

A G E N D A

Strategic Monitoring Committee

Date: **Friday, 15th September, 2006**

Time: **10.00 a.m.**

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

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

For any further information please contact:

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**County of Herefordshire
District Council**

AGENDA

for the Meeting of the Strategic Monitoring Committee

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

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

	Pages
1. APOLOGIES FOR ABSENCE To receive apologies for absence.	
2. DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on this agenda.	
3. MINUTES To approve and sign the Minutes of the meeting held on 20th July, 2006.	1 - 2
4. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY To consider suggestions from members of the public on issues the Committee could scrutinise in the future.	
5. DRAFT MEDIUM TERM FINANCIAL MANAGEMENT STRATEGY To consider the draft Medium Term Financial Management Strategy.	3 - 8
6. INTEGRATED PERFORMANCE REPORT To note performance to the end of July 2006 against the Annual Operating Plan 2006-07, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance. The report also covers the progress being made against the Council's Overall Improvement Programme, which includes the Joint Area Review (JAR) Action Plan, the Adult Social Care Improvement Plan and the Herefordshire Connects programme.	9 - 80
7. REVIEW OF THE PROVISION OF SCHOOL PLACES To consider the review of school provision.	81 - 120

PUBLIC INFORMATION

HEREFORDSHIRE COUNCIL'S SCRUTINY COMMITTEES

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

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

The principal roles of Scrutiny Committees are to

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

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

PUBLIC INFORMATION

Public Involvement at Scrutiny Committee Meetings

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

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

1. Identifying Areas for Scrutiny

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

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

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

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

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

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

Remits of Herefordshire Council's Scrutiny Committees

Adult Social Care and Strategic Housing

Statutory functions for adult social services including:

Learning Disabilities

Strategic Housing

Supporting People

Public Health

Children's Services

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

Community Services Scrutiny Committee

Libraries

Cultural Services including heritage and tourism

Leisure Services

Parks and Countryside

Community Safety

Economic Development

Youth Services

Health

Planning, provision and operation of health services affecting the area

Health Improvement

Services provided by the NHS

Environment

Environmental Issues

Highways and Transportation

Strategic Monitoring Committee

Corporate Strategy and Finance

Resources

Corporate and Customer Services

Human Resources

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- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public Register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, Committees and Sub-Committees and to inspect and copy documents.

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If you have any questions about this agenda, how the Council works or would like more information or wish to exercise your rights to access the information described above, you may do so either by telephoning the officer named on the front cover of this agenda or by visiting in person during office hours (8.45 a.m. - 5.00 p.m. Monday - Thursday and 8.45 a.m. - 4.45 p.m. Friday) at the Council Offices, Brockington, 35 Hafod Road, Hereford.



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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford. on Thursday, 20th July, 2006 at 2.30 p.m.

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

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

12. APOLOGIES FOR ABSENCE

Apologies were received from Councillors H. Bramer and A.C.R. Chappell.

13. DECLARATIONS OF INTEREST

There were no declarations of interest.

14. MINUTES

RESOLVED: That the Minutes of the meeting held on 26th June 2006 be confirmed as a correct record and signed by the Chairman.

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

There were no suggestions from members of the public.

16. REVIEW OF THE CONSTITUTION

The Committee considered revisions to the Constitution.

A report was tabled at the meeting setting out the decisions of the Constitutional Review Group on 17th July together with the recommendations made by that Group on 30th May which had been circulated as part of the agenda papers. Cabinet had approved these recommendations at its meeting immediately preceding the meeting of the Committee.

The report noted that the Group had considered some limited detailed amendments to the Constitution and issues raised as part of the Corporate Assessment of the Council.

The following principal points were made:

- That the wording of recommendation (a) as presented to Cabinet needed to be amended to make it clearer that the intention was that members of the Cabinet would be appointed solely by the Leader of the Council and that he would then notify the Head of Legal and Democratic Services accordingly of the

membership of Cabinet and their portfolios.

- That the wording of recommendation (c) as presented to Cabinet needed to be amended to make clear that there was no intention to prevent Members questioning the proposals in the budget or other matters appearing on the agenda. It was only formal questions on matters not on the agenda which it was proposed should be prohibited at the meeting reserved for budget setting.
- That in relation to recommendation e (iv) it should be made clear in the Constitution that if at some point it were to be decided to appoint an Independent Chairman of the Audit Committee that appointment and the term of office should be approved by the Council as a whole.
- The Committee also identified the following issues to which it thought future consideration could usefully be given: the arrangements for dealing with questions from members of the public; and ways of enhancing Council meetings themselves.

RESOLVED: That the recommendations approved by Cabinet as set out in the report tabled at the meeting be approved subject to

- (a) **the amendment of the wording of recommendations a, and c for the reasons set out above; and**
- (b) **provision being made in the Constitution that, if at some point it were to be decided to appoint an Independent Chairman of the Audit Committee that appointment and the term of office should be approved by the Council as a whole.**

The meeting ended at 2.48 p.m.

CHAIRMAN

DRAFT MEDIUM TERM FINANCIAL MANAGEMENT STRATEGY

Report By: Director of Resources

Wards Affected

County-wide

Purpose

1. To consider the draft Medium Term Financial Management Strategy.

Financial Implications

2. As set out in the Cabinet report.

Background

2. The report to Cabinet on 13th July is appended. The detailed Strategy is enclosed separately for Members of the Committee and is available to the public on request. Cabinet agreed that Strategy be approved as a basis for consultation prior to approval of the final document in October 2006.

RECOMMENDATION

THAT the Committee considers the draft Medium Term Financial Management Strategy and comments upon it as part of the consultation process.

BACKGROUND PAPERS

- None

DRAFT MEDIUM-TERM FINANCIAL MANAGEMENT STRATEGY

PORTFOLIO RESPONSIBILITY: CORPORATE FINANCE

CABINET

13TH JULY, 2006

Wards Affected

County-wide

Purpose

To invite Cabinet to approve the draft Medium-Term Financial Management Strategy (MTFMS) as a basis for consultation both within the Council and with strategic partners prior to approval of the final document in October 2006.

Key Decision

This is not a Key Decision

Recommendation

THAT Cabinet approves the draft Medium-Term Financial Management Strategy as a basis for consultation prior to approval of the final document on 9th October 2006.

Reasons

Herefordshire Council is determined to provide a sound basis for sustainable improvements in services and a better quality of life for the people of Herefordshire. Excellence in financial planning and management is vital to achieving this.

Considerations

1. The Medium-Term Financial Management Strategy (MTFMS) will provide the financial context for making sure our service improvement aspirations for the future are both affordable and sustainable. It will provide a framework for making sure our cash resources follow corporate priorities as reflected in our medium-term financial plans.
2. This is Herefordshire's first comprehensive MTFMS. Councillors, colleagues, customers, residents and strategic partners will be able to find in a single source document setting out the policy context for Herefordshire's approach to allocating resources to priorities at a time of tightening resource constraint for the first time ever.
3. An executive summary on page 3 of the draft MTFMS attached provides an overview of the document. In summary. The draft MTFMS covers the:
 - national policy context for local government;

Further information on the subject of this report is available from
Sonia Rees on 01432 383519

- national financial context for local government;
 - Herefordshire policy context;
 - Herefordshire financial context;
 - draft Medium-Term Financial Management Strategy;
 - decision making, consultation and review arrangements.
4. The analysis contained in the MTFMS leads to the inevitable conclusion that strong financial management will be essential if the Council is to achieve its ambitious plans for the transformation of services to improve quality, choice and access whilst also improving value for money.
 5. The strategy proposed in this draft document is about innovation not cuts – indeed the latter is exactly what the programme is designed to avoid. But success is highly dependent on the business transformation programme releasing resources tied up in business support services that could be more efficient with the right investment in a common business management infrastructure.
 6. The document also ensures that the reserves and balances we have available at the moment are wisely used to meet known spending pressures to smooth the impact on future Council Tax increases. It works towards ensuring there is a balanced budget position going forward – completing the work started as part of the 2006/07 budget setting process. It recognises there is more to do in terms of determining future revenue base budget requirements – particularly for social care – and future capital investment needs.
 7. The draft MTFMS will be available for comment over the summer holidays and an active communication strategy is being planned by Corporate & Customer Services. We will be making the most of this unique opportunity to promote greater shared understanding of the Council's financial position and the new general and financial management culture it is fostering. Feedback will be available to inform the Cabinet's final decision in October.

Alternative Options

Alternative options will be explored as part of the consultation process.

Risk Management

The draft MTFMS includes reference to corporate risks – both business and financial – and the management actions in place to mitigate them. The risk registers concerned are regularly reviewed and updated in line with the Council's risk management strategy and financial management processes.

Consultees

People consulted during preparation of the draft MTFMS include the Corporate Management Board, accountancy and finance staff across the Council, the Leader and the Cabinet Member (Resources).

People and organisations to be consulted on the draft MTFMS are identified in the consultation and communication strategy included within the draft document.

Background Papers

Background papers are available from the Resources Directorate on request.

INTEGRATED PERFORMANCE REPORT

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1. To note performance to the end of **July 2006** against the Annual Operating Plan 2006-07, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance. The report also covers the progress being made against the Council's Overall Improvement Programme, which includes the Joint Area Review (JAR) Action Plan, the Adult Social Care Improvement Plan and the Herefordshire Connects programme.

Background

2. The report to Cabinet on 7th September, 2006, is appended. The views expressed by Cabinet on 7th September will be reported at the meeting.

RECOMMENDATION

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

BACKGROUND PAPERS

- None.

INTEGRATED PERFORMANCE REPORT

PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

7TH SEPTEMBER 2006

Wards Affected

County-wide

Purpose

To note performance to the end of **July 2006** against the Annual Operating Plan 2006-07, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance. The report also covers the progress being made against the Council's Overall Improvement Programme, which includes the Joint Area Review (JAR) Action Plan, the Adult Social Care Improvement Plan and the Herefordshire Connects programme.

Key Decision

This is not a Key Decision

Recommendation

THAT performance to the end of July 2006 be noted, and remedial action to address areas of under-performance be considered.

Reasons

The Council's current Corporate Plan sets out the Council's objectives, priorities and targets for the three years 2006-09. The Annual Operating Plan (AOP) is the detailed action plan for the first of these years, 2006-07, and has been updated for the purpose of these reports to include the indicators in the Local Area Agreement (LAA) and Herefordshire Community Strategy (HCS). This report summarises progress in the first **four** months of this operating year, including action being taken to address under-performance.

Considerations

Progress against the Annual Operating Plan

1. Performance has been monitored for each indicator using the following system:

		G	Achieved, or on track to be achieved, on schedule
		A	Not on track
		R	Not achieved, or not expected to be achieved, or no targets/milestones identified

2. This section summarises progress against the AOP 2006-07, now incorporating the LAA and LPSA2G, for the period 1st April 2006 to 31st July 2006. Details on each of the indicators marked as **R** or **A** are given in **Appendix A (1)**.
3. For the **full** set of strategic performance indicators **19** of **89** have been marked as **R**, compared to 45 to May.
4. A significant amount of work has taken place since the previous report to the end of May, which was considered by Cabinet on 29th June, in an attempt to ensure that all the performance templates include targets, milestones and a sufficiently robust action plan. The reduction in the number of indicators marked as **R** to **19** (from **45** in May) demonstrates the progress made in developing the templates, however 14 of the 19 are marked **R** because of continuing weaknesses in the template. Templates for those indicators marked as **R** are in **Appendix A (2)**.
5. In addition to the above analysis, the following 2 sections show progress against the LPSA2G and LAA, both of which are included in the **full** set of strategic performance indicators.

The Local Public Service Agreement (LPSA2G)

6. As at the end of July **7** of **27** LPSA2G indicators were **R**. This is a reduction from the **14** indicators that were **R** in the report to end May. 3 of the indicators, the number of people in receipt of pension credit; the number of unscheduled hospital bed days; and satisfaction with homecare services have yet to have targets set for this year. The other 4 indicators marked **R** relate to 'the number of residents aged 19+ achieving a Level 2 or 3 qualification' have targets set, but as yet do not have a robust action plan, which would allow a judgement to be made as to the likelihood of achieving the target.

The Local Area Agreement (LAA)

7. At the end of July there were **18** of **69** indicators marked **R** compared with 42 indicators in the report to end May. (These include the LPSA2G indicators.)
8. Of the **18** indicators marked as **R**, 4 are under the theme of *healthier communities and older people*; 4 under *economic development and enterprise*; and 10 under *safer and stronger communities*.

The Herefordshire Community Strategy (HCS)

9. As reported in the last report (to end May), the majority of indicators for the HCS have now been identified and work is underway to agree with partners the final indicators, targets and action plans. It is intended that the majority of HCS indicators should have

agreed targets and action plans in time for the next report to September. Once this work has been completed, reporting against all of the HCS indicators will be included in future integrated performance reports.

The Council's Overall Improvement Plan

10. The Council's Overall Improvement Plan following the 2005 Corporate Assessment and Joint Area Review was approved by Cabinet at its meeting on 20th April 2006.
11. The latest exception report is attached at **Appendix B**.

The JAR Performance Improvement Action Plan

12. An update on progress against the JAR Performance Improvement Action Plan was presented to Cabinet on 13th July 2006.
13. Changes made to the Child Concern Model, including the thresholds for the involvement of qualified social workers, have had a positive impact with the level of child referrals having already reached the target level for March 2007. As a consequence, the workload within the Duty Team has increased. The recruitment and retention of permanent qualified social work staff remains a major challenge. Work is continuing through Human Resources in order to improve recruitment. In the interim, qualified social work agency staff have been used to ensure that the workload can be managed and children are safeguarded. Staff from other teams are also assisting in this process.
14. Tenants have now occupied the two additional units of accommodation for Care Leavers. Purchase of a third additional unit for Care Leavers is being finalised.
15. The Institute of Public Care (IPC) has been engaged by the Council to help improve performance management in Children and Young People's Services. The IPC have commented positively on the level of engagement from the project group in setting up the project, and the constructive and candid perspective of managers from across Children and Young People's Services, about the need for improved performance management. The IPC's report is scheduled to be received in October.
16. The occupational therapy team are continuing to meet the locally set 12-week assessment target.
17. The Children and Young People's Forward Delivery Plan was finalised at the end of July and will be submitted to the Children and Young People's Partnership Board for approval at its meeting on 11th September 2006.
18. The first meeting of the GOWM Challenge and Support Board took place on the 16th August. The meeting was positive and the Board will meet again in September in order to formally agree its success criteria. The Minister will receive a progress report on the Board's work at the end of September with a further report being provided at the end of December. If progress is satisfactory against the success criteria, the Board will conclude its work by 31st March 2007.

Revenue Budget and Capital Programme Monitoring

19. Details of the **revenue budget** position are at **Appendix C**.
20. At this early stage of the year, the key concern remains the potential overspending on Adult Social Care. Whilst some contingency funding has been made available to mitigate this problem (which the Medium Term Financial Management Strategy proposes should be increased), the position is under continued active management.
21. Details of the spending on the **capital programme** are at **Appendix D**.
22. The revised forecast for 2006/07 totals £60,671,000, which is an increase of £23,656,000 above the original forecast. This increase is mainly due to the inclusion of additional budgets reported separately to Cabinet for Corporate Accommodation (£4,603,000); Herefordshire Connects (£8,503,000); and additional ICT network enhancement costs (£2,000,000).

Corporate Risk monitoring

23. **Appendix E** contains the corporate risk log, which shows the current key risks facing the Council in terms of operations, reputation and external assessment.
24. The safeguarding children risk remains at a high level, although DfES has now accepted, following a review, that our safeguarding systems are now adequate. Many developments are taking place in this area, many utilising expert external advice, to improve overall performance (see paras. 13-19).
25. An emerging risk is the Herefordshire Connects programme. Whilst progress is being made on procurement and governance, planning the realisation of the cash benefits will assume increasing importance as investment is made. The savings required under the programme (£5.8 million of which are scheduled to be realised in 2007-08) are central to the Medium Term Financial Management Strategy.
26. To mitigate the risk of these cash benefits not being realised, the Council is having to assess its current capacity to manage and deliver such significant change.
27. The social care needs analysis is due to report shortly on Older People and Adults with Learning Difficulties. This is intended to provide a clear picture of the risks facing the Council in the long term with its care commitments, together with costed options to improve services whilst maximising efficiency savings.
28. Crucial to the management of these and other risks is the programme of improvements to the Council's performance management arrangements, which are at the heart of the Council's Overall Performance Improvement Plan (see paras. 11 and 12). Key developments include the roll out of the new Performance Improvement Cycle and the tightening of the Chief Executive's regular performance review meetings with individual Directors and the Head of Human Resources.

Alternative Options

None.

Risk Management

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

Consultees

Relevant internal officers have been consulted. No external consultation has been necessary, although partners have been involved in developing the performance indicator templates for the LAA, and will continue to be involved in developing templates for the Herefordshire Community Strategy.

Background Papers

None identified.

Indicator	CMB Lead	Cabinet Lead	HC Corp Plan	LAA	LPSA2	HCS KPIs	Status	Reason	
% of adults satisfied with local community as a place to live	Mr Hughes	Cllr Mayson	1	1	1		A	Bulk of information to establish what contributes to this indicator won't be available until the results of Herefordshire Voice survey are known	
% of adults who feel they can influence decisions affecting local community	Mr Hughes	Cllr Mayson	1	1	1	1	A	Other than working with Parish Councils there is not enough in the action plan about what is being done with the wider community to reach the target	
Number of people in receipt of Attendance allowance	Mr Hughes	Cllr Mrs Barnett	1	1	1	1	R	Although progress is being made to increase the number of people in receipt of Pension Credit, further work is still required to establish a target	Page 2, Appendix A(2)
Number of people in receipt of Pension Credit	Mr Hughes	Cllr Mrs Barnett	1	1	1	1	R	Although progress is being made to increase the number of people in receipt of Pension Credit, further work is still required to establish a target	Page 5, Appendix A(2)
% of adults who engaged in formal Volunteering (2hrs)	Mr Hughes	Cllr Mayson	1	1	1	1	A	Not all of the progress reported is relevant to the actions; some of the actions that were due to be completed in the last 2 months haven't been reported against	
Number of 19+ achieving Level 2 qualification in man & engineering	Mr Hughes	Cllr Stockton	1	1	1		R	Mention of an action plan in the template, but no detail of what's in the action plan	Page 8, Appendix A(2)
Number of 19+ achieving Level 2 qualification excluding man & engineering	Mr Hughes	Cllr Stockton	1	1	1		R	Mention of an action plan in the template, but no detail of what's in the action plan	Page 10, Appendix A(2)
Number of 19+ achieving Level 3 qualification in man & engineering	Mr Hughes	Cllr Stockton	1	1	1		R	Mention of an action plan in the template, but no detail of what's in the action plan	Page 12, Appendix A(2)
Number of 19+ achieving Level 3 qualification excluding man & engineering	Mr Hughes	Cllr Stockton	1	1	1		R	Mention of an action plan in the template, but no detail of what's in the action plan	Page 14, Appendix A(2)
Satisfaction with homecare services via direct payments - 65+	Mr Hughes	Cllr Mrs Barnett	1	1	1		R	Although a baseline has been established there is no indication as to when a target will be set	Page 16, Appendix A(2)

Indicator	CMB Lead	Cabinet Lead	HC Corp Plan	LAA	LPSA2	HCS KPIs	Status	Reason	
Number of deaths per annum from chronic conditions	Mr Hughes	Cllr Mrs Barnett	1	1			R	No template received	
% of adults finding it easy to access key services: (doctor, local hospital, library, sport/leisure facility & cultural/rec facility)	Mr Hughes	Cllr Stockton	1	1		1	R	Not all of the parts of this indicator are covered in the template (d. doctor; e. local hospital)	Page 18, Appendix A(2)
Net perceived improvement: affordable decent housing	Mr Hughes	Cllr Mrs Barnett	1	1		1	A	Action plan in place, but no target set by the Partnership	
Net perceived improvement: wage levels & cost of living	Mr Hughes	Cllr Mayson	1	1		1	A	Action plan in place, but no target set by the Partnership	
Number of VAT registered businesses: stock @ year-end	Mr Hughes	Cllr Mayson	1	1		1	A	Action plan focuses on new businesses, but there's a lack of recognition that ensuring existing businesses remain also contributes to this indicator	
Number of VAT registered businesses: % change from previous year in total no. of VAT registered businesses	Mr Hughes	Cllr Mayson	1	1		1	A	Action plan focuses on new businesses, but there's a lack of recognition that ensuring existing businesses remain also contributes to this indicator	
% of adults who use: museums & galleries (e.g. Herefordshire Art)	Mr Hughes	Cllr Stockton	1	1			R	Although a baseline and target has been reported on the template, these relate to a different question that was asked in the Annual Satisfaction Survey. There is no indication as to how the real baseline is to be established	Page 21, Appendix A(2)
% of adults who use: theatres & concert halls (e.g. Flicks in the Sticks & Arts Alive)	Mr Hughes	Cllr Stockton	1	1			R	Although a baseline and target has been reported on the template, these relate to a different question that was asked in the Annual Satisfaction Survey. There is no indication as to how the real baseline is to be established	Page 23, Appendix A(2)
% of adults who use: parks, open spaces, play areas & other community recreational facilities (inc. PROW, etc)	Mr Hughes	Cllr Stockton	1	1			R	Although a baseline and target has been reported on the template, these relate to a different question that was asked in the Annual Satisfaction Survey. There is no indication as to how the real baseline is to be established	Page 25, Appendix A(2)

Indicator	CMB Lead	Cabinet Lead	HC Corp Plan	LAA	LPSA2	HCS KPIs	Status	Reason	
Number of adults helped to live at home - mental health problems	Mr Hughes	Cllr Mrs Barnett	1				R	Lack of milestones in the action plan; no progress reported	Page 28, Appendix A(2)
Average length of stay in B&B accomm for homeless households	Mr Hughes	Cllr Mrs Barnett	1	1			A	Progress being made against action plan, but awaiting outturn from 1st quarter	
Investors in people - HC status	Mr Johnson	Cllr French	1				A	Action plan still being developed	
Sickness Absence - HC	Mr Johnson	Cllr French	1				A	Progress against many of the actions hasn't been reported	
Net perceived improvement: Level of crime	Ms Fiennes	Cllr Stockton	1	1		1	A	Majority of actions yet to start	
Number of Domestic burglaries per 1,000 households	Ms Fiennes	Cllr Stockton	1	1			A	Detailed action plan not being developed until October	
Number of calls to Herefordshire Women's Aid Helpline	Ms Fiennes	Cllr Stockton	1	1			R	Little action until year-end when there is unlikely to be sufficient impact towards achieving target	Page 30, Appendix A(2)
Number of domestic violence incidents reported	Ms Fiennes	Cllr Stockton	1	1			R	Little action until year-end when there is unlikely to be sufficient impact towards achieving target	Page 32, Appendix A(2)
Number of arrests for domestic violence offences	Ms Fiennes	Cllr Stockton	1	1			R	Uncertain whether the few actions in the action plan will lead to achievement of the target	Page 34, Appendix A(2)
Number of Class A drug supply offences brought to justice	Ms Fiennes	Cllr Stockton	1	1			R	No template received	
Number of people in drug treatment	Ms Fiennes	Cllr Stockton	1	1			R	Little action until year-end when there is unlikely to be sufficient impact towards achieving target	Page 36, Appendix A(2)
Number of vehicle crimes per 1,000 population	Ms Fiennes	Cllr Stockton	1	1			R	Detailed action plan not being developed until October; doubtful whether this will allow enough time to achieve the target in the remaining part of the year	Page 38, Appendix A(2)
% of teenage mothers who are breast feeding baby at 6 weeks	Ms Fiennes	Cllr Rule	1	1	1		A	Actions not to start until September	
% of mothers in the South Wye area who are breast feeding baby at 6 weeks	Ms Fiennes	Cllr Rule	1	1	1		A	Actions not to start until September	
KEY:									

Indicator	CMB Lead	Cabinet Lead	HC Corp Plan	LAA	LPSA2	HCS KPIs	Status			Reason
Achieved, or on track to be achieved, to schedule	G									
Not on track		A								
Not achieved, or not expected to be achieved, or no targets/milestones identified			R							

PERFORMANCE INDICATOR TEMPLATES

This Appendix includes the templates that have been marked **R** in Appendix A (1).

