A G E N D A

Strategic Monitoring Committee

Date:	**Monday, 16th July, 2007**
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:

Tim Brown, Democratic Services, tel 01432 260239

e-mail tbrown@herefordshire.gov.uk

County of Herefordshire District Council

HEREFORDSHIRE
COUNCIL

AGENDA
for the Meeting of the Strategic Monitoring Committee

To: **Councillor PJ Edwards (Chairman)**
Councillor WLS Bowen (Vice-Chairman)

Councillors PA Andrews, WU Attfield, SPA Daniels, KG Grumbley, TM James, RI Matthews, SJ Robertson, RH Smith and K Swinburne

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 13th June 2007.

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.   **INTEGRATED PERFORMANCE REPORT**

To report progress in the first two months of operating year 2007–08 against the Annual Operating Plan 2007-08 together with corporate risks. The report also provides an update on the year end position.

6.   **MANAGING PERFORMANCE MANAGEMENT**

To report progress against the action plan that was developed as the Authority's response to the audit of its performance management arrangements in the autumn of 2006.

7.   **PAY AND WORKFORCE DEVELOPMENT STRATEGY**

To consider the Pay and Workforce Development Strategy for 2007-10.

8.   **HEREFORDSHIRE COMMUNITY STRATEGY DEVELOPMENT PLAN**

To consider the development and monitoring arrangements in place for the Community Strategy Development Plan, and its future development.

9.   **NEW PROCUREMENT STRATEGY**

To consider the proposed new Procurement Strategy. **(Report to follow)**

Agenda Item 9 - late report - New Procurement Strategy

The attached report for agenda Item 9 was issued to members of the Committee with the agenda.

10.   WORK PROGRAMMES

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

11.   SCRUTINY ACTIVITY REPORT

To consider the work being undertaken by the Scrutiny Committees.

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

The Public's Rights to Information and Attendance at Meetings

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- 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.

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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 Wednesday, 13th June, 2007 at 10.00 a.m.

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

                        Councillors: PA Andrews, WU Attfield, SPA Daniels, KG Grumbley, TM James, RI Matthews, SJ Robertson and RH Smith

In attendance: **Councillors: AJM Blackshaw (Cabinet Member - Economic Development and Community Development), JP French (Cabinet Member Corporate and Customer Services and Human Resources), JA Hyde (Cabinet Member Children's Services) and RJ Phillips (Cabinet Member – Corporate Strategy and Finance)**

1.   APOLOGIES FOR ABSENCE

Apologies were received from Councillor JK Swinburne.

2.   DECLARATIONS OF INTEREST

(Councillors PA Andrews, SPA Daniels and PJ Edwards, declared a personal interest in agenda item 6: Final Revenue and Capital Outturn 2006/07 in relation to Hereford City Council's stated intention not to pay their contribution towards parks and countryside services.)

3.   MINUTES

> **RESOLVED: That the Minutes of the meeting held on 13 June 2007 be confirmed as a correct record and signed by the Chairman.**

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

The Committee considered how the register of complaints might be used to identify issues for the Committee to investigate. It was recognised that it was important to focus on any overall trends rather than being drawn into the detail of individual complaints. The annual report on complaints would therefore be scrutinised to identify whether there were any such trends which merited investigation.

5.   INTEGRATED PERFORMANCE REPORT

The Committee considered performance for the whole of the operating year 2006-07 against the Annual Operating Plan 2006-07, together with corporate risks.
The report also covered the full set of Best Value Performance Indicators (BVPIs) and the progress being made against the Council's Overall Improvement Programme.

The report to Cabinet on 7 June 2007 was appended to the report.

The Head of Policy and Performance presented the report. He circulated a chart showing the Council's scores under the Comprehensive Performance Assessment (CPA) in 2005 and 2006 and the target scores which had been set for 2009. He said that the Council was not yet performing well enough nor could it demonstrate a pattern of continuous improvement. The target scores for 2009 were designed to ensure that the Authority obtained a three star rating and was ranked as a Good authority under the CPA framework.

In response to a question he confirmed that the Authority's CPA rating, was currently 3. However, this could be seen a 'protected' position. The Authority had been one of the first to be assessed under the CPA "harder test" regime in 2005 and has been rated 2* overall. Under the Audit Commission's rules, it was entitled, like all the other authorities whose scores had dropped, to retain the higher rating attained under the 2002 CPA, until every authority had been assessed under the 'harder test'. At that stage the Authority would have to have improved or drop to a 2* rating when all assessments were reconciled and new consistent ratings published. Results of authorities under the "harder test" to date showed a mixed pattern with both improvements and reductions in ratings.

The Director of Corporate and Customer Services noted that the assessment regime was to change again to become a Comprehensive Area Assessment. This would be a broader assessment of both the Council and its partners. The new assessment framework would also place an emphasis on the public's perception of performance.

Turning to the Integrated Performance Report the Head of Policy and Performance reported that of the full set of strategic performance indicators 33 were identified in the red category (not achieved or, where no end of year outturn had been reported, latest data indicated that the target would not be achieved).

Of the Best Value Performance Indicators, 62% were improving and 27% deteriorating.

The Government Office for the West Midlands (GOWM) had also confirmed that the Minister had decided that the GOWM-led improvement board for Children and Young People would continue to oversee the Council's progress for the next six months.

The Head of Policy and Performance also highlighted the importance of performance against the indicators included in the Local Public Service Agreement (LPSA2G) and the Local Area Agreement (LAA). He added that although performance had generally improved against the LPSAG2 targets 11 of 31 indicators were in the red category because the annual target had not been achieved. In come cases whilst there had still been improvement this had been insufficient to achieve the stretched target set under the Agreement.

In the ensuing discussion the following principal points were made:

- It was asked whether the targets HCS 33-35, aimed at reducing the days of schooling missed, were in effect about reducing truancy. It was noted that a recent police exercise in North Herefordshire had identified some 80 truants.

  The Committee was informed that there may be additional factors affecting performance against this indicator, in particular in the case of HCS 35 relating to looked after children. However, truancy was the main reason. The Education Welfare Service was seeking to improve the position. One issue was the need to improve the speed with which schools notified the Council of absences, to enable

prompt action to be taken. It was concluded that this issue might merit further consideration as part of a work programme.

- The Committee noted that the Commission for Social Care Inspection had published the results of its inspection of the Council's services for adults with learning disabilities and that an action plan had been prepared in response.

- Performance against the LPSAG2 and LAA was questioned. It was asked why in the LPSAG2 11 indicators were now marked red compared to 5 at the end of January 2007 and why in the LAA 29 indicators were now marked red compared to 8 at the end of January.

- The Head of Policy and Performance said that this area of performance merited detailed consideration. Some of the LPSA targets could only be recorded at the year end. Whilst progress had appeared to be satisfactory the outcome had not been as expected. However, the LPSA was a three year programme the end of the second of which had now been reached. It was considered that some targets were recoverable – for example those relating to days of schooling missed. However, it had to be recognised that target HC 45 relating to reducing the number of violent crimes may not be achieved. Work was planned to look at policing and the actions of the Council and its other partners with a bearing on this target. It was noted that the future requirement under the Police and Justice Act for the Council's scrutiny function to scrutinise Crime and Disorder Reduction Partnerships would be relevant. It was concluded that this issue too would merit consideration as part of the work programme.

- Regarding target HCS 15 (number of emergency unscheduled hospital day beds occupied by a person aged 75 and over) the Committee noted that the Government had issued a new definition of the target criteria. Discussions were continuing with GOWM about resetting the LPSA target to allow account to be taken of this change.

- In relation to the LAA the Head of Policy and Performance advised that to an extent the number of targets marked red at the year end might be expected to increase as what appeared satisfactory activity during the year ultimately failed to achieve the target. He added that it was difficult to identify a particular problem area of service, some had under-performed, others had improved but had not reached the target set. There were issues to address across the range of indicators.

- The Director of Policy and Community commented on the importance of securing the performance reward grant available under the LPSAG2. Action was being taken to establish the reasons why progress was not being made as expected and to consider whether reallocating resources would help to achieve the targets.

- On behalf of the Cabinet it was stated that the importance of achieving the targets and securing the performance reward grant attached to the LPSAG2 was recognised. The targets were, however, ones which the Council should be seeking to achieve irrespective of the associated grant. The Executive would negotiate with GOWM where GOWM changed the definitions of targets. The Committee's challenging approach to performance in this area was welcomed.

RESOLVED:

That (a)   performance for 2006-07 and the Best Value Performance Indicators be noted;

and

(b)　　**consideration be given to requesting further detailed information on areas of concern identified above as part of developing future work programmes, in particular the overall approach to delivering targets in the Local Public Service Agreement and the Local Area Agreement.**

6.　　**FINAL REVENUE AND CAPITAL OUTTURN 2006/07**

(Councillors PA Andrews, SPA Daniels and PJ Edwards, declared a personal interest in agenda item 6: Final Revenue and Capital Outturn 2006/07 in relation to Hereford City Council's stated intention not to pay their contribution towards parks and countryside services.)

The Committee considered the final revenue and capital budget outturn for 2006/07.

The report to Cabinet on 7 June 2007 was appended to the report.

The Head of Financial Services presented the report. He highlighted that the overall position was an underspend of £3.197m on the Council's 2006/07 revenue account. This was good news, improving the Council's financial standing, one of the themes in the Audit Commission's Use of Resources Assessment.

He commented on some of the key variations between outturn and budget for each Directorate and the carry forwards approved by Cabinet in support of corporate priorities.

He also commented on the level of the Council's reserves and the establishment of new specific reserves.

The significant amount of slippage on the Capital Programme was also highlighted.

In the ensuing discussion the following principal points were made:

- In reply to a question the Head of Financial Services confirmed that the £274,000 underspend on the Environment revenue budget had not been ringfenced. The Director of Environment had decided that the whole sum should be added to the waste reserve.

- Asked about the adequacy of the Adult and Community Services budget the Head of Financial Services commented on the significant pressures associated with residential placements as well as the service redesign work being undertaken from 2007/08 using the additional £2.7m budget allocation. There will be a need to determine the overall position especially around the poled budget arrangements with the Primary Care Trust under the Section 31 arrangements.

- The underspending on school transport was discussed. The Head of Financial Services said that savings had been achieved as a result of a review of school routes. Further savings, although not as significant, were expected in 2007/08. A Member expressed some concern about arrangements in North Herefordshire.

- The Leader of the Council commented on the failure of the Government's Comprehensive Spending Review to recognise the pressures on social care funding in contrast to its increased expenditure on the health service. He

suggested Members should encourage local Parish Councils to lobby MPs.

- In presenting the report the Head of Financial Services had referred to the significant level of balances held by schools. He had also noted that whilst revenue balances showed a reduction over the year, capital balances had increased significantly. He had a concern that one reason for this was might be because schools were seeking to avoid the revenue clawback rules the Council had indicated it would use if balances did not reduce. It had also to be borne in mind that national funding rules did not permit balances transferred to capital to revert to revenue. Some concern was expressed about the Council's ability to clawback money from schools. It was requested that it be established whether any other authorities were pursuing or had pursued this course.

- A question was asked about the expenditure on ICT Services noting the deficit on the trading account, activity related to Herefordshire Connects and that some capital expenditure had been incorrectly included in the revenue budget.

  The Cabinet Member (Corporate and Customer Services) said that similar programmes to the Herefordshire Connects Programme had already been delivered successfully in other areas. The Council was drawing on external expertise to ensure the processes being followed were challenged. There were some transitional issues regarding the ICT budgets which needed to be addressed.

  The Director of Corporate and Customer Services emphasised the distinction between the Herefordshire Connects Project, which was a business transformation project with its own budget, albeit underpinned by technology, and the ICT budget. The Strategic Monitoring Committee's Review of ICT Services had identified the need to change the way ICT Services finances were accounted for and this had been accepted by the Executive. An update on progress in response to the Committee's Review was scheduled in the Work Programme. In response to a further question she gave Waltham Forest and Trafford as examples of Schemes where transformation projects had been successfully implemented.

- A question was asked about the improved performance in benefit processing times which had generated increased subsidy from the Department of Work and Pensions (DWP). The Head of Financial Services clarified that the reference to local authority error in the report reflected the DWP's terminology and in fact referred to processing time rather than inaccuracy in benefit calculation. The improvement was reflected in performance against the targets set out in the Integrated Performance Report. One of the approved revenue budget carry forwards was to support further improvement in performance.

- The overspend on administrative buildings and the underspend on industrial estates and retail properties was queried and it was agreed that a written answer would be provided.

- It was asked whether capital receipts were sufficient to cover the Council's commitments. The Head of Financial Services said that he considered the position to be favourable but that future allocations would be required to support capital commitments and referred to further receipts expected from the disposal of Smallholdings in future. He added that the capital programme would be reviewed if receipts overall were not secured as expected. Members suggested that consideration might be given to Smallholdings as part of the work programme.

- The overspend on Weobley High School sports hall was challenged. Members suggested that his indicated systemic problems in managing the project. It was considered that this issue needed to be examined as part of the scrutiny work programme.

- Funding of the overspending on the Info by Phone Capital Scheme was clarified.

- It was confirmed that additional expenditure on the Rotherwas Access Road under the Capital Programme to purchase land had been funded by Advantage West Midlands and had no bearing on the Council's provision for the scheme.

- It was requested that Herefordshire Council and Hereford City Council work together to resolve issues associated with the loss of income from parks services.

RESOLVED:

That   **(a)**   **the final outturn for 2006/07, the carry forward of unspent budgets into 2007/08 and the movements to reserves as approved by Cabinet be noted;**

                   and

     (b)   **consideration be given to issues identified for consideration as part of developing future work programmes.**

The meeting ended at 11.55 a.m.   **CHAIRMAN**

INTEGRATED PERFORMANCE REPORT

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1.   To report progress in the first two months of operating year 2007–08 against the Annual Operating Plan 2007-08 together with corporate risks. The report also provides an update on the year end position.

Financial Implications

2.   There are no financial implications

Background

2.   The report to Cabinet on 12th July is attached together with supporting appendixes. Cabinet's decision will be reported at the meeting

3.   The Committee should note, in particular, that the report proposes changes to the Integrated Performance Report in future. These are intended to streamline the reporting of performance and strengthen its management.

