearly a key issue for each authority responding to the consultation exercise will be cost and acceptability. The Herefordshire Council will continue to lobby for a scheme that is not only attractive to employees but is affordable. We are liaising with the WMLGA to ensure that, in addition to an individual response, a co-ordinated and robust regional response is provided to the current consultation exercise.

## **Alternative Options**

The alternative option is not to respond and to wait for the statutory consultation period. This is not a recommended option as it is important that the views of all employers are made known to the DCLG and inform the content of the subsequent consultation and new-look scheme.

## **Consultees**

Pensions Administering Authority - Worcester

Trade Unions

## **Appendices**

Proposed Herefordshire Council response to the DCLG's consultation exercise – 'Where next? – Options for a new-look Local Government Pension Scheme in England and Wales'

## **Background Papers**

None identified.

**Proposed Herefordshire Council response to the DCLG's consultation exercise – 'Where next? – Options for a new-look Local Government Pension Scheme in England and Wales'**

***C1 – Which of the four options, or variations on them, would you support and which would you oppose? Why?***

We would support Option A as it:

- Represents the least costly of the options, according to the DCLG, although we are awaiting confirmation of this from the Actuary of the Pensions Fund for Herefordshire;
- Is most similar to the current scheme;
- Retains the final salary scheme;
- Is considered to be a valuable recruitment and retention tool as it tends to focus benefits on longer-term employees, who seek to pursue a career within local government by progressing through the grades;
- Is straightforward to manage in terms of transferring existing scheme members to the new-look scheme. Conversion issues would arise with each of the other options.

We would oppose Option C as it:

- Represents a move away from the final salary scheme, which is valued by existing and prospective employees;
- Is more costly than Option A;
- Would result in conversion issues in respect of transferring existing members to the new look scheme;
- Does not give provision for employees to make an additional contribution in order to obtain final salary linked benefits.

***C2 – Bearing in mind the criteria for evaluation, and Chapters 1-4, which Options would you recommend be taken forward for the new-look scheme?***

We would recommend that Options A, B & D be taken forward for the new-look scheme.

***C3 – Which of the five possible extensions to the current flexible retirement provisions, or variations on them, would you support and which would you oppose? Why?***

- a) *Allow scheme members to make extra contributions to offset any reduction in their pension in the case that they wish to retire early. These extra contributions could be calculated according to cost neutral buy-back factor –*

We would support this facility, however, it must be a system that is easy to administer, and for employees to understand.

- b) *Extend flexible retirement from age 60 to the scheme's minimum retirement age (currently 50, but this will need to increase to 55 by 2010)*

There is no need to change this, as the LGPS rules already allow flexible retirement from age 50.

- c) *Remove the requirement for employees to obtain employer consent for flexible retirement*

Whilst this is cost-neutral, we would wish to retain the requirement for employer consent in order to maintain some element of management control over staffing arrangements.

- d) *Remove the requirement for employees to take a reduction in hours or grade in order to take flexible retirement*

Provided this is cost-neutral, we would support this.

- e) *Benefits accrued after age 65 also to be increased by cost-neutral uplift factors when a member elects to take payment of them after age 65.*

We would support this, as it is an incentive for employees to work longer. In keeping with the spirit of the forthcoming age discrimination legislation we would wish to remove any disincentive to employees working beyond age 65. Due to demographic trends, the workforce is an ageing one and we would seek to encourage the recruitment and retention of people of all ages in order to maintain effective service delivery.

***C4 – What should the average employee contribution rate be in the new-look scheme?***

This would depend upon the scheme chosen, but would need to reflect the view (see C6 below) that the standard employer contribution be no greater than 13%. Hence for Option A, if the overall cost for existing members is estimated at 19.4%, the employees average contribution rate would need to be 6.4%.