Indicator:	HCS 18b The number of people in receipt of Attendance Allowance
HCS Theme	Healthier communities and older people
HCS Outcome	Independence and choice for older people and vulnerable adults
Council Priority	To enable vulnerable adults to live independently and, in particular, to enable many more older people to continue to live in their own homes
Council Objective	To maximise the income of vulnerable people

Judgement	R	A	G
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Cabinet Lead:	CLr Mrs Barnett	Strategic Lead-HP Board	Neil Pringle (Herefordshire Council)
Council Lead:	Mr Hughes	Features in:	LAA, LPSA2G, HCS, CP

Problem with baseline data – LPSA stretch target is based on data from DWP that does not reflect a full year.

Actions will need to be reviewed in the light of the flawed data

Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget
<p>Development of a Joint Team, with the Welfare Rights Team and DWP, to deliver Welfare Rights information and advice on the uptake of Attendance Allowance by September 2006. This will include co-location, joint information systems, joint management structure and performance targets and the appointment of a Customer Services Officer.</p> <p>Agreement of SLA's with the Voluntary Sector, to deliver Welfare Rights Advice. Targets to be set on the number of older people receiving advice and in receipt of Attendance Allowance. Current SLA's reviewed and re-commissioned by Dec 2006.</p> <p>Co-ordinate information management across the partners, to monitor the number of referrals, waiting times for services and specialist advice services provided. Protocols in place by September 2006.</p>	<p>Memorandum of Understanding signed by the Council, DWP and the PCT. Management structure agreed. Joint performance targets set for the Team. IT services commissioned to integrate information systems. Job Description and Person Specification drawn up for Customer Services Officer.</p> <p>SLA's reviewed and outcome based measures agreed. Recommissioning of Welfare Rights Service taken place.</p> <p>Monitoring systems in place and data collection commenced.</p> <p>Information sharing protocols and monitoring framework drawn up.</p>

<p>Carryout an awareness raising campaign with partners to adopt a multi-agency approach increase the number of Older People accessing Attendance Allowance. Appointment of an information co-ordinator to assist with targeting campaigns and to monitor impact through feedback from Older People and collating statistics on the number of Older People in receipt of Attendance Allowance. . Key Milestone: Appointment of information co-ordinator September 2006. Awareness raising campaign ongoing.</p> <p>To co-ordinate research by November 2006.</p> <p>Disseminate local, regional and national practise on take up activity by December 2006 and then on a quarterly basis to all stakeholders.</p> <p>Develop links with existing schemes for signposting and referrals. Increase referrals by 10% through the work of the management board by March 2007.</p>	<p>Job description and person specification drawn up.</p> <p>Agreement that the post will be hosted by the Voluntary Sector.</p> <p>Sub-group set up to co-ordinate the work of the different agencies.</p> <p>Welfare Rights Project Group set up, with Voluntary Sector, DWP and Council representatives.</p> <p>Voluntary Sector and Joint Team members of the Signposting Scheme, protocol for the receipt of referrals agreed and implemented.</p>
Resource required to deliver the action(s)	
<p>LPSA Funding</p> <p>IT Development to support systems development</p> <p>Strategic and Operational Advisory Boards</p> <p>Training and Development Team, to deliver Joint Team Training.</p>	
Risk(s) to achievement	
<p>Cultural Change, two different organisational teams merging.</p> <p>Time limited nature of LPSA 2 funding</p> <p>Failure to appoint new staff due to time limited nature of the post.</p> <p>IT Development</p> <p>Data Monitoring</p>	
Risks mitigated by	
<p>Change management Strategy, identifying systems development, training, and communication procedures.</p> <p>Joint Team Board and Operational Team to drive the change management process.</p> <p>Appointment of information co-ordinator</p>	
Budget and financial performance to be added in due course	
Roles & responsibilities	
Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator:	The number of people in receipt of Pension Credit aged 60 or over
HCS Theme	Healthier communities and older people
HCS Outcome	Independence and choice for older people and vulnerable adults
Council Priority	To enable vulnerable adults to live independently and, in particular, to enable many more older people to continue to live in their own homes
Council Objective	To maximise the income of older people

Judgement R **A** **G**

Cabinet Lead:	Cllr Mrs Barnett	Strategic Lead-HP Board	Neil Pringle
Council Lead:	Mr Hughes	Features in:	LAA, LPSA2G, HCS, CP

Maximising income is one of the key means of enabling older people to live independently

2004/05 Baseline

7,596

2007/08 Target

8,138

Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget
<p>Development of a Joint Team, with the Welfare Rights Team and DWP, to deliver Welfare Rights information and advice on the uptake of Pension Credits. This will – include co-location, joint information systems, joint management structure and performance targets and the appointment of a Customer Services Officer. Key Milestone: Joint Team will be operational September 2006.</p> <p>Co-ordinate information management across the partners. Key Milestone: Protocol and systems in place by September 2006.</p> <p>Carry out an awareness raising campaign with partners to increase the number of Older People accessing Pension Credits. Appointment of an information co-ordinator to assist with targeting campaigns and to monitor impact through feedback from Older People and collating statistics on the number of Older People in receipt of Pension Credits. Key Milestone: appointment of information co-ordinator September 2006. Awareness raising campaign delivered by March 2008.</p>	<p>Memorandum of Understanding signed by The Council, DWP and PCT. Management structure agreed. Joint performance targets set for the Team. IT services commissioned to integrate information systems.</p> <p>Information sharing protocols and monitoring framework drawn up.</p> <p>Job description and person specification drawn up for Information Co-ordinator Post. Agreement that the post will be 'hosted' by the Voluntary Sector. Sub-Group set up to co-ordinate work of the different agencies.</p>

<p>To co-ordinate research and disseminate local, regional and national practice on Take-up activity.</p> <p>Key Milestone: to coordinate information by November 2006 and disseminate by December 2006 then on a quarterly basis to all stakeholders.</p> <p>Develop links with existing schemes for signposting and referrals. Key Milestone: increase referrals by 10% through the work of the management board by March 2007 and 15% by March 2008.</p>	<p>Welfare Rights Project Group set up, with Voluntary Sector, DWP and Council representatives. Project Group has met twice and agreement of information sharing protocol.</p> <p>Voluntary Sector and Joint Team are now members of the Signposting Scheme, protocol for the receipt of referrals agreed and implemented. Monitoring of signposting referrals taking place.</p>
Resource required to deliver the action(s)	
<p>LPSA Funding</p> <p>IT Development to support systems development</p> <p>Strategic and Operational Advisory Boards</p> <p>Training and Development Team, to deliver Joint Team Training.</p>	
Risk(s) to achievement	
<p>Cultural Change, two different organisational teams merging.</p> <p>Time limited nature of LPSA 2 funding</p> <p>Failure to appoint new staff due to time limited nature of the post.</p> <p>IT Development</p> <p>Data Monitoring</p>	
Risks mitigated by	
<p>Change management Strategy, identifying systems development, training, communication procedures.</p> <p>Joint Team Board and Operational Team to drive the change management process.</p> <p>Appointment of information co-ordinator</p>	
Budget and financial performance to be added in due course	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: HCS 4b **The number of Herefordshire residents aged 19+ achieving a Level 2 qualification in manufacturing & engineering**

HCS Theme Economic development and enterprise

HCS Outcome A more adaptable and higher skilled workforce

Council Priority To sustain vibrant and prosperous communities, including by securing more efficient, effective and customer-focused services, clean streets, tackling homelessness and effective emergency planning

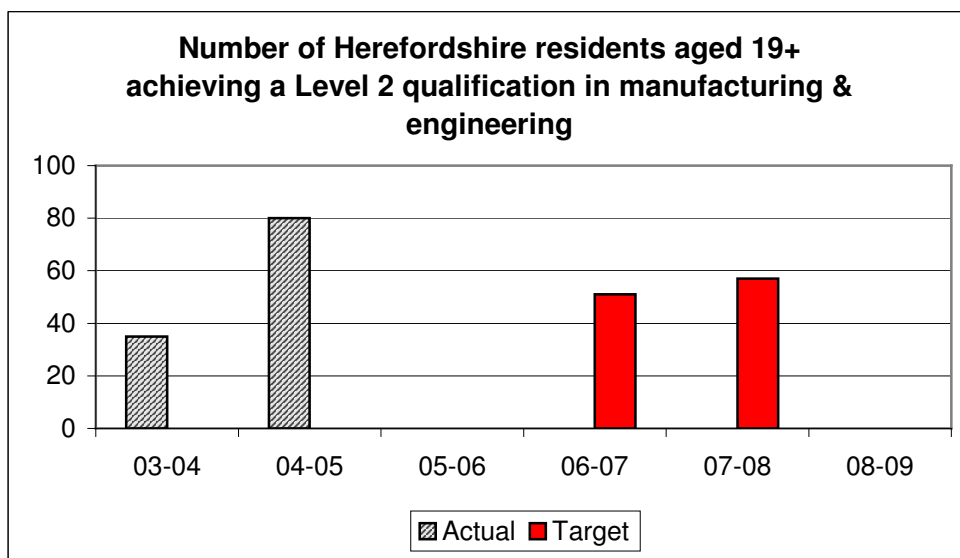
Council Objective A more highly skilled adult population

Judgement R **A** **G**

Cabinet Lead: Cllr Stockton **Strategic Lead-HP Board** Sharon Gray (LSC)

Council Lead: Mr Hughes **Features in:** LAA, LPSA2G, CP

The achievement of qualifications leads to better job prospects and higher salaries



Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget:
<p>The achievement of the National Vocational Qualifications (NVQ) at Level 2 are from Objective 3 European Social Funded contracts of:</p> <ul style="list-style-type: none"> • Local Employer Training Programme • Level 2 Training Programme • Targeted Training in Leominster <p>The above contracts cover the delivery of training at NVQ Level 2 in both Herefordshire and Worcestershire, with specific targets to be achieved in Herefordshire, including the delivery of NVQs in the Engineering and Manufacturing sector.</p>	<p>Completion of action plan by LSC and contracts sent to external partners to deliver the programme are in place.</p>
Risk(s) to achievement	
<p>All of these contracts are contract managed by the Learning and Skills Council on a regular basis. This is to ensure that a continual review of the contracts progress against its plan occurs. This enables any risks to the contractual outputs being met being identified and remedial action, as required, being taken.</p>	
Risks mitigated by	
<p>Monthly reviews between the LSC and the lead providers of the contracts occur to enable risks to be identified and remedial action identified and implemented.</p>	
Budget and financial performance to be added in due course	
<p>Monthly reviews between the LSC and the lead providers of the contracts occur to enable the financial performance of the contract to be monitored and any action needing to be taken identified and implemented</p>	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: HCS4 c **The number of Herefordshire residents aged 19+ achieving a Level 2 qualification (excluding manufacturing & engineering)**

HCS Theme Economic development and enterprise

HCS Outcome A more adaptable and higher skilled workforce

Council Priority To sustain vibrant and prosperous communities, including by securing more efficient, effective and customer-focused services, clean streets, tackling homelessness and effective emergency planning

Council Objective A more highly skilled adult population

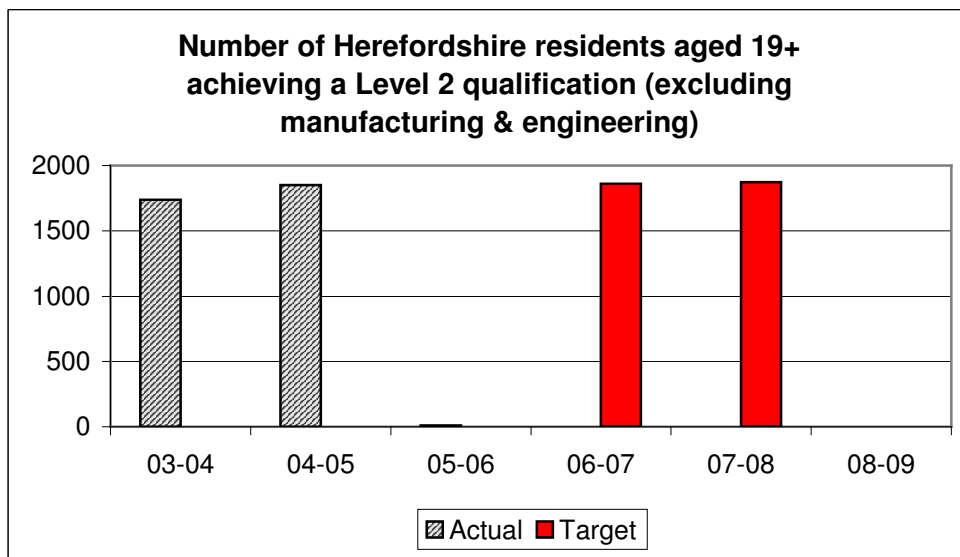
Judgement R **A** **G**

Cabinet Lead: Cllr Stockton **Strategic Lead-HP Board** Sharon Gray (LSC)

Council Lead: Mr Hughes **Features in:** LAA, LPSA2G, CP

Apr/May	Jun/Jul	Aug/Sept	Oct/Nov	Dec/Jan	Feb/Mar
12	7				

The achievement of qualifications leads to better job opportunities and higher salaries



Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget:
<p>The achievement of the National Vocational Qualifications (NVQ) at Level 2 are from Objective 3 European Social Funded contracts of:</p> <ul style="list-style-type: none"> - Local Employer Training Programme - Level 2 Training Programme - Targeted Training in Leominster <p>The above contracts cover the delivery of training at NVQ Level 2 in both Herefordshire and Worcestershire, with specific targets to be achieved in Herefordshire, including the delivery of NVQs in the Engineering and Manufacturing sector.</p>	<p>Completion of action plan by LSC and contracts sent to external partners to deliver the programme are in place.</p>
Risk(s) to achievement	
<p>All of these contracts are contract managed by the Learning and Skills Council on a regular basis. This is to ensure that a continual review of the contracts progress against its plan occurs. This enables any risks to the contractual outputs being met being identified and remedial action, as required, being taken.</p>	
Risks mitigated by	
<p>Monthly reviews between the LSC and the lead providers of the contracts occur to enable risks to be identified and remedial action identified and implemented.</p>	
Budget and financial performance to be added in due course	
<p>Monthly reviews between the LSC and the lead providers of the contracts occur to enable the financial performance of the contract to be monitored and any action needing to be taken identified and implemented</p>	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: HCS 4d **The number of Herefordshire residents aged 19+ achieving a Level 3 in manufacturing & engineering**

HCS Theme Economic development and enterprise

HCS Outcome A more adaptable and higher skilled workforce

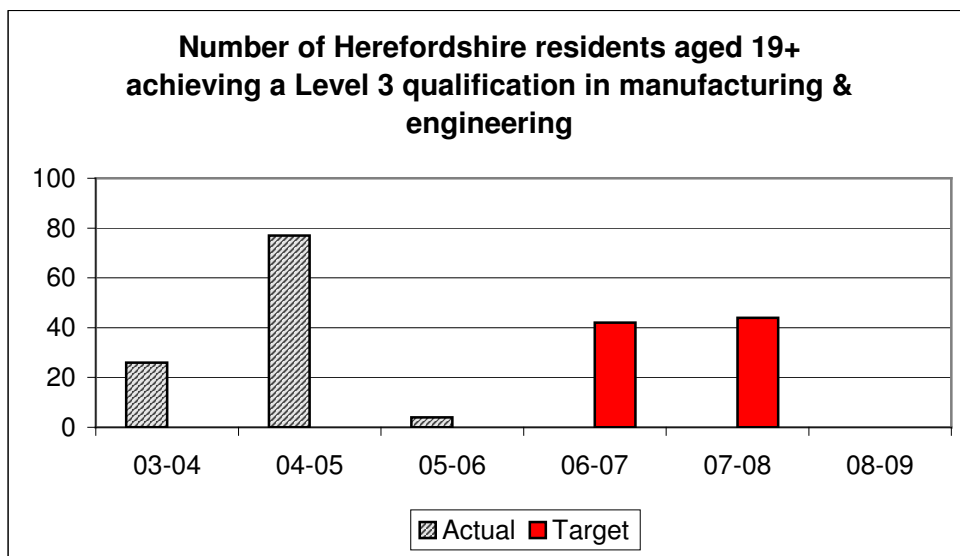
Council Priority To sustain vibrant and prosperous communities, including by securing more efficient, effective and customer-focused services, clean streets, tackling homelessness and effective emergency planning

Council Objective A more highly skilled adult population

Judgement R **A** **G**

Cabinet Lead: Cllr Stockton **Strategic Lead-HP Board** Sharon Gray (LSC)

Council Lead: Mr Hughes **Features in:** LAA, LPSA2G, CP



The achievement of qualifications leads to better job prospects and higher salaries

Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget:
<p>The achievement of the National Vocational Qualifications (NVQ) at Level 3 are from Objective 3 European Social Funded contracts of:</p> <ul style="list-style-type: none"> - Adult Apprenticeship <p>The above contracts cover the delivery of training at NVQ Level 3 in both Herefordshire and Worcestershire, with specific targets to be achieved in Herefordshire, including the delivery of NVQs in the Engineering and Manufacturing sector.</p>	<p>Completion of action plan by LSC and contracts sent to external partners to deliver the programme are in place.</p>
Risk(s) to achievement	
<p>This contract is contract managed by the Learning and Skills Council on a regular basis. This is to ensure that a continual review of the contracts progress against its plan occurs. This enables any risks to the contractual outputs being met being identified and remedial action, as required, being taken.</p>	
Risks mitigated by	
<p>Monthly reviews between the LSC and the lead provider of the contract occur to enable risks to be identified and remedial action identified and implemented.</p>	
Budget and financial performance to be added in due course	
<p>Monthly reviews between the LSC and the lead provider of the contract occur to enable the financial performance of the contract to be monitored and any action needing to be taken identified and implemented</p>	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: HCS 4e **The number of Herefordshire residents aged 19+ achieving a Level 3 qualification (excluding manufacturing & engineering)**

HCS Theme Economic development and enterprise

HCS Outcome A more adaptable and higher skilled workforce

Council Priority To sustain vibrant and prosperous communities, including by securing more efficient, effective and customer-focused services, clean streets, tackling homelessness and effective emergency planning