RECOMMENDATION

> **THAT the report be noted subject to any comments the Committee wishes to make**

BACKGROUND PAPERS

- None identified

Further information on the subject of this report is available from Tony Geeson, Head of Policy and Performance on 01432 261855

INTEGRATED PERFORMANCE REPORT

PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET   **12TH JULY 2007**

Wards Affected

County-wide

Purpose

To update Cabinet in respect of final 2006-07 end-of-year performance and to propose new arrangements for future performance reporting through the Integrated Performance Report.

Key Decision

This is not a Key Decision

Recommendations

> **THAT**
>
> a) **Final end-of-year performance for 2006-07 be noted**
>
> b) **The proposals for reporting arrangements through future Integrated Performance Reports be endorsed**

Reasons

The Council's current Corporate Plan sets out the Council's objectives, priorities and targets for the three years 2007-10. The Annual Operating Plan (AOP) is the detailed action plan for the first of these years, 2007-08, and includes all the indicators in the Local Public Service Agreement (LPSA), Local Area Agreement (LAA) and Herefordshire Community Strategy (HCS), as well as the Council's own indicators.

Further information on the subject of this report is available from Tony Geeson, Head of Policy and Performance, on 01432 261855 or David Powell, Head of Financial Services, on 01432 383173

Considerations

HIGHLIGHTS OF THIS REPORT
• At year-end, of the 123 'strategic' indicators monitored through the IPR during 2006-07, 32 indicators (26%) were marked R, compared to 54% of indicators at the end of 2005-06.
• Of the 132 best value performance indicators where performance can be compared to 2005-06, 68% have improved and 29% have deteriorated (compared to 40% improving in 2005-06 and 35% deteriorating).

2006-07 performance

1. The previous Integrated Performance Report to Cabinet on 7th June reported that, provisionally, 33 indicators had failed to achieve target. Final outturns have now been reported for all indicators and the year-end position is that 32 indicators actually failed to achieve target.

2. In respect of the Best Value Performance Indicators, the final end-of-year outturn show 68% of indicators as improving, an improvement from the 62% reported to Cabinet on 7th June, and a significant improvement on the 40% reported last year.

2007-08 reporting proposal

3. The process for performance reporting in 2006-07 was that each of the 123 indicators in the AOP, which includes the LPSA, LAA and HCS indicators, were reported on an exception basis as part of the Integrated Performance Report. The inclusion of additional indicators in the latest Annual Operating Plan 2007-08 means that there are now 175 'strategic indicators'.

4. Templates for each of the indicators have been developed but, in common with previous years, it is too early to accurately assess progress towards achievement of targets at the end of month 2. Judgements made at month 2 last year reflected poor action planning and a lack of target setting. Although there are still a number of targets still to be set for 2007-08, the templates developed this year show a greater appreciation of action planning.

5. So that the council can more effectively focus on its own performance within this larger set of indicators the proposal is that Cabinet receive, as part of future Integrated Performance Reports, an analysis of performance against those indicators from the AOP which it directly leads on.

6. A sub-section of this analysis, in respect of the partnership indicators on which the council leads, i.e. those in respect of the LPSA, LAA and HCS, will also be presented to the Herefordshire Partnership Performance Management Group (PMG), who will receive

a full report from all partners in respect of the indicators that form part of the LPSA, LAA and HCS. Once PMG have considered the full-set of partnership indicators along with the necessary actions to remedy under-performance, an update will be presented to Cabinet as part of the following Integrated Performance Report, providing the full picture of progress towards achieving the targets of the LPSA, LAA and HCS.

7. In addition to the indicators that appear in the AOP, there are many other indicators against which the council is externally judged, such as the suite of Best Value Performance Indicators (BVPIs), Performance Assessment Framework (PAF) indicators and those used in the Comprehensive Performance Assessment (CPA). These have not formed part of previous Integrated Performance Reports on a consistent basis, but are important to securing the council's reputation nationally. It is proposed that progress against these indicators is also presented to Cabinet as part of future Integrated Performance Reports, allowing for better consideration of the council's performance that is used in the CPA and Direction of Travel judgements.

8. This revised system of reporting assigns clear responsibility for performance management to each of the partner organisations, including the council, whilst enabling the council to maintain its position as community leader by retaining an interest in the performance of its partners through the bi-monthly Integrated Performance Reports.

9. A process-map showing the proposed revised reporting framework is at **Appendix A**.

10. As previously agreed by Cabinet, the Overall Improvement Plan ceased at the end-of-April, with aspects of improvement becoming part of the Business Transformation Programme. In addition to monitoring of the above indicators, exceptions to the programme should be reported as part of future Integrated Performance Reports.

11. Risk, Revenue and Capital monitoring will continue to be an integral part of the Integrated Performance Reports, with the end-of-year position in respect of Revenue and Capital Budgets being reported separately to coincide with the closure of accounts, as they were last month.

Corporate Risk monitoring

12. **Appendix B** contains the corporate risk register, which shows the current corporate risks facing the Council in terms of operations, reputation and external assessment and the actions required in order to keep the register up to date.

13. The following table summarises the corporate risk register at the end of May 2007. The analysis covers the assessments of risk were no controls are in place and an assessment of the residual risk with control measures implemented.

Priority Rating	Assessment of Risk (no controls in place)	Assessment of Risk (control measures implemented)
High	16	6

Medium	5	11
Low	2	6
TOTAL	**23**	**23**

14. This shows that the majority of risks (16 out of 23) are in the highest category before controls are in place. After the control measures are implemented 6 of these 16 remain as high (the control measures are being reviewed by the Corporate Risk Manager to assess their effectiveness), 7 move to the medium category and the remaining 3 move to low.

15. In order that the Corporate Risk Register becomes a working document to assist CMB in managing the Council's corporate risks, regular monitoring of each risk must take place on a two monthly basis. This will then be provided to the relevant Directorate Management Teams.

16. The register attached to this report now provides an additional column providing guidance as to action that may need to be taken to update and review the risk in question.

17. Other risks need to be reviewed, as they remain High even after the risk control measures are in place. A review of the measures needs to be undertaken to see if they are having the desired affect within the relevant time frame.

18. A new risk (CR24) has been added to incorporate Phase 4 of the Herefordshire Connects project and in particular the risks of slippage in the completion date for this phase.

Alternative Options

Future Integrated Performance Reports are presented in the same format as in 2006-07.
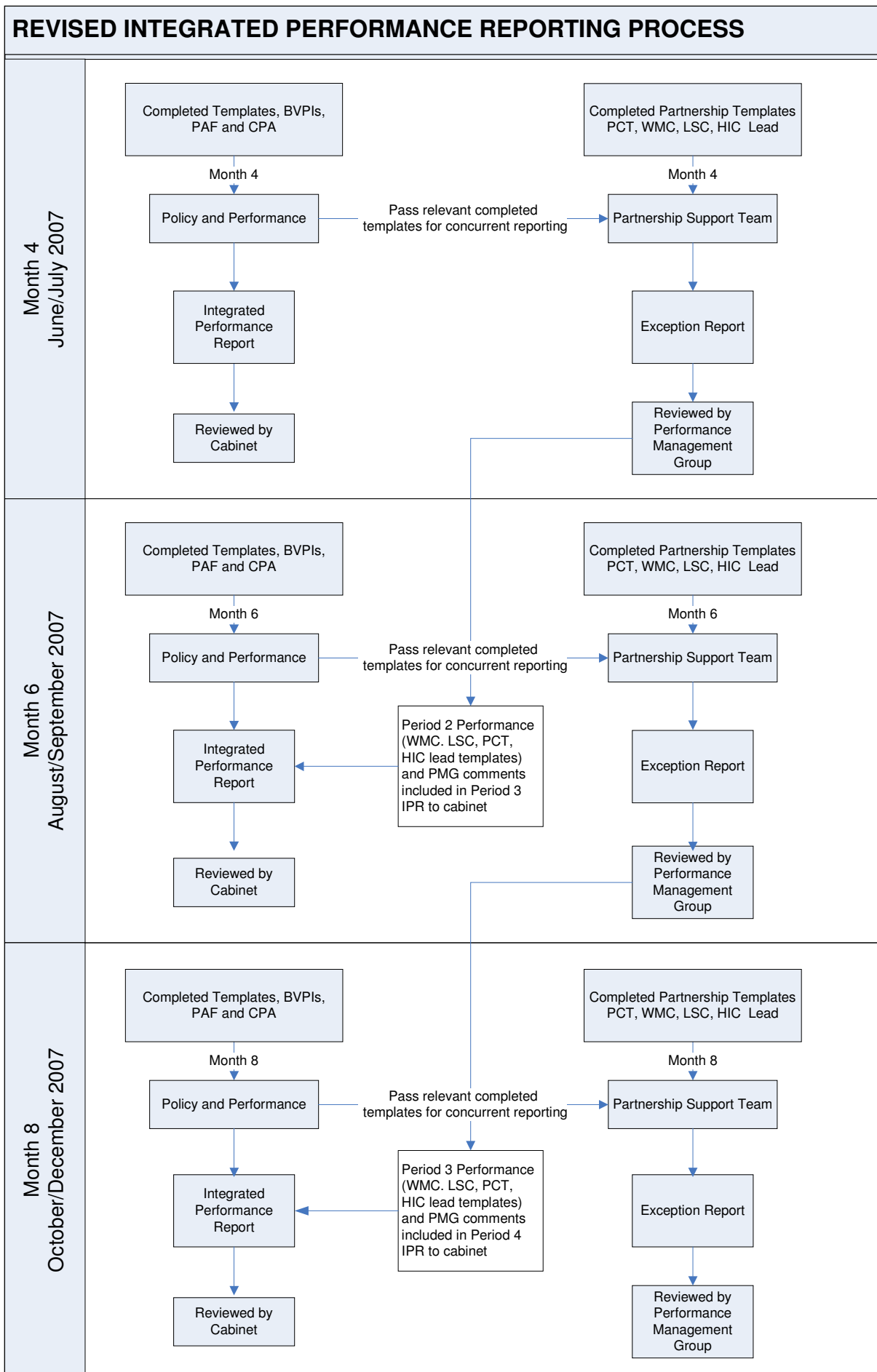
Risk Management

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

Consultees

Relevant internal officers have been consulted. The proposals for revised reporting arrangements will be presented to the Herefordshire Partnership Performance Management Group on 16th July.

Background Papers

None

REVISED INTEGRATED PERFORMANCE REPORTING PROCESS

Month 4 June/July 2007

Completed Templates, BVPIs, PAF and CPA

Month 4

Policy and Performance → Pass relevant completed templates for concurrent reporting → Partnership Support Team

Completed Partnership Templates PCT, WMC, LSC, HIC Lead

Month 4

Integrated Performance Report

Exception Report

Reviewed by Cabinet

Reviewed by Performance Management Group

Month 6 August/September 2007

Completed Templates, BVPIs, PAF and CPA

Month 6

Policy and Performance → Pass relevant completed templates for concurrent reporting → Partnership Support Team

Completed Partnership Templates PCT, WMC, LSC, HIC Lead

Month 6

Integrated Performance Report ← Period 2 Performance (WMC. LSC, PCT, HIC lead templates) and PMG comments included in Period 3 IPR to cabinet

Exception Report

Reviewed by Cabinet

Reviewed by Performance Management Group

Month 8 October/December 2007

Completed Templates, BVPIs, PAF and CPA

Month 8

Policy and Performance → Pass relevant completed templates for concurrent reporting → Partnership Support Team

Completed Partnership Templates PCT, WMC, LSC, HIC Lead

Month 8

Integrated Performance Report ← Period 3 Performance (WMC. LSC, PCT, HIC lead templates) and PMG comments included in Period 4 IPR to cabinet

Exception Report

Reviewed by Cabinet

Reviewed by Performance Management Group

The above process will be repeated for Month 10, with final outturn being reported at year-end in the Month 12 report.

Managing Risk - Corporate Risks

HEREFORDSHIRE COUNCIL

		Stage One			Stage Two			Assessment of Residual Risk (With control Measures implemented)			
Identified Risk Area	**Risk Reference Number**	**Assessment of Risk (Assume NO controls in place) using risk matrix**			**Risk Control Measures**	**Responsible Directors**					**Action Required**
		Impact (Severity)	**Likelihood (Probability)**	**Priority Rating**			**Impact (Severity)**	**Likelihood (Probability)**	**Residual Priority Rating**		
Ensuring the Council secures the completion of the formal engagement with the DFES on Children and Young People's outcomes and project and performance management	CR1	4	3	High	Success criterion agreed with GOWM for reduction in level of their involvement by October 2007.	SM	3	2	Medium		Should also be contained within the C&YPS Directorate risk register and this should be noted at the feedback meeting on 11/06/07
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 Council and highlights the need for corporate capacity to be created to meet future spending pressures. Potential overspends on social care, ICT services 2nd capital budgets have been reported via the IPR process. Successful delivery of the Herefordshire Connects programme is needed to ensure cash is released to support the planned investment in corporate priorities.	ALL/SR	4	3	High		
Herefordshire Connects: Programme does not go through robust investment appraisal and subsequent savings not being realised leading to service cuts.	CR3	4	4	High	Robust appraisals are carried out based on hard data, comparative and sensitivity analyses and deliverability. Strong corporate governance arrangements are in place. Business Transformation Board created and the new governance arrangements approved. Procurement approach agreed and on track. Assessment framework in place. Benefits realisation framework in place and being managed through IPG. 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.	NP	4	3	High		Benefits Delivery Board membership and Terms of Reference to be confirmed by 15th June 2007.
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. OIP Board now progressing phased handover of remaining work elements to transformation project boards, subject to quality assurance of project board systems.	ALL/NP	3	3	High		Update required as the March referred to is March 2006, Current CPA rating has maintained 3, have control measures worked?
					Use of Resources Improvement Plan being implemented.	SR					

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Managing Risk - Corporate Risks

HEREFORDSHIRE COUNCIL

Stage One		Assessment of Risk (Assume NO controls in place) using risk matrix			Stage Two		Assessment of Residual Risk (With control Measures implemented)			
Identified Risk Area	**Risk Reference Number**	**Impact (Severity)**	**Likelihood (Probability)**	**Priority Rating**	**Risk Control Measures**	**Responsible Directors**	**Impact (Severity)**	**Likelihood (Probability)**	**Residual Priority Rating**	**Action Required**
					Considerable work has taken place in embedding a strong performance management framework including structured meetings between Chief Executive and Directors. Performance Improvement Managers have been appointed for all Directorates.	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. Annual update of Community Risk Register to inform the review process of Council emergency response plans in support of the emergency services and the Council's arrangements to assist recovery and return to normality of the community & environment following an emergency. Bi-annual exercising of the Emergency Response Team. Annual exercising of emergency response plans.	ALL/NP	3	3	High	
The failure of the Herefordshire Jarvis arrangements. The risks are both strategic and operational. A failure would occur if Jarvis were to go into liquidation. If Jarvis sell the current Prismo shares to another company there would be a need to ensure an orderly transition of service delivery to the new owner.	CR6	4	3	High	Ensure Council's financial liabilities are covered. Raise awareness of contingency arrangements following creation of contingency plan. Implement actions in relationship development plan	MH	3	2	Medium	Need to ensure that the risks of failure of this partnership with possible transfer remains a high risk within Resources particularly in Property and Environment that is Highways. Up date these two risk registers.
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 were part of Improvement Plan. A minimum of 20% of corporate directors' time will be spent on corporate issues. Discussed by CMB as part of 2007 PIC and adjustments proposed for the budget. New CMB /SMT joint working has also been launched.	NP	4	2	Medium	Risk to be removed as in fact it is not a risk at all, the 'range of changes' i.e. accommodation, Herefordshire Connects, PST should have their own risk register.