***C5 – Should the employee contribution rate be tiered, so that a lower contribution rate would be payable on pensionable pay below a certain cut off point? Would this depend on which Option was implemented, and if so, how and why?***

We have the following concerns in relation to tiered contribution rates:

- The LGPC point out that it is not necessarily a financial benefit for the lower paid to join the LGPS, and a lower contribution rate may encourage them to join, when it is not in their interest to do so.
- There is some evidence to suggest that the, relatively, small changes to the employee contribution rate for lower paid, will be such that it would be unlikely to encourage the lower-paid to join the scheme, as studies have shown the majority of the 'unpensioned' have urgent calls upon their money.
- Lower/higher contribution rates for the lower/higher paid may be subject to challenge in terms of sex and age discrimination i.e. it may have an indirect disproportionate impact upon employees of a certain age and/or gender.
- Approximately 36% of eligible employees in Herefordshire (i.e. excludes teachers who have separate pension arrangements) have not joined the LGPS. If a lower contribution rate were to encourage a large number of these employees to join, this is likely to have significant cost implications, as the Council would need to meet the cost of the employer contribution. The higher contribution rates paid by the higher paid may not offset the cost of those increased numbers of people

joining at the lower contribution rate. An assessment would need to be carried out.

- Decisions would need to be taken as to the appropriate employee contribution rate for employees with multiple jobs, of which there are many in schools.

***C6 – What would an affordable employer contribution rate be in the new-look scheme, in relation to the employer rates being paid by scheme employers for future service costs under the current scheme?***

We would support the LGA position, which is that the standard employer contribution rate should be no more than 13%.

## ROTHERWAS FUTURES

### PORTFOLIO RESPONSIBILITY: ECONOMIC DEVELOPMENT AND HIGHWAYS AND TRANSPORTATION

CABINET

28TH SEPTEMBER, 2006

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#### Wards Affected

Countywide

#### Purpose

To seek approval to enter into a funding agreement with Advantage West Midlands (AWM) in order to progress the Rotherwas Futures Project.

#### Key Decision

This is a key decision because it is likely to result in the Council incurring expenditure above agreed budgets for the service or function (shown as a line in the budget book) to which the decision relates but allowing for virements between budget heads and savings within budget heads of up to £500,000. It is significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards.

#### Recommendations

**That Cabinet agrees that the Council enters into a co-operation agreement with Advantage West Midlands (AWM) in order to deliver the Rotherwas Futures Project.**

#### Reasons

At the Cabinet meeting held on 7th September 2006, Members were briefed on the recommendations arising from the Rotherwas Futures Report. Cabinet agreed that officers should commence negotiation on a joint venture/cooperation agreement with AWM in order to deliver the Rotherwas Futures Project. This report sets out the details of the proposed agreement.

#### Considerations

1. The estimated cost of delivering the Rotherwas Futures Project, which includes building the Rotherwas Access Road, the refurbishment of key buildings on Rotherwas Industrial Estate and Phases 1 and 2 of the preferred option recommended in the Rotherwas Futures Report is approximately £17.5 million.
2. AWM are committed to contributing up to £9.5million, to be secured through a co-operative agreement. A full copy of the draft Agreement is attached for Members attention. The key elements of the agreement are as follows:
  - Agreement by the Council to complete a full conditions survey of existing property holdings on the Estate;
  - Agreement by the Council to invest in existing stock with the additional revenue

being re-invested in the Estate;

- Agreement by the Council and AWM to a revised management and marketing strategy;
- Investment by AWM to support the implementation of Rotherwas Access Road and Phases 1 and 2 of development at an estimated cost of £17.5million;
- Agreement by the Council to contribute the £8million balance of the £17.5million package. The Council will seek developer contributions, recycle capital receipts and use its Capital Programme in order to achieve this contribution.
- A review of the costs of Phases 3 and 4 upon completion of Phase 2 with a view to further investment by the Council and AWM.

### **Financial Management Issues**

3. This section of the report highlights the key strategic financial management issues that Cabinet needs to consider in taking the decision to complete the co-operation agreement with AWM to deliver the Rotherwas Futures project.
4. The Council's draft Medium Term Financial Management Strategy (MTFMS) highlights the pressures on Herefordshire's relatively scant capital resources. The draft MTFMS identifies the Rotherwas Access Road as a potential pressure for the future depending on the outcome of the Local Transport Plan (LTP) funding decision for the scheme. The project outlined in this report is larger in scope than that currently envisaged when the draft MTFMS was approved for consultation purposes by Cabinet.
5. The draft MTFMS also proposes that all new capital schemes are included in future capital programmes on the basis of a corporate scheme selection process and that capital resources are treated as a corporate resource. The approach set out in the report for Rotherwas Futures will mean that this project by-passes this system, with this project becoming the Council's top priority and therefore having first call on available capital resources. The implications of this on other highly desirable priorities needs to be considered by Cabinet.
6. Based on the figures available, there is a funding gap of £8 million for the Rotherwas Futures Project towards which the Council is seeking a developer contribution. The Council will need to underwrite any funding gap that emerges if this level of developer funding is not achieved or the cost model changes which could have consequences for the approved capital programme.
7. For added clarity, AWM has stipulated that 50% of their potential £9.5m contribution to Rotherwas Futures will be classed as an investment and that they will expect to see a financial return on it in due course. They may decide to re-invest their return in Phase 3 if the project proceeds that far. Should developer funding not be secured to the level anticipated the Council may have to set aside funding from the capital receipts generated by the project. The £9.5m financing contribution from AWM is not therefore a 100% grant contribution.