Council Objective A more highly skilled adult population

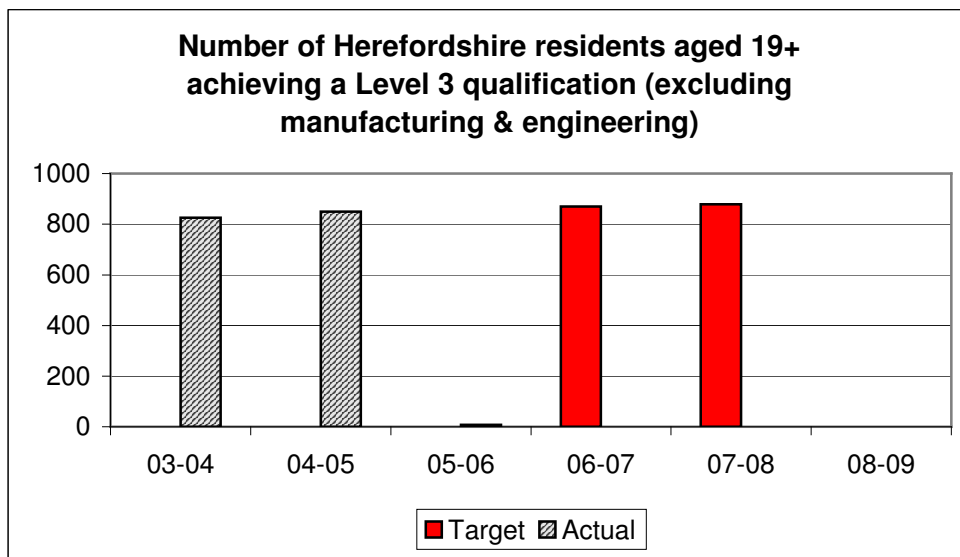
Judgement R **A** **G**

Cabinet Lead: Cllr Stockton **Strategic Lead-HP Board** Sharon Gray (LSC)

Council Lead: Mr Hughes **Features in:** LAA, LPSA2G, CP

Apr/May	Jun/Jul	Aug/Sept	Oct/Nov	Dec/Jan	Feb/Mar
2	3				

The achievement of qualifications leads to better job opportunities and higher salaries



Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget:
<p>The achievement of the National Vocational Qualifications (NVQ) at Level 3 are from Objective 3 European Social Funded contracts of:</p> <ul style="list-style-type: none"> - Adult Apprenticeship <p>The above contracts cover the delivery of training at NVQ Level 3 in both Herefordshire and Worcestershire, with specific targets to be achieved in Herefordshire, including the delivery of NVQs in the Engineering and Manufacturing sector.</p>	<p>Completion of action plan by LSC and contracts sent to external partners to deliver the programme are in place.</p>
Risk(s) to achievement	
<p>This contract is contract managed by the Learning and Skills Council on a regular basis. This is to ensure that a continual review of the contracts progress against its plan occurs. This enables any risks to the contractual outputs being met being identified and remedial action, as required, being taken.</p>	
Risks mitigated by	
<p>Monthly reviews between the LSC and the lead provider of the contract occur to enable risks to be identified and remedial action identified and implemented.</p>	
Budget and financial performance to be added in due course	
<p>Monthly reviews between the LSC and the lead provider of the contract occur to enable the financial performance of the contract to be monitored and any action needing to be taken identified and implemented</p>	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: Satisfaction with the help received from Herefordshire Social Services by people 65 and over using home care services provided through Social Care and people 65 and over who directly purchased services using Direct Payments

HCS Theme Healthier communities and older people

HCS Outcome Independence and choice for older people and vulnerable adults

Council Priority To enable vulnerable adults to live independently and, in particular, to enable many more older people to continue to live in their own homes

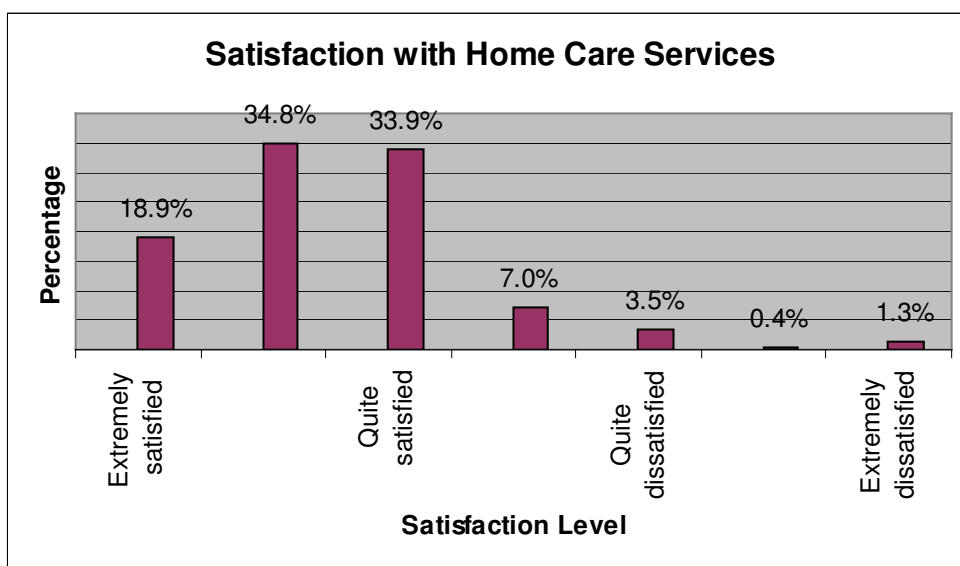
Council Objective To improve the quality of life for older people

Judgement R **A** **G**

Cabinet Lead: Cllr Mrs Barnett **Strategic Lead-HP Board** Neil Pringle

Council Lead: Mr Hughes **Features in:** LAA, LPSA2G, HCS, CP

To gauge the success of home care services and Direct Payments



Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget
<p>Research and analyse existing feedback concerning satisfaction levels about Home Care Services</p> <p>Develop and implement a consistent approach to obtaining the feedback from service users concerning services purchased via Direct Payments August 2006</p> <p>Employment of a dedicated user involvement assistant June 2006</p> <p>Liaison with Home Care providers regarding feedback from service users, families and carers</p>	<p>Survey and analysis completed</p> <p>Survey planned for those using Direct Payments in Nov 2006</p> <p>Starts 15th June 2006</p> <p>Engagement with Service Providers to commence in Sept 2006</p>
Resource required to deliver the action(s)	
<p>User Involvement Assistant</p> <p>Dedicated time and planning from Service Managers concerning their planned consultation requirements</p>	
Risk(s) to achievement	
<p>Lack of co-ordinated consultation strategy</p> <p>Consultation overload for service users</p> <p>Setting Quality Standards in Home Care contracts</p> <p>Lack of confidence and support in the user involvement and consultation process from staff</p> <p>A lack of engagement from users</p> <p>Poor Home Care provision</p> <p>A lack of information provided on Direct Payments</p> <p>Lack of quality Control</p>	
Risks mitigated by	
<p>Linking Consultation plans with Directorate and service plans</p> <p>Training and awareness sessions of consultation activities</p> <p>Provision of good information about Home Care and Direct Payments</p>	
Budget and financial performance to be added in due course	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator:	% of respondents finding it easy to access key services: doctor, local hospital, library, sports/leisure facility and cultural/recreational facility
HCS Theme	Safer and Stronger Communities
HCS Outcome	People are active in their communities and fewer are disadvantaged
Council Priority	To sustain vibrant and prosperous communities, including by securing more efficient, effective and customer-focused services, clean streets, tackling homelessness and effective emergency planning
Council Objective	To improve access to local facilities

Judgement	R	A	G
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Cabinet Lead:	Clr Stockton	Strategic Lead-HP Board	N/a
Council Lead:	Geoff Hughes	Features in:	LAA, HCS, CP

% of respondents finding it easy to access a (a) local shop; (b) a supermarket; (c) a post office; (d) a doctor; (e) a local hospital; (f) a green space; (g) public transport; (h) shop selling fresh fruit & vegetables; (i) chemist/pharmacy; (j) bank/cash point; (k) library; (l) sports/leisure centre; (m) council office; (n) cultural/recreational facility – Annual target

Baseline:

K: 70%

L:69%

N:55%

Target:

k: 71%

l: 70%

n: 56%

Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget:
<p>Purchase 2 new mobile libraries and improve the routes to be more customer relevant and more efficient as well</p> <p>To financially support Halo trust working in partnership to develop the service</p> <p>To financially support the work of the Courtyard including support the development of the centre</p>	<p>Consultation for the new routes for the mobile libraries started at the end of June.</p> <p>The Courtyard have received all the money they require to progress feasibility study to extend the facilities including a small contribution from the Council and the bulk of funds from the Rural Regeneration Zone.</p>
<p>To run a series of events and projects link to the arts, heritage libraries, physical activity and use of the countryside for recreation to encourage engagement, including working within schools</p> <p>To develop / improve libraries in both Kington and Ledbury, and initiate development of a new library for Hereford serving the County</p> <p>Member's seminar for development of the new Hereford Library planned for October 2006.</p>	<p>In May a Cultural Conference was held in the Courtyard Centre for the Arts to celebrate Culture in Herefordshire and Worcestershire. This Conference highlighted what the Authority is doing to promote Sports (including the Olympics); heritage, arts and the work with the Courtyard.</p> <p>Brochure for Arts Week produced and distributed (taking place in September).</p> <p>Youth Games held at Hereford Leisure Centre with 650 people attending.</p> <p>Host of summer activities organised at Country Parks, mainly Queenswood, working closely with partners like the Countryside Agency, nature conservation groups, etc.</p> <p>Reading Mission started in Libraries to encourage children to read during the summer holidays with linked activities and liaison with the schools to issue certificates of achievements.</p> <p>New reception at Hereford Leisure Pool with improved access for wheelchair users.</p> <p>The Kington library project is on schedule with the anticipated hand over date being mid September. The costs are also on budget. The Ledbury library situation is currently being reviewed with a new building currently being investigated.</p> <p>In relation to the proposal for a new library in Hereford there have been discussions with the Chief Executive of the Edgar Street grid development.</p>

Resource required to deliver the action(s)	
Economic and Community	
Risk(s) to achievement	
Limited public knowledge of new route Limited resources Delivery of the programme within resources Ensure effectiveness of the programmes Slippage of time scale on projects	
Risks mitigated by	
Wide ranging publicity campaign Include with budget plan Delivery of priorities Introduce performance measures Ensure effective project management	
Budget and financial performance to be added in due course	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator:	% of people in Herefordshire using Museums and Galleries at least once a month
HCS Priority	Safer and stronger communities
HCS Outcome	Enhance well being and community cohesion through engagement in cultural activities
Council Priority	Increase the percentage of people in Herefordshire using Museums or galleries at least once a month.
Council Objective	To improve access to local facilities

Judgement	R	A	G
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Cabinet Lead:	Cllr Stockton	Strategic Lead-HP Board	Neil Pringle
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Council Director:	Geoff Hughes	Features in:	LAA, CP
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Baseline: 19%

06/07: 19%

07/08: 20%

08/09: 21%

Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget:
<p>Run 6 temporary Exhibitions in the Art Gallery per annum</p> <p>Organise 2 community exhibitions at Ledbury Heritage Centre by October 2006</p> <p>Run 4 community based local exhibitions at Ross Market House Heritage Centre by March 2007</p> <p>Create exhibitions from Heritage Services collections – Joseph Murray Ince, and tour smock exhibition and Every Object Tells a Story.</p> <p>Proceed to phase 2 of the re-display programme for the permanent Exhibition at Broad Street by September 2006</p> <p>Run Museum on the Move with visits to schools and community events</p> <p>Support independent museums to apply for funding to improve their facilities throughout the year</p>	<p>Running into early July Heath Robinson exhibition was on display, which has attracted over 4,000 visitors. Children's workshops for the exhibition were fully booked and received excellent feedback</p> <p>Red Cross community exhibition organised for Ledbury</p> <p>First stage of redisplay for the permanent exhibition completed</p> <p>Travellers Life educations sessions continue at Bromyard.</p>
Resource required to deliver the action(s)	
<p>Effective marketing to attract visitors</p> <p>Changing exhibitions and events to attract repeat visitors</p> <p>Good quality exhibitions within the independent museum sector</p> <p>Lottery and other funding to change exhibitions and conduct conservation work</p>	
Risk(s) to achievement	
<p>Competition from other types of leisure attractions (specifically in the summer)</p> <p>Negative perceptions of museums</p>	
Risks mitigated by	
<p>Marketing campaign</p> <p>Changing exhibitions</p> <p>Offer a range of services, events and courses</p>	
Budget and financial performance to be added in due course	
Roles & responsibilities	
Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator:	% of people who use theatres or concert halls at least every six months
HCS Priority	Safer and Stronger Communities
HCS Outcome	Enhance well-being and community cohesion through engagement in cultural activities
Council Priority	To sustain vibrant and prosperous communities, including by securing more efficient, effective and customer-focused services, clean streets, tackling homelessness effective and emergency planning
Council Objective	To improve access to local facilities

Judgement	R	A	G
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Cabinet Lead:	Cllr Mayson	Strategic Lead-HP Board	Neil Pringle
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Council Director:	Geoff Hughes	Features in:	LAA, CP
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Baseline:

32%

Target:

33% (06/07)

35% (07/08)

36% (08/09)

Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget:
<p>Run public art/ heritage projects in eight villages, resulting in 8 pieces of public art and involving 260 village residents in art/heritage led workshops by December</p> <p>Support Canal Road Day Centre in raising external funding to further progress in developing a sustainable arts programme by March</p> <p>Develop a youth justice crime prevention programme in partnership with West Mercia Police, artists and other partners (outcomes to be established by October; funding opportunities and bids by December)</p>	<p>All eight public art / heritage projects have completed the workshop, consultation and design work stages – artists have started to produce five of the designs. One planning application has gone in for Brockhampton and probably one to go in for Eywas Harold once the local permissions process has been resolved. One piece completed for Whitchurch & Ganarew - carved oak bell tower by David Jones, which houses the old school bell.</p> <p>Youth Justice Programme – discussions in June at Hindlip Hall with all the possible partners to discuss the project proposal and how to develop with outline proposal produced.</p>

Resource required to deliver the action(s)	
Freelance professionals - artists and heritage advisers Officer resource to work with adult social services Heritage Lottery And Arts Council funding West Mercia Police external funding officer and match funding	
Risk(s) to achievement	
Lack of public knowledge about projects No success in raising external funding Being able to attract artists with high level specialised experience and skills	
Risks mitigated by	
Trying new approaches to getting people interested in arts activity Set realistic lead in time for fundraising and don't promote until the funding is secured Promote artist opportunities nationally as well as locally and fees set at national rates	
Budget and financial performance to be added in due course	
Set budgets with enough available match funding for longer term projects	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator:	% of adults who use parks, open play areas and other recreational facilities at least once a month
HCS Theme	Safer and Stronger Communities
HCS Outcome	Enhance well-being and community cohesion through engagement in cultural activities
Council Priority	Increase the percentage of people in Herefordshire using parks, open spaces, play areas and other recreational facilities including public rights of way, country parks and commons and wider countryside at least once a month.
Council Objective	To improve access to local facilities

Judgement	R	A	G
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Cabinet Lead:	Cllr Stockton	Strategic Lead-HP Board	Neil Pringle
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Council Lead:	Geoff Hughes	Features in:	LAA, CP
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Baseline:

49%

Targets:

(06/07) 48%

(07/08) 47%

(08/09) 46%

Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget:
Mobilisation of grounds maintenance resource in due time to meet obligations under HJS contract.	Completed in due time to meet the obligations and standards set under HJS contract.
Annual path clearance work to be instructed.	Took place to programme April-July.
Annual ROSPA inspection of play areas	Commissioned and took place as per target (May/June 06).
Walking Festival programme launched.	Walking Festival programme took place in June 2006 with 88% take up of places.
Decommissioning of winter playing pitches and close season remediation work to be started.	Completed in July.

	<p>£25k grant from Countryside Agency for Rights of Way Improvement Plan was received and implementation work is now in progress.</p> <p>£10k from Aggregates Levy fund to improve infrastructure at Bodenham Lake was received and work is now in progress.</p> <p>New access path complete at Queenswood Country.</p> <p>Refurbished disabled toilet facility at Queenswood Country Park has been completed.</p> <p>Doorstep Green Parks project at Hunderton has been completed.</p>
Resource required to deliver the action(s)	
<p>Revenue budgets for services confirmed.</p> <p>HJS equipment and manpower levels confirmed.</p> <p>External funding applied for, for implementation of projects confirmed.</p> <p>£106 monies received.</p>	
Risk(s) to achievement	
<p>Poor weather conditions have delayed implementation/disrupted work schedules (wettest May in 200 years).</p> <p>Owen Williams's failure to meet project plan for Aylestone Hill Phase 2.</p> <p>Unforeseen events/incidents/work allocated which takes resource away from service plan core work.</p>	<p>Position recovered by mid-June.</p> <p>Recovered by July.</p>
Risks mitigated by	
<p>HJS working longer hours and weekends to meet targets.</p> <p>Owen Williams being performance managed for mid may. This will continue until back on plan for programme.</p> <p>Agree with line management new priorities for work to be undertaken.</p>	<p>Position recovered by mid-June.</p> <p>Recovered by July.</p> <p>Ongoing.</p>
Budget and financial performance to be added in due course	
<p>Excepting grounds maintenance projected overspend of £75k for 2006/7. All other cost centres were on target at end of period 1.</p>	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: Adults with mental health problems helped to live at home per 1,000 population aged 18-64

HCS Theme

HCS Outcome

Council Priority

To enable vulnerable adults to live independently and, in particular, to enable many more older people to continue to live in their own homes

Council Objective

To maximise the independence of vulnerable adults

Judgement

R

A

G

Cabinet Lead:

Cllr Mrs Barnett

Strategic Lead-HP Board

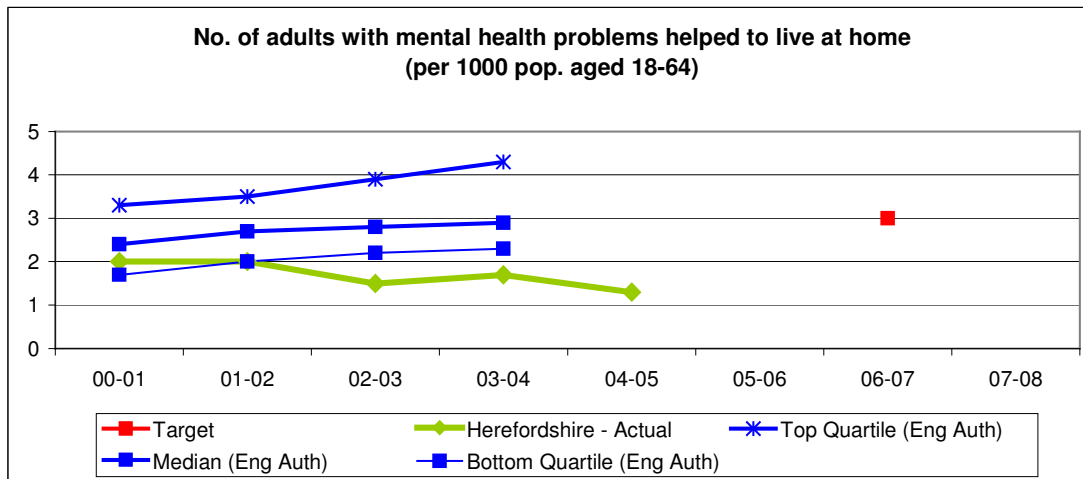
N/a

Council Lead:

Mr Hughes

Features in:

CP



Low level care received at home can prevent or postpone a person needing more intensive care packages or residential care

Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget
Expand early intervention service and carers' support. Expand deliberate self-harm service Ensure all activity is recorded on Clix, as well as CPA (activity is currently under-reported) Housing strategy to be developed.	
Resource required to deliver the action(s)	
Additional resource identified through PCT LDP Crisis team to expand their role to incorporate deliberate self-harm Clix clerk to be deployed 2 days per month to reconcile data	
Risk(s) to achievement	
Resource could be withdrawn due to PCT budget recovery plan Recruitment timescales could mean data not fully reconciled by out-turn in March 2007. Affordable housing not easily available.	
Risks mitigated by	
CMHT absorbs the role Action plan developed to prioritise activities Work with Strategic Housing to develop alternative options	
Budget and financial performance to be added in due course	

Roles & responsibilities

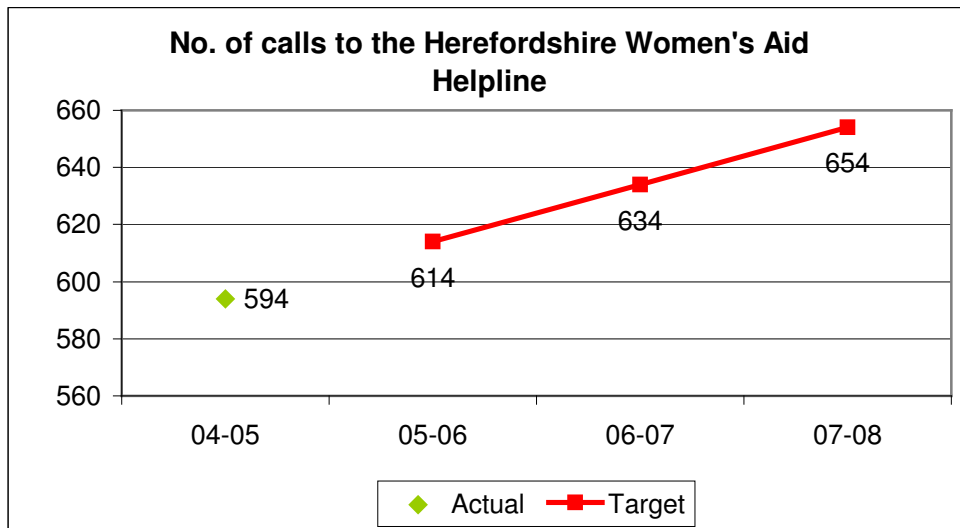
Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: **Number of calls to the Herefordshire Women’s Aid Helpline**
HCS Theme Safer and stronger communities
HCS Outcome Reduced levels of, and fear of, crime, drugs and anti-social behaviour
Council Priority Reduce crime, the harm caused by illegal drugs and to reassure the public reducing the fear of crime.
Council Objective Increase the number of calls to the Women’s Aid Helpline in Herefordshire regarding Domestic Violence.