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Managing Risk - Corporate Risks

HEREFORDSHIRE COUNCIL

Stage One		Assessment of Risk (Assume NO controls in place) using risk matrix			Stage Two		Assessment of Residual Risk (With control Measures implemented)			
Identified Risk Area	Risk Reference Number	Impact (Severity)	Likelihood (Probability)	Priority Rating	Risk Control Measures	Responsible Directors	Impact (Severity)	Likelihood (Probability)	Residual Priority Rating	Action Required
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	High	LPSA. Partnership Manager and the Head of Policy & Performance now met regularly with the assigned project manager and have agreed responsibilities for chasing progress and ensuring action. In addition performance indicators are received every 2 months, in line with the Council's performance management arrangements, enabling proactive management through this management group.	SM/GH/MH	3	2	Medium	
Delivery of Local Area Agreement	CR9	3	2	Medium	Financial Management & Review processes also in place.	JJ	3	2	Medium	**More detailed description of the control measures needed.**
Recruitment and retention of staff where there are national skills shortages and including the impact of Job Evaluation. Ensuring consistent treatment of Equal Pay Claims	CR11	3	3	High	Succession planning as part of management development provision	ALL/DJ	2	2	Low	
		4	4	High	Utilise SRDs / implement career development posts and conclude job evaluation. 94% SRDs completed by the end of May. HR to support Directorates deliver to identified training needs, to work to Investor in People standard. Focused recruitment activity to support identified shortages e.g. Social Work (Children's), plus development of a workforce plan, and work to implement national data sets. Development of a recruitment strategy for ITC staff begun. Work to set an establishment for the Council has begun. Promote professional development support through training agreements and payment of professional fees. Develop secondment opportunities internally and with partners. Implement Market Forces Supplement. Improving leadership and management through revised management development provision. Pride in Herefordshire approach to be implemented. Implement software to review new pay structure to ensure that it is equality proofed.					**Does this need a separate scoring, if so residual ratings to be entered along with a description of the risk.**
Development of Adult's Workforce Strategy		3	3	High	Senior officer secondment from Hereford PCT to lead on development of the plan	DJ	2	2	Low	

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Managing Risk - Corporate Risks

HEREFORDSHIRE COUNCIL

Stage One		Assessment of Risk (Assume NO controls in place) using risk matrix			Stage Two		Assessment of Residual Risk (With control Measures implemented)			
Identified Risk Area	Risk Reference Number	Impact (Severity)	Likelihood (Probability)	Priority Rating	Risk Control Measures	Responsible Directors	Impact (Severity)	Likelihood (Probability)	Residual Priority Rating	Action Required
Development of Children's Workforce Strategy		3	3	High	Children's draft workforce strategy now out for consultation	DJ	2	2	Low	
Approach to Diversity: Risk of not achieving level and not improving Standard	CR12	3	2	Medium	Long term development plan produced. EIA action plans to be incorporated into Service Plans and monitored through the performance management process.	JJ	3	2	Medium	
Successful implementation of Accommodation Strategy.	CR13	4	4	High	An Accommodation Strategy Group has been established to review future options for the new Council to consider in June 2007. The Accommodation Board & project team have temporarily been stood down. Key risks to meeting the timetable are lack of accurate establishment data and outcomes from the Worksmart project.	SR	3	2	Medium	
					An emerging risk is the move towards flexible working. An initial observation/data analysis study has been commissioned to identify potential flexible working solutions.	DJ/JH	3	3	High	Consider moving this element of risk CR13 to HR's own risk register for more frequent monitoring.
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	Continual ongoing reassessment of capacity and resourcing requirements, including re-prioritisation where appropriate.	NP	4	3	High	Has on going reassessment enabled this risk to be scored differently? Updated 07/06/07. Detailed Work Packages (Programmes of Work) in each area to be developed for the next Phase. These will then be signed off by Directors and Key Managers. These will detail the management capacity required
Timetable for the establishment of a Public Services Trust for Herefordshire	CR15	3	2	Medium	A Project Manager appointed. Steering group and work streams established.	NP	3	2	Medium	Although there is a jointly produced risk register for each of the work streams, consideration should be given to assessing all of the risks to the authority alone.

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Managing Risk - Corporate Risks

HEREFORDSHIRE COUNCIL

		Stage One			Stage Two						
		Assessment of Risk (Assume NO controls in place) using risk matrix					Assessment of Residual Risk (With control Measures implemented)			
Identified Risk Area	Risk Reference Number	Impact (Severity)	Likelihood (Probability)	Priority Rating	Risk Control Measures	Responsible Directors	Impact (Severity)	Likelihood (Probability)	Residual Priority Rating	Action Required
Failure of Waste Management Contract leading to failure to meet diversion targets and the potential for the Authority to be paying £150 per tonne extra on our missed target tonnages. Failure of the contract would also lead to the loss of PFI credits	CR16	4	3	High	Ongoing commitment from Herefordshire and Worcestershire to retaining the existing contract. The incorporation of subcontractors into the existing contract as a variation should enable adequate waste to be diverted to ensure the authority does not become subject to penalties under the Landfill Allowance Trading Scheme (LATS). Herefordshire and Worcestershire have an agreement to Trade LATS between teh two authorities at "no cost" to offset risks - this risk needs to be formalised. The failure of negotiations with ReEnergy means that the issue of MWM identifying and introducing a new sub-contractor will need to be monitored to ensure early warning can be given of likely timescales for the negotiations and implementation of a varied contract. Because of the timescales involved in delivering a variation to the Contract it will be necessary to offset our risks of LATS penalties by maximising our recycling performance, through Waste Collection, to deliver increased diversion from landfill.	MH	4	2	Medium	
Use of Resources Judgement	CR17	4	2	Medium	Potential negative impacts on the 2007 UoR assessments include external audit follow up work on fundamental systems, budget variations and service inspection results.	SR	3	2	Medium	
Benefits CPA Score 2007	CR18	2	2	Low	The BFI Performance Measures have been monitored closely. We are on track to regain a 3 score based on 2006/07 performance.	SR	2	2	Low	
	CR19	4	3	High	Significant work has taken place over the last 18 months to produce effective service continuity plans to mitigate the effects of major incidents on the delivery of essential services. Service impact assessments and continuity plans require constant review and updating and the monthly 'second Tuesday' updates from Heads of Service and Key Managers are an integral part of that process.	ALL/NP	2	2	Low	Suggest incorporate this into risk CR5

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Managing Risk - Corporate Risks

HEREFORDSHIRE COUNCIL

| | | Stage One | | | Stage Two | | Assessment of Residual Risk (With control Measures implemented) | | | |
| | | Assessment of Risk (Assume NO controls in place) using risk matrix | | | | | | | | |
Identified Risk Area	Risk Reference Number	Impact (Severity)	Likelihood (Probability)	Priority Rating	Risk Control Measures	Responsible Directors	Impact (Severity)	Likelihood (Probability)	Residual Priority Rating	Action Required
Herefordshire Connects - selection of preferred supplier and technical platform	CR20	4	3	High	Contract third party to carry out independent evaluation of the process	NP	2	2	Low	Updated 07/06/2007 - the technology review has been completed and a recommendation has been to the Programme Board.
Herefordshire Connects programme - not proceeding; Council insolvent within two years	CR21	4	3	High	Ensure Herefordshire Connects programme in place, and delivers.	NP	3	2	Medium	Updated programme is proceeding
Herefordshire Connects - Insufficient account taken of the PST in development of the Herefordshire Connects Programme	CR22	4	3	High	Establishment of work streams mapping out interfaces. Discussions with potential suppliers throughout procurement process. PST work streams produce regular risk registers which are fed into the Steering Group including those relating to IT infrastructure	NP	4	2	Medium	Updated 07/06/07 - involvement with PST group to be increased. The risks to the authority in relation to the PST have only been recognised in connection with Herefordshire Connects. Therefore although this venture is an opportunity the risks to the authority should be noted.
Failure to respond adequately to the local government white paper strong & prosperous communities	CR23	2	2	Low	CMB/SMT work streams chaired by Head of Policy & Performance reporting to Director	JJ	2	1	Low	Detailed actions to come from Head of Policy & Performance
Herefordshire Connects - Negotiations take too long and the Phase 4 start date slips leading to slippage in the completion date for this Phase 4 due to the Summer holidays etc.	CR 24	3	2	Medium	Provide regular updates to CMB and Members Reference Group	JJ	2	1	Low	Update report going to Cabinet 07th June. Members Reference Group updated on 31st may 2007.

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Signed: _____

Position: _____

Date:_ May 2007 _____

MANAGING PERFORMANCE MANAGEMENT

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1.   To report progress against the action plan that was developed as the Authority's response to the audit of its performance management arrangements in the autumn of 2006.

Financial Implications

2.   There are no financial implications.

Background

2.   In the autumn of 2006 the Audit Commission conducted a major audit of the Authority's performance management arrangements. This involved a significant number of interviews and workshops for members and officers at all levels of the organisation as well as a close scrutiny of plans, strategies, guidance, committee reports etc. The audit was a response to the findings during the corporate assessment during 2005 that scored performance management at 2/4 – the weakest element of the authority's corporate arrangements.

3.   The audit confirmed that many of the required processes were in place but found that there was still a long way to go before the authority had a performance management culture with the processes embedded within the working practices and behaviours of individuals. The attached action plan was developed in response to the audits 14 recommendations. These are listed according to their strategic significance, not numerical order.

4.   The recommendations fall into three groups.

   - Recommendations 5 and 1 have key, strategic, long-term implications

   - Recommendations 6, 8, 2, 3 and 4 are important pieces of work within their own right but sit logically within the recommendations 5 and 1

   - The remaining recommendations; 7, 9, 10, 11, 12, 13 and 14 largely follow on from the other

5.   Particular risks remain around recommendation 5 – a Herefordshire planning, prioritisation and performance management process – due to the size and complexity of the task and the need for full ownership by all partners in the County. Work is proceeding and is crucial to success in the Comprehensive Area Assessment due in 2009.

Further information on the subject of this report is available from Tony Geeson, Head of Policy and Performance on 01432 261855

6.   The Council's own model for performance is still evolving [Recc.1] and a communications plan needs to be developed. Communications is again mentioned in Recc.2 where a more detailed implementation plan still needs writing up. The key forums for performance debate and decisions below DMT will now be identified as part of the Deloitte work on Herefordshire Connects [Recc.3]. Aspects of recommendations 9, 10 and 13 are underway but not yet complete.

7.   In summary, the action plan is being implemented but not always as planned last autumn. There are some changes and delays to the original timetable but these can be retrieved in the months ahead.

RECOMMENDATION

THAT the report be noted, subject to any comments the Committee wishes to make, and a further progress report be considered in six months time.

