

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday, 16th July, 2007 at 10.00 a.m.

Present: Councillor PJ Edwards (Chairman)
Councillor WLS Bowen (Vice-Chairman)

Councillors: PA Andrews, WU Attfield, KG Grumbley, TM James,
SJ Robertson, RH Smith and JK Swinburne.

In attendance: Councillors AJM Blackshaw, H Bramer, JP French and RJ Phillips

7. APOLOGIES FOR ABSENCE

Apologies were received from Councillor R.I. Matthews.

8. DECLARATIONS OF INTEREST

There were no declarations of interest.

9. MINUTES

A revised set of Minutes had been circulated prior to the meeting. At the meeting a further amendment to the wording of Minute 2: Declarations of Interest was accepted and a further set of Minutes incorporating this further amendment prepared for signature by the Chairman.

RESOLVED: That the revised Minutes of the meeting held on 13th June, 2007 2007 as amended be confirmed as a correct record and signed by the Chairman.

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

There were no suggestions from members of the public.

11. INTEGRATED PERFORMANCE REPORT

The Committee considered progress in the first two months of the operating year 2007-08 against the Annual Operating Plan 2007-08 together with corporate risks and arrangements for future performance reporting.

The report also provided an update on the end of year 2006/07 performance position.

The Head of Policy and Performance presented the report commenting on the final outturn on 2006-07 performance and describing the intention to revise the system of performance reporting. This aimed to enable the Council to focus more effectively on its own performance, separating out indicators on which Cabinet led, and which would be reported in detail to Cabinet, from indicators where partners led. The Herefordshire Partnership Performance Management Group would receive a full

report on the detailed partnership indicators. The revised system would assign clear responsibility for performance management to each of the partner organisations including the Council. Cabinet would receive an update on performance as part of the Integrated Performance Report providing a full picture on progress towards achieving the targets of the Local Public Service Agreement, Local Area Agreement and Herefordshire Community Strategy.

The Integrated Performance Report would in future also include as a matter of course performance against indicators not in the Annual Operating Plan but against which the Council was externally judged. These included Best Value Performance Indicators, Performance Assessment Framework Indicators and those used in the Comprehensive Performance Assessment.

The Head of Financial Services presented the corporate risk register noting the intention to provide more detail in future reports on the action being taken to address risks.

In the course of discussion the following principal points were made:

- The Head of Policy and Performance confirmed that, although not shown in the appended flowchart depicting the revised performance reporting process, the process did provide for the Strategic Monitoring Committee to continue to receive the Integrated Performance Report after Cabinet.
- The continuing pressure on the adult social care budget (CR2) was discussed. The Leader of the Council reiterated that this was a national issue. Complications were also created by Government increasing spending on the National Health Service but not similarly increasing allocations to Local Government for social care. The Chief Executive commented that the indications were that for 2008/09 grant to local government would be increased by 2.4% but that was coupled with a requirement for 2.5% efficiency savings meaning a real term decrease in funding.
- In relation to CR4: maintaining the Council's Comprehensive Performance Assessment Rating and moving from improving adequately to improving strongly the Chief Executive explained that the star rating could be retained in 2009 provided performance improved in key service areas. The 2005 Corporate Assessment had been influenced by the "staying safe" element of the Joint Area Review. This score had now increased from 1 star to 3 star although the Audit Commission and other inspectorates were continuing to focus on all elements of the Council's performance.
- A Member noted the potential for unforeseen problems to arise, which could affect performance.
- On CR9 the delivery of the Local Area Agreement (LAA) the register indicated that a more detailed description of the control measures was needed and it was asked what these were. The Chief Executive said that the Council was graded Green by the Government Office West Midlands for performance against the LAA performance indicators and for the Agreement's governance and performance monitoring arrangements. Only one other Authority in the Region had achieved that grading. However, the monitoring regime was expected to become tougher and the Council would need to pre-empt the expected requirements.
- It was noted regarding CR13 on the implementation of the Accommodation Strategy that it was now envisaged that a report would be made to Cabinet in

September.