## **Risk Management**

Tenders for the project are greater than anticipated or overall costs escalate due to unforeseen circumstances. Mitigation – Ensure robust project management systems in place.

Unanticipated delays in project construction leading to AWM funding not being spent within the next 18 months. Mitigation – Robust project management to minimise delays and impact of construction industry inflation.

## **Alternative Options**

### Do Nothing

Under this Option, the current access arrangements and Estate constraints remain unchanged with the resultant underdevelopment of this key industrial site.

## **Consultees**

The Rotherwas Futures proposal has been developed in consultation with AWM.

## **Background Papers**

None identified.



**Draft Co-operation Agreement between  
Herefordshire Council ('the Council')**

**AND**

**Advantage West Midlands ('the Agency')**

The purpose of this Co-operation Agreement is to provide a management and financial framework that will govern the work of the Council and the The Agency in bringing about the regeneration of the Rotherwas Industrial Estate, Hereford.

In general, Herefordshire Council and Advantage West Midlands establish this Agreement in accordance with the following principles:

1. Agreement is founded on a spirit of openness and partnership. Neither party will have recourse to the other in the event of a failure to adhere to the principles and terms of this agreement.
2. Herefordshire Council and the Agency will approve this agreement and both parties will inform relevant staff and members of their organisations of this Agreement and brief them on its content and implications for them.
3. Compliance with the agreement will be reviewed on a regular basis by the Chief Executive of Herefordshire Council and the (insert position) of Advantage West Midlands although the day to day aspects of this will be undertaken by a Joint Advisory Committee made up of one suitably qualified and experienced officer from both organisations. In the event of non co-operation both individuals will meet and agree measures to rectify problems and/or revise this agreement.
4. The Council will continue to be solely responsible for the ongoing maintenance of its property holdings at Rotherwas Industrial Estate. It will continue to collect and retain rental income in respect of occupational leases. The income from the granting of long term leases on phase 1 and 2 and the refurbished buildings will be ring fenced for re-investment into the estate.
5. The Council will and continue to promote the proper planning and economic development of the area in accordance with its statutory responsibilities and general and specific policies.
6. The Agency will not limit its role in bringing about the regeneration of sites and the wider economic development of the area in accordance with the Vision for the area as defined in the (document title, date).

This agreement specially relates to the land identified as Phase 1 and 2 on the attached Rotherwas Futures Masterplan and the existing industrial and business property owned by the Council at Rotherwas Industrial Estate. Land and property shown as Phase 3 and 4 on the attached Masterplan are included in general terms of this Agreement, but with no specific commitment by either party to invest.

The agreed objective of both parties to achieve the regeneration and development of Rotherwas Industrial Estate are:

- A. Direct investment in existing vacant property to bring it back into use or partnering with the private sector to achieve the same objective (where there are benefits of doing so).
- B. The effective management of the estate so that Herefordshire Council's properties remain fit for purpose, rents are paid and collected in a timely fashion, lease obligations properly enforced, un-let properties are quickly re-let, buildings and public areas properly maintained and potential partnering opportunities with the private sector clearly defined and advertised.
- C. Securing the delivery of the Rotherwas Access Road in order to deliver the project objectives.
- D. Commissioning studies associated with planning, environmental issues, flooding, infrastructure and reclamation and ensuring that where required the studies/reports can be relied upon by a Third Party wanting to implement a project proposal.
- E. Direct investment in land reclamation, infrastructure, flooding relief work and environmental improvements necessary to bring site forward on Phases 1 and 2 of development.
- F. Marketing and disposal of serviced plots in Phase 1 and 2 to deliver financial return and economic development
- G. Commitment to review the Partnership at the completion of Phase 2 or earlier and give consideration to delivery of phases 3 and 4 of Rotherwas Futures.