BACKGROUND PAPERS

- Managing performance management – Audit Commission report. November 2006

- Cabinet report – 14 December 2006

- SMC report – 15 January 2007

- Audit & Corporate Governance Committee report – 19 January 2007

Further information on the subject of this report is available from Tony Geeson, Head of Policy and Performance on 01432 261855

MANAGING PERFORMANCE MANAGEMENT

ACTION PLAN TO RESPOND TO THE AUDIT COMMISSION

APPROVED JANUARY 2007 AUDIT & CORPORATE GOVERNANCE COMMITTEE

GLOSSARY

APA	Annual Performance Assessment
BVPI	Best Value Performance Indicator [s]
CMB	Corporate Management Board
CPA	Comprehensive Performance Assessment
CX	Chief Executive
C&YP	Children and Young People
DMT'S	Directorate Management Team
HR	Human Resources
IDEA	Improvement and Development Agency
IPR	Integrated Performance Report
LA'S	Local Authorities
PCT	Primary Care Trust
PI'S	Performance Indicators
PIMS	Performance Improvement Managers
PST	Public Services Trust
PWC	Price-Waterhouse-Cooper
QA	Quality Assurance
SMC	Strategic Monitoring Committee
SMT	Senior Management Team
SRD'S	Staff Reviews and Development
IPC	Institute of Public Care
PIN	Performance Improvement Network

RESPONSIBILITIES

AMc	Alan Mclaughlin – Head of Legal & Democratic Services
DJ	David Johnson – Head of Human Resources
DP	David Powell – Head of Financial Services
JJ	Jane Jones – Director of Corporate and Customer Services
JW	Jennifer Watkins – Herefordshire Partnership Manager
NP	Neil Pringle – Chief Executive
RB	Robert Blower – Head of Communications
SR	Sonia Rees – Director of Resources
TF	Tony Ford – Principal Audit Manager
TG	Tony Geeson – Head of Policy and Performance
DN	Dave Nicholson – Forward Planning

SMC 16JULY 2007

PIM **Performance Improvement Manager**

RECOMMENDATION 5

Decide on the extent to which the Council will integrate its own service planning, priorities and performance management arrangements with those of its key partners in the Herefordshire Partnership

RESPONSE

a) The fullest possible integration of planning, priorities and performance management with key partners is crucial for successful implementation of the *Strong and Prosperous Communities* Local Government White Paper

b) Immediately, the highest priority is integration between the Council and the Herefordshire PCT, as part of the creation of the Public Service Trust

ACTION	TIMESCALE	LEAD
a) Discussion with the Herefordshire Partnership Chief Executives' Group and Performance Management Group, then the Partnership Board, leading to the preparation of a detailed implementation plan	Discussions to be completed by June 2007and the detailed implementation plan in place by December 2007, with a view to the new arrangements operating from 1 April 2008	JJ, TG, JW
b) Inclusion in the detailed implementation plan for the creation of the PCT	Integrated arrangements to be operating from the time the PST is operational	NP

PROGRESS with R5

Already in place re. children and young people, with a single C&YP three-year plan and underpinning joint Forward Delivery Plan, integrated with the C&YP Directorate's Plan

The new Herefordshire Partnership Board met in December 2006 and agreed that it needs to give early and detailed attention to development of the Local Area Agreement and other implications of implementing the Local Government White Paper

The Herefordshire Partnerships CX's group met in April with CMB and agreed to explore integrated arrangements. An officer steering group consisting of TG, JW and DN has been established. The planning processes and cycles of all members of the partnership, including the Council, are currently being surveyed as a first step to a detailed implementation plan

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RECOMMENDATION 1

Construct and communicate a high-level model that clearly and simply identifies how the Council intends to assess and measure its level of performance and rate of improvement

RESPONSE

The initial basis for the high-level model will be a detailed analysis of what is necessary to raise the Council's BVPI and other key PI scores, as well as its CPA scores - in all cases related to the achievement of the Council's existing strategic priorities.

The results will be discussed fully by SMT, then CMB, Cabinet, SMC and the individual subject scrutiny committees, leading to the design and implementation of the high-level model.

The resulting programme of action will be taken forward as part of the overall Transformation Programme and led by the relevant individual transformation boards, with operational responsibility and accountability vested in individual heads of service. Its roll-out will be an integral part of the Council's performance improvement cycle, which relates investment to the achievement of the Council's priority outputs and outcomes

The model's subsequent development and implementation will be taken forward as part of the programme to integrate arrangements with key partners (see Recc. 5 above)

Reflect the above in revised Performance Improvement Framework

All the above and the supporting elements below to be underpinned by a comprehensive communications plan.

ACTION	TIMESCALE	LEAD
a) The analysis to be discussed by SMT and CMB	30 January 2007	JJ, TG
b) Then by Cabinet and scrutiny	22 February 2007	
c) In parallel, identify potential models from high-performing local authorities	End February 2007	
d) Resulting initial Council model to be approved by CMB and Cabinet, including user-friendly template[s] that identifies and rates the key measures of performance	March 2007	JJ, TG

ACTION	TIMESCALE	LEAD
e) The initial Council model to be operating based on its critical performance indicators	From 1 April 2007	JJ, TG, SR, DP, transformation board chairs, heads of service
f) Cabinet approval of initial revised Council Performance Improvement Framework	April 2007	JJ, TG
g) Cabinet and Partnership approval of the joint Partnership Performance Improvement Framework and model	February 2008	JJ, TG, JW
h) Develop communications plan, including arrangements for publicising the completed template regularly to members, staff and other stake-holders	End February 2007	JJ, RB
i) Implement communications plan	As to be set out in the communications plan	

PROGRESS WITH R1

Scrutiny visits to Shropshire and East Riding of Yorkshire and three other councils were scheduled for January, February and March.

These were used to examine their performance management model generally although they focussed on scrutiny arrangements.

a) & b) done. Detailed member discussions will be after the election. SMT & CMB discussions continue as part of the joint work stream.

c) attended two beacon council seminars at Rotherham MDC. Other visits to high performing councils may follow

d) & e) work with Improvement managers, Research and Policy on a new approach to dealing with IPR indicators is nearing completion.

f) CMB has now approved. Formal Cabinet approval still needs to be sought. Time can be caught up

h) Communications plan still needs to be developed

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RECOMMENDATION 6

Develop a simpler, clearer set of priorities – each with a basket of indicators and measures designed to provide a high-level picture of progress

RESPONSE

To be determined as part of the implementation of Reccs 5 and 1. This will ensure easy understanding & consistency between the Council's priorities and those of the *Herefordshire Partnership*; indicators for organisational improvement priorities; a basket of indicators for each priority; and good communication of all this to members, staff and other stakeholders.

ACTION	TIMESCALE	LEAD
a) To be developed as part of the high level model in Recc.1	As for Recc.1	JJ, TG
b) Strategic public consultation	June 2007	
c) Decisions on priorities by the newly elected Council:		
i. Cabinet approves Corporate Plan 2008-11	October 2007	
ii. Council approves Corporate Plan 2008-11	November 2007	

PROGRESS WITH R6

Action already taken to simplify the reporting of perception PIs and in hand to ensure adequate actions/milestones in the underlying feeder Pis

CX consulted the Group Leaders shortly before the election and agreed to defer the proposed strategic consultation.

a) discussion between Improvement managers, Policy and Research to simplify reporting is nearing completion and will need to be signed-off to a new timetable [See also Recc 1, actions d&e]

b) not undertaken this year. The focus will be on embedding the performance improvement cycle and its three year planning horizon including an increased element of challenge to future proposals

c) (ii) Council approval likely to be put back to March 2008 to allow for refreshed LAA

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RECOMMENDATION 8

Produce regular high-level strategic assessments of performance trends, identifying, where relevant, barriers and levers to performance improvement

RESPONSE

The Recc. 1 model to be the initial basis for future integrated performance reports (IPRs). Will be developed further in the light of the agreed longer-term arrangements with partners in response to Recc. 5.

There will be periodic overall assessment (frequency to be decided - while regular, these assessments will not be frequent or they would not be strategic).

But IPRs will include key intelligence immediately it becomes available, e.g. APA and other inspection results.

Also to include consideration of a Council-wide process to collect customer feedback more consistently.

ACTION	TIMESCALE	LEAD
a) Design revised format for IPRs and gain CMB and Cabinet agreement (with input from SMT and SMC)	April 2007	JJ, TG
b) Operate the revised format	June 2007	

PROGRESS WITH R8

a) initial revisions completed
b) April-May [month2] IPR reported to Cabinet, SMC and the Partnership performance management group in July and then operated throughout 2007-08. See also Recc 1 action d and Recc 6 action a

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ACPerformanceManagementActionPlanv3juneAppendix11.doc   06/07/2007

RECOMMENDATION 2

Develop and implement a consistent strategic approach to embedding a performance management culture

RESPONSE

a) To be done so as an integral part of implementing Reccs. 5 and 1 - drawing on successful practice in other LAs; the IPC work in Children's Services, the PWC work in Adult Social Care and other good practice in the Council; the Director of Corporate and Customer Services and the Director of Resources working together to champion improved performance management, particularly through an even more rigorous and demanding performance improvement cycle; and the inclusion of indicators that track cultural change in the high-level model

b) Momentum to be maintained to deliver and gain maximum impact from measures already in hand, including the continuation of the Leadership Programme and directorate initiatives such as the adult social care performance clinics.

	ACTION	TIMESCALE	LEAD
a)	Programme of detailed action to be developed for implementing Reccs. 5 and 1 (embedding to be achieved through the performance improvement cycle and the communications plan)	Operating from 1 April 2007	JJ, TG
b) i.	Complete appointment of performance improvement managers	April 2007	TG
ii.	Currently programmed SRD and risk management training to be delivered	January to March 2007	DJ, TG, DP
iii.	Develop targeted **mandatory** annual training and development programme, initially for 2007-08	Operational from April 2007	DJ, TG
iv.	Disseminate the results of the performance management improvements in C&YP Services (from IPC) and Adult Social Care (from PWC) and other good practice, considering their application more generally (particularly through SMT and its performance improvement sub-group and the performance improvement network)	From April 2007	TG/RB / SMT

PROGRESS with R2
a) detailed action plan requires writing up
b) (i) Final appointment made; to commence full-time on June 18th
b) (ii) initial programme of training delivered and ongoing
b) (iii) training proposals are still being developed by the improvement managers – now likely in September 2007
b (iv) Communications plans delayed and still being developed. [See also R1h]

SMC 16 JULY 2007

RECOMMENDATION 3

Ensure that the respective roles & responsibilities of the Council's partnership team & the directorate performance management officers are clear

RESPONSE

a) Secure clear understanding and ownership amongst directors and heads of service

b) Keep guidance under review in the light of experience and changing requirements

c) and d) regular fora to ensure good communication, mutual understanding and ownership

e) Equally important to ensure that there is a clear understanding of the respective roles and responsibilities of PIMs and corporate Policy and Performance staff, so that overall capacity, efficiency and effectiveness are maximised.

ACTION	TIMESCALE	LEAD
a) Discuss with directorate management teams	Before end March 2007	TG
b) Identify the key meetings in Directorates below DMT level where performance is debated and decisions taken	Before end March 2007	
c) Review, develop & refresh the guidance/protocols to reflect the activities & tasks that need to be carried out under the agreed arrangements with key partners in pursuit of Recc. 5	December 2007	
d) Regular meetings of the performance improvement network	At least monthly	
e) Review the effectiveness of the performance improvement network and the SMT performance improvement sub-group, recommending changes where necessary	September 2007	TG
f) Corporate Policy and Performance roles to be reviewed and posts re-evaluated	June 2007	

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PROGRESS with R3

a) Will continue to be clarified as necessary with DMT's throughout the year

b) Is now expected to be established as part of the Deloitte work package on Herefordshire Connects

c) Done in November 2006 - clarified and reissued description of roles and responsibilities for plans and PIs.

d) Have established performance improvement managers (PIMs) network meetings, including senior members of the Partnership Support team in the membership (ditto Policy and Performance staff and the Risk Manager). Provides regular forum for discussion and resolution of any remaining uncertainties. Also CMB/SMT performance improvement work-stream.

e) PIN now meeting monthly

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RECOMMENDATION 4
Ensure that members, both at cabinet and overview and scrutiny level are fully involved in, and integrated into, the Council's performance management arrangements

RESPONSE
a) To be achieved as an integral part of implementing Reccs. 5, 1, 6, 8 and 2 - involving extensive informal and formal discussion with both executive and non-executive members; linked with the constitutional and local democracy changes required to implement the Local Government White Paper
b) and c) This will be reflected in a members' guide to performance management
c) Maintain momentum with implementation of the existing scrutiny improvement programme

ACTION	TIMESCALE	LEAD
a) As for Reccs. 5, 1, 6, 8 and 2	As for Reccs. 5, 1, 6, 8 and 2	JJ, AMc, TG
b) Circulate IDeA guide to members	January 2007	
c) Establish a members reference group to advise upon/ road-test drafts of a members guide	January 2007	
d) Initial members' guide	April 2007	
e) The induction programme following the May 2007 election will include sessions on performance improvement	Beginning May 2007	
f) Members' guide reflecting the longer-term arrangements agreed with partners	February 2008	

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ACPerformanceManagementActionPlanv3juneAppendix11.doc

06/07/2007

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ACTION	TIMESCALE	LEAD
g) Implementation of relevant elements of the existing Scrutiny Improvement Plan, including:		
- Cabinet members' annual presentations to scrutiny committees	June 2007 – Now scheduled for September 2007	
- Regular, improved IPR reports to SMC, which will refer matters to scrutiny committees, as appropriate	Continues	
- Regular progress reports on detailed improvement plans for individual service areas	Continues for the services involved	
- Annual review of the operation of the performance management framework	October 2007	
- Visits to LAs successfully using scrutiny to drive performance improvement	Will continues if required by the new SMC	
- Scrutiny members as "critical friends" for specific services as part of the performance improvement cycle	From May 2007 – to be considered by new SMC	

PROGRESS WITH R4

The content and format of the monthly meetings between Cabinet members and directors are being reviewed for implementation after the election

The Scrutiny Improvement Plan is on track for completion as planned. Scrutiny visits to Shropshire, East Riding of Yorkshire and three other high performing councils were also visited and the results reported to the member induction seminar in June.

b) Scrutiny and performance management were the topic of separate induction seminars and the IDeA guide will be circulated then

c) and d) Amended - The IDeA guide will now be used and we will not develop our own

g) Cabinet member presentations will now be in September. All other items will be considered by SMC from June 2007

RECOMMENDATION 7

Ensure that the role, purpose and content of service plans clearly links to the high-level set of indicators and measures, and reflect the approach the Council has decided to adopt in linking with partnership priorities

RESPONSE

To be achieved as an integral part of implementing Reccs. 5, 1, 6, 8 and 2, including such further guidance as is needed on developing local indicators, setting targets and ensuring that risks are dealt with as part and parcel of performance management

ACTION	TIMESCALE	LEAD
Reflect in revised requirements for directorate and service plans 2008-11	September 2007 / October 2007	TG

PROGRESS WITH R7

Guidance on service and Directorate plans will reflect this recommendation when it is issued. 2008 Plans will be assessed against a check list to ensure that this recommendation is followed

NFA required at present

SMC 16JULY 2007

RECOMMENDATION 9

Develop the current performance reporting process to provide both a more consistent approach to reporting performance within directorates, and a clearer, higher-level report of progress against priorities

RESPONSE

a) Make initial improvements on the basis of the actions in respect of Recc. 1 above, including in the IPR and directorate reports clear messages about good performance and areas of concern, summaries of progress against remedial action in previous reports and information on compliments and complaints; deciding how often reports will be made on individual items; and putting in place effective arrangements to communicate the headlines to members and staff

b) Make longer-term improvements consistent with the implementation of Recc. 5

c) Part of implementing Reccs 1 and 6

ACTION	TIMESCALE	LEAD
a) Map and review current procedures and experience of reports to lead Cabinet members and the CX's performance review meetings with individual members of CMB; apply the best practice identified as part of the programme to implement Recc. 1, including that from high-performing LAs; issue fresh requirements/templates; institute arrangements to communicate the performance headlines to members and staff	To be in operation from 1 April 2007	TG, RB, directors, heads of service
b) Bring the longer-term improvements into effect	1 April 2008	
c) As for Reccs. 1 and 6	As for Reccs. 1 and 6	JJ, TG

PROGRESS WITH R9

a) Being reviewed by the Improvement managers – full implementation now likely to be in September - delayed

SMC 16JULY 2007

RECOMMENDATION 10

Improve the way in which remedial action to address poor or under-performance is both presented and progress against it reported at corporate as well as directorate level

RESPONSE

Corporately:

Part of implementing Reccs. 8 and 9, embedding it through making challenge even more systematic and rigorous under the performance improvement cycle.