Judgement **R** **A** **G**

Cabinet Lead: Cllr Stockton **Strategic Lead-HP Board** West Mercia Constabulary

Council Lead: Ms Fiennes **Features in:** LAA, CP,



Action(s) required to achieve the target (including key milestones)	Progress against actions/resource/risk/mitigation/budget:
Radio campaign completed by 31 st Jul 06 Develop new promotional materials by Oct 06 Recruit Officer by Dec 06 Complete draft marketing strategy by Jan 07	
Resource required to deliver the action(s)	
Marketing Officer to be recruited. Women's Aid staff.	Post being evaluated. To be advertised Aug 06
Risk(s) to achievement	
Delays in recruitment. Lack of time available by agency staff.	
Risks mitigated by	
Close relationship with partners.	
Budget and financial performance to be added in due course	

Roles & responsibilities

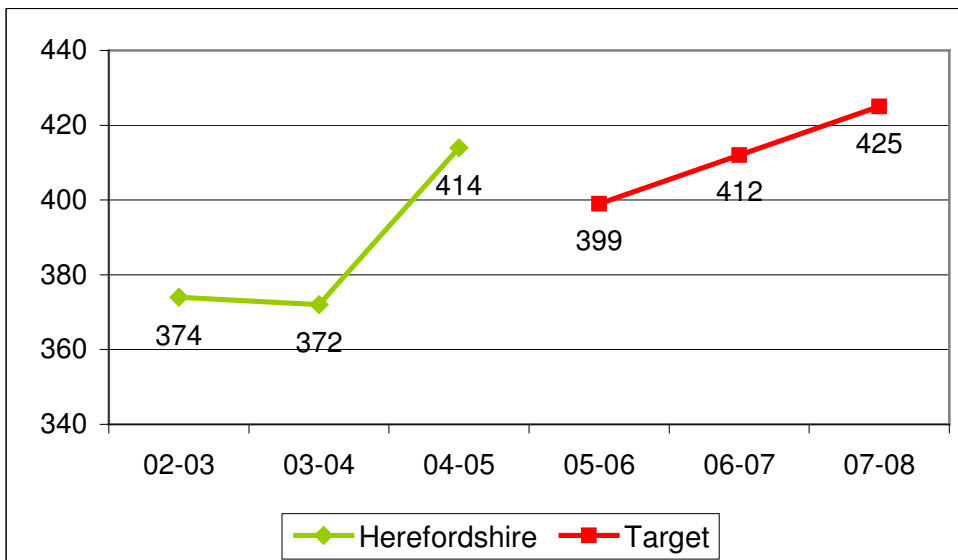
Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: **Number of domestic violence incidents reported**
HCS Theme Safer and stronger communities
HCS Outcome Reduced levels of, and fear of, crime, drugs and anti-social behaviour
Council Priority Reduce crime, the harm caused by illegal drugs and to reassure the public reducing the fear of crime.
Council Objective Increase number of Domestic Violence Incidents reported to Police in Herefordshire.

Judgement R **A** **G**

Cabinet Lead: Cllr Stockton **Strategic Lead-HP Board** West Mercia Constabulary

Council Lead: Ms Fiennes **Features in:** LAA, CP



Increase the number of Domestic Violence Incidents reported to Police in Herefordshire by 10% by 2007/08.

Action(s) required to achieve the target (including key milestones)	Progress against actions/resource/risk/mitigation/budget
Increase awareness of domestic violence issues to staff and public. Radio campaign to be completed by 31 st Jul 06 Develop new promotional materials by Oct 06 Recruit Marketing Officer by Dec 06 Complete draft marketing strategy, to include targeted campaign, by Jan 07 Advertise Helpline every 3 months	Staff training completed. Radio campaign completed.
Resource required to deliver the action(s)	
Marketing Officer, Police Press Officer and Women's Aid staff.	Recruitment underway to Marketing Officer post.
Risk(s) to achievement	
Delays in recruitment. Lack of staff time available.	
Risks mitigated by	
Close relationship with partners.	
Budget and financial performance to be added in due course	

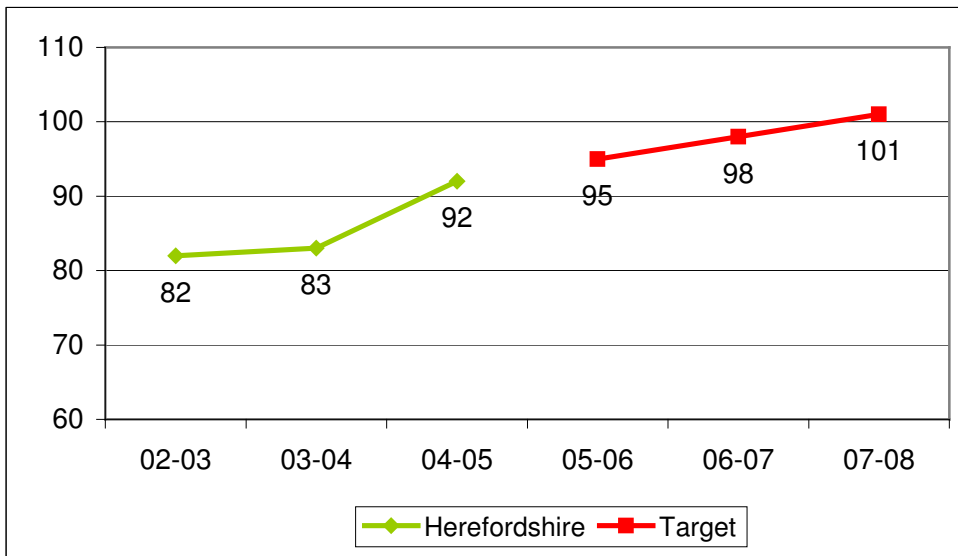
Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: **Number of arrests for domestic violence offences**
HCS Theme Safer and stronger communities
HCS Outcome Reduced levels of, and fear of, crime, drugs and anti-social behaviour
Council Priority Reduce crime, the harm caused by illegal drugs and to reassure the public reducing the fear of crime.
Council Objective Increase the number of arrests for domestic violence incidents in Herefordshire.

Judgement R **A** **G**

Cabinet Lead: Cllr Stockton **Strategic Lead-HP Board** N/a
Council Lead: Ms Fiennes **Features in:** LAA, CP



Increase number of arrests for domestic violence incidents in Herefordshire by 10% by 2007/08.

Action(s) required to achieve the target (including key milestones)	Progress against actions/resource/risk/mitigation/budget:
Advertise Helpline every 3 months Include targeted campaign in marketing strategy by Jan 07	Helpline advertised through 3 month radio campaign completed on 31 st Jul 06
Resource required to deliver the action(s)	
Existing police officers.	
Risk(s) to achievement	
Ensure police officers aware of issues and act proactively.	
Risks mitigated by	
Staff reviews.	
Budget and financial performance to be added in due course	

Roles & responsibilities

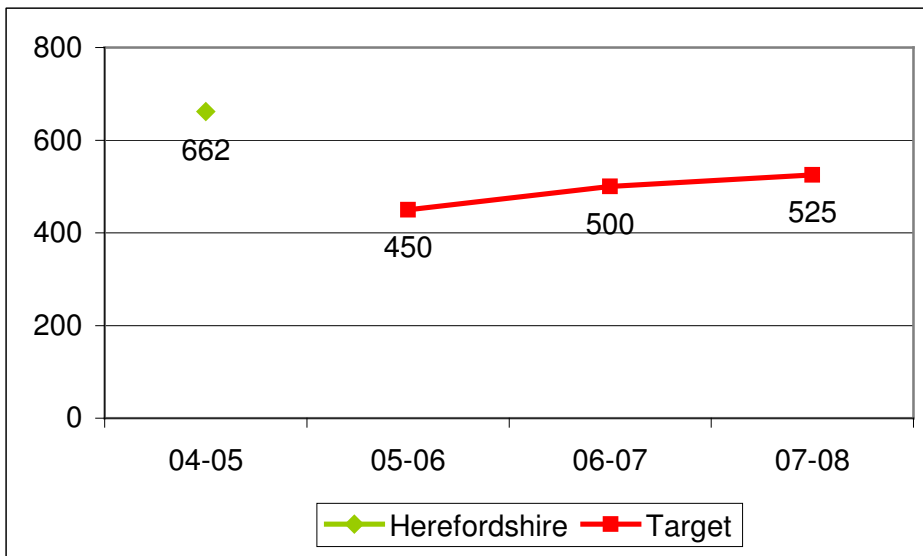
Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: **Number of people in drug treatment**
HCS Theme Safer and stronger communities
HCS Outcome Reduced levels of, and fear of, crime, drugs and anti-social behaviour (LAA outcomes – Reduce crime, the harm caused by illegal drugs and to reassure the public, reducing the fear of crime, also, to build respect in communities and to reduce anti-social behaviour)
Council Priority Increase the number of people undergoing drug treatment in Herefordshire
Council Objective To reduce the harm caused by illegal drugs

Judgement R **A** **G**

Cabinet Lead: Cllr Stockton **Strategic Lead-HP Board** West Mercia Constabulary

Council Lead: Ms Fiennes **Features in:** LAA, HCS



Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget:
Promote services of DASH and at key locations in county. Recruit Marketing Officer by Dec 06 Complete draft marketing strategy by Jan 07	National Drug Treatment Monitoring System report due out in Aug 06
Resource required to deliver the action(s)	
Staff time. Marketing Officer to be recruited.	Post being evaluated, to be advertised in Aug 06
Risk(s) to achievement	
Lack of funding.	
Risks mitigated by	
Restructuring to increase client throughput.	
Budget and financial performance to be added in due course	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Indicator: **Reduction of vehicle crime**

HCS Theme Safer and stronger communities

HCS Outcome Reduced levels of, and fear of, crime, drugs and anti-social behaviour (LAA outcomes – Reduce crime, the harm caused by illegal drugs and to reassure the public, reducing the fear of crime, also, to build respect in communities and to reduce anti-social behaviour)

Council Priority Reduce crime, the harm caused by illegal drugs and to reassure the public reducing the fear of crime.

Council Objective To reduce vehicle crime

Judgement R **A** **G**

Cabinet Lead: Cllr Stockton **Strategic Lead-HP Board**

Council Lead: Ms Fiennes **Features in:** LAA, HCS

Reduce number of Drug Related Vehicle Crime in Herefordshire to 1086 pa for 3 years.

Baseline Target 04/05

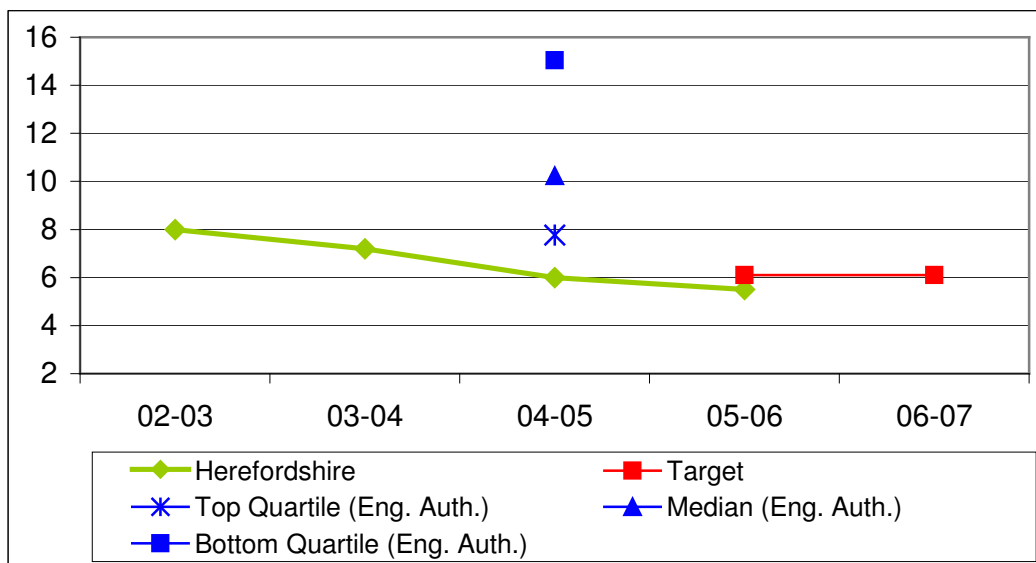
1092

Targets

05/06 1086

06/07 1086

07/08 1086



No. of vehicle crimes (per 1,000 population)

Action(s) required to achieve the target (including key milestones)	Progress against action/resource/risk/mitigation/budget:
Proactive targeting of offenders. Crime reduction campaigns to reduce number of potential targets. Establish Drug Related Crime (DRC) group to tackle this. DRC group to develop action plan for key educational message by Oct 06 Review of action plan – Jan 07	On-going. Group established in May 06
Resource required to deliver the action(s)	
Police Intelligence department. Sub-group members' time.	
Risk(s) to achievement	
Change of police focus. Staff time available.	
Risks mitigated by	
Close working with partners.	
Budget and financial performance to be added in due course	

Roles & responsibilities

Operational Lead – lead officer	
Support/Facilitator -Improvement Manager	
Data owner for PI	

Overall Performance Improvement Plan Group 11th August 2006: exceptions report to the Chief Executive and Leader of the Council

1. EXCEPTIONS:

Herefordshire Community Strategy (HCS) and the LAA

- The action plan to implement the HCS and the LAA was scheduled in the Overall Plan to be in place by April. The LAA element has been approved by the Partnership Board and submitted to Government. A draft action plan was issued in June. Work being put in hand to establish appropriate targets and milestones etc to underpin the aspirations over the next two months. Performance Management (PM) Group of the Board now established. PM framework agreed and reported to CMB on 11th July.

ICT

- Voice mail pilot has completed, but roll-out has been delayed – revised date of Aug 2006

Vulnerable adults

- Draft of the Overall Improvement Plan for Social Care now produced; to be finalised on Monday 14th August 2006.
- Internal Project Management and Governance set up but Project Board has not yet met. CMB has asked that membership of the Board be reviewed to include some external challenge.
- Full improvement plan dependent on DoH procurement. Interim plan in place to maintain momentum (as an integral part of the Service plan)

Children and Young People

- *A major risk to this Improvement Plan and that for the JAR is the ability of the Duty Team to continue to operate successfully in safeguarding children.* Revised Threshold and increased confidence have led to increased referrals. The end of July 06 referral position is over the March 07 Target. Cases requiring attention have therefore increased. All social work teams are taking initial assessments. Cases are under constant review and section 47 safeguarding assessments are given the urgency they require.

Ensuring that the Councils Managers and staff are able to deliver sustained improvement

Achievement of IIP is presented as an indicator. However this can be achieved in modules. Progress of modules to be determined.

2006/07 REVENUE BUDGET MONITORING

1. Appendix B1 shows the details of the projected outturn as at 31st July 2006 for each Programme Area.
2. The budgets shown for 2006/07 include the final carry forwards from 2005/06 which totalled £3.72million.

Overall position summary

	Net over or (-) underspending £000
Children and Young People	-
Adult and Community	+3,570
Customer and Corporate	+ 280
Environment	+ 163
Resources	<u>- 164</u>
Net overspending Directorates	+3,849
Less Social Care Contingency	1,302
Financing Transactions projected surplus	<u>300</u>
Net Council Projected overspending	<u>+2,247</u>

Overall Conclusion

3. At this early stage of the year, the key concern remains the potential overspend position on Adult Social Care budgets. Whilst some contingency funding has been made available to mitigate this problem and further is suggested in the draft Medium Term Financial Management Strategy, this is a position that requires continued active management.

Revenue Reserves Position as at 31st July 2006

General Reserves

4. The General Revenue reserves as at 31st July totalled £14.525million including £3.72million of underspendings carried into 2006/07 from 2005/06.

The Council's draft Medium Term Financial Management Strategy includes proposals for managing General Fund Balances and specific reserves and ensuring a balanced budget, which would reduce the balance held to £5.080million by 31st March 2007.

Earmarked Reserves

5. At 31st July 2006 the Council held £13.9million of earmarked reserves. The three largest reserves are the Waste Management Reserve of £1.386million, set up to help meet the cost of the new Waste Management arrangements, Herefordshire Connects £1.928million, set up to help meet the initial costs of this programme and the Schools Balances in hand of £8.739million.
6. Although it is too early in the year to predict the movement in school balances, it is expected that a proportion of the Herefordshire Connects Reserve will be used to fund 2006/07 revenue expenditure and that some of the smaller revenue reserves will be utilized in 2006/07.

DIRECTOR OF ADULT AND COMMUNITY SERVICES

Directorate Summary as at 31st July 2006

	Overspendings £000	Underspendings £000
Adult Services	3,392	-
Strategic Housing	83	-
Community Services	<u>95</u>	<u>-</u>
	<u>3,570</u>	<u>-</u>

Net overspending £3.57million

Adult Social Care

7. The projected outturn for Adult Social Care is an overspend of £3.4million. Details of the projected area overspends are as follows:

Learning Disabilities - £1,219,000 overspend

Older People - £749,000 overspend

Physical Disabilities - £487,000 overspend

Mental Health - £813,000 overspend

Service Strategy - £96,000 overspend

Commissioning and Improvement - £32,000 overspend

8. An important indicator of Adult Services spending is the number of residential and nursing care packages. The 2006/07 trend data is as follows:

	2005/06	April 2006	June 2006
<u>Learning Disabilities</u>			
Nursing packages	2	2	2
Residential packages	61	61	61
<u>Mental Health</u>			
Nursing packages	90	99	102
Residential packages	149	151	151
<u>Older People</u>			
Nursing packages	131	127	134
Residential packages	156	167	171
<u>Physical Disabilities</u>			
Nursing packages	4	8	9
Residential packages	8	20.5	19.5

Strategic Housing

9. The projected outturn for Strategic Housing is an overspending of £83,000 and this is based on current demand levels for temporary accommodation. The situation is being closely monitored as this position could easily change particularly if demand levels take an upward turn.
10. The projections reflect the decrease in the number of people presenting themselves as homeless. The decreasing numbers are reflected in lower spending in line with planned budget reductions. The total number of people in temporary accommodation is as shown below

Highest 2005/6	98
Lowest 2005/6	66
Average 2005/6	82
April 2006	58
May 2006	42
June 2006	32

Further information on the subject of this report is available from
David Keetch, Assistant County Treasurer on (01432) 260227

Average 2006/7 44

11. Since January 2006 there has been a prevention team within the homeless section. The team's key objective is to prevent service users going into temporary accommodation. As the figures above indicate, there is a significant decrease in this happening.

Community Services

12. The projected overspending of £95,000 is made up of the accommodated Leisure Contracts deficit brought forward (£100,000) and expected overspending on Parks (£50,000) and Public Rights of Way (£10,000), which can be offset by staff savings in social and economic regeneration.

Efficiency Savings

13. All the Adult Services efficiency savings have been allocated out to client groups, except mental health and work is in hand to ensure they are being achieved.
14. The Community Services efficiency savings were all implemented into the base budget at the start of the year and the required savings are being achieved on an on going basis.

DIRECTOR OF CHILDREN'S SERVICES

Directorate Summary as at 31st July 2006

	Overspending £000	Underspending £000
Directorate Central Budgets		400
Children's Social Care/safeguarding and Assessment Services	400	
	<u>400</u>	<u>400</u>

Net position break even.

Dedicated Schools Grant

15. Most (80%) of the former Education budget is now funded by Dedicated Schools Grant, which covers delegated school budgets and central services to schools and pupils. Any under or over spending will be carried forward into the Dedicated Schools Grant for 2007/08.
16. All schools except one have submitted their approved budgets for 2006/07 and based on current notifications of school spending plans school balances are expected to be as follows:

	Budgeted Revenue balances		Outturn Revenue balances	
		2006/07	2005/06	2004/05
Primary schools	£2.362m		£4.473m	£4.930m
High schools	£0.665m		£2.387m	£1.993m
Special schools	£0.136m		£0.277m	£0.336m
Total	£3.163m		£7.137m	£7.259m

17. It is encouraging to note that school revenue balances reduced last year and given the plans to introduce a balance clawback scheme that they will continue to fall in 06/07 although the budgeted balances look somewhat unrealistically low.