The 'Agency' will:

- I. Agree to invest up to £9.5m of capital funds in the project, particularly items C, D and E above subject to full Agency approval. The principal terms of the agreement will include:
  - A return on investment based on proportion of disposal proceeds, potentially included a guaranteed return;
  - Draw down of investment in financial years '07 and '08;
  - Delivery of economic outcomes and outputs applicable to Phases 1 and 2, set out in the Rotherwas Futures Report;
  - Agency investment secured by way of a rolling charge against the Council's land interest in Phases 1 and 2
  - The Agency's standard terms and conditions
- II. Agree to review its commitment to the implementation of the Masterplan at the completion of Phase 2.
- III. Use all reasonable endeavours to promote Rotherwas Industrial Estate as a location for investment and to assist in marketing the development opportunities created through its wider activities.

The 'Council' will:

1. Deliver construction of Rotherwas Access Road and completion of Phases 1 and 2 of the Rotherwas Futures Masterplan.
2. Develop and implement a system of Key Performance Indicators that will be used to monitor the effective management of the Rotherwas Investment portfolio on an annual basis. Appropriate KPIs include the following:
  - 2.1 Rent arrears: -size, age and number of individual tenancies that are subject to arrears.
  - 2.2 Voids: - number duration and size (in terms of sq.m. and lost rent based on ERV)
  - 2.3 Time taken from prospective lessee returning completed application form to a lease being granted (in line with the Council's letting policy under the Comprehensive Equality Plan).
  - 2.4 Time to agree terms with respect to rent reviews and lease renewals including the number of tenants that are 'holding over' at any one time.
  - 2.5 Details of any outstanding dilapidations claims and progress in enforcing repair obligations as the law permits.
3. Complete a condition survey of existing properties under its ownership at Rotherwas by no later than April 2007. Invest up to £1.3m from capital reserves, or other sources, in an investment programme designed to bring all occupied and unoccupied properties to a standard that is 'fit for purpose' for general light industrial use by 30 May 2008, subject to each such property having an agreed minimum pay-back period or an agreed minimum Internal Rate of Return and subject to the provisions set out in Clause 7 below regarding the Council's requirements regarding the minimum level of income to be achieved each year from the Rotherwas estate.
4. Develop, implement and act on the findings of an annual or rolling survey of tenants aimed at achieving the right balance between the Council's economic development and commercial objectives. Such a survey would be completed by 30 September in each year commencing 2007 and cover:
  - 4.1 Name and size of company in terms of turnover, profitability and whether opting to tax rents would damage the viability of their businesses.
  - 4.2 A description of the main activities undertaken by Rotherwas.
  - 4.3 Number of employees both full and part time (ideally with a total FTE equivalent calculated).
  - 4.4 An assessment of whether tenants are complying with the conditions under the lease and the need to take action to ensure compliance where necessary.
5. The Council will be:

- 5.1 'Opting to tax' rents and lease premiums on such properties on all development where the Council has invested capital funds as a matter of course.
  - 5.2 Continuing to grant non-FRI leases to occupiers as a way of ensuring compliance with lease terms where appropriate.
6. To establish a separate 'Rotherwas development account' from which all rental and land sales/lease premium income will accrue on a 12 months basis relating to the additional income. All direct costs associated with the effective management of the Rotherwas estate will be deducted from this account on an accruals basis. The Council will require a minimum level of net income (excluding capital charges) from the estate each year, to support its revenue budget as follows:
  - 6.1 In 2006/7: £912,960
  - 6.2 In 2007/8: £937,927
  - 6.3 In 2008/9 £963,518
  - 6.4 In 2009/10 £989,749
7. Commission and fund studies from the 'Rotherwas income account' (additional income) to support project objectives including the following:
  - 7.1 Relevant technical reclamation and flooding analysis as set in a brief to be agreed by November 2007.
  - 7.2 Management and marketing strategy for the Rotherwas Estate.
8. From the date of this Agreement to contribute all receipts received from the sale of long leaseholds for development land within the Masterplan boundary for investment in connection with the principles as set out above.
9. Agree to invest a limit of £5.5m in activities in C, D and E
10. Use reasonable endeavours to secure third party contributions to project funding.