Within directorates:

Part of implementing Recc. 9

ACTION	TIMESCALE	LEAD
a) Design revised format for IPRs and gain CMB and Cabinet agreement (with input from SMT and SMC)	April 2007	JJ, TG
b) Operate the revised IPR format	June 2007	
c) Introduce challenge board under the performance improvement cycle, relating proposed outputs and outcomes to budget planning	July 2007	JJ, SR
d) Make initial improvements on the basis of the actions in respect of Recc. 1	1 April 2007	JJ, TG, directors, heads of service
e) Make longer-term improvements consistent with the implementation of Recc. 5	1 April 2008	

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06/07/2007

PROGRESS WITH R10

The West Mercia Police model for challenge boards has been examined. Contacts have already been established with Worcestershire and the East Riding of Yorkshire Council.

a) discussion between Policy, Research and Improvement managers to make reporting easier is nearing a conclusion and any proposals will need to be off signed-off to a new timetable in July / August [ref R1 actions d & e, R6 action a and R8 action a]

b) first report on 15th June – month 2. New format proposed in July /August for end of Month 4

c) in-hand, timetable established for challenges by Directors to the three year proposals. Still need to consider a routine challenge process

d) as and b above

RECOMMENDATION 11

Ensure that there is a better consistency and purpose in the reporting of performance to executive and non-executive members

RESPONSE

Part of implementing Reccs. 9 and 10 above, making clear the specific roles of scrutiny members in respect of performance management issues; and ensuring that there are well-understood links between scrutiny committees, staff in the relevant services and research and other forms of support for scrutiny. The Local Government White Paper's proposals for frontline members are relevant here

ACTION	TIMESCALE	LEAD
See Reccs. 9 and 10	See Reccs. 9 and 10	JJ, TG, directors, heads of service

PROGRESS WITH R11

As recommendations 9 and 10

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RECOMMENDATION 12

Improve the quality assessment of the SRD process to ensure that, among other things, individual targets are linked to service and corporate targets

RESPONSE

QA process initiated and now needs to be rolled out consistently and embedded across the Council

ACTION	TIMESCALE	LEAD
a) Cascade of QA to be initiated by HR with directors and rolled out for the coming round of SRDs Guidance to be re-issued by HR Cascade to be documented	Directors and Heads of Service by March, other tiers before the end of May 2007	DJ, directors and heads of services
b) Internal audit to test effectiveness of the cascade	As agreed with internal audit	TF
c) Routine monitoring of satisfactory and timely completion of SRDs by departmental HR officers, reporting results to SMT, CMB and Cabinet	May 2007 and annually thereafter	DJ
d) First phase of new SRD training programme to be completed	March 2007	DJ, TG
e) Subsequent phases of SRD training to be developed as part of the targeted mandatory annual training and development programme	April 2007	

PROGRESS WITH R12

a) in-hand
b) initial audit completed
c) Proposals being implemented by managers – viewing a sample of SRD's to establish consistent quality
d) Completed
e) Existing training will be amended as necessary to fit into the mandatory training proposals when these are developed – see also Recc2

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RECOMMENDATION 13

Ensure that there are clear links between the action points in the Directors' Performance Review meetings and the issues discussed at DMTs and other management and team meetings within the directorates

RESPONSE

To be implemented alongside Reccs. 3 [road map of key performance meetings], 9 and 10

ACTION	TIMESCALE	LEAD
a) Identify and disseminate best practice	March 2007	TG
b) Implement best practice	April 2007	Directors and the Head of HR

PROGRESS WITH R13

Following the January cycle of meetings with the Chief Executive, Directors will include the appropriate items on their DMT agendas. This will be assessed and standardised as necessary after the election in June / July – slight delay

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SMC 16JULY 2007

RECOMMENDATION 14

Place more emphasis on the celebration and rewarding of success

RESPONSE

To feature in all aspects of implementation and as part of the Council's wider approach to developing rewards and recognition.

To include the positive results of customer feedback

ACTION	TIMESCALE	LEAD
a) Feature highlights of good performance in the IPR and in all other performance reports, corporately and in directorates	Immediately	TG, directors, heads of service
b) Develop full rewards and recognition programme	To be discussed with the Head of Communications during 2007	DJ, RB

PROGRESS WITH R14

As b above

PAY AND WORKFORCE DEVELOPMENT STRATEGY

Report By: Head of Human Resources

Wards Affected

None

Purpose

1.   To consider the Pay and Workforce Development Strategy for 2007-10 (Appendix A).

Financial Implications

2.   None.

Background

3.   The Council's Pay and Workforce Development Strategy 2005-8 adopted the Employers Organisation's five themes as key areas to address - Pay, Reward and Recognition, Resourcing, Developing Leadership Capacity, Developing the Skills and Capacity of the Workforce, and Organisational Development. During 2006, however, it was recognised that this existing Strategy needed to be fully reviewed and updated to respond to the Council's emerging transformation agenda.

4.   The 2005-8 Strategy has achieved a number of key objectives, including:

*   Achievement of sickness absence target, attained top quartile performance at 8.41dys per FTE per year for 2006-7 (target 9dys);

*   Turnover stable and meeting target at no more than 9% per year (6.97% for 2006-7);

*   Modernised recruitment administration and agency worker provision with significant cashable savings in local recruitment media advertising;

*   Establishment of a Skills for Work Centre, and development of a Children's Workforce Development Strategy;

*   Support post-Job Evaluation – 70% reduction in numbers of those in receipt of job evaluation protection;

*   Commitment to achieving the Investors in People Standard, with a 94% completion rate of Staff Review and Development (SRD) in 2006, the SRD process firmly linked to the Council's performance improvement cycle; and improved responses across a range of questions in the Employee Opinion Survey.

5.   The Pay and Workforce Strategy 2007-10 was developed by a Board set up as part of the Council's arrangements to ensure the successful delivery of proposals for the Herefordshire Council Transformation Programme. The Board's Terms of Reference

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

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were to oversee development and delivery of the Pay and Workforce Development Strategy, and ensure realisation of the planned benefits.

6.   The Pay and Workforce Development Strategy is designed to support delivery of the Council's Corporate Plan commitments and organisational priorities, including the Council's diversity agenda, and values. It is the basis for testing the Council's performance in relation to the effective strategic management of human resources.

7.   Benchmarking (e.g. national local government quartiles, other 'like' unitary Councils, the local government Pay and Workforce Strategy Survey). has shown that the Council is performing as follows for 2006-7:

✗ under-performing in relation to % disabled employees (BVPI 16a), where unitary top quartile performance is at 2.75%, and Council performance is at 0.69% (lowest performing quartile);

✗ under-performing in relation to % employees from black/minority ethnic groups (BVPI 17a), where unitary top quartile performance is at 5.6%. Council performance is 0.64% (lowest performing quartile);

✗ % of the top 5% of wage earners female, and (BVPI 11a), where unitary top quartile performance is at 48.09%, and the Council is at 38.57%.

✗ % of the top 5% of wage earners declaring a disability (BVPI 11c) where unitary top quartile performance is at 3.14%, and the Council is currently at 0.71%.

✗ % top 5% of wage earners from black/minority ethnic background (BVPI11b), where unitary top quartile performance is at 3.68 %, and the Council is at 2.14%.

✓ performance on sickness was 8.41dys per FTE for 2006-7 which puts the Council in the top quartile nationally.

✓ performance on turnover was 6.97% for 2006-7, well below the average for local government. However this overall figure masks variations between Directorates.

✓ Performance on Staff Review and Development completion was 94% (against 76% previous year).

8   The Comprehensive Performance Assessment, and Joint Area Review, identified the need to develop and deliver a workforce strategy for the Children's, and Adults, social care workforce, and address key skills shortages in this area. The delivery of this strategy is a key priority, non-delivery of which has been identified as a key risk.

9   Achieving the Investors in People (IiP) standard is a key priority for the Council, as it contributes to the employment agenda on a variety of levels as set out in the Pay and Workforce Strategy 2007-10. As such, non-achievement of the Standard has been identified as a key risk.

10   The Pay and Workforce Development Strategy 2007-10 sets out what the Council will do with its human resources in order to tackle identified priorities. These have arisen as a result of performance to date, to implement national agreements, and respond to wider environmental and legislative changes (e.g. equal pay, employment legislation, central government requirements).

11   The Strategy also recognises the Council is facing significant human resources challenges in the way it delivers services, such as through improved accommodation, embracing new and emerging technology (Herefordshire Connects), and the creation of a Public Services Trust. These challenges will

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involve working to create even more flexibility in the types of jobs the Council offers, how, when and where these jobs are done, and how to recruit, train and retain a motivated workforce through times of significant change.
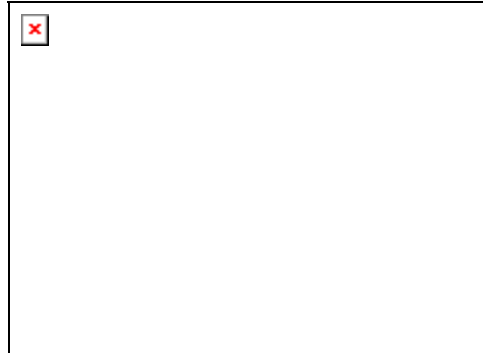
12   The Strategy identifies six themes (a new sixth theme, Employee Well Being, has been added as a result of work to develop the Strategy), and sets out a series of actions in the context of the Human Resources three-year Service Plan to ensure the Council:

- Provides for the development of **Effective Leadership** and management;
- Has in place effective **Learning and Skills Development** for the social care workforce in Herefordshire, to meet national standards, encompassing the Private, Independent and Voluntary sectors, and provides learning and skills development including employee induction, advice and coaching on human resource policies, people skills development for managers;
- Supports the **Organisation's Development** and diversity, including supporting Investors in People accreditation, the achievement of the Equality Standard, and develops its human resources to meet the challenges of change such as Herefordshire Connects, Public Services Trust, Accommodation (see bullet point 8. above);
- Has in place effective **Pay, Reward, and Recognition** structures, equal pay review, advice and guidance;
- Is effectively **Resourced** to meet its service delivery and employment diversity challenges through workforce planning, central recruitment administration;
- Promotes and supports **Employee Well-Being** through improvements in managing attendance, provision of occupational health and safety (including Counselling), advice and guidance.

13.   The Pay and Workforce Development Strategy 2007-10 contains a revised set of actions in Year One (2007-8), in order to address the human resources performance challenges set out above, and build on the successes to date, with stretch performance targets for 2007-10 against relevant performance indicators, across each of the six themes.

RECOMMENDATION

THAT the Committee approve the Pay and Workforce Development Strategy 2007-10.

BACKGROUND PAPERS

- Project Initiation Document Pay and Workforce Development Strategy (v 0.2)

- Human Resources Service Plan 2007-10 (v 1.4)

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

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Pay and Workforce Development Strategy

2007-10

Contents

Introduction

This Pay and Workforce Development Strategy ("Strategy") for 2007-10 has been developed through the work of the Pay and Workforce Development Strategy Board ("Board"). It aims to address the issues facing the Council's workforce in light of the Community Plan, the Council's Plan and associated Strategies to achieve service delivery aims and ambitions, for better outcomes for service users. It has been developed in the context of the national Pay and Workforce Strategy for local government.

The Board was established as part of the Council's framework for managing transformation across the Council, reporting to the main Transformation Board. The work of the Pay and Workforce Development Strategy Board recognises other key organisational strategies that need to be taken account of (e.g. Accommodation, ICT, Financial, Children and Young People's, Herefordshire Connects). The transformation board structure was set in place to enable an effective flow of communication between these key strategies (inter-dependencies), so that each could inform and support the other.

Development and delivery of the Pay and Workforce Development Strategy is being managed in accordance with project management methodology, under the Transformation Governance arrangements.

1. Vision and Executive summary

The Pay and Workforce Development Strategy aims to ensure a well motivated, well developed, and flexible workforce to deliver effective services to the community – in short to recruit, train, and retain a competent, confident, and flexible workforce.

In setting out the Strategy, it is recognised that operating conditions change, therefore the Strategy will need to be reviewed regularly to ensure it remains flexible and responsive to changing local needs and national demands.

A Pay and Workforce Development Strategy is essential for the successful delivery of the Community, and Council Plan. The Pay and Workforce Board has been instrumental in overseeing the development of the Strategy. The Board will oversee and monitor Strategy deployment and progress. Strategy development consisted of:

  o A series of supplier group sessions held in between December 2006 and January 2007, to review the existing Strategy themes, assess the current context together with future envisaged issues, develop performance indicators, targets, consider risks, and propose actions;

  o Baseline performance information was gathered;

  o A review of performance against the Human Resources Service Plan 2006-7, and development of a new Service Plan for 2007-10;

  o A review of Risks;

- o An action plan was developed.

- o Monthly Board meetings to review progress, agree the themes – a new theme of 'Employee Well Being' was identified – actions, performance indicators, and targets.

The Strategy will be approved by the Corporate Management Board, Cabinet, and the Strategic Monitoring Committee. The Board will meet monthly to oversee progress, with twice-yearly updates to Cabinet and Strategic Monitoring Committee.