Directorate central budgets

18. The remaining education services such as strategic management, SEN assessment, asset management and transport are funded directly by the Council Tax. At this early stage in the year the projected under spend is of £400,000, mainly on school transport.

Children's Social Care/ Safeguarding and Assessment Services

19. The projected overspend on Children's Social Care is £400,000 and is mainly related to external residential agency placements (+£127k) and fostering (+£176k).
20. A further pressure is Out of Area Placements for children with complex needs which are jointly funded through a section 31 agreement between Health and Children's and Young People's Directorate (Schools Budget and Social Care elements). An over spend of £200,000 is projected as more children are expected to be placed during the remainder of this year. A claim on the social care contingency for the appropriate contribution will have to be considered.

Summary

21. Overall, the Children and Young People's budgets are on track to break even. This demonstrates the on going commitment to manage the resources in the best possible integrated way.
22. The funding arrangements and their fit with the service portfolios will need further work in order to describe the financial management position. This will be developed over this financial year.

Efficiency Savings

23. The efficiency savings required for 2006/7 have been fully taken into account in the Directorates budget planning for the year. The transport savings identified from route reviews last September are being maintained and further savings will be identified this September on an academic year basis. Efficiency savings are a key part of containing social care spending.

DIRECTOR OF CORPORATE AND CUSTOMER SERVICES

Directorate Summary as at 31st July 2006

Net Underspending	Overspending £000	Underspending £000
Herefordshire Partnership		60
Info by phone	160	
Legal and Demographic Services	<u>180</u>	—
	<u>340</u>	<u>60</u>

Net overspending £280,000

Corporate and Customer Services

24. Most of the budgets are expected to break even although some modest savings are predicted at this stage in the year.
25. The main issue to be resolved is the funding for the Info by Phone Centre, which is expected to open in November. The staff costs will total approximately £160,000 and there may be one off costs as well.
26. The Legal and Demographic Services budgets are expected to overspend by £180,000 due to one redundancy and pension costs and the implementation of the new structure.

DIRECTOR OF ENVIRONMENT as at 31st July 2006

Directorate Summary

Net Underspending	Overspending £000	Underspending £000
Environmental		
Health and Trading Standards	33	
Planning	130	
Highways and Transportation	-	
	<u>163</u>	

Net overspending £163,000

Efficiency Savings

27. Good progress has been made in achieving these savings. Some of the ICT procurement savings have yet to be finally confirmed.

Environmental Health and Trading Standards

27. An overspending of £33,000 is expected due to the additional costs incurred as a result of the Cadbury's case. Government Grant funding to help meet these costs have been applied for but no decision has yet been received.

Highways and Transportation

28. A number of these budgets are under pressure but no major variations have been identified. The level of work ordered will be carefully monitored to ensure spending remains within budget.

Planning

29. A shortfall in fee income of £130,000 during the year is projected based on the first four months of the year although it is still possible that the income target will be met.

Efficiency Savings

30. The efficiency savings have all been taken into account in the Directorate budget planning. Action is being taken to ensure the savings are being realised.

DIRECTOR OF RESOURCES

Directorate Summary as at 31st July 2006

	Projected Overspending £000	Projected Underspending £000
Corporate Budgets	-	100
Property Services	-	64
Finance	-	-
	<u>-</u>	<u>164</u>

Net underspending £164,000

Corporate Budgets

31. At this early stage in the year a net underspending of £100,000 is expected. This sum includes an additional £19,000 in respect of the 2005/06 Local Authority Business Growth Incentive Scheme.

Finance

32. A break-even outturn is predicted at present although this means that any one off costs of the restructuring will have to be contained within the budget. A contribution may also be needed as an addition to the sum of £100,000 set aside for organisational development from 2005/06 carry forwards.

Property

33. A modest underspending of £64,000 is predicted with an overspending of £149,000 on Administrative Buildings largely due to increased non-domestic rate costs being more than offset by additional income on a number of services.

Efficiency Savings

34. All the efficiency savings have been allocated to cost centres and services. Careful budget monitoring will be maintained in order to ensure that the savings will be achieved.

FINANCING TRANSACTIONS

At this stage in the year an underspending of £300,000 is being predicted largely due to careful investment management. Slippage in capital programmes usually occurs in most years which if repeated in 2006/07 could generate further under spend.

Appendix D

JULY 2006/07 CAPITAL PROGRAMME MONITORING

1. This is the first round of in-year capital monitoring for 2006/07. The purpose of this monitoring exercise is to update the original capital budget position set before the 2005-06 year end, reporting new funding allocations, managing any potential slippages or overspends as new schemes and new sources of finance are identified. The capital monitoring process helps to ensure that no conditional capital resources are lost and forecast changes are managed in the most effective way.
2. The revised forecast for 2006/07 as at 31st July totals £60,671,000, which is an increase of £23,656,000 from the original forecast. This increase is mainly due to the inclusion of additional budgets reported separately to Cabinet for Corporate Accommodation (£4,603,000), Herefordshire Connects (£8,503,000) and additional ICT Network Enhancement costs (£2,000,000). Other changes represent budget reviews following the 2005-06 closedown and funding allocation confirmations; explanations of the changes are detailed in the body of this report. This programme is funded as detailed in Appendix D1.
3. A summary of the Prudential Borrowing position for 2006/07 is set out below and on Appendix D4. This represents the capital investment this year to be financed by the new borrowing powers afforded to local authorities in 2004. Elements of this prudential borrowing will relate to the increase in forecasted expenditure in para 2.

2006/07 Original Prudential Borrowing Allocation		£5,968,000
Add: Slippage from 2005/06		£4,226,000
Shaw Homes development		£300,000
Purchase of Gritters lease review		£123,000
Subsequent Cabinet allocations:		
Herefordshire Connects		£8,503,000
Accommodation Strategy		£2,953,000
ICT Network Enhancement		£2,000,000
Queenswood car park		£100,000
Less: Slippage into future years	(£557,000)	
Funded by available SCE(R)	(£125,000)	(£682,000)
Forecast use of Prudential Borrowing in 2006/07		<u>£23,491,000</u>

4. Each individual capital project has an expected spend profile and expected spend in the first four months totalled 27% of the revised forecast. The actual spend at £11,988,000 represents 20% of the revised forecast demonstrating that overall the Council is largely on track with its capital programme. Environment is showing a 16% less than forecast spend to end of July however orders have been raised and committed spend represents 40% of the revised forecast. A summary of the expenditure for each service area is set out on Appendix D2.
5. Set out in Appendix D3 is a list of all capital schemes with a budget in excess of £500,000. The detailed capital programme listing all capital schemes can be found on the Intranet. (*Info Library > Treasurers > Financial Policy > Capital > Capital Programme*).

Children and Young People's Services Directorate

Further information on the subject of this report is available from Josie Smith, Accountant – Capital and VAT Services, on (01432) 261867

6. The capital forecast for this area has increased by £3,496,000 due to:
- The inclusion of £1,600,000 payment for the release of a restrictive covenant in order to be able to sell the old Whitecross High school site. This will be funded through the capital receipt to be generated by the sale.
 - £887,000 increase in childcare provision capital schemes (sited at Hunderton, Ross, Ledbury and Kington) to be funded through capital grant.
 - The inclusion of £474,000 LPSA2 Health, GCSE & NEET and School Attendance budgets, also funded through capital grant.
7. The current forecast predicts a small unfunded position, which will be revisited at the next round of capital monitoring. The Hunderton junior and infant school amalgamation capital scheme will go to tender in October for work to start on site in November.

Resources Directorate

8. The forecast for this area has increased to reflect the corporate accommodation capital budget as reported to Cabinet on the 25th May and as reported in the medium term financial strategy. Actual spend is currently lower than expected due to delays surrounding corporate accommodation spend.

Corporate and Customer Services Directorate

9. The forecast for this area has increased to reflect the additional funding of £2,000,000 allocated to the ICT Golden Thread network enhancement budget per report to Cabinet dated 27th April and the additional funding of £8,503,000 allocated to Herefordshire Connects reported to Cabinet on the 20th April.

Environment Services Directorate

10. The forecast for the LTP programme spend has not changed.
11. Other changes represent the inclusion of LPSA2 budgets for Street Scene and Road Safety (£310,000) funded by capital grant and the increase in public toilet improvements budget, to be funded through receipts generated by the sale of old sites.

Adult and Community Services Directorate

12. The forecast for this area has increased by £3,879,000 due to:
- Decrease of £300,000 on private sector housing budgets, reflecting a reduced funding allocation by central government. This funding has changed from borrowing allocation to capital grant focused on providing decent homes for vulnerable people, this has generated a greater demand and expectations are that this funding allocation will reduce again in future years.
 - Extra Care housing development forecast has increased by £2,640,000 representing slippage from 2005-06 with work starting on site in 2006-07. Building work will commence in September.
 - Affordable housing grant forecast has increased by £867,000 with this increase mainly being funded through S106 income. A number of affordable housing and grant funding commitments have been made to date totalling

£2,900,000.

Prudential Indicators

13. A key objective of the Prudential Code is to ensure that capital investment plans and treasury management decisions are made in a manner that supports prudence, affordability and sustainability.
14. Cabinet have endorsed a range of Prudential Indicators that are to be monitored on a regular basis as part of the existing Capital Programme monitoring process. Cabinet considers these on an annual basis through the Treasury Management report.
15. The framework of PIs covers Capital Expenditure and Treasury Management and the Prudential Code incorporates the PIs as set out below. The PIs included in this report are based on the 2006/07 Capital Programme. Due the additions to the Capital Programme for schemes to be funded with Prudential Borrowing it is necessary to restate the Prudential Indicators accordingly. **The revised Prudential Indicators must be approved by full Council.** The indicators are set out on Appendix D4 and significant changes in the indicators are highlighted at each point.
 - Actual and estimated capital expenditure for the current and future years
 - Ratio of financing costs to net revenue stream
 - Capital Financing Requirement
 - Authorised limit for External Debt
 - Operational boundary for External Debt
 - Council Tax implications of the incremental effect of capital decisions
 - Treasury Management Indicators
16. The Council has agreed in principle the construction of Rotherwas Access Road and this will have an impact on the prudential borrowing indicators currently agreed. It is the Council's intention to fund the significant element of the overall cost of the road through AWM and private developer contributions, however it is highly likely in the short term for the Council to increase its borrowing over current limits and these will need to be approved by full Council.

APPENDIX D1

FUNDING OF REVISED 2006/07 CAPITAL PROGRAMME

Capital Programme Area	2006/07 Revised Forecast 31/07/06	SCE(R)	Prudential Borrowing	Grants	Revenue Contribution	Capital Receipts Reserves	Unfunded
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children & Young People's Services	11,544	2,459	2,000	4,274	96	2,676	39
Resources	5,237	-	3,269	-	-	1,969	-
Corporate and Customer Services	12,245	-	11,975	270	-	-	-
Environment Services	13,633	10,476	2,447	633	-	77	-
Adult and Community Services	18,012	217	3,800	8,306	-	5,688	-
Total Revised Forecast	60,671	13,152	23,491	13,483	96	10,410	39
<i>Original Budget</i>	37,015	13,197	9,499	9,431	33	4,855	-
<i>Change from original budget</i>	23,656	(45)	13,992	4,052	63	5,555	39

<u>Reported to date</u>							
<i>Original Budget</i>	37,015	13,197	9,499	9,431	33	4,855	-
<i>July 2006 Forecast</i>	60,671	13,152	23,491	13,483	96	10,410	39

APPENDIX D2

CAPITAL EXPENDITURE BY PROGRAMME AREA

	Outturn	Original Budget	Revised 2005/06 Forecast as at 31/07/06	Actual spend at 31/07/06	Actual spend as a % of the revised forecast	Expected spend as a % of the revised forecast
Programme area	2005/06	2006/07	2006/07	2006/07	2006/07	2006/07
	£'000	£'000	£'000	£'000	%	%
Children & Young People's Services	7,907	8,048	11,544	3,407	30%	30%
Resources	662	520	5,237	146	3%	11%
Corporate & Customer Services	4,623	1,760	12,245	417	3%	13%
Environment Services	10,288	12,554	13,633	1,437	11%	27%
Adult & Community Services	8,365	14,133	18,012	6,581	37%	39%
Total	31,845	37,015	60,671	11,988	20%	27%

APPENDIX D3

MAIN CAPITAL SCHEMES OF REVISED 2006/07 CAPITAL PROGRAMME

Capital Programme Scheme	Schemes with a Revised Forecast >£500,000
	£'000
Children & Young People's Services schemes:	
Weobley High – Sports Hall (no change)	1,225
Sutton Primary – Replacement School (budget decrease, slippage)	1,463
Whitecross High – Restrictive Covenant (new budget)	1,600
Hunderton Junior & Infant – Amalgamation (budget increase, from 05-06)	2,587
New Deal for Schools Condition Improvement Works (no change)	800
Resources:	
Corporate Accommodation (new budget)	3,800
Plough Lane (new budget)	650
Corporate and Customer Services - ICT schemes:	
ICT The Golden Thread Network Enhancement (budget increase)	2,347
Info by Phone (budget decrease, spent 05-06)	868
Herefordshire Connects (new budget)	8,503
Environment Services:	
Rotherwas Access Road (no change)	500
Capitalised maintenance of principal roads (no change)	1,728
Capitalised maintenance of non-principal roads (no change)	3,547
Footways (no change)	1,064
Capitalised assessment & strength of bridges (no change)	900
Crematorium Hereford (budget increase, from 05-06)	1,323
Adult and Community Services schemes:	
Friar St Museum Resource & Learning Centre (budget increase)	1,169
Hereford High Town & High St (budget decrease, spent 05-06)	1,732
Private Sector Housing (budget decrease)	1,000
Disabled Facilities Grants (budget increase, from 05-06)	683
Extra Care Housing (budget increase, from 05-06)	5,280
Affordable Housing Grants (budget increase)	4,367
<i>Other schemes with a revised forecast of less than £500,000</i>	<i>13,535</i>
Revised Forecast	60,671

APPENDIX D4

ACTUAL AND ESTIMATED CAPITAL EXPENDITURE

The first table sets out the current forecast for the use of Prudential Borrowing. The Prudential Indicators approved by Council 10 March 2006 assumed a future level of £5,000,000 prudential borrowing per year. The table below replaces that estimate with agreed and potential prudential borrowing allocations.

PRUDENTIAL BORROWING AS AT 31 JULY 2006

	2006/07	2007/08	2008/09	2009/10
	£'000	£'000	£'000	£'000
Original Allocations and slippage:				
Original Allocations	5968	5,108	700	
Slippage from prior year	4226	557	167	
Slippage into future year	(557)	(167)		
Funded by available SCE	(125)	(125)		
Additional Prudential Borrowing:				
Herefordshire Connects	8,503	10,853		
Accommodation Strategy (net of receipts)	2,953	(731)	5,575	(1,300)
Rotherwas Relief Road (Potential)				3,076
Residential Homes Improvements	300			
Additional Prudential Borrowing - costs to be funded by revenue contribution:				
ICT Network Enhancement	2,000		1,500	
Purchase of Gritters instead of leasing	123			
Queenswood Car Park	100			
	23,491	15,495	7,942	1,776

This table takes into account new borrowing for which the government is providing support, government grants, capital receipts, other funding (including s106 receipts) and prudential borrowing as above. The table also shows how the programme would be funded.

FORECAST CAPITAL PROGRAMME AS AT 31 JULY 2006

	Outturn	Budget	Estimated	Estimated
	2005/06	2006/07	2007/08	2008/09
	£'000	£'000	£'000	£'000
Capital Programme Area: -				
Children and Young People's Services	7,907	11,544	6,281	2,110
Environment General	10,288	13,633	12,824	10,964
Corporate and Customer Services	4,623	12,245	11,903	1,500
Resources	662	5,237	3,550	8,450
Adult and Community Services	8,365	18,012	5,002	4,025
	31,845	60,671	39,560	27,049
By funding:				
Capital Receipts Reserve	1,827	10,410	8,291	6,268
Grants	10,169	13,483	2,531	475
SCE(R)	13,916	13,152	12,647	10,597
Revenue Contribution	802	96		
Prudential Borrowing	5,131	23,491	15,495	7,942
Unfunded		39	596	1,767
	31,845	60,671	39,560	27,049

RATIO OF FINANCING COSTS TO NET REVENUE STREAM

The net revenue stream is the budget amount to be met from Formula Grant and Council Tax income (the budget requirement). The ratio is the proportion of the budget requirement that relates to the ongoing capital financing costs.

The capital financing costs will change as actual borrowing replaces forecast borrowing and as the outturn of capital spending changes from the expected profile. The increase in this ratio from the original directly relates to the costs of funding the increased level of prudential borrowing.

	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
Original Indicator (prior to PB allocations)				
Net Revenue Stream	110,926	118,285	122,998	129,610
Capital Financing Costs	8,364	8,875	10,599	11,322
Ratio of financing costs to net revenue stream	7.54%	7.50%	8.62%	8.74%
As at 31/7/06				
Net Revenue Stream per MTFMS (Cabinet report 13/7/06)	110,926	118,285	123,486	132,192
Capital Financing Costs	8,364	8,875	11,215	13,850
Ratio of financing costs to net revenue stream	7.54%	7.50%	9.08%	10.48%

CAPITAL FINANCING REQUIREMENT

This indicator represents the underlying need to borrow for a capital purpose. The effect of actual and additional Prudential Borrowing allocations affect the future years Capital Financing Requirement and increase the need to repay debt.

	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
Original Indicator	110,811	125,807	136,252	146,364
Revised 31/7/06	110,995	141,264	161,128	170,470

AUTHORISED LIMIT FOR EXTERNAL DEBT

The Authorised Limit for external debt represents the absolute maximum level of debt that may be incurred. This limit would only be reached in exceptional circumstances. This limit needs to be increased to accommodate the additional Prudential Borrowing required.

	2005/06	2006/07	2007/08	2008/09
	£'000	£'000	£'000	£'000
Original				
Borrowing	133,000	147,000	170,000	185,000
Other Long Term Liabilities	3,000	3,000	3,000	3,000
Total	136,000	150,000	173,000	188,000
Revised 31/7/06				
Borrowing	133,000	162,000	195,000	210,000
Other Long Term Liabilities	3,000	3,000	3,000	3,000
Total	136,000	165,000	198,000	213,000

OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

The Operational Boundary for external debt is the prudent expectation of the maximum level of external debt.

	2005/06	2006/07	2007/08	2008/09
	£'000	£'000	£'000	£'000
Original				
Borrowing	94,500	108,500	125,500	136,500
Other Long Term Liabilities	1,500	1,500	1,500	1,500
Total	96,000	110,000	127,000	138,000
Revised 31/7/06				
Borrowing	94,500	123,500	150,500	161,500
Other Long Term Liabilities	1,500	1,500	1,500	1,500
Total	96,000	125,000	152,000	163,000

COUNCIL TAX IMPLICATIONS OF THE INCREMENTAL EFFECT OF CAPITAL DECISIONS

This indicator represents the increases in Council Tax resulting from Prudential Borrowing decisions taken by the Council. The large increase in this indicator primarily relates to the costs of Herefordshire Connects. As the Herefordshire Connects borrowing is repaid over a short period of time the higher debt repayments lead to a higher indicator. However this indicator does not currently reflect the saving expected to result from the Herefordshire Connects project. If the projected savings were recognised in this indicator it would show a negative increase in Council Tax.

	2006/07	2007/08	2008/09
	£ p	£ p	£ p
Original Indicator			
Increase in council tax (Band D, per annum) based on Prudential Borrowing of £5,843,000 taken for 2006/07 with £5,000,000 per year in subsequent years.	3.86	10.54	16.74
Revised Indicator following 2005/06 allocations			
Increase in council tax (Band D, per annum) based on revised Prudential Borrowing as at 31/7/06	6.12	34.67	61.48

TREASURY MANAGEMENT INDICATORS

These are specific indicators, which relate to the management of the Treasury Management process.