The 'Rotherwas income account' will be maintained until after the completion of Phases 1 and 2 (unless otherwise agreed by both parties). After completion of Phase 2 the development account will be closed and the dispersal of any surpluses over and above the minimum income levels set out in Clauses 6.1-6.4 will be distributed equally between The Council and AWM.

**Updated 14th September 2006**

# OMBUDSMAN AND COMPLAINTS AND COMPLIMENTS MONITORING 2005/06

## PORTFOLIO RESPONSIBILITY: RESOURCES

**CABINET**

**28TH SEPTEMBER, 2006**

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### **Wards Affected**

County-wide

### **Purpose**

To inform Cabinet of the Ombudsman Annual Letter 2005/06 and the figures for complaints and compliments recorded including complaints determined by the Local Government Ombudsman and the Complaints Panel for the year ended 31st March, 2006.

### **Key Decision**

This is not a Key Decision.

### **Recommendation**

**THAT the report be noted.**

### **Reasons**

Cabinet ought to be aware that the Council's Complaints and Ombudsman's process is working well and that there have been no maladministration reports issued by the Ombudsman and to highlight areas of improvement.

### **Considerations**

1. The Local Government Ombudsman has recently decided to issue Annual Letters for all councils reflecting on the complaints they receive against individual authorities and any recommended action. The Herefordshire Council Annual Letter for 2005/06 is appended to this report as Appendix A
2. The Ombudsman comments favourably on several aspects of our complaints handling arrangements.
  - During this period 61 complaints were determined. Of these 13 complaints were referred back to the Council because they were premature, 4 were outside his jurisdiction, 21 showed no or insufficient evidence of maladministration and he decided not to investigate a further 19 under his general discretion, mainly because complainants had not suffered significant injustice from the fault claimed.
  - No reports issued against the Council.
  - 13 out of 61 complaints were received back by the Council because they were premature. This represents 21% of the complaints that were received

against the Council and is lower than the average of this group of complaints for all councils for the period (27%).

- Favourable comments that the Council's complaints procedure is well publicised in comparison with other councils.
  - Commended that the Council's website includes helpful information for complainants on how to complain to him if they are unhappy with how we have dealt with their complaints
  - Grateful to the Council for taking steps to improve its performance with regard to reducing the time taken to respond to enquiries from his office from 47.9 days to 31.8 days, a significant improvement.
  - His staff consider they have a very good working relationship with Council officers and following a visit to the Council on 15th September 2005 was pleased to see the Council's very positive attitude to complaints handling.
3. The Ombudsman commented that during the period 73 complaints were received against the Council which is an increase of 103% compared with the previous year and that the increase was largely due to a group of ten complaints about Education transport matters and a significant increase in planning complaints, up from 15 in 2004/5 to 35 in 2005/6. Although planning complaints rose slightly countrywide over this period, he suggested that the Council may wish to consider whether special factors have caused the Council's increase.

### Performance 2005/06

4. The table below shows the total number of complaints received by the Ombudsman for Herefordshire in 2005/06 and the two previous years.

	2003/04	2004/05	2005/06
Total number of complaints determined by the Ombudsman	37	36	73
Total number of complaints to the Ombudsman settled locally.	3	1	4

5. The table below sets out the number of complaints received by the Ombudsman by subject area, as classified by the Ombudsman, for 2005/06.

Complaints received by subject area	Education	Highways	Housing (not incl HB)	Housing Benefit	Local Taxation	Other	Planning	Social Services	Total
2005/06	12	8	5	3	0	7	35	3	73
2004/05	3	7	0	3	3	3	15	2	36
2003/04	3	9	2	0	1	6	12	4	37



## Response Times

6. The table below shows the average time the council takes to respond to the Ombudsman's first enquiries on a complaint. It is measured in calendar days from the date they send their letter/fax/email to the date that they receive a substantive response from the Council.

	First Enquiries	
	No. of First Enquiries	Avg no. of days to respond
2005/06	34	31.8
2004/05	15	47.9
2003/04	16	36.7

7. The Ombudsman has also commented that on 3 of the 37 cases handled in his office, staff had concerns that the Council's initial responses were not as thorough as they might have been.