2. Background

2.1 Key national contextual factors

Through the National Pay and Workforce Development Strategy for local government, the National Employers Organisation is committed to ensuring a flexible, well-motivated, and well trained, workforce, able to meet the demands of modern service delivery. The government's vision for a world class children's workforce has been set out in the Children's Workforce Strategy (DfES, 2006). The key strategic challenges set out in both are:

- o recruitment and retention - recognising that there are common national occupational recruitment and retention difficulties;
- o strengthening integrated working – recognising the increasing role of partnerships to deliver economies of scale and improved outcomes;
- o new ways of working - workforce remodelling, enhancing the use of technology
- o improved leadership, management and supervision – recognising that leadership and management are key to ensuring effective organisational transformation.

2.2 Key local contextual factors and current position

a) Herefordshire has a population of approximately 176,900. The County has one of the lowest population densities in England. Approximately one third live in the Hereford City area, with a fifth in market towns, half in rural areas. Herefordshire is a high performing, but low funded County. The population has a slightly lower proportion of 0-19 year olds (24%) compared with 25% nationally. This local figure is set to fall by 10%, compared with 4% nationally. Population projections indicate a growth in older aged residents. This will present a challenge to the delivery of services, in particular those to older adults. In addition, research has identified that demand for children's support services is still increasing.

b) At the end of 2006-7, the Council employed around 5,500 employees, 3,300 FTE in some 7,000 jobs (including those based in schools). The gender split reflects that for local government generally, around 75% female, 25% male. This same proportion is not reflected in the % of the top paid 5% of the workforce, where 38.5% are female, and the Council is underperforming in relation to the top quartile for Unitary Councils (48.09%).

c) The age profile of the Council shows a workforce skewed toward the upper age ranges, where 5.23% are in the 16-24 age range, compared with around 10% in the local population. There are good opportunities for higher education, employment and training

in Herefordshire (14-19 Inspection 2005). Connexions have a target for achieving a 10% reduction in the percentage of 16-18 year olds not in education, employment, or training (NEET).

d) The black minority ethnic population of Herefordshire was at 0.8% in 2001, with the overall total ethnic minorities in the County at 3.4%, mainly as a result of the expanded European Union. The Council is currently underperforming in the overall employment of those from black/minority ethnic backgrounds compared to the local population and top quartile Unitary performance (0.64% against 5.6%) and in the employment of disabled people (0.69% against 2.75%).

e) The Council is underperforming in the % of top 5% of wage earners compared to Unitary top quartile performance for employment of those from black/minority ethnic backgrounds (0.71%, against 3.14%), and employment of disabled people (2.14% against 3.68%). See Human Resources Service Plan 2007-10 for more detail.

f) The Council is rated as being at Level Two of the Equality Standard, and continues its programme of diversity impact assessments, with a Comprehensive Equality Policy, a reviewed Race Equality Scheme, a Disability Scheme, and a recently introduced Gender Equality Scheme. The Council aims to achieve Level Five of the Equality Standard by 2010.

g) Unemployment in the County is lower than that for the West Midlands and the country as a whole (1.7%, against 3.5% and 2.6% respectively). Employee turnover within the Council has been consistently lower than the local government average (16.5% - median average for local government), and under local target (9%), at 6.97% for 2006-7.

h) Absence rates within the Council were at 8.23 dys per FTE (full time equivalent) for 2006-7, with the Council exceeding its 9 dys per FTE target. This places the Council in the top quartile nationally. Absences are a mixture of long term and short term frequent, with top reason for absence overall consistent with that identified nationally - 'flu/cold/viral type infections. Use of early referral to Occupational Health, plus return to work interviews continue to be the most effective means of managing attendance. A revised Health and Safety Management Scheme is being developed.

i) Council absence rates and employee turnover rates overall masks levels within some Directorates that need to be addressed. Recruitment and retention difficulties, and skills shortage areas reflect those for local government nationally e.g. social work, accountancy, ICT, building control. The Council has seen use made of market forces supplements for some roles, however national shortages in some skill areas mean that the use of market forces alone is not likely to succeed.

j) The Council has agreed to work to the Investor in People Standard to help support continued performance improvement. The Council's appraisal scheme – Staff Review and Development – is firmly linked to the Council's Performance Management cycle, and completion rate for 2006 was 94% against 76% for 2005. There are issues of quality of completion that now need to be addressed. Three sixty degree appraisal of the Council's key managers was rolled out in early 2007, with coaching sessions, again to help drive performance improvement. A revised manager development programme was developed in 2006-7.

k) The Council's Corporate Plan has identified the need to respond and transform in a number of areas, and has developed strategies to enable and support change, including

- o Accommodation - seeking to improve space utilisation and service delivery through property rationalisation and increased use of flexible working approaches;
- o Information, Communication, and Technology – seeking to harness technology to drive and support service delivery improvement;
- o Herefordshire Connects – seeking to transform service delivery across the Council, through new technology to drive Integrated Customer Services, Integrated Support Services, and Performance Management;
- o Children and Young People's Plan – seeking to ensure the five outcomes for children – Be Healthy, Stay safe, Enjoy and Achieve, Make a Positive Contribution, Achieving Economic Well-Being – are at the centre of the development agenda;
- o Medium Term Financial Strategy – seeking to ensure budgetary planning and management over a longer term planning horizon, including the control and management of costs (including the Council's workforce establishment).

More detail on the current position in terms of the Council's performance against key workforce development areas, is outlined in the Human Resources Services Plan 2007-10.

3. Scope and Priority areas

The Pay and Workforce Development Strategy will support areas of activity in respect of the Council's workforce, to drive improvement in the following six identified areas:

- o **Resourcing** – recruitment and retention

- o **Leadership and management development** – to equip and enable managers to lead change, and manage people effectively
- o **Pay, Recognition and Reward** structures – to enable a well motivated workforce
- o **Skills, Learning, and Development** – to have in place a skilled workforce, one that meets national qualification and training standards, and is able to deliver effective services
- o **Employee Well Being** – to have a healthy workforce, with the safest possible working environment
- o **Developing the Organisation** - to meet the workforce diversity and resourcing challenges of Herefordshire Connects, Accommodation, creation of a Public Services Trust and a Children's Trust.

It is recognised that the Council has a relationship with the employed workforce based in schools, through local management of schools.

The Herefordshire Council and Primary Care Trust (PCT) are currently working on developing a shared proposal to create a Public Services Trust (PST) for Herefordshire which will integrate local government services and public health, planning and commissioning functions. The move is designed to improve the planning and commissioning, and delivery of services to local people, making better use of money and resources. The implications addressed as part of the delivery of this Strategy.

4. Risks

Risks identified are:

a) Non-delivery of the Children's and Young People's Workforce Strategy 2007-9.

b) Non-achievement of the Investor in People Standard.

Both the above will be mitigated by project management of delivery, and Board oversight of progress. See Pay and Workforce Development Strategy Board Risk Log, and Human Resources Strategic Risk Register.

5. Review and monitoring arrangements

Progress against the Strategy will be via monthly Board meetings, as part of the Transformation Governance arrangements, and via Corporate Management Board/Cabinet/Strategic Monitoring Committee reports half yearly by the Head of Human Resources.

Appendix A   Pay and Workforce Development Strategy 2007-10

Cabinet Lead: Cabinet Member Corporate and Customer Services and Human Resources CMB Lead: Head of Human Resources

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	**Resources needed**	**In year milestones (targets)**	**Performance Progress**
1. Resourcing *To ensure the organisation recruits and retains the employees it needs to deliver effective services* ☑ **Cross cutting – Diversity, Thriving Communities, Better Outcomes for Children, Enabling Older People, Sustainability**	The percentage of the top-paid* 5% of Local Authority employees who are women (BVPI 11a) * % top paid = % on c£38,000 and above	42% * 42.6% * 43.34% *	1.1. Develop a focused and prioritised action plan, with the Councils preferred senior manager recruitment consultancies, to include improved recruitment and retention strategies (to reflect actions in gender equality scheme, and include internal employee activities and development).	Within existing HR resources Corporate Diversity Team	Action plan in place by end June 2007, delivery from July 2007 End Sept 41% End Dec 41.5% End Mar 08 42%	2006-7 current 38.57% * Targets to be reviewed in light of 2006-7 out-turn

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Resourcing *continued…..*	The percentage of the top-paid 5% of Local Authority employees from an ethnic minority (BVPI 11b)	1.95% * 2.00% * 2.02% *	1.2 As above, and action plan to reflect actions in Race Equality Scheme.	Within existing HR resources Corporate Diversity team	As above End June 1.89% End Sept 1.92% End Dec 1.95% End Mar 08 1.95%	2006-7 current 2.14% * Targets to be reviewed in light of 2006-7 out-turn
	N/A	N/A	1.3 Verify all personal diversity data in respect of top 5% of wage earners.	Within existing HR resources	Ongoing	
	The percentage of the top-paid 5% of staff who have a disability (excluding those in maintained schools) (BVPI 11c)	0.5% * 0.75% * 1.06% *	1.4 As above and action plan to reflect actions in Disability Equality Scheme.	As above	As above End June 0.15% End Sept 0.25% End Dec 0.35% End Mar 08 0.5%	2006-7 current 0.71% * Targets to be reviewed in light of 2006-7 out-turn

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Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Resourcing *continued…..*	N/A	N/A	1.5 Verify all data in respect of top 5% of wage earners.	Within existing HR resources	Ongoing	
	Length of time to recruit (from authority to recruit received to conditional offer)	42 days 40 days 38 days	1.6 Improve the recruitment process for managers (new and existing).	Within existing HR resources	Review current approach by July 2007 Develop revised approach by September 2007 Implement revised approach by March 2008	2006-7 = 45 days
	No specific indicator	Milestones are met	1.7 Integrate the Council's values, non-negotiables and competencies into job descriptions and person specifications.	As above	Ongoing – review of job descriptions and person specifications as they are recruited to	

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Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Resourcing *continued…..*	Voluntary Leavers as a percentage of employees in post (leavers = those on a permanent contract with the Council who leave voluntarily, or those who leave temporary contract early, voluntarily*)* (BVPI 13)	Not exceeding 9% Not exceeding 9% Not exceeding 9%	1.8 Leaver Survey – revise survey to improve Directorate and strategic management information to identify issues and drive improvement – including leaver interviews to identify particular issues in identified areas – e.g. Youth Work, Social Work, ICT.	Within existing HR resources	Agree improvements to Leavers Survey by end June 2007. Communicate changes by end Sept 2007. Implement leaver interviews by September 2007.	2006-7 6.97%
	As above	As above	1.9 Benchmark turnover with relevant high performing Unitary Councils, for comparison.	Within existing HR resources NUB group	Send query to NUB group by July	
	As above	As above	1.10 Review turnover by occupational groups – in particular hard to fill vacancy areas.	Within existing HR resources	Assess turnover in hard to fill occupational groups by July	

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Resourcing *continued…..*	As above	As above	1.11 Continue targeted action to address shortages in identified areas e.g. Youth, Social Work, ICT.	Within existing HR resources	Resourcing strategies developed by June 2007 Implemented by September 07	
	N/A	Milestones are met	1.12 Review requirement for Normal Retirement Age (NRA), and agree policy on NRA.	Within existing HR resources Employers Organisation Guidance	Review NRA by December 2007 Agree approach to NRA by Jan 08	
	N/A	Milestones are met	1.13 Engage with partners to develop focussed actions to attract younger and mature entrants e.g. sessional work, back to work tasters, how to differentiate the Council's job opportunities for differing groups e.g. school leavers/mature entrants/career or sector shifters and link with workforce development plans.	Within existing HR resources Corporate Diversity team	Identify partners by June 2007 Agree approach by September 2007 Implement January 2008	

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Resourcing *continued…..*	The percentage of Local Authority employees with a disability (BVPI 16a and see below 17a)	0.55% * 1.25% * 1.93% *	1.14 Develop a focused and prioritised action plan to address under-representation by disabled employees.	Within existing HR resources Corporate Diversity team	Action plan developed by June 2007 Implement from July 2007 End June 0.39% End Sept 0.45% End Dec 0.50% End Mar 08 0.55%	2006-7 outturn 0.69% * Targets to be reviewed in light of 2006-7 out-turn
	The percentage of Local Authority employees from ethnic minority communities (BVPI 17a)	0.55% 0.65% 0.80%	1.15 Develop a focused and prioritised action plan to address under-representation by black/minority ethnic employees. Also consider setting target for percentage of minority ethnic employees and those for whom English is a second language.	Within existing HR resources Corporate Diversity team	As above	2006-7 outturn 0.64%

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Resourcing *continued…..*	Cost of Agency Workers per annum Cost of recruitment per recruit	Milestones are met	1.16 Embed Master Vendor (MV) approach.	Pertemps	Cost of recruitment target to be set by end June 2007 MV in place from April 2007. Implementation plan by June 2007 Agree targets and PIs by June 2007	Cost of recruitment per recruit £3,170
	% of employees aged 16-24	Milestones are met	1.17 Improve links with schools, colleges (HE/FE careers offices, community groups), linking with Apprenticeships and relevant national schemes and other Council plans/strategies, including Looked After Children.	Within existing HR resources	See 12. above Set target for improvement by June 2007	2006-7 current 5.23%

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Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	**Resources needed**	**In year milestones** **(targets)**	**Performance Progress**
Resourcing *continued…..*	% Vacancy rate	Milestones are met	1.18 Embed Guidance arrangements for the Council's establishment.	Within existing HR resources	Set vacancy rate targets by September 2007 Guidance arrangements published June 2007 Establish workforce planning group by July 2007 Action plan re workforce planning in place Sept 07	
	N/A	Milestones are met	1.19 Develop workforce planning capability to predict and plan for the Council's future workforce requirements.	Within existing HR resources Herefordshire Connects	Dependent on Herefordshire Connects roll out	