	2004/05	2005/06	2006/07	2007/08
Upper Limit for Fixed Interest Rate Exposure				
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure				
Net principal re variable rate borrowing / investments	50%	50%	50%	50%
Maturity Structure of new fixed rate borrowing during 2004/05	Upper Limit	Lower Limit		
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%		
Upper Limit for total principal sums invested for over 364 days	2004/05	2005/06	2006/07	2007/08
	£'000	£'000	£'000	£'000
(Per maturity date)	10,000	10,000	10,000	10,000

Managing Risk - Corporate Risks

Stage One					Stage Two				
Identified	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Risk Controls Measures	Responsible Directors	Assessment of Residual Risk (With control Measures implemented)		
		Impact (Severity)	Likelihood (Probability)	Priority Rating			Impact (Severity)	Likelihood (Probability)	Residual Priority Rating
Managing the reputational impact of the 'Staying Safe' rating being 'inadequate' in the JAR assessment and more importantly ensuring that arrangements for safeguarding the most vulnerable children .	CR1	4	4	High	Measures put in place to tackle the shortcomings against a planned and timed programme drawing in the assistance of better performing authorities as may be required. Draft JAR Action Plan reported to Cabinet on 25th May. External risk management experts engaged to preliminary assess level of risk in plan. Favourable initial assessment of Action Plan - good steps have been made to improve the position. Institute of Public Care engaged to work with staff to build a performance management culture as part of JAR Action Plan together with support from Department of Health.	SF	4	3	High
Herefordshire Connects: Programme does not go through robust investment appraisal and subsequent savings not being realised leading to service cuts.	CR3	4	4	High	Robust appraisals are carried out based on hard data, comparative and sensitivity analyses and deliverability. Strong corporate governance arrangements are in place. Change Manager appointed. Business Transformation Board created and the new governance arrangements approved. Procurement approach agreed. Benefits realisation framework to be developed.	NP	4	3	High
					The MTFS highlights both the investment required for Herefordshire Connects and the expected savings both in the short and long term. A key risk will continue to be the timing and identification of savings flowing from the programme whilst minimising the risk of service cuts needing to be made to balance the budget.				
Herefordshire Connects: Management capacity and capabilities not sufficiently developed to plan in advance, and deliver, the service changes required for realisation of efficiency savings.	CR14	4	4	High		NP	4	3	

Managing Risk - Corporate Risks

Stage One					Stage Two				
Identified	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Risk Controls Measures	Responsible Directors	Assessment of Residual Risk (With control Measures implemented)		
		Impact (Severity)	Likelihood (Probability)	Priority Rating			Impact (Severity)	Likelihood (Probability)	Residual Priority Rating
Corporate spending pressures outweigh the level of resources available to meet them. Particular pressures prevalent in Adult Social Care.	CR2	4	4	High	Medium Term Financial Strategy now adopted by Cabinet and highlights the need for corporate capacity to be created to meet future spending pressures. Social Care overspend has been highlighted at Cabinet and at Scrutiny Cttee. Budget Plan adopted to minimise pressures and needs analysis identifying future patterns of service with costed options. This will be reported by the end of August.	ALL/SR	4	3	High
Failure to maintain CPA "3 star" rating and move from improving adequately to improving strongly	CR4	4	3	High	Capacity created at a senior level and adherence to the Overall improvement Plan agreed in March. Board to monitor progress set up under Director of Corporate & Customer Services. It requires effective implementation of the corporate planning and performance frameworks, including the full integration of financial planning.	ALL/NP	3	3	Medium
					Use of Resources Improvement Plan being implemented included VfM self assessment in August.	SR			
					Considerable work has taken place in embedding a strong performance management framework including structured meetings between Chief Executive and Directors. Improvement manager posts have been approved for all Directorates and, where necessary, posts will be advertised in early September.	NP/JJ			
Business continuity management	CR5	3	4	High	Substantial capital investment made in ICT network and disaster recovery arrangements. Workshops held for all directorates and service continuity plans have been prepared and due for testing during the year in business critical systems and services. Monthly checks made to ensure amendments are made to all plans.	ALL/NP	3	3	Medium
Continuity of Herefordshire Jarvis Services and successful partnering arrangements	CR6	4	3	High	Regular consultation held between senior management from both sides of the partnership.	GD	3	3	Medium

Managing Risk - Corporate Risks

Stage One					Stage Two				
Identified	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Risk Controls Measures	Responsible Directors	Assessment of Residual Risk (With control Measures implemented)		
		Impact (Severity)	Likelihood (Probability)	Priority Rating			Impact (Severity)	Likelihood (Probability)	Residual Priority Rating
Corporate Capacity to deliver a range of changes the Council has embarked upon.	CR7	4	3	High	Programme Management, Clear Leadership and Senior Management Restructuring. Capacity issues identified within CPA inspection and will be part of Improvement Plan. A minimum of 20% of corporate directors' time will be spent on corporate issues.	NP	4	2	Medium
Successful implementation of Accommodation Strategy.	CR13	4	3	Medium	Accommodation Board meets on a regular regular basis and resource commitments identified in MTFS. News and Views proving effective medium for communicating with staff. Relocation to Plough Lane still within planned timescales despite delays in purchasing offices.	SR	3	2	Medium
					An emerging risk is the move towards flexible working. Homework place assessments will need to be carried out for all staff formally working from home.	DJ/JH			
Achievement of LPSA 2 targets and hence the Performance Reward Grant (PRG). Failure to manage future PRG will have a significant and detrimental impact on the Council's ability to invest in future performance gains in services.	CR8	3	3	Medium	LPSA agreement signed with government and monitoring to be undertaken within Annual Operating Plan and under umbrella of LAA. Funding has now been agreed by Cabinet and clear responsibilities communicated to Directors and managers involved in its delivery. CMB resolved to project manage LPSA2 to ensure clarity over accountabilities.	SF/GH/GD	3	3	Medium
Development of a Public Services Trust for Herefordshire	CR14	3	2	Medium	External assistance for the first phase of development has been secured.	GH	3	2	Medium
Delivery of Local Area Agreement	CR9	3	2	Medium	LAA has now been agreed and is part of the Integrated Performance Reporting framework.	JJ	3	2	Medium
Recruitment and retention of staff where there are national skills shortages and including the	CR11	3	3	Medium	Succession planning as part of management development provision	ALL/DJ	2	2	Medium

Managing Risk - Corporate Risks

Stage One					Stage Two				
Identified	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Risk Controls Measures	Responsible Directors	Assessment of Residual Risk (With control Measures implemented)		
		Impact (Severity)	Likelihood (Probability)	Priority Rating			Impact (Severity)	Likelihood (Probability)	Residual Priority Rating
impact of Job Evaluation. Ensuring consistent treatment of Equal Pay Claims					<p>Utilise SRDs / implement career development posts and conclude job evaluation. 93% SRDs completed by the end of May. Further work being carried out on identifying gaps. HR to support Directorates deliver to identified training needs, to work to Investor in People standard.</p> <p>Focused recruitment activity to support identified shortages e.g. Social Work (Childrens), plus development of a workforce plan, and work to implement national data sets. Work to set and establishment for the Council has begun.</p> <p>Promote professional development support through training agreements and payment of professional fees. Develop secondment opportunities internally and with partners. · Improving leadership and management through a review of management development</p> <p>Pride in Herefordshire approach to be implemented.</p> <p>Implement software to review new pay structure to ensure that it is equality proofed.</p>				
Approach to Diversity: Risk of not achieving appropriate Level and not improving Standard.	CR12	3	3	Medium	<p>Level 1 commitment signed off.</p> <p>Staff resource committed.</p> <p>Long term development plan in draft.</p>	JJ	3	2	Medium

Signed: _____

Position: Chief Executive

Date: _____

REVIEW OF THE PROVISION OF SCHOOL PLACES

Report By: Director of Children's Services

Wards Affected

County-wide

Purpose

1. To consider the review of school provision.

Financial Implications

2. The review being undertaken within existing staffing resources.

Background

3. On 10th April, 2006 this Committee agreed that an informal meeting of Members of the Strategic Monitoring Committee should be held to review the development of work programmes. It was recognised that the current work programmes did not substantially reflect the Council-wide themes and issues identified as priority areas in the Council's Overall Improvement Plan, the Annual Operating Plan and the Herefordshire Community Strategy including the Local Area Agreement.
4. At the informal meeting on 4th May Members were presented with a discussion paper setting out a number of possible themes for the scrutiny programme over the next year. One of the themes was **Herefordshire Thinks Rural**: how effective is our rural proofing of policies and programmes? How could it be improved? Are we sufficiently joined-up in addressing the major issues affecting rural communities, e.g. the rural schools review? Is the Council doing all it can for the rural economy?
5. As reported to the Committee on 26th June Members decided to focus on the schools review including whether the review was addressing all the issues, what part do schools play in the Community, what is the link to other Council plans?
6. At a subsequent informal meeting on 20th July it was decided to proceed on the basis that when proposals from each of the reviews came forward they would be reported to the Strategic Monitoring Committee for consideration and comment. The expectation is that the Committee will be given the opportunity to comment before any formal decision is taken by the Executive.

Issues

7. On 16th March, 2006 Cabinet approved a review of the provision of school places in primary, secondary, and Post 16 phases of education.
8. This decision was taken in light of the falling numbers of children resident in the County i.e. In August 2005 there were 2,137 15-16 year olds in the County but only 1,695 0-1 year olds. The number of 0-1 year olds was projected to fall even further by 2011.

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

9. To achieve a balance between undertaking a thorough review, and minimising the degree of uncertainty, it was agreed that the review should be undertaken in a phased manner looking at 5 areas of the County over a 21 month period. The current timetable of the programme is set out in Annex 1. It is to be noted that a separate review of high school provision is to be conducted in the autumn term.
10. To date 2 initial discussion documents have been issued, the first for the Kington, Weobley & Wigmore areas (Annex 2) the second for the Kingstone & Peterchurch areas (Annex 3). In each of these areas a second document setting out a suggested way forward will be issued in September for a second round of consultation during the autumn term. During this period initial discussion documents will also be issued for the Bromyard & Leominster area, and for the review of high school provision.
11. For each area a small group of members including the Cabinet Member for Children & Young People's, the Chairman of the School Organisation Committee, the Chairman of the Children's Services Scrutiny Committee and 3 Local Members has met to discuss the particular circumstances in each area.
12. In parallel with this work, a consultant was commissioned to review models of cooperation and federation between schools elsewhere in the Country, and to advise on its applicability in Herefordshire. A summary is provided in Annex 4. From this work policies are being developed about 'Council's' policies on when school governors would be expected to consider working more closely with other schools. This will centre around the vacancy of the headship in small schools or when proximity to another school does suggest more efficient management can be provided.
13. Responses to the two consultation exercises has been varied. 32 responses have been received in the Kington, Weobley & Wigmore area but only 3 in the Kingstone & Peterchurch area. However that the latter does contain a combined response for all schools in the Peterchurch Pyramid. Overall there is an acceptance that there is likely to be fewer children in schools in the future, although the possibility of in-migration changing this is raised by a number of people. In principle there is general support / interest in schools cooperating with each other, but this is linked to a concern over the loss of a headteacher and/or governing body. It is expected that the proposal papers will elicit more focused replies.
14. The possibility of wider use of school premises has been raised but there has been no significant identification of use or users over and above that which happens at present which can provide sustainable activity and be compatible with the smooth operation of schools. Again this may appear as the detailed proposals emerge.

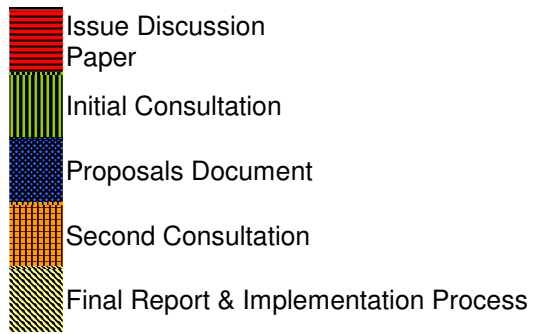
RECOMMENDATION

THAT the report be noted subject to any views the Committee wishes to express on the review, the process and the timetable adopted

BACKGROUND PAPERS

- None

Review by School	Month 2006												Month 2007											
Partnership Area	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Kington / Weobley / Wigmore			Issue Discussion Paper	Initial Consultation	Initial Consultation	Proposals Document		Second Consultation	Second Consultation			Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	
Peterchurch / Kingstone				Issue Discussion Paper	Initial Consultation	Initial Consultation	Proposals Document	Second Consultation	Second Consultation			Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	Final Report & Implementation Process	
Leominster / Bromyard								Issue Discussion Paper	Initial Consultation	Initial Consultation	Proposals Document	Second Consultation	Second Consultation											
Hereford City												Issue Discussion Paper	Initial Consultation	Initial Consultation	Proposals Document			Second Consultation	Second Consultation					
Ross / Ledbury												Issue Discussion Paper	Initial Consultation	Initial Consultation	Proposals Document			Second Consultation	Second Consultation					
All High Schools								Issue Discussion Paper	Initial Consultation	Initial Consultation	Proposals Document	Second Consultation	Second Consultation											



Children's & Young People's Directorate

Review of School Provision

Kington, Weobley & Wigmore Areas

Discussion Paper

Your views on school provision in this area are sought. If you would like to comment on any issue raised in this paper or linked to school provision, please respond by Friday 30th June 2006 either in writing to:

**George Salmon, Head of Commissioning & Improvement,
Children & Young People's Directorate, PO Box 185,
Hereford HR4 9ZR**

or by e-mail to: gsalmon@herefordshire.gov.uk

AIM

This paper has been written and circulated to highlight the falling numbers of pupils in schools in this area, and to aid discussion over the action that should be taken in response to this.

BACKGROUND

In England and Wales generally there are falling rolls in schools. This reflects the demographic pattern following the 'baby boom' in the late 1940's and the subsequent fluctuation in numbers of children in the country (699,200 births in 1991 in E & W 594,634 in 2001 and 639,721 in 2004, and the changing social pattern of women having fewer children (2.95 children per female in 1964, 1.71 in 2003).

There were 2,090 births in Herefordshire in 1991, which fell to 1,693 in 2004 – although this was an increase from a low of 1,567 in 2002, in line with the national trend. There is no evidence that the county has lower fertility rates than nationally, but the older age structure means that a lower proportion of the county's population is of childbearing age than in England & Wales as a whole. The Government Actuary's Dept (GAD) base their fertility rates on the population of women aged 15-44; 17.5% of Herefordshire population are females of these ages, compared to 20.7% of the national population. This proportion is expected to fall to 16.0% in Herefordshire by 2011 (19.9% in E&W), which goes some way to explaining why population forecasts indicate that the number of 0 year-olds in the county will fall to 1,440 from the current estimate of 1,700 (mid-2004).

As a result as at August 2005 there were 2,201 13-14 year olds registered with GPs in the County but only 1695 0 year olds. By 2011 it is projected that the number of 0 year olds will fall to 1,440.

However in recent years the % of children living in the County attending maintained schools in the County have varied between 87% and 95% (rates vary by school catchment area) i.e. not all children living in the County attend maintained schools in the County.

Based on the above, pupil projections indicate that, in September 2015 the reception intake could be approximately 1,300 compared to 1,486 in the academic year 2005/06. At present there is the capacity in schools to take 2,118 children into Reception Classes.

There is additional housing proposed in the Unitary Development Plan up to 2011. The Regional Spatial Strategy also suggests that the rate of house building may increase between 2011 and 2026. However, it is to be noted that 4,372 houses were completed in the County between 1999 and 2005. During this time the numbers of primary school pupils dropped by 1,253.

WHY ARE FALLING ROLLS IMPORTANT?

Herefordshire will receive less money in the Direct Schools Grant from Central Government if pupil numbers drop and schools will consequently receive lower allocations.

Smaller school budgets will lead to fewer staff. Fewer staff threaten the quality of teaching and learning and the breadth of the curriculum on offer.

As budgets reduce, a greater proportion will be spent on fixed costs e.g. rates, heating, lighting, and buildings maintenance.

At the same time the expectations on schools are increasing, higher standards, personalised learning, broader curriculum, extended school services, responsibility for the wider children's agenda.

Falling rolls will not have a uniform impact. The various areas of the County will be affected to different degrees, although the majority of schools are likely to suffer from greater fluctuation from year to year, making planning more difficult.

It is in this context that the review of the provision of schools is being undertaken.

Local Context: Kington, Weobley & Wigmore

The North West of the County is served by two 11-16 High Schools and one 11-18 High School. In the High School Partnerships there are 15 primary schools, 2 of which have half-time local authority nurseries.

Bishop of Hereford's Bluecoat School and St Mary's RC High School provide denominational places for 11-16 year olds although only 28 students from this area currently travel to these on free places. There are 4 voluntary aided and 6 voluntary controlled Church of England primary schools in the Kington, Weobley and Wigmore areas.

Additional facts and figures on the area are set out in the attached appendices.

Primary Sector

The projected number of primary school pupils in this area at January 2011 will be 1,479 compared to a current level at January 2006 of 1,626, i.e. a reduction of 147, pupils, equivalent to 9%

Assuming the current level of DfES funding, and at constant prices it is estimated that the 15 schools in the area would have a budget of £4,258,187 compared to £4,549,187 in 2006/07, equal to a reduction of £291,000. If the same level of expenditure were made on fixed costs as in 2005/06 (premises related costs and headteacher salary), there would be £3,035,591 available for the variable costs in the 15 schools.

Secondary Sector

The projected number of secondary school pupils in this area at January 2011 will be 1,286 compared to a current level at January 2006 of 1,365, i.e. a reduction of 79, pupils, equivalent to 6%.

Assuming the current level of DfES funding, and at constant prices it is estimated that the 3 schools in the area would have a budget of £4,566,375 compared to £4,787,575 in 2006/07, equal to a reduction of £221,000. If the same level of expenditure were made on fixed costs as in 2005/06 (premises related costs and headteacher salary), there would be £3,930,762 available for the variable costs in the 3 schools.

Are we sure that we can maintain and improve the standards in teaching and learning?

There are also more immediate issues, which should be considered in the review.

1. Quality of Teaching and Learning

Generally, the standards of teaching and learning are high. KS1 and KS2 results as a whole are above the County average.

One school has been given 'notice to improve' by Ofsted.

Ofsted Inspections have identified some issues related to children experiencing 'a degree of rural social isolation many come with language skills that are below average (some) have difficulty with articulation as well as with the social component of communication are reluctant to converse other than in monosyllables'.

2. Staffing Issues

The primary schools' budgets are projected to reduce by £291,000 over the next 5 years. Schools may go into deficit over this period unless staff costs are reduced.

Nine out of the 15 primary schools were identified as having possible budget problems in a countywide exercise in Autumn 2005.

One school will be recruiting to the headteacher's post.

3. Wider Role of the School in the Community

Many of the schools have wider uses within the community they serve. Weobley Primary School and Weobley High School have developed as the first 'fully extended' school in the County. However many have a history of wider community use either on formal or informal bases (Shobdon, Brilley, Kington, Lady Hawkins, Wigmore High School). Others have links with playgroups (Leintwardine, Wigmore, Staunton, Credenhill, Kingsland, Shobdon).

A large part of the area has benefited from the Sure Start Programme. The implementation of the second phase of the Children's Centre Programme envisages a Children's Centre in Kington, and outreach working from Leominster.

Eardisley has a Doctors Surgery on site.

4. Catchment Areas

The request to change the provided school designation for Bearwood was deferred pending a review.

There are a number of examples of anomalies in catchment areas, mainly due to historical reasons. For instance, Luston Primary School has a catchment area which in part has Wigmore High School as provided school, and in part The Minster College. Kingsland Primary School has a catchment area which in part has Wigmore High School as provided school, and in part Weobley High School.

5. Quality of School Buildings

The total outstanding maintenance on all schools in the three areas amounts to £2,571,239 with 3 primary schools requiring high levels of maintenance in the medium term.

In terms of the suitability of accommodation, one school has no dedicated hall or library, another has no library and a third has no playing field.

The lack of progress in replacing Staunton on Wye Primary School is of particular concern.

6. Aligning Capacity and Pupils in Catchment

All but 3 schools have a greater capacity than the projected pupil numbers, however five are projected to have a greater disparity (both at least 25% and 30 surplus).

7. Temporary Accommodation

There are 7 temporary classrooms used by Primary Schools, and 7 by High Schools (as at January 2006). All but recent temporary buildings have higher running costs particularly energy. Given the anticipated steep increase in energy prices consideration should be given to removing the temporary classrooms where possible.

Kington District

Pupil Numbers On Roll / Forecast 2006-2011

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Schools	NOR January 2006	Net Capacity	Projected Numbers January 2011	Pupil Percentage Change 2006-2011
Almeley Primary	66	63		
Brilley Primary	31	56		
Eardisley Primary	86	105		
Kington Primary	223	210		
Pembridge Primary	91	95		
Sub-Total	497	529	453	-8.85
Kington Lady Hawkins High	444	510	466	4.95

School Maintenance Costs/Suitability Issues

School	Maintenance Costs		Suitability Issues	
	Cost per Pupil (NOR)	Cost per Pupil (Net Capacity)	Issues per School	No. of Temporary Classrooms
Almeley Primary	£539.10	£564.78	10.00	1
Brilley Primary	£2,320.94	£1,284.80	12.17	0
Eardisley Primary	£1,009.47	£826.81	4.67	0
Kington Primary	£820.60	£871.40	5.57	1
Pembridge Primary	£175.16	£167.79	9.42	0
Lady Hawkins High	£1,212.10	£1,055.24	3.46	2

Weobley District

Pupil Numbers On Roll / Forecast 2006-2011

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Schools	NOR January 2006	Net Capacity	Projected Numbers January 2011	Pupil Percentage Change 2006-2011
Canon Pyon Primary	96	91		
Credenhill Primary	156	210		
Dilwyn Primary	34	56		
Staunton-On-Wye Primary	64	70		
Weobley Primary	180	210		
Sub-Total	530	637	455	-14.15
Weobley High	444	499	392	-11.71

School Maintenance Costs/Suitability Issues

School	Maintenance Costs		Suitability Issues	
	Cost per Pupil (NOR)	Cost per Pupil (Net Capacity)	Issues per School	No. of Temporary Classrooms
Canon Pyon Primary	£192.36	£202.93	6.06	1
Credenhill Primary	£801.95	£595.73	4.00	0
Dilwyn Primary	£1,965.41	£1,193.29	10.13	0
Staunton-on-Wye Primary	£444.05	£405.99	12.07	0
Weobley Primary	£399.55	£342.47	2.87	0
Weobley High	£1,414.52	£1,258.62	3.09	4

Wigmore District

Pupil Numbers On Roll / Forecast 2006-2011

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Schools	NOR January 2006	Net Capacity	Projected Numbers January 2011	Pupil Percentage Change 2006-2011
Kingsland Primary	129	119		
Leintwardine Primary	95	105		
Orleton Primary	184	209		
Shobdon Primary	49	70		
Wigmore Primary	161	210		
Sub-Total	618	713	588	-4.85
Wigmore High	477	450	430	-9.85

School Maintenance Costs/Suitability Issues

School	Maintenance Costs		Suitability Issues	
	Cost per Pupil (NOR)	Cost per Pupil (Net Capacity)	Issues per School	No. of Temporary Classrooms
Kingsland Primary	£226.18	£245.18	3.96	0
Leintwardine Primary	£570.36	£516.04	5.17	1
Orleton Primary	£847.39	£746.03	4.12	2
Shobdon Primary	£448.98	£314.29	10.90	0
Wigmore Primary	£159.43	£122.23	4.23	1
Wigmore High	£868.03	£920.12	3.32	1

NEXT STEPS

Please respond by Friday 30th June 2006

Either in writing to George Salmon
 Head of Commissioning & Improvement
 Children & Young People's Directorate

APPENDIX 3

P O Box 185

Hereford

HR4 9ZR

By fax 01432 260808

Or by e-mail to gsalmon@herefordshire.gov.uk

These responses will influence further debate on the action that should be taken in response to falling numbers of children. This action would be set out in a subsequent paper for further consultation before any action is taken.