## Herefordshire's Comments and Complaints Procedure

8. Recording of the Level I, II and III comments, complaints and compliments received within each Directorate / Department, are currently maintained by the relevant Complaints Administrator using a combination of the Customer Relationship Management (CRM) and ComTrac, the Council's computerised recording system. Reports can be produced for each respective Directorate Management Team from COMTRAC.
9. Leaflets are available at receptions, libraries and Info Shops or Points to enable the public to register their comments, complaints and compliments. This leaflet now incorporates a cut-off section to enable the Council to monitor the ethnicity of complainants and report accordingly.
10. The public can also register their feedback on line by accessing the Herefordshire Council website to complete the electronic complaints form.
11. BVPI 174 and 175 states that all complaints concerning diversity should be recorded, investigated and reported thoroughly. As COMTRAC is unable to capture this information, development work within Northgate CRM was undertaken during 2005/06 to record all Level I complaints, comments and compliments this work also incorporated Diversity. This went live on 4<sup>th</sup> October 2005. Complaints are investigated by the Diversity Team and fed back to the relevant Directorate with recommendations for action, which are subsequently monitored by the Diversity Team.
12. A breakdown of the informal and formal complaints received, by Directorate/Department, is shown in Appendix B.
13. A project is already underway to consolidate the Corporate Complaints process into a single client database. A programme of staff training will precede its planned introduction in early 2007.

## Herefordshire's Compliments Procedure

14. All Compliments are now recorded on Northgate CRM as of 4<sup>th</sup> October 2005. Appendix C shows the number of compliments received during 2003/04, 2004/05 and 2005/06.

## Ethnicity Monitoring

15. Diversity monitoring is included in all totals for 2005/06.

## Complaints Panel

16. The Complaints Panel (Level III) met to hear unresolved complaints from members of the public following review at Level 1 (by the local manager) and Level II (by Director). The Panel comprises the Chief Executive and two Group Leaders advised by the County Secretary and Solicitor. During 2005/06 it heard 15 complaints. 1 was partially upheld.

Directorate/ Department	No. of Complaints / Section	Outcome
Environment	9 – Planning 2 – Highways and Transportation	8 Not upheld / 1 Partially upheld 2 Not upheld
County Treasurer	1 – Revenues and Benefits	1 Not upheld
County Treasurer/ County Secretary & Solicitor	1 – Revenues & Benefits/Engineering & Transportation	Not upheld
County Secretary & Solicitor	1 – Public Services	Not upheld
Corporate and Customer Services	1 – Member Services	Not upheld

## Alternative Options

There are no alternative options

## Risk Management

To avoid findings of maladministration by the Local Government Ombudsman against the Authority.

## Consultees

None

## Background Papers

Letter from Local Government Ombudsman.

21 June 2006



The Commission for  
Local Administration in England

Mr K O'Keefe  
Legal Practice Manager  
Herefordshire Council  
DX 135296  
Hereford 3

Jerry White  
Local Government Ombudsman

Neville Jones  
Deputy Ombudsman

Our ref: JRW/RMS  
(Please quote our reference when contacting us)

**If telephoning contact: Mr R Stephen on 024 7682 0035**  
**Email [r.stephen@lgo.org.uk](mailto:r.stephen@lgo.org.uk)**

Dear Mr O'Keefe

### **Annual Letter 2005/06**

I am writing to give you my reflections on the complaints received against your authority and dealt with by my office over the last year. I hope that in reviewing your own performance you will find this letter a useful addition to other information you hold highlighting how people experience or perceive your services.

This year we will publish the letters on our website and share them with the Audit Commission as there was widespread support from authorities for us to do this. We will wait for four weeks after this letter before making it more widely available in these ways to give you an opportunity to consider and review the letter first. If a letter is found to contain any factual inaccuracy we will reissue it.

In addition to the narrative below there are two attachments which form an integral part of this letter: statistical data covering a three year period and a note to help the interpretation of the statistics.

### **Complaints received**

During the period we received 73 complaints against your Council, an increase of 103% compared with the previous year, when we received 36 complaints. The increase is largely the result of a group of ten complaints about Education transport matters and a significant increase in planning complaints, up from 15 in 2004/5 to 35 in 2005/6. Planning complaints rose slightly countrywide this year, but you may wish to consider whether special factors have your Council's increase.