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Resourcing *continued…..*	N/A	Milestones are met	1.20 Consider and regularly review resourcing elements to support the development of the Public Services Trust (PST).	Change and HR project group Recruitment consultants Within existing HR resources	Interim joint arrangements in place by June 2007 Further joint arrangements re structure and alternative work in place by September 2007	
	N/A	Milestones are met	1.21 Work to support e-recruitment improvements.	Herefordshire Connect Board	Dependent on Connects timelines	
	Portal in place	Portal in place by end March 2008	1.22 Support development of a regional recruitment portal.	Regional Group ICT nominated support	Project plan in place by July 2007, with reviews September/ November 2007	Regional Capacity Building funding secured Project manager appointed

Theme and Definition	Performance Indicator(s)	Targets 2007-8 2008-9 2009-10	Action	Resources needed	In year milestones (targets)	Performance Progress
2. Leadership *Develop the skills, knowledge and ability of leaders to achieve Council objectives through their leadership.* ☑ **Cross cutting – contributes to all themes re Council's leadership**	All modules in place. Investors in People (IiP) accreditation		2.1 Complete provision for core Herefordshire Manager modules to meet the 'non-negotiables':	Managers to deliver appropriate modules	Link with the relevant CMB/SMT workstreams and Policy and Performance team from end April 2007 .	All modules in place by end March 2008
	Refreshed 'non-negotiables' in place		2.2 Review the 'non-negotiables'.	Within existing HR resources	As above Clarify requirements from the non-negotiables	Refreshed 'non-negotiables' agreed, allowing sufficient lead-in time for modules to be in place by end March 2008

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Theme and Definition	Performance Indicator(s)	Targets 2007-8 2008-9 2009-10	Action	Resources needed	In year milestones (targets)	Performance Progress
Leadership *cont…..*	Employee Opinion Survey responses to questions relating to change (Other PIs as arising from relevant Boards' work)	2007-8 - 2% improvement on previous year 2008-9 – 2% improvement on previous year 2009-10 – 2% improvement on previous year	2.3 Assess requirements for learning provision for managers in managing change. (ref. OD theme 6.10 – Council-wide projects).	Within existing resources	As above Establish managing change as a 'non-negotiable' Actions to be agreed with relevant Boards Learning needs identified and plan to meet needs developed, in line with relevant Board requirements	Milestones met

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Theme and Definition	Performance Indicator(s)	Targets 2007-8 2008-9 2009-10	Action	Resources needed	In year milestones (targets)	Performance Progress
Leadership *cont…..*	Completion of modules by % of managers identified		2.4 Establish numbers of managers requiring each core module.	Within existing HR resources	Numbers obtained from each Directorate (based on 'non-negotiables' as at June 2007) by August 2007	Milestone met
	As above		2.5 Develop delivery plan to address no. of managers requiring specific modules.	Information from directorates	By December 2007	As above
	IiP Accreditation Responses to relevant Employee Opinion Survey questions		2.6 Work with Directorates to establish plan to address identified need other than that for core, 'Herefordshire Manager' modules.		Analysis of need arising from SRD training planners presented to Directorates Directorate training plans developed by November 2007	Milestones met

Theme and Definition	Performance Indicator(s)	Targets 2007-8 2008-9 2009-10	Action	Resources needed	In year milestones (targets)	Performance Progress
Leadership *cont…..*	Increased level of agreement year on year, for Employee Opinion Survey questions relating to leadership and management, and organisational development and culture. Investors in People (IiP) accreditation	2007-8 - 2% improvement on previous year 2008-9 – 2% improvement on previous year 2009-10 – 2% improvement on previous year	2.7 Complete rollout of competency assessment across all Directorates. Ensure link with Investors in People and performance management system.	Directorate co-ordinators CMB/SMT Performance Management workstream	Establish baseline for 360 competency level of managers by November 2007	As above
	As above	As above	2.8 Establish timeline for competency re-assessment, frequency of re-assessment and appropriate level of manager for assessment rollout.	Within existing HR resources	Agree on-going approach to competency assessment, by January 2008	As above

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Theme and Definition	Performance Indicator(s)	Targets 2007-8 2008-9 2009-10	Action	Resources needed	In year milestones (targets)	Performance Progress
Leadership *cont…..*	Increased level of agreement year on year, for Employee Opinion Survey questions relating to leadership and management, and organisational development and culture. Investors in People (IiP) accreditation	2007-8 - 2% improvement on previous year 2008-9 – 2% improvement on previous year 2009-10 – 2% improvement on previous year	2.9 Develop plan to address development need arising from baseline established for manager competency and in line with the 'non-negotiables'.	Within existing HR resources	Agree target levels for improvement of manager competency by end March 2008 Action plan in place by end March 2008	As above
	95-100% of inductions completed by new managers/supervisors Investors in People (IiP) accreditation	2007-8 – 80% 2008-9 – 90% 2009-10 – 100%	2.10 Develop and consolidate approach to induction for newly appointed managers/supervisors.	As above	Consult with Directorates June 2007	Milestones met

Theme and Definition	Performance Indicator(s)	Targets 2007-8 2008-9 2009-10	Action	Resources needed	In year milestones (targets)	Performance Progress
Leadership *cont…..*	As above	As above	2.11 Rollout approach. (ref. Resourcing theme, 1.6).	Within existing HR resources	Develop action plan by end August 2007	Milestones met
	Increased level of agreement year on year, for relevant Employee Opinion Survey question Investors in People (IiP) accreditation	2007-8 – 2% improvement on previous year 2008-9 – 2% improvement on previous year 2009-10 – 2% improvement on previous year	2.12 Identify those aspiring to first line manager posts and develop programme specifically to encourage under-represented groups, e.g. employees with a disability, Black/ Minority Ethnic (BME) employees, and female employees.	As above	Individuals identified by September 2007	Milestones met
	As above	As above	2.13 Set up development centre for this group.	As above	Development centre in place by end October 2007.	As above

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Theme and Definition	Performance Indicator(s)	Targets 2007-8 2008-9 2009-10	Action	Resources needed	In year milestones (targets)	Performance Progress
Leadership *cont…..*	Increased level of agreement year on year, for relevant Employee Opinion Survey questions	2007-8 - 2% improvement on previous year 2008-9 – 2% improvement on previous year 2009-10 – 2% improvement on previous year	2.14 Integrate the values into management / leadership competencies.	Within existing HR resources	By end July 2007.	Milestones met

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Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
3. Pay, Reward and Recognition *Establish a total rewards package in order to attract , retain and motivate employees and support organisational goals* ☑ **Cross cutting - Sustainability**	Voluntary Leavers as a percentage of employees in post (BVPI 13) Employee Opinion Survey	2007-8 Not exceeding 9% 2008-9 Not exceeding 9% 2009-10 Not exceeding 9% 2007-8 – establish baseline 2008-9 – 2% improvement on previous year in relation to relevant EOS question areas 2009-10 as above	3.1 Develop a pay reward and recognition framework that rewards a performance culture ensuring value for money in service delivery and compliance with equality impact.	Consultancy support Exchequer Services Existing HR resources	Initial draft by December 2007 Consult January 2008 Implement April 2008	

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Theme and Definition	Performance Indicator(s)	Targets 2007-10	Current Year 2007-8			
		2007-8 2008-9 2009-10	Action	Resources needed	In year milestones (targets)	Performance Progress
Pay, Reward and Recognition *continued ….*	Employee Opinion Survey	2007-08 – establish baseline 2008-09 - 2% improvement on previous year in relation to relevant EOS question areas 2009-10 – as above	3.2 Undertake an equal pay audit and take appropriate action.	Link HR consultancy support	Audit completed July 2007 Review Audit outcomes and roll out action plan September 2007 Draft approach identified February 2008	Specialist software installed and training completed April 2007

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Theme and Definition	Performance Indicator(s)	Targets 2007-10	Current Year 2007-8			
		2007-8 2008-9 2009-10	Action	Resources needed	In year milestones (targets)	Performance Progress
Pay, Reward and Recognition *continued ….*	Voluntary Leavers as a percentage of employees in post (BVPI 13) Employee Opinion Survey	2007-08 – Not exceeding 9% 2008-09 – Not exceeding 9% 2009-10 – Not exceeding 9% 2007-08 – establish baseline 2008-09 - 2% improvement on previous year in relation to relevant EOS question areas 2009-10 – as above	3.3 Identify critical posts and develop career frameworks, e.g. Planning, Building Control, ICT, Social Care, Youth Service.	Within existing HR resources	Identify critical posts by July 2007 Plan in place by September 2007	

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Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Pay, Reward and Recognition *continued ….*	Employee Opinion Survey	2007-8 – establish baseline 2008-9 – 2% improvement on previous year in relation to relevant questions 2009/10 – as above	3.4 Collate and publicise the existing benefits package.	Within existing HR resources Com- munications Dept	By end of August 2007	
	Voluntary Leavers as a percentage of employees in post (BVPI 13)	2007/08 - Not exceeding 9% 2008/09 - Not exceeding 9% 2009/10 - Not exceeding 9%				

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Theme and Definition	Performance Indicator(s)	Targets 2007-10	Current Year 2007-8			
		2007-8 2008-9 2009-10	**Action**	Resources needed	In year milestones (targets)	Performance Progress
Pay, Reward and Recognition *continued ....*	As above	As above	3.5 Identify value of existing benefit package.	Exchequer Services	September 2007	
	As above	As above	3.6 Introduce a range of flexible benefits, which allows personal choice, to include the identification of options and analysis of costs.	Consultancy support	April 2008	

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
4 Employee Well Being *Maintain optimum health and well being of our employees within a safe working environment.*	BVPI 12 Sickness Absence showing schools attendance separately Voluntary Leavers as a percentage of employees in post (BVPI 13)	2007-8 Not greater than 9 days FTE 2008/09 2009/10 2007/08 - Not exceeding 9% 2008/09 - Not exceeding 9% 2009/10 - Not exceeding 9%	4.1 Implement a rolling programme of health promotion and health improvement initiatives based on regional and national priorities and identified employee needs.	External providers including PCT	Conduct employee survey January 2008	
	Average duration of absence per employee	To be identified in conjunction with service providers	4.2 Review the cost/benefit of service providers including counselling, physiotherapy and occupational health support. Implement agreed improvements.	Service providers Consultancy support	By December 2007, to include the setting of performance targets	
	As above	As above	4.3 Implement agreed improvements.		December 2007	

Theme and Definition	Performance Indicator(s)	Targets 2007-10	Current Year 2007-8			
		2007-8 2008-9 2009-10	**Action**	Resources needed	**In year milestones** **(targets)**	**Performance Progress**
Employee Well Being *continued….*	No specific Performance Indicator	2007-8 Complete and monitor	4.4 Review and revise the No Smoking Policy to protect employee's health and comply with forthcoming legislation.	Smoking cessation support	Smoking Cessation presentation arranged for June 2007	Policy agreed by CMB – May 2007
	BVPI 12 Sickness Absence	2007/08 - Not greater than 9 days FTE 2008/09 – 2009/10 – not greater than 7 days FTE	4.5 Review council approach to vocational rehabilitation to facilitate appropriate return to work opportunities through early interventions and effective work programmes.		Revised policy September 2007 Consult October 2007	
	Number of accidents and incidents by category, by directorate.	Improvement targets to be set by end July 07	4.6 Implement year one Safety Management System actions.	SMS Core Team Consultancy support	Improvement targets to be set by end July 07 H&S Committee to monitor quarterly	

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Employee Well Being *continued….*	No specific Performance Indicator	In year milestones completed	4.7 Establishment of corporate health and safety policy.		Chief Executive to sign off June 2007	
	As above	As above	4.8 Roll out risk assessment training to managers.		Pilot training conducted June 2007	
	As above	As above	4.9 Identify and deliver health and safety training for directors.		Training completed September 2007	
	Employee Opinion Survey	2007-8 – establish baseline 2008-9 – 2% improvement on previous year in relation to relevant questions 2009-10 – as above	4.10 Implementation of Dignity and Respect Policy to combat bullying and harassment.			Draft to policy working group by April 2007

Theme and Definition	Performance Indicator(s)	Targets 2007-10	Current Year 2007-8			
		2007-8 2008-9 2009-10	**Action**	Resources needed	**In year milestones** **(targets)**	**Performance Progress**
Employee Well Being *continued…*	As above	As above	4.11 Develop action plan to include actions to raise employee awareness and increase managers' skills.		Implement August 2007	
	Employee Opinion Survey	2007-8 - 2% improvement on previous year 2008-9 – 2% improvement on previous year 2009-10 – 2% improvement on previous year	4.12 Provide support to corporate project in the review of flexible working arrangements.	Herefordshire Connects timescales		

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
5. Skills, Learning and Development *To ensure that employees have the right skills, competences and qualifications to fulfil the organisation requirements.* ☑ **Cross cutting – Better Outcomes for Children, Enabling Older People, Thriving Communities**	% of staff holding recommended professional qualifications	2007-08 –Social Care & Social Work Learning and Development Plan implemented. To be determined from 2007-8 achievements and requirements	5.1 Identify skills gaps from national skills and qualification requirement for the workforce and make recommendations for addressing the gaps.	From existing HR resources	Social Care & Social Work targets identified in Learning and Development Plan at end of April 2007	Plan completed
	As above	To be determined	5.2 Identify the roles within Herefordshire Council that require an accredited qualification.	From existing HR resources	October 2007	

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Skills, Learning and Development *Continued…*	As above	To be determined	5.3 Identify the appropriate qualifications for role (to include ECDL).	From existing HR resources, IT training support	December 2007	
	As above	To be determined	5.4. Analysis of gaps and workforce plans.	From existing HR resources	Conduct Training Needs Analysis January 2008

Implement action plan to achieve outcomes from March 2008

Formal reviews and progress reports July/Oct/Jan/April | |

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	**Resources needed**	**In year milestones (targets)**	**Performance Progress**
Skills, Learning and Development *Continued…*	% of new starters attending induction within 3 months of start date	2007-10 100% attendance at Corporate Induction of those able to attend	5.5. To ensure people entering new roles are effectively inducted.	From existing HR resources	To be monitored in the Learning and Development Team meetings	2004-5 Attendance at Corporate Induction 72%
	% of new starters completing CIS on time	2007-10 98% - 100% Completion of Common Induction Standards for relevant groups of those able to attend	5.6 Implementation of Common Core Standards Induction training.	From existing HR resources	To be monitored in the Learning and Development Team meetings	