Annex 3

Children & Young People's Directorate

Review of School Provision

Kingstone and Peterchurch Areas

Discussion Paper

Your views on school provision in this area are sought. If you would like to comment on any issue raised in this paper or linked to school provision, please respond by Friday 21st July either in writing to:

**George Salmon, Head of Commissioning & Improvement,
Children & Young People's Directorate, PO Box 185,
Hereford HR4 9ZR**

or by e-mail to:

gsalmon@herefordshire.gov.uk

AIM

This paper has been written and circulated to highlight the falling numbers of pupils in schools in this area, and to aid discussion over the action that should be taken in response to this.

BACKGROUND

In England generally there are falling rolls in schools. This reflects the demographic pattern following the 'baby boom' in the late 1940's and the subsequent fluctuation in numbers of children in the country (660,800 births in 1991 and 563,700 births in 2001) and the changing social pattern of fewer women having children, and having fewer children later in life (2.95 children per female in 1964, 1.71 in 2003).

In Hereford this national trend is exacerbated by fewer 20-34 year olds in the population, with over 400 more of the 15-24 year olds leaving the County each year between 2000 and 2003 than moved into the County.

As a result as at August 2005 there were 2,201 13-14 year olds in the County but only 1,695 0-1 year olds. By 2011 it is projected that the number of 0-1 year olds will fall to 1,440.

APPENDIX 3

However only 87% to 95% of children living in the County attend maintained schools in the County.

Based on the above, in September 2015 the reception intake could be approximately 1,300 compared to 1,486 in the academic year 2005/06. At present there is the capacity in schools to take 2,118 children into Reception Classes.

There is additional housing proposed in the Unitary Development Plan up to 2011. The Regional Spatial Strategy also suggests that the rate of house building may increase between 2011 and 2026. However, it is to be noted that 4,372 houses were completed in the County between 1999 and 2005. During this time the numbers of primary school pupils dropped by 1,253.

WHY ARE FALLING ROLLS IMPORTANT?

Herefordshire will receive less money in the Direct Schools Grant from Central Government if pupil numbers drop and schools will consequently receive lower allocations.

Smaller school budgets will lead to fewer staff. Fewer staff threaten the quality of teaching and learning and the breadth of the curriculum on offer.

As budgets reduce a greater % will be spent on fixed costs e.g. rates, heating, lighting, buildings maintenance.

At the same time the expectations on schools are increasing, higher standards, personalised learning, broader curriculum, extended school services, responsibility for the wider children's agenda.

Falling rolls will not have a uniform impact. The various areas of the County will be affected to different degrees, although the majority of schools are likely to suffer from greater fluctuation from year to year, making planning more difficult.

It is in this context that the review of the provision of schools is being undertaken.

Local Context: Kingstone and Peterchurch

The West of the County is served by two 11-16 High Schools. In the High School Partnerships there are 10 primary schools, 1 of which has a half-time local authority nursery.

Bishop of Hereford's Bluecoat School and St Mary's RC High School provide denominational places for 11-16 year olds although only 22 students from this area currently travel to these on free places. There are 2 voluntary controlled Church of England primary schools in the Kingstone and Peterchurch areas, and no Voluntary Aided Primary Schools.

Facts and figures on the area are set out in the attached appendices.

Primary Sector

The projected number of primary school pupils at January 2011 is 931 compared to a current level at January 2006 of 1,078, i.e. a reduction of 147 pupils equivalent to 13.6%.

Assuming the current level of DfES funding, and at constant prices it is estimated that the 10 schools in the area would have a budget of £2,827,085 compared to £3,111,085 in 2006/07, equal to a reduction of £284,000. If the same level of expenditure were made on fixed costs as in 2005/06 (premises related costs and headteacher salary), there would be £1,910,372 available for the variable costs in the 10 schools.

Secondary Sector

The projected number of secondary school pupils at January 2011 is 934 compared to a current level at January 2006 of 1,028, i.e. a reduction of 94, pupils equivalent to 9.1%.

Assuming the current level of DfES funding, and at constant prices it is estimated that the 2 schools in the area would have a budget of £3,169,329 compared to £3,432,529 in 2006/07, equal to a reduction of £263,200. If the same level of expenditure were made on fixed costs as in 2005/06 (premises related costs and headteacher salary), there would be £2,550,381 available for the variable costs in the 2 schools.

Are we sure that we can continue to improve the standards in teaching and learning?

Can resources available be used in more effective ways?

There are also more immediate issues, which should be considered in the review.

1. Quality of Teaching and Learning

The standards of teaching and learning are high. KS1 and KS2 results as a whole are above the County average and in line with local authority averages.

The GCSE results at Kingstone are in line with the local authority averages, whilst at Peterchurch they are well above.

Both high schools have recently undergone an Ofsted Inspection and the outcome of those inspections can inform the review.

Two primary schools have been inspected under the new Ofsted inspection process. One primary school was given 'notice to improve' but that related to the recruitment to headship, which has now been achieved.

APPENDIX 3

2. Staffing Issues

The primary schools' budgets are projected to reduce by £284,000 over the next 5 years. Schools may go into deficit over this period unless staff costs are reduced.

Six out of the 10 primary schools were identified as having possible budget problems in a countywide exercise in Autumn 2005.

Three primary schools have just recruited new headteachers and one is due to complete the process in the next term.

3. Wider Role of the School in the Community

Many of the schools have wider uses within the community they serve. Two schools (Peterchurch Primary School and Michaelchurch Escley Primary School) have formal joint use agreements. In others (Longtown primary School, Much Birch CE Primary School and Kingstone High School) there are facilities on site either managed by or used by external bodies.

4. Catchment Areas

High School provision for the Parish of Moccas has been queried by parents in the past with some feeling that Fairfield High School is the nearest High School.

6. Quality of School Buildings

The total outstanding maintenance on all schools in the two areas amounts to £1,515,052 with 2 primary schools requiring high levels of maintenance in the medium term.

In terms of the suitability of accommodation, three schools have no dedicated library area and six have no dedicated ICT suites. Two schools make use of halls located in an adjacent community centre and one school shares its use of the hall with an attached community centre. Two primary schools have swimming pools on site. Kingstone High School has recently had a new sports hall built; Fairfield High School has recently had a new technology suite built however it has no sports hall and the playing field is detached from the school.

6. Aligning Capacity and Pupils in Catchment

All schools have a greater capacity than the projected pupil numbers, however four are projected to have a greater disparity (both at least 25% and 30 surplus).

Both high schools have significantly higher admission numbers than the number of children living in the area; this leads to a high percentage of out of area children attending both schools. This does need to be addressed in the countrywide review of high schools.

APPENDIX 3

7. Temporary Accommodation

There are 8 temporary classrooms used by Primary Schools, and 7 by High Schools (as at January 2006). All but recent temporary buildings have higher running costs particularly energy. Given the anticipated steep increase in energy prices consideration should be given to removing the temporary classrooms where possible.

8. The Proposed Steiner Academy

A decision from the DfES is expected in mid-June. There is concern that if the proposal is approved, 300 additional places in the maintained sector will be created, which over a 10-12 year period is likely to mean more children resident in the County will attend this school rather than others.

Kingstone District

Pupil Numbers On Roll / Forecast 2006-2011

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Schools	NOR January 2006	Net Capacity	Projected Numbers January 2011	Pupil Percentage Change 2006-2011
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Clehonger C.E Primary	144	175		
Ewyas Harold Primary	98	140		
Garway Primary	80	105		
Kingstone & Thruxton Primary	188	210		
Madley Primary	152	168		
Much Birch C.E Primary	181	196		
Sub-Total	843	993	708	-16.01

Kingstone High	682	680	637	-6.60
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School Maintenance Costs/Suitability Issues

School	Maintenance Costs		Suitability Issues	
	Cost per Pupil (NOR)	Cost per Pupil (Net Capacity)	Issues per School	No. of Temporary Classrooms
Clehonger C.E Primary	£491.94	£404.80	6.39	0
Ewyas Harold Primary	£508.16	£355.71	5.75	1
Garway Primary	£591.23	£450.47	6.86	1
Kingstone & Thruxton Primary	£557.94	£499.49	3.96	2
Madley Primary	£283.74	£256.71	4.85	1

APPENDIX 1

Much Birch C.E Primary	£265.88	£245.53	4.21	1
Kingstone High	£914.28	£916.97	2.26	1

Peterchurch District

Pupil Numbers On Roll / Forecast 2006-2011

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Schools	NOR January 2006	Net Capacity	Projected Numbers January 2011	Pupil Percentage Change 2006-2011
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Clifford Primary	64	70		
Longtown Primary	44	56		
Michaelchurch Escley Primary	49	56		
Peterchurch Primary	78	105		
Sub-Total	235	287	223	-9.49

Fairfield High	346	350	297	-14.16
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School Maintenance Costs/Suitability Issues

School	Maintenance Costs		Suitability Issues	
	Cost per Pupil (NOR)	Cost per Pupil (Net Capacity)	Issues per School	No. of Temporary Classrooms
Clifford Primary	£1,348.86	£1,233.24	6.56	0
Longtown Primary	£558.89	£439.13	6.42	0
Michaelchurch Escley Primary	£532.76	£466.16	5.72	1
Peterchurch Primary	£2,720.64	£2,021.05	7.21	1
Fairfield High	£515.02	£509.13	2.27	6

NEXT STEPS

Please respond by 21st July 2006

Either in writing to George Salmon
 Head of Commissioning & Improvement
 Children & Young People's Directorate
 P O Box 185
 Hereford
 HR4 9ZR

By fax 01432 260808

Or by e-mail to gsalmon@herefordshire.gov.uk

These responses will influence further debate on the action that should be taken in response to falling numbers of children. This action would be set out in a subsequent paper for further consultation before any action is taken.

June 2006

**Organising and Managing Small
Primary and Secondary Schools
during Falling Rolls**

A report by Tom Canham, Education Management Consultant,
commissioned by the
County of Herefordshire District Council

Further information on the subject of this report is available from George Salmon on 01432 260802

CONTENTS

1. Introduction: purpose of the report	3
2. How other UK local authorities have tackled falling school rolls	3
3. Some alternative models for organising, leading and managing small schools in the UK	5
4. Some examples of different practice in the UK	8
5. The Federations Programme of the DfES Innovations Unit	13
6. The NCSL's 2005 study of federations in the Netherlands	15
7. To federate or not to federate: aspects to consider	17
8. How appropriate is federation for Herefordshire ?	21
9. Conclusion	23
10. References	24

1. Introduction: purpose of the report

Herefordshire Council approved a review of school provision across the County, necessitated by the falling roll, in March 2006, and agreed that, amongst other issues, alternative school organisation arrangements would be looked into, including federation and co-operation between schools.

The author was asked to report on how other Local Authorities (LAs) were tackling the issue of falling rolls, on effective models for organising, leading and managing small schools both in the United Kingdom (UK) and elsewhere, including federation, and their appropriateness for Herefordshire.

2. How other UK local authorities have tackled falling school rolls: some examples

Local Authorities appear and to have followed the advice of the Department for Education and Skills (DfES) and Audit Commission in their “Tackling Falling Primary School Rolls” papers^(a), referred to as a “toolkit”. Federation or collaboration have been considered as well as closure and amalgamation of schools, and in some cases services offered by schools have been broadened in line with the “Extended Schools” Government initiative.

Authorities neighbouring Herefordshire have been active in tackling falling roll problems recently. At the time of writing, *Worcestershire* is closing 45 first and middle schools, and opening 30 new ones, in the Wyre forest area, in order to change from a three tier school organisation to two tier, as well as reducing numbers of surplus school places. During consultation with schools, the authority asked schools to consider federations or collaborative arrangements but none responded positively.

One of *Gloucestershire*'s criteria in its recent Area School Reviews^(b) was the aim to “improve collaboration between schools, perhaps through federation, to enhance educational and financial viability”. Recommendations to Cabinet were in several cases the alternatives of closure of a rural school, with the pupils being accommodated at a nearby school, or a federation between the two schools, subject to a proposal coming forward from the schools concerned. In one case savings over five years were calculated as £285,000 from closure or £11,000 per annum from establishment of a federation, but it is not known how a federation might save expenditure for the authority, since schools continue to be funded as separate schools. An officer and a man and has reported informally that schools not at risk of closure have been unconvinced of the advantages for themselves, but are now beginning to show more interest.

Shropshire approved primary school organisation policies in 2004 which were confined to closure or amalgamation. No programme of school review has taken place for some years, but admission numbers are reviewed and reduced from time to time. Officers may look again at policies on surplus places in the near future. There appears to be little interest in federation in the county, but it is not totally unknown in the county: an example is described below.

Monmouthshire has used a pilot collaboration between two small primary schools to ward off closure, but due to falling rolls both schools will close this summer. However, discussions are being held with other schools about alternative arrangements for supporting them during difficult times.

On the opposite side of the country, and massively different from Herefordshire in scale, is *Kent*, but in spite of these dissimilarities it is worth noting Kent's approach to falling rolls. Its primary strategy^(c), agreed with schools, is that primary schools should not generally fall below 100 on roll, in order to avoid having children from three or more age groups in a class. Nevertheless, there currently are 57 schools with 100 or fewer on roll. Wherever surplus places are forecast to rise above 7%, proposals are to be brought forward to reduce them to 5%. It was also agreed that federations should not be used to stop amalgamations or closures if this was a more effective way of dealing with surplus places.

Commentary

Herefordshire Council can be reassured that neighbouring authorities have similar falling school roll problems, but closure and amalgamation continue to be the main approaches used, with federation offered as a possible alternative to closure in the case of one authority.

3. Some alternative models for organising, leading and managing small schools in the UK

Partnerships between schools have been an important element of a good number of the current government's initiatives, but groupings of schools for various joint activities have been happening for many years e.g. small school clusters. The terms "school federation" and "collaboration" are used loosely and variously in current educational literature, and occasionally "confederation" is used. For the purposes of this report, the definitions implied by the DfES in its guidance on statutory regulations^(d) will be employed.

a. Federations

Since September 2003, all categories of maintained school have been able to federate together under one governing body if they wish to do so. They continue to be individual schools, with admissions determined by the appropriate authority, and keep their existing category and any religious character. The governing bodies are required to publish consultative documents, stating for example whether there is to be one headteacher for each school or one for more than one school, and whether any staff will work in more than one school. Schools continue to receive separate delegated budgets, but consider to what extent they wish these to be pooled within the federation. This is sometimes referred to as a "hard" federation, to distinguish it from a collaboration or collaborative (see below).

After consultation, the governing bodies decide whether or not to federate; if so, one governing body is established and the separate ones dissolved. A school can apply to leave the federation, and the governing body has to decide if it should leave or if the federation should be dissolved. A governing body of a federation can dissolve the federation after 14 days' notice.

The DfES Innovation Unit describes federations^(e) as follows:

"A federation is a group of schools, often cross-phase, usually numbering two to five – although some are much bigger. Federations agree to work together for the benefit of all pupils and their school communities. This could entail sharing curriculum, teaching, ICT, sports facilities or even budgets. All of us run schools which have their own particular strengths and advantages. This can be in terms of facilities, staff expertise or local resources. Sharing these assets can help every school make education better for all its pupils."

Further information on the subject of this report is available from George Salmon on 01432 260802

b. Collaboration or collaboratives

Collaboration is a less formal step, sometimes referred to as a “soft” federation. The regulations^(f) permit two or more governing bodies to have any of their functions carried out jointly by joint committees, and to hold meetings of two or more governing bodies. They can have a joint selection committee to appoint a headteacher, but all the collaborating governing bodies must ratify the appointment. There is no duty to consult or inform parents, the LA or other stakeholders, in contrast to the federation regulations.

c. Co-headship

The National College for School Leadership (NCSL), in its paper of this title^(g), uses this term to describe what is basically a job share, but one that has distinct advantages for the school. The NCSL refers to a growing number of LAs that employ two heads to lead schools, providing work-life balance and career refreshment benefits for heads, and a range of benefits for the school, such as better decisionmaking, a greater base of expertise and knowledge, more adaptability to complex demands and better teamwork.

The paper argues that this could be part of an answer to the “grey exodus” problem of heads retiring and proving difficult to replace, as voiced by a number of commentators.

d. Executive headship

This is described by two NCSL papers^{(h)(i)} as situations where one headteacher is asked to take over the headship of another school, in addition to his or her own. In the case of primary schools, the purpose may be to lead a federation or to support another school that is failing, or to cover for a headship vacancy that is proving difficult to fill. In the examples of secondary schools cited, the arrangement was always time-limited, and intended to markedly improve the other school which was failing or had lost public confidence, more quickly than would otherwise be possible.

e. Through Schools covering the 5-16 age range (or similar)

The nearest to examples of such schools in the UK are developments such as Telford’s Hadley Learning Community and Essex’s Chafford Hundred Campus.

The LA website^(j) describes Hadley as a Public Finance Initiative (PFI) development comprised of a new 1200 place secondary school, a new 420 place primary school and a relocated Special school. Community facilities include a crèche, nursery and childcare support, health services for young children, a learning resource centre, 150 seat theatre, café, swimming pool, fitness gym and sport pitches.

The Chafford Hundred Campus incorporates a public library, adult education and community facilities, as well as a nursery, a primary and a secondary school. The two headteachers, assistant headteachers and a business manager (all female) work as one team to create one institution, with primary-secondary “fusion rather than liaison or co-location”. The NCSL study describing this venture emphasises the learning school function that was their prime focus.

Several benefits of cross-phase team leadership are highlighted, including the range of strengths, the scope for developing individual specialisms and expertise, and for trying out different approaches from different practices and traditions. Difficulties faced included the creation of shared understanding (e.g. contrasting behavioural policy expectations), time

needed for meetings and for explaining practice, the challenge for less experienced colleagues of working within a different phase, and problems of inequality in terms of pay and expectations of headteachers and deputies, not to mention the very different daily routines, ethos and expectations of primary and secondary staffs. In addition there was serious doubt whether any team could function with two leaders.

Commentary

Co-headship may be a solution to difficulties in recruiting a headteacher in some circumstances, with some clear benefits to the school. It has no obvious advantage in circumstances of falling school rolls.

Executive headship is a well-tested solution where an experienced and highly competent headteacher is needed to step in to a vacancy whilst continuing to run their own school. It is difficult, however, to see how an arrangement of this kind, where temporary, could help to provide a permanent solution to the problem of falling rolls or of headteacher recruitment.

Both collaboration and federation offer a range of advantages through sharing of skills and expertise, resources and sites, and the opportunity for children to benefit from contact with much greater numbers of others. These could compensate small schools that would otherwise be disadvantaged by a falling roll and reduced resources, enrich substantially the curriculum and professional development opportunities, and would be likely to make headships more attractive and therefore easier for recruitment.

The two examples of closely co-operating schools have the major advantage of new, purpose built and sited premises, with a very creative agenda to pursue. However, neither is a through-school in the strict sense, and it appears from the second example that there are limits to the extent of potential collaboration between different phases. Nevertheless, the substantial merits, in terms of sharing ideas, professional development and resources, and the gains in mutual understanding and continuity of approach, should not be ignored.

4. Some examples of different practice in the UK

Many authorities, if not all, have examples of collaborative arrangements between schools, and some have federations. The examples given are from the DfES websites, but more can be found in Ronald Arnold's recent report^(k).

a. Dorset

The DfES/Audit Commission Toolkit refers to the Dunbury Primary School, which was formed by *amalgamating* (not federating) four village schools in 1993, under one headteacher and one governing body. All the "schools" have e-mail and video-conferencing facilities, which they use to maintain relationships with each other, share ideas and work, and keep in touch. The children go to school in their own village but also travel regularly to study and play together at the other sites. The head and school office are based at one school, but the head works at each of the schools one day a week. Each school has a leader who is responsible to the head for the day-to-day management of staff and pupils in that village.