### **Decisions on complaints**

We determined 61 complaints during the period. Of these we referred 13 complaints back to your Council because they were premature (i.e. you were unaware of them or had not

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had a reasonable opportunity to investigate them), four were outside my jurisdiction, 21 showed no or insufficient evidence of maladministration and we decided not to investigate a further 19 under my general discretion, mainly because complainants had not suffered significant injustice from the fault claimed.

### **Reports and local settlements**

When we complete an investigation we must issue a report. But there is a significant proportion of investigations that do not need to be completed because a 'local settlement' is reached during the course of the investigation and it is therefore discontinued.

I am pleased to note that I did not issue any reports against your Council during the period. However, your Council settled four complaints where there appeared to have been maladministration causing the complainants injustice. In one complaint about Highways, your Council failed to advise the complainant that it had erected footpath markers but did tell his neighbour, causing difficulties including a boundary dispute. There was also a delay in dealing with his complaint about the matter. Your Council agreed to apologise to the complainant and to review its policy and procedures.

In a complaint about homelessness, your Council's agents failed to deal properly with the complainant when she presented as homeless and did not make her an offer of temporary accommodation. Your Council agreed that there had been problems and that it had concerns about the agents' performance and readily agreed to pay the complainant £750 compensation.

In a third complaint about Housing Benefit, your Council paid benefit to the complainant's lodgers instead of to her as it had agreed. It agreed to pay the money to the complainant and to compensate her for her time and trouble in pursuing the complaint.

The total compensation paid by your Council during the period was £800.

### **Your Council's complaints procedure and handling of complaints**

As I have already mentioned, we referred 13 out of the 61 complaints we received back to your Council because they were premature. This represents 21% of the complaints we received against your Council and is lower than the average of this group of complaints for all councils for the period (27%). This suggests that your complaints procedure is well-publicised in comparison with other councils.

I note that your Council's website includes helpful information for complainants on how to complain to me if they are unhappy with how you have dealt with their complaints. This is most helpful and I commend your Council for doing this.

### **Training in complaint handling**

Our training in complaint handling is proving very popular with authorities and we continue to receive very positive feedback from participants. Over the last year we have delivered more than 100 courses from the range of three courses that we now offer as part of our role in promoting good administrative practice.

/...

Effective Complaint Handling was the first course we developed, aimed at staff who deal with complaints as a significant part of their job. Since then we have introduced courses in complaint handling for front line staff and in handling social services complaints.

All courses are presented by an experienced investigator so participants benefit from their knowledge and expertise of complaint handling.

I have enclosed some information on the range of courses available together with contact details for enquiries and bookings.

### **Liaison with LGO**

The average time taken to respond to enquiries from my office was 31.8 days, a significant improvement on the previous year, when you replied, on average, in 47.9 days. I am grateful to your Council for taking steps to improve its performance in this regard and for helping to provide determine complaints promptly. I hope that further improvement this coming year will bring the Council's times within our target of 28 days.

My staff consider that they have a very good working relationship with officers in your Council. I visited your Council on 15 September 2005 with Mr Reynold Stephen, Assistant Director, to present the Annual letter 2004/5 to your Scrutiny Committee and was pleased to see your Council's very positive attitude to complaints handling.

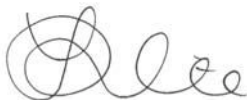
### **Conclusions/general observations**

I welcome this opportunity to give you my reflections about the complaints my office has dealt with over the past year. I hope that you find the information and assessment provided useful when seeking improvements to your Council's services. I would again very much welcome any comments you may have on the form and content of the letter.

I would again be happy to consider requests for myself or a senior colleague to visit the Council to present and discuss the letter with councillors or staff. We will do our best to meet the requests within the limits of the resources available to us.

I am also arranging for a copy of this letter and its attachments to be sent to you electronically so that you can distribute it easily within the council and post it on your website should you decide to do this.

Yours sincerely



J R White  
Local Government Ombudsman

Encs

<b>Complaints received by subject area</b>	<b>Education</b>	<b>Highways</b>	<b>Housing (not incl. HB)</b>	<b>Housing Benefit</b>	<b>Local Taxation</b>	<b>Other</b>	<b>Planning</b>	<b>Social Services</b>	<b>Total</b>
<b>01/04/2005 - 31/03/2006</b>	12	8	5	3	0	7	35	3	<b>73</b>
<b>2004 / 2005</b>	3	7	0	3	3	3	15	2	<b>36</b>
<b>2003 / 2004</b>	3	9	2	0	1	6	12	4	<b>37</b>

**Note:** these figures will include complaints that were made prematurely to the Ombudsman and which we referred back to the authority for consideration.