- CR 16 relating to Waste Management and the major challenge this represented was also discussed.
- The addition of a new risk (CR 24) relating to phase 4 of the Herefordshire Connects Programme and the need to keep a careful eye on progress was noted. The interrelationship of CR24 with CR21 also relating to the Herefordshire Connects Programme was raised. CR3, also about Herefordshire Connects, was also discussed. In response to a question the Chief Executive outlined progress and the intention that it would shortly be possible to take a number of important decisions enabling the project to progress. An update would be provided to Cabinet in September.
- It was proposed that the format of the risk register should be revised so that where there was action to be taken it was clearly shown who was responsible for taking that action and to what timescale.
- The issue of the timing of performance reports to the Committee was discussed. It was recognised that it was inevitable that, because the reporting procedure required that performance reports went first to the relevant Cabinet Member, by the time Strategic Monitoring Committee received the report it would be out of date to some extent. The Chief Executive noted that there was an ongoing discussion with the Audit Commission over the Committee's role in performance management. The timing issue made it difficult for the Committee to assess performance in detail, although the Commission's view was that that should be its role. His view was that the emphasis should rather be on the Committee satisfying itself that the performance management systems were operating effectively.

RESOLVED:

That (a) the report be noted;

and

(b) it be requested that the format of the risk register should be revised so that where there is action to be taken it is clearly shown who is responsible for taking that action and to what timescale.

12. MANAGING PERFORMANCE MANAGEMENT

The Committee considered progress against the action plan developed as the Authority's response to the Audit Commission's audit of its performance management arrangements in the autumn of 2006.

The draft action plan had been presented to the Committee in January 2007. The Head of Policy and Performance presented the report setting out progress against each of the Commission's recommendations. He noted that particular risks remained around recommendation 5 relating to the integration of the Council's own planning and performance management arrangements with key partners in the Herefordshire Partnership. However, although there had been a number of unexpected developments he did not expect any key deadlines in the action plan to be missed.

Regarding recommendation 6 about developing a simpler, clearer set of priorities he noted that the timetable for the development of the Corporate Plan had been revised to allow the new Council to decide its priorities and to allow account to be taken of the refreshed Local Area Agreement.

Recommendation 1 referred to developing a communication plan for the Council's performance management arrangements. This was also referred to in recommendation 2. It was noted that this plan was yet to be developed but the recommendations would be implemented by the end of the year.

In the course of discussion the following principal points were made:

- That consideration needed to be given to how the performance management culture could be embedded with Members, noting the role the Members Development Working Group might previously have played. It was suggested that the recent seminar on Performance Management should be repeated and a wider programme developed.
- That the Council needed to be cautious about focussing too much on process and structure rather than on delivery.
- The Chief Executive noted that whilst local government performance generally had improved this was not the public perception. It was suggested that this again highlighted the importance of effective communication.

RESOLVED: That the report be noted and a further progress report considered in six months time.

13. PAY AND WORKFORCE DEVELOPMENT STRATEGY

The Committee considered the Pay and Workforce Development Strategy for 2007-2010.

The Head of Human Resources presented the report. He reminded the Committee of the achievement of a number of key objectives in the preceding 2005-08 Strategy; referred to performance compared with other authorities in 2006/07; and highlighted the objectives of the 2007-2010 Strategy.

In the course of discussion the following principal points were made:

- In response to a question the Head of Human Resources confirmed that the Strategy took account of the findings of the external inspection of Learning Disability Services.
- The approach to flexible working was discussed noting the range of associated issues.
- The issue of retaining graduates in Herefordshire was discussed.
- A question was asked about the level of sickness absence and the reasons for it, suggesting that at 8.41 days a year this was still high. It was said that the last Employee survey had suggested that sickness absence had been due in part to unhappiness at work and this in part stemmed from a lack of recognition. The Head of Human Resources replied that the Council was in the top quartile of

performance and referred to the actions in the Pay, Reward and Recognition theme in the Strategy. He also drew a distinction between short term and long-term sickness noting the support offered to those with long-term sickness to enable them to return to work.