Extra costs arise due to the head's salary being larger than normal, each of the base leaders is paid two additional points, and transport costs are incurred. However, these bring the benefits of maintaining a school in each village (apart from one of the four that has recently closed without controversy), a large staff appointed to the whole school, with professional

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and social benefits, and a larger peer group for pupils to overcome social problems such as gender imbalance.

b. Kent

The DfES Toolkit reports that all of Kent's 617 schools agreed in 2003 to be grouped into 23 collaborative, cross-phase clusters of between 18 and 40 schools. The aim was to move from a competitive model to one of shared responsibility, based on the following principles:

- No child and no school left to fail
- Every child in a cluster community the responsibility of all the schools, not just one
- A more strategic central LA and more operational accountability at local level
- Head teachers to be joint managers of the whole education service.

Each cluster has an elected board of head teachers who set and monitor an annual cluster plan, in consultation with the other heads, and ensure that the day-to-day work of the cluster follows the direction set by the plan.

As part of the redefinition of the LA, Education Department staff have been devolved to work with the clusters, which are developing into Education Improvement Partnerships. A dedicated extranet has been set up to facilitate communications between the LA, schools and staff. The LA is to become more strategic, providing leadership, monitoring performance, challenging schools and providing intervention that is "swift and decisive, but always proportionate and fair" where necessary.

Kent, like most authorities, has a headteacher recruitment problem, and has decided on a "Grow our own" policy through its Continuous Professional Development (CPD) arrangements. It also urges governing bodies of primary schools to consider appointing single headteachers to two or more schools, in order to get a better quality of candidate. Part of its Primary Strategy⁽¹⁾ is a strong recommendation that headteachers should have at least 50% of their time available for management purposes. Kent supports "hard" federations financially (£200,000 per secondary school federation per annum for two years, rather less for primaries).

c. Norfolk

Norfolk has over 130 primary schools with fewer than 100 on roll, and of these, 40 have fewer than 50 children. In order to provide the best possible opportunities for children to attend a school in their "close local area", and to overcome the difficulties of recruiting and retaining staff, especially headteachers, the County Council has supported the development of Headteacher Management Partnerships^(m). These are in effect collaborations, as described above.

There are 11 such Partnerships currently, and in each case one head leads and manages two schools but the schools retain their separate identities and separate governing bodies. In the terms of the statutory regulations, therefore, these are "collaborations" rather than "federations". In most cases the head of one school has become the head of a neighbouring one, but in three cases the two governing bodies have agreed to appoint a joint headteacher to fill the vacancies in both schools. Ease or directness of travel between the schools is regarded as an important factor.

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Additional funding of £19,422 per year (2005/6), on top of the school's budget share and any savings from not appointing a head, is given to the school with the larger number of pupils as at January. This enables the head to be paid at least two points higher, a full time teacher to be provided for the head's class in both schools, a lead teacher to be identified at each school and the cost of travel between schools to be met.

Governing bodies remain accountable for their own school budgets, but it is becoming common for them to appoint representatives to a joint committee that discusses and monitors the partnership.

Advantages that Norfolk sees are: an experienced headteacher, fulltime teachers for all classes, better staff development and sharing of subject leadership, opportunities for children to take part in activities in both schools, more flexible deployment of staff and better teaching and learning through joint planning.

Two partnerships did not survive, due according to a Norfolk officer to overload for the head in one case, and a substantial imbalance of pupil numbers (80:13) in the other.

d. Northumberland

The Toolkit refers to Northumberland's major reorganisation of schools from three tiers to two, with the intention of encouraging federations where schools continue. Northumberland's School Improvement Adviser reports informally that there are currently two "hard" federations, one being a middle and a high school, with the aim of rectifying under-performance, and the other is comprised of two rural First schools sharing a head.

Three more federations will be starting in September 2006, triggered by problems of headteacher vacancies and under-performance. In one case, one headteacher will be the overall head for five schools as another retires, and in another, one head will lead two schools, with a teacher with a Teaching and Learning Responsibility as the first point of contact on the other site (where the head is not based), but not deputising for the head. Heads do not see distance, even as much as 13 miles between schools, as an issue. The Authority has accepted that it will not make any savings, but neither does it expect to increase its costs.

In the adviser's experience, the attitude of the governors is the key to whether or not the idea will be taken on. Existing collaboration of some kind and mutual trust are important, plus a lot of time given to articulating the vision that the schools want to share. More enquiries are regularly being made by headteachers and governors, and the Authority is drawing up some supportive documentation for those considering federation. Heads taking on federations, in the adviser's view, are reflective practitioners who value the new focus a federation is giving them and draw energy from it.

e. North Yorkshire

The authority supports federations of two primary schools by giving them £10,000 of additional funding in their first year and £5,000 thereafter, plus extra travel costs.

f. Somerset

Michael Carter⁽ⁿ⁾ in 2002 described a federation in Somerset between two schools two miles apart that came into being in order to avoid a closure, but reported that the arrangement was unpopular with some parents and governors, and said to be very difficult to manage. The head reported that no savings were achieved, but possibly extra costs from additional staffing and transport were incurred.

However, there are others that appear to be doing well. An example is the Weston Education Partnership, described in Ronald Arnold's recent report and in Innovations Unit material, comprising four secondary schools and two special schools, led by a Director and governed by a Strategic Management Board (SMB). The latter is composed of all the headteachers, two governors from each school, an LA representative and others, and meets termly. A Strategic Leadership Team is derived from the SMB, but without the governor members, and meets monthly. A range of curriculum, and teaching and learning, targets are pursued, and a notable feature is the Student Parliament, which has a wide and very effective role in the success of the federation.

g. Wiltshire

The DfES Toolkit states that the county's School Organisation Plan includes an expectation that schools with 90 or fewer pupils on roll will consider federation. It goes on to say that following unsuccessful attempts at closing small rural schools, the LA sees collaboration between schools as a key mechanism for addressing the problem of falling rolls. Its preferred option is amalgamation whilst retaining the individual school bases.

To pursue this, it has held seminars for heads and governors of small schools, has set up a part-time dedicated post to broker amalgamations and is providing financial incentives such as protecting existing school budgets for two years, providing a split site allowance and a new school's allowance to fund the head's time and administration in the term before the new school opens. In practice this appears to mean that there will be no financial savings, but considerable benefits are envisaged for the schools and pupils, as identified elsewhere.

Commentary

The advantages of school federations as a way of tackling falling rolls problems, the headship recruitment problem and a means of widening the curriculum and raising school performance are evident here. However, it also seems clear that no savings are generally made through federating, but in most cases extra costs are incurred in staffing and travel.

5. The Federations Programme of the DfES Innovations Unit

Warwick University is engaged on evaluating 10 case studies within this Government grant-aided programme, which is mainly targeted at Key Stage 3 (KS3) pupil groups in secondary schools. Two interim evaluations have been carried out, but the final one will not be published until the autumn of 2006.

a. Warwick University's Second Interim Evaluation^(o)

Three types of federation are identified, according to their *raison d'être*:

- i Arising from locally identified community or educational needs
- ii Established to tackle a significant weakness in one or more schools
- iii Created in order to tackle a need to improve school buildings.

Two main purposes of the federations are discerned: to achieve an improvement in standards, especially attainment, and to promote social and educational inclusion. None has been imposed, for example to reduce school places.

There is no common pattern of leadership, management and governance noted, but amongst both “hard” and “soft” federations there are variations in structures. Leadership in a “hard” federation may be through an Executive Head, Chief Executive or Director, but may be a clear management responsibility or more facilitating, or strategic.

Necessary qualities are underlined. “Where schools come together as equals, they continue [as a federation]”. Communication is seen as vital, needing complex structures and involving all. The “harder” the federation, the more important this seems to be. Trust is seen as key to all federations, and motivation is a mix of altruism in looking for pupil benefits and self-interest in looking for gain for one’s own institution and professional development.

Strong leadership, and strong distributed leadership, seem to be very important, but whilst person specifications may be easily drafted, the legal side of contracts for the Executive Head is unclear and the DfES is said to be considering education and employment law on the matter.

Although the evaluations state that federations are seen as very good value for money, due to the value added by the collaborative initiative and potential economies of scale through central purchasing, they see the appointment of key posts as Executive Head/Director as precariously funded through time-limited DfES grants and resources from other initiatives. The question of whether federations should continue ad infinitum once their objectives have been achieved is unanswered.

b. Nine non-case study (mainly secondary school) federations

These examples from the Innovations Unit show a variety of school mixes in mainly secondary level federations:

Cambridge	5 secondaries, with joint committee of governors.
Chesil	12 primaries, 4 secondaries, 2 specials, 2 juniors, 5 infants, 1 Further Education (FE) college.
Cumbria S. Lakes	8 secondaries, 1 special, 1 FE college.
Gateshead	2 secondaries.
Norfolk	4 secondaries.
Shrewsbury	7 secondaries, 1 special, 2 colleges.
West Sussex	1 secondary, 2 special.
West Wiltshire	1 secondary, 1 special.
Windsor & Maidenhead	5 secondaries, 1 special.

Commentary

In the case of what are mainly secondary school federations, they seem to have come about for specific, time-limited purposes that make a significant contribution to the quality of children's education and indeed appear unlikely to be sustainable once additional funding has run out. Common factors amongst otherwise very varied federations are strong leadership, equal partnerships, very good communications and mutual trust.

6. The NCSL's 2005 study of federations in the Netherlands

Other countries are known to have established federated or similar arrangements, in order to raise standards and/or to reduce the isolation of rural schools. Efforts have been made to collect information from a range of countries, but responses have been very limited. However, the NCSL's 2005 study^(p) of primary school federations in the Netherlands has much useful information.

Reasons for federating included difficulties in recruiting leaders, falling rolls, the threat of closure, and the need for more time for educational leadership at school level. The average federation includes 11 schools. Some have a superintendent, who is an educational professional with responsibility for a strategic overview of the federation, either a principal in charge of each school or what the study referred to as a "more-school head", in charge of two or more schools. Where there was no more-school head or principal on site, there would often be a location leader (a teacher with responsibility for daily contact with teachers and parents).

Benefits reported were the sharing of resources, staff expertise and workload, leadership opportunities for all staff, and personal benefits (e.g. less stress). Key requirements included development of a collective vision, a strong sense of direction and purpose, agreed structures and procedures owned by all, the right leader, clear roles and responsibilities, excellent communications strategies and sufficient admin support. The retention of individual school identities seemed important but the researchers felt this might inhibit collaboration. They recommended creating single-identity establishments composed of separate units.

The more-school heads and superintendents were seen as dynamic, charismatic and dedicated leaders, with a clear vision, and drive and determination to improve standards and effectiveness. They were innovative leaders who were not afraid to take risks.

Possible issues were: getting the balance right between the needs of the federation and of individual schools, staff mobility affecting successful schools negatively, top-down implementation resulting in a lack of shared vision, regret at the distancing of the school board, more structures and rules, an unwillingness to spend funds on management tiers, and previously self-managing heads uncomfortable at having to refer some decisions to a higher tier of management.

Commentary

Although the education system in the Netherlands is rather different from the UK's, it is interesting to see that the use of federations to solve falling rolls and headteacher recruitment problems reflected the rationale expressed by LAs such as Northumberland, Norfolk and Kent. It is not clear, however, whether there is any possibility of dissolving a federation, and if there were, how many would opt to return to single school status.

The description of the more-heads' and superintendents' qualities were impressive, but raise the question as to whether all these qualities were essential to the role, and if so, just how many headteachers are there who are such gargantuans. Or do people grow to fit such roles? Certainly, if a LA was to decide to promote federations, it would be wise to provide some carefully-designed professional development for the task of leading and managing more than one school.

7. To federate or not to federate: aspects to consider

a. Key ingredients for a successful federation

Kent has identified the following factors:

- Sense of shared identity and common purpose
- A strong cohesive leadership across all levels of the schools
- The capacity to deliver (strong management infrastructure)
- A willingness to operate in a united way
- A commitment of both time and resources to ensure federation success.

The Warwick University evaluation described above offered its own observations:

- Equal status for partner institutions
- Communication vital, needing complex structures and involving all.
- Trust
- Motivation

Finally, Ronald Arnold offers valuable advice on setting up federations, as does the NCSL study, and he identified a number of key factors:

- Freedom of choice; no school to be forced into partnership
- Enthusiasm for shared progress
- Willing acceptance of some dilution of autonomy
- Common resolve and sensitivity to the needs of others.

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His advice to LAs is worth mentioning. He values the contribution that LA officers and advisers can provide, given time, and recommends that clear advice services should be established for all. He also suggests the use of current executive heads to help those new to the role, and the provision of case studies from within the authority and elsewhere.

b. Financial implications of federations

The commentaries under sections four and six, dealing with examples in UK LAs and evidence from other countries respectively, indicate that examples of federations in the UK seem in most cases to require net additional funding.

The Standards⁽⁹⁾ website explains that pump-priming grants were given by the Government to the first 37 pilot federations, but have been discontinued since the learning from these projects will enable other federations to set themselves up more economically. Start-up costs will be inevitable, it says, but there will be financial benefits from central purchasing, sharing of facilities and assets, and streamlined leadership and management arrangements. It concludes by saying that individual schools will need to weigh up for themselves the financial implications. The following activities, as a minimum, would need to be costed:

- Staff time, both teaching and administrative, for in-school discussions, research (perhaps including visits to existing federations and travel costs) and paperwork in order to investigate the pros and cons of federating.
- As above, for meetings and other exchanges with staff and governors of possible partner schools, plus travel costs.
- External guidance and support from a dedicated LA adviser or similar.
- Extra cost of higher salary for lead headteacher, and extra administrative support.
- Probable salary increase for staff in charge of other site(s) (if this is an additional responsibility).
- Increase in teaching staff costs if a teaching head no longer teaches a class as a result of taking on leadership of the federation.
- Travel costs between sites for lead headteacher.
- Travel costs between sites for staff and children, if the federation is to genuinely offer wider opportunities for pupils, sharing of all resources, and greater scope for professional development for teachers and other staff.

The saving of a headteacher's salary can of course be set against some of these costs if a headteacher's post is not filled. Some savings may be made as a result of economies of scale in purchasing equipment and materials, but these are unlikely to be very significant unless more than a handful of schools are federating. Should actual savings be made – which seems most unlikely – they would be savings for the school budgets concerned, not the authority, since each school in a federation continues to receive its normal budget share from the authority.

There is very little statistical evidence of federations' performances to weigh up against extra costs. Kent refers to a DfES analysis of performance in national pilot federations that, when compared to the national average, the percentage of 15 year olds achieving 5+ A*-Cs at GCSE or equivalent in 2004 increased by 2.3%. However, a better performance at GCSE is not mentioned amongst the benefits quoted on the Standards site. Nevertheless, the benefits experienced for pupils and teachers in existing federations are generally quoted as substantial.

c. To collaborate or federate ?

The question arises as to whether federation, or a "softer" form of collaboration between schools, should be encouraged. The crucial distinctions are as follows in this simplified version of DfES guidance :

Nature of joint working	Governance	Staff sharing	Budget
Federation (sometimes referred to as a "hard federation")	Single governing body for all schools	Shared management appointments made	Each school has its own, but single governing body can make budgetary decisions for the schools
Formal collaboration (sometimes referred to as a "soft federation")	Separate governing bodies but joint committee with delegated powers	Shared management appointments made, but agreed protocol/contract to formalise commitment	Budgetary powers can be delegated to the Joint Committee
Informal collaboration	Separate governing bodies, & informal joint meetings	Unlikely to have shared management appointments	Schools can commit to joint expenditure, but need own governing bodies' approval

It is plain that creating a federation is a much bigger step, but the resulting joint enterprise will be able to plan, take decisions and act much more quickly and confidently. Not surprisingly, Kent has opted for hard federations as its preferred model for its clusters.

An alternative approach would be to begin with a collaboration, and develop it into a federation at a later stage.

d. Process and time required for setting up a federation

The process is straightforward, as follows:

- schools agree informally to look into the option of federation
- if all in favour, an agreed report goes to each governing body
- if all governing bodies agree, a formal proposal for consultation with all relevant persons is drawn up
- at least 6 weeks must be allowed for comments
- a joint meeting of governing bodies considers responses
- individual governing bodies decide whether they wish to proceed
- if so, the LA is informed, an instrument of government has to be submitted to the LA for technical approval
- the federation governing body is appointed/elected, and the individual governing bodies are dissolved.

The DfES has calculated that this will take between 25 and 56 weeks, taking account of factors such as the timing of holidays and whether or not decisions are taken at regular or special governing body meetings. This does not include early discussions leading to schools' informal agreement to take it forward, which could add some weeks or possibly months. Netherlands federation leaders in the NCSL study suggested allowing two to three years for setting up, and put great emphasis on careful discussions about structure, finance, and what they described as the emotional consequences of federating.

It is interesting to note that setting up a Trust school appears to be a simpler, and quicker, process. A governing body has to find a partner and decide to go ahead, must consult with parents and other stakeholders, consider responses, and then if it decides to proceed must publish formal proposals. At the end of the public consultation period, it may decide to become a Trust school. A local authority can then object, but only on limited grounds. The formal part of the process appears to take from 12 to 20 weeks, including achieving Foundation status (which can run parallel with Trust consultations).

e. Pay and conditions of service for lead headteachers

Mention was made above of the DfES considering education and employment law relating to headteachers leading more than one school. Local authority officers report informally that pragmatic solutions are found to the question of appropriate contracts and conditions of service, through the detail of letters of appointment and partnership agreements between governing bodies that set out expectations such as the time a head will spend on each site. Pay is usually related to the number of pupils overall in the federation, and LAs seem prepared to underwrite the federated element of the head's pay, should the federation eventually be dissolved.

f. Ofsted inspections

Norfolk report that Ofsted agreed to inspect both partner schools of one of their Headteacher Management Partnerships in the same week, with a good outcome for both. The Standards site states that the DfES is looking at the possibility of joint inspections in the future, so that a federation may be inspected as a whole. While separate inspections of federated schools continue, it is difficult to escape the conclusion that the lead headteacher will need to oversee

the development of a SEF for each school, and be the main respondent to the inspection team during the event.

8. How appropriate is federation for Herefordshire ?

Herefordshire is sparsely populated. 76% of its primary schools are rural, a figure exceeded only by Rutland and the Scilly Isles^(v). It has only 28 primary pupils per square mile, almost the lowest in the UK^(s). 37 of its 84 primary schools have fewer than 100 on roll, and several of its 14 secondary schools have fewer than 400. Not only are children “thin on the ground” in the schools, schools are also relatively few and far between. Rural primaries are often about four miles apart as the crow flies, but a lot further by roads, which are sometimes very narrow and used by slow agricultural vehicles. Neighbouring rural secondaries are between 12 and 25 miles apart.

With this background, it might be tempting to suggest that federating schools would face considerable practical difficulties. However, this could be shortsighted, for several reasons:

- Developments in ICT such as video-conferencing and student use of laptops open up a range of possibilities for powerful electronic links between schools wherever they are, enriching the curriculum and providing new opportunities for pupils.
- The very isolation of the communities that the rural school serves is a cogent reason for linking it to others and to provide a much wider community of adults and children to learn from. With only 0.9% of the county’s population in ethnic groups other than “white” (compared with 8.7% nationally)^(t), Herefordshire children are unlikely to have experience of other racial groups. Not only is isolation a Herefordshire feature, but so is low average pay (20% lower than the national average in 2004)^(u). Families are less likely to be able to afford some of the cultural enrichment their counterparts in other counties enjoy, such as cinema and theatre visits, trips to theme parks and exhibitions, and holidays abroad.
- Research shows that federation between voluntary partners can be highly motivating and renewing: practical difficulties such as travel are there to be overcome, whether by volunteers, shared public transport, teacher exchange or some other means.
- Herefordshire schools already manage to collaborate in their “pyramids” – clusters of schools each composed of a secondary school and its feeder primaries – and no doubt in other ways.

Action as to be taken to attract high quality candidates to small school headships, and to enable shrinking schools to maintain an adequate curriculum whilst satisfying other needs such as meeting the requirements of Every Child Matters and the Extended Schools agenda, and responding to the Government’s expectation that schools need to work closer together. Evidence reported above shows that federation can help to solve these problems, but Kent’s approach of “growing its own” heads also merits consideration.

The financial aspect may be the most difficult for the authority. Since Government grant to LAs reduces as pupil numbers fall, fixed costs must absorb a higher proportion of spending unless accommodation can be put to other uses or be taken out of use. Finding extra funds to support federations in these circumstances will be very challenging.

Further information on the subject of this report is available from George Salmon on 01432 260802

9. Conclusion

This report has demonstrated that :

- falling rolls and headteacher recruitment are a common problem for those managing education, both across this country and beyond;
- similar approaches are adopted to tackle the problem;
- federation between schools is successfully used in this country and elsewhere, and sometimes to alleviate the effects of falling rolls and/or to solve the problem of headteacher recruitment;
- successful federation can have substantial benefits for children's education, teachers' professional development and for communities' learning and facilities;
- federation is only appropriate and successful in the right circumstances, and will not be right for some schools and communities;
- effective federation will require net additional expenditure.

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