<b>Decisions</b>	<b>MI reps</b>	<b>LS</b>	<b>M reps</b>	<b>NM reps</b>	<b>No mal</b>	<b>Omb disc</b>	<b>Outside jurisdiction</b>	<b>Premature complaints</b>	<b>Total excl premature</b>	<b>Total</b>
<b>01/04/2005 - 31/03/2006</b>	0	4	0	0	21	19	4	13	48	<b>61</b>
<b>2004 / 2005</b>	0	1	0	0	7	5	9	11	22	<b>33</b>
<b>2003 / 2004</b>	0	3	0	0	12	10	11	6	36	<b>42</b>

See attached notes for an explanation of the headings in this table.

**Average local authority response times 01/04/2005 to 31/03/2006**

<b>Response times</b>	<b>FIRST ENQUIRIES</b>	
	<b>No. of First Enquiries</b>	<b>Avg no. of days to respond</b>
<b>01/04/2005 - 31/03/2006</b>	33	31.8
<b>2004 / 2005</b>	15	47.9
<b>2003 / 2004</b>	16	36.7

<b>Types of authority</b>	<b>&lt;= 28 days %</b>	<b>29 - 35 days %</b>	<b>&gt; = 36 days %</b>
District Councils	53.2	25.3	21.5
Unitary Authorities	41.3	34.8	23.9
Metropolitan Authorities	41.7	30.5	27.8
County Councils	55.9	26.5	17.6
London Boroughs	39.4	39.4	21.2
National Park Authorities	100.0	0.0	0.0

Appendix B

Complaints, formal and informal, received 2005/06

	April 2003 to March 2004	April 2004 to March 2005	April 2005 to September 2005	October to March 2006	Total 2005/06
<b>Chief Executive including HR</b>	0	0	0	1	
<b>County Secretary &amp; Solicitor</b>	5	5	12	-	
<b>County Treasurer</b>	43	15	9	-	
<b>Resources</b>	-	-	-	9	
<b>1. Property Services</b>	1	0	-	-	
<b>Education</b>	30	11	6	-	
<b>Children's Services</b>	-	-	-	83	
<b>2. Environmental Health and Trading Standards</b>	16	12	6	18	
<b>3. Highways and Transportation</b>	30	21	5	3	
<b>4. Planning</b>	15	22	25	5	
<b>Social Care – Adults</b>	104	88	39	-	
<b>Social Care – Children</b>	23	27	17	-	
<b>Strategic Housing</b>	18	11	9	-	
<b>Adult &amp; Community Services</b>	-	-	-	9	
<b>Policy &amp; Community</b>	8	39	15	-	
<b>Corporate &amp; Customer Services</b>	-	-	-	14	
<b>Diversity</b>	-	-	-	21	
<b>TOTAL</b>	<b>293</b>	<b>251</b>	<b>138</b>	<b>176</b>	<b>314</b>





Appendix C

Compliments received 2005/06

	April 2003 to March 2004	April 2004 to March 2005	April 2005 to September 2005	October 2005 to March 2006
<b>Chief Executive including HR</b>	9	0	-	7
<b>County Secretary &amp; Solicitor</b>	80	79	26	-
<b>County Treasurer</b>	27	31	17	-
<b>Resources</b>	-	-	-	5
<b>1. Property Services</b>	8	0	0	0
<b>Education</b>	2	2	0	-
<b>2. Children's Services</b>	-	-	-	119
<b>3. Environmental Health and Trading Standards</b>	58	104	60	44
<b>4. Highways and Transportation</b>	83	99	25	30
<b>5. Planning</b>	22	17	13	15
<b>Social Care &amp; Strategic Housing</b>	98	147	80	-
<b>Adult &amp; Community Services</b>	-	-	-	9
<b>Policy &amp; Community</b>	40	62	10	-
<b>Corporate &amp; Customer Services</b>	-	-	-	27
<b>Diversity</b>	-	-	-	-
<b>TOTAL</b>	<b>427</b>	<b>541</b>	<b>231</b>	<b>256</b>



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