- The plans for the extension of the hours during which the Council's services were publicly available and the associated issues were discussed.
- It was asked whether the effects on morale of job evaluation had diminished. The Head of Human Resources said that the Employee survey suggested that they had.
- The Leader of the Council said that the profile of Human Resources had been raised and issues taken seriously. He questioned why the Council was not seen as the employer of choice for more people in the County given the comparatively favourable rates of pay.
- The importance of the Council attaining the Investors in People Standard was emphasised and it was proposed that particular emphasis should be placed on this.

RESOLVED:

That (a) the Pay and Workforce Development Strategy 2007-10 be noted;

and

(b) to recommend that particular emphasis be placed on the need to attain the Investors in People Standard to help support continuous performance improvement.

14. HEREFORDSHIRE COMMUNITY STRATEGY DEVELOPMENT PLAN

The Committee considered the development and monitoring arrangements in place for the Community Strategy Development Plan and its future development.

The Herefordshire Partnership Team Manager presented the report. She explained that the Development Plan contained the detailed actions designed to achieve the Herefordshire Community Strategy. An important feature was the way in which it combined existing plans into one document and linked them to the plans of other local organisations. The first Development Plan had been produced for 2006/07. An action plan for 2008-2011 was now being developed in conjunction with the redevelopment of the Local Area Agreement. There were a number of ways in which the Committee could be involved in the action plan's development and monitoring.

- It was proposed that the Committee should consider the draft action plan and the end of year report on the action plan.
- It was also suggested the role of Parish and Town Councils should not be overlooked and they should be invited to contribute to the development of the Action Plan.
- The Leader of the Council suggested that the scrutiny committees might wish to consider inviting Partners to appear before them to discuss how they were allocating resources to achieve the priorities the Action Plan and assessing progress.

RESOLVED:

- That (a) **the draft Action Plan should be considered by the Committee in early 2008;**
- and**
- (b) **the annual end of year report on the action plan should also be reported to the Committee.**

15. NEW PROCUREMENT STRATEGY

The Committee considered the Council's new procurement Strategy.

The Strategic Procurement and Efficiency Manager presented the report. He explained that it encompassed and reinforced all the relevant corporate policies relating to procurement but was not a procedure manual. He noted the importance of the strategy in maximising savings and the relevance of this to external judgments on the effectiveness of the Council's use of resources

It was reported that Cabinet had adopted the Strategy as a framework document pending further comparative work with other similar local authorities.

In the course of discussion the following principal points were made:

- That the Committee would like the document to be made more user friendly and establish appropriate discipline whilst retaining some flexibility. It was noted that some typographical amendments were also required.
- There had been evidence in the past of a loss of efficiency and failure to realise the benefits of economies of scale because of departments operating in isolation from one another in procurement. It was suggested that the section on departmental procurement should therefore be strengthened. The Strategic Procurement and Efficiency Manager commented that this point was being emphasised and communicated across the Council. The need to identify and meet the training and development needs of staff involved in procurement many of whom were not purchasing professionals was also recognised in the Strategy.
- It was asked what progress had been made in addressing the particular issues with IT procurement across the Council which the Committee had previously discussed. It was advised that to a large extent these had been overcome, with a project plan, a business case, benefit analysis and an exceptions procedure required to justify procurement, although this was not to say that there were not still some problems to overcome.
- The importance of the Strategy's contribution to the cashable savings it was expected the Council would be required to make under the government's comprehensive spending review 2007 was noted.

RESOLVED: That the Committee's observations on the Strategy be noted.

16. WORK PROGRAMMES

The Committee considered the Scrutiny Committees' current and future work programmes.

RESOLVED: That the current Work Programmes serve as a basis for further development.

17. SCRUTINY ACTIVITY REPORT

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

The meeting ended at 11.50 a.m.

CHAIRMAN