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	**Resources needed**	**In year milestones (targets)**	**Performance Progress**
Skills, Learning and Development *Continued…*	% of Directorate Inductions completed % of employees successfully completing their probationary period	2007-10 98% – 100% of those able to attend	5.7 Develop and implement a consistent and sustained intranet based approach to Directorate Inductions.	From existing HR resources, IT Support required	August 07	
	98%- Completion of SRD Planners of those eligible	Not applicable	5.8 Collate and identify service requirements to ensure that Herefordshire Council priorities are included in the learning and development annual programme.	As above	Review and revise training plans August 2007	
	£ investment per employee/FTE	To be determined	5.9 Establish baseline for minimum training and development investment - days per employee/£ per FTE.	As above	Oct 2007	

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Skills, Learning and Development *Continued…*	To be determined	To be determined	5.10 Identify trainee placements in key role shortage areas (Env. Health and Trading Standards, Social Care, Youth Service). To develop a holistic approach to traineeships throughout the Council.	Existing HR resources and inter-agency resources through Children's Workforce strategy	Plan to be agreed by September 2007	
	Level 5	2007-8 – Level 3 2008-9 – Level 4 2009-10 – Level 5	5.11 Continue targeted approach to diversity and equality training for members, managers and employees.	Corporate Diversity Team	Action plan in place to achieve milestones by June 2007 Quarterly reports to HRMT	

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Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	**In year milestones (targets)**	**Performance Progress**
Skills, Learning and Development *Continued…*	% of social workers achieved Full PQ % of Care Workers achieved NVQ No of Practice Learning Days	Adults - 5% increase p.a. Children – 5% increase p.a. 50% (07-08) 60% (08-09) 75% (09-10) Maintained to 2010 15.9 – Children (PAF Indicator) 15.35 – Adults (PAF Indicator)	5.12 Develop and Implement annual social care/work training and development plan (Adult's and Children and Young Peoples Directorates).	Within existing HR resources	April 2007	
	As above	To be determined from outcome of workstream activity	5.13 Complete and implement Children's Workforce Strategy.	Existing HC resources, other multi-agency resources, Health, Police, Voluntary and private sector	May 2007	

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Skills, Learning and Development *Continued…*	Jan 2008	Jan 2008	5.14 Complete and implement plan to achieve Adult's Integrated Workforce Strategy.	As above	January 2008	
	No. of coaches trained for the Regional Pool No. of hours of coaching provided for Regional Pool No of managers accessing Coaching Pool	2007-8 – 6 2008-9 – 6 2009-10 – NA 2007-8- 22 2008-9-22	5.15 To sustain Herefordshire Council commitment to Regional Coaching pool. Implement action plan.	Existing HR resources	Action plan in place by April 2007 Recruit and train 6 managers as coaches Regularly review impact from coaching interventions	

Theme and Definition	Performance Indicator(s)	Targets 2007-10	Current Year 2007-8			
		2007-8 2008-9 2009-10	Action	Resources needed	In year milestones (targets)	Performance Progress
6. Organisation development *Support and enable organisational change and development through and with employees, partners and other agencies to deliver effective services* ☑ **Cross cutting – Diversity and Equality**	Staff Review and Development impacting positively on performance Investors in People (IiP) Accreditation % Staff Review and Development carried out	 Achieved 2007 retained 2010 100% of those eligible to have annual SRD within corporate timeframe	6.1. Develop approach with Heads of Service to identify how SRDs have impacted positively on performance (links to performance assessment) in order to support achievement of Investors in People accreditation 9 see 6.15).	Heads of Service Policy and Performance Team	Discuss with Directors and Heads of Service – by September 2007. Develop approach by October 2007 Implement approach by Jan 2008	Milestones met
	As above % SRDs showing direct links to Service Plane	As above	6.2 Develop and implement a system to quality assure SRDs and to demonstrate the links to Service Plans.	Audit	Develop approach by October 2007 Implement approach by Jan 2008	2006 - 07 SRD completion rate 94%

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Organisation development *continued….*	Investors in People accreditation		6.3 Ensure SRD training and development provision is clearly linked to organisational improvement (at organisation and service level) and that the value of the investments is continually reviewed in order to support IiP accreditation.	Policy and Performance Team	See Learning and Development for milestones	Milestones met
	Equality Standard Level IiP Accreditation	2007-8 Level 3 2008-9 Level 4 2009-10 Level 5 Achieved 2007 Retained 2010	6.4. Review employment and training requirements of Level 3 of the Equality Standard by July.	Corporate Diversity Team (CDT)	Ensure evidence for Level 3 is gathered and filed ready for inspection.	2006 Level 2
	As above		6.5 Implement actions to achieve required level.	Within existing HR resources	Action plan to address any gaps in place by September.	Milestones met

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Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Organisation development *continued….*	% increase in no. of employees on language register		6.6 Consider and make recommendations for recognition and incentives for those on language register, and to encourage employees to register.	Corporate Diversity team	Recognition incentives considered by end August 2007 recommendations made by September 2007

Consulted with TUs by end December 2007

Implement recommendations February 2008 | Milestones met |

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	In year milestones (targets)	Performance Progress
Organisation development *continued….*	Employee Opinion Survey (EOS) results (Diversity questions)	Improve 2% year on year	6.7. Provide training and development interventions to support the Council's Diversity agenda and improve performance against relevant Corporate Health Best Value Performance Indicators (BVPIs) and Employee Opinion Survey e.g. Equality Impact Assessment and targeted training.	Corporate Diversity Team	Review current approach and make recom-mendations for improvement by end September 2007	Employee Opinion Survey questions 2006 Religion – 78% Race – 76% Gender – 75% Sexual Orientation – 71% Disability – 73% Age – 73% Position – 55% Council takes into account diverse views and needs of service users – 53%

Theme and Definition	Performance Indicator(s)	Targets 2007-10	Current Year 2007-8			
		2007-8 2008-9 2009-10	**Action**	Resources needed	In year milestones (targets)	Performance Progress
Organisation development *continued....*	To be determined	To be determined	6.8 Lead and shape the people elements of the following key Council-wide projects: ❑ Flexible working, ❑ Herefordshire Connects, (includes change issues) ❑ Public Services Trust (including issues around shared culture and values).	Accom-modation Board Herefordshire Connects Board HR and Change project team	Actions and milestones to be agreed with relevant Boards	Milestones met
	As above	As above	6.9 Embed into recruitment, induction, management and employee development, the behaviours set out in the Customer Services Strategy.	Customer Services Strategy Board	As above	As above
	Employee Opinion Survey	2% improvement year on year	6.10 Develop action plan to help embed the Council's organisational values.	PR and Employee Communi-cations	Develop actions by July 2007, then implement	As above

Theme and Definition	Performance Indicator(s)	Targets 2007-10 2007-8 2008-9 2009-10	Current Year 2007-8			
			Action	Resources needed	**In year milestones** (targets)	**Performance Progress**
Organisation development *continued….*		50% 55% 60%	6.11 Work to improve the EOS response rate, and ensure % completion rate is supplied on a regular basis for management action).	Within existing HR resources	Annual Survey July 2007 Management Reports October 07 onwards	2006 48.4%
	Investors in People (IiP) accreditation	Achieved 2007 Retained 2010	6.12 Establish further actions with DMTs to help achieve accreditation, and address any identified issues.	Consultant West Mids Quality Centre Assessor	CMB/SMT Review May Further review August 2007	As above
	As above		6.13 Make provision for incorporating actions relating to the IiP standard, in the performance improvement framework.	Head of Policy and Performance	Consult with Head of Service Performance Management Group by July 2007 Incorporate in revised Performance Improvement Framework by January 2008	As above

Pay and Workforce Development Strategy 2007-10 - Ends

HEREFORDSHIRE COMMUNITY STRATEGY DEVELOPMENT PLAN

Report By: Herefordshire Partnership Team Manager

Wards Affected

County-wide

Purpose

1. To consider the development and monitoring arrangements in place for the Community Strategy Development Plan, and its future development.

Financial Implications

2. Two of the roles of the Herefordshire Community Strategy Development Plan are to prioritise funding and influence funding decisions made by regional and other funders such as European Funding, and as a basis for making financial decisions regarding the Local Area Agreement Single Pot.

Background

Background to the Development Plan

3. The Herefordshire Community Strategy is a high level Strategy looking to Herefordshire in the year 2020. As the Strategy is high level, it does not contain detailed actions. The Development Plan contains these detailed actions, and is focussed on making the Community Strategy happen. The roles of the Development Plan are:

    a. A Workplan for the Herefordshire Partnership;

    b. A document that influences local, regional and national strategies, policy development and decision making;

    c. The basis for prioritising funding and influencing funding decisions such as regeneration and European funding;

    d. The Local Area Agreement Action Plan, which will direct the Local Area Agreement Single Pot;

    e. A document that will be looking to the future and guiding Herefordshire's development.

4. It includes the outcomes in the Herefordshire Community Strategy, Performance Indicators to measure process and actions with timescales and leads.

5. The Development Plan does not replicate existing Council plans. Instead it builds on them and links them to plans from other local organisations. The Development Plan also pulls together a number of existing plans into one document. This means that we do not

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Further information on the subject of this report is available from Jennifer Watkins, Herefordshire Partnership Team Manager on 01432-260610

have more plans and strategies in Herefordshire than we need. This has been a significant step, which other Local Strategic Partnerships are following.

2006/2007 Development Plan

6. The first Development Plan was produced for the financial year 2006-2007. It was developed as a trial and was focussed on putting all the processes and actions in place for the new Community Strategy, Herefordshire Partnership, and the new Local Area Agreement.

Action Plan 2008/2011

7. The Herefordshire Partnership Team is now pulling together the end of year report on the achievements from this Development Plan. The Herefordshire Partnership Team has learnt a lot from this experience, and is taking these lessons into the development of the 2008-2011 Action Plan. The 2008-2011 Action Plan is in development, and will be a more fundamental and influential plan, which will guide the actions and activity of the Herefordshire Partnership and its Partner organisations.

Background to the Local Area Agreement

8. Herefordshire Council was a round two Local Area Agreement area, and the Local Area Agreement has been developed and is in place. Performance indicators are monitored on a bi-monthly basis using the same performance management systems as the Integrated Performance Report. The Local Area Agreement is monitored by Government Office West Midlands every six months. Currently Herefordshire is graded Green for progress against our performanace indictors and Green for our governance and performance monitoring arrangements. Only two Local Authorities in the region are graded green/green.

9. Over the coming year every Local Area Agreement in the country will be re-developed, with the number of performance indicators reducing to 35 (plus 18 statutory DfES targets). This should be a real improvement, but means that we must re-confirm our local priorities to guide decisions on the indicators we chose. The Local Area Agreement also requires an Action Plan to show how we will achieve our targets.

10. The new Local Area Agreement will also be used to monitor service delivery in Herefordshire, and will be a central part of the new Comprehensive Area Assessment.

Links between the Local Area Agreement and 2008/2011 Action Plan

11. The 2008-2011 Action Plan wil be developed in conjunction with the redevelopment of the Local Area Agreement and the Single Pot, and will be used as the basis for Commissioning Services and taking financial decisions in the future. This is a significant difference for Herefordshire Council and local organisations and will require cultural and operational changes.

12. The Action Plan, these commissioning processes and the actions we take as a result will also be a fundamental part of the Comprehensive Area Assessment in the future.

Next steps

13. There are opportunities for Strategic Monitoring Committee to be involved in the development of the Action Plan by feeding into its development this autumn and taking a view on the draft Action Plan during consultation in early 2008. Strategic Monitoring

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Further information on the subject of this report is available from Jennifer Watkins, Herefordshire Partnership Team Manager on 01432-260610

Committee may also wish to look at the processes used in more detail, or to receive the end of year reports.

14. It is anticipated that the Action Plan will be monitored annually, and reported back to all Partners and will be available on the Herefordshire Partnership website.

RECOMMENDATION

> **THAT Strategic Monitoring Committee notes the report, and the forthcoming consultation on the 2008-2011 Herefordshire Community Strategy Action Plan, and considers how it wishes to input.**

BACKGROUND PAPERS

• The 2006-2007 Development Plan is available on the Herefordshire Partnership website (www.herefordshirepartnership.com) under the"What we do" section.

Further information on the subject of this report is available from Jennifer Watkins, Herefordshire Partnership Team Manager on 01432-260610

NEW PROCUREMENT STRATEGY

Report By: STRATEGIC PROCUREMENT AND EFFICIENCY MANAGER

Wards Affected

County-wide

Purpose

1. To inform Strategic Monitoring Committee of the new Procurement Strategy.

Financial Implications

2. An effective Procurement Strategy can make a considerable contribution to the Council's overall financial position.

Background

3. "Procurement" is the process of acquiring goods, works and services from third parties. The process spans the whole life cycle from identification of needs, through to the end of a service contract or the end of the useful life of an asset. It includes options appraisal and the critical "make or buy" decision. An appropriate strategy helps deliver this activity in an effective manner.

The Strategy

4. Successful implementation of the Procurement Strategy will help the Council achieve both cashable and non-cashable benefits. Cashable benefits will contribute towards reducing budgetary pressures it will face in the future. It will also provide evidence   that the Council places great importance on striving to achieve Value For Money.

5. Implementing this strategy will ensure improvements to the way the Council performs its procurement activities and this will deliver better procurement outcomes and tangible benefits.

6. The strategy plays a key role in the Herefordshire Connects transformation programme and it will support the delivery and capture of benefits throughout the Connects programme.

7. The strategy is designed to be a working aid to officers and a point of reference whilst providing guidance on all procurement related activity.

8. It encompasses and reinforces all the corporate policies that need to be taken in to consideration before, during and after the procurement process.

9. It is not intended to be a procedure manual. Other documents will provide this detail and will be available via the Intranet.

Further information on the subject of this report is available from
Dean Hogan, Strategic Procurement and Efficiency Manager on 01432 260043

9NewProcurementStrategy160707report0.doc

10. It will be the responsibility of the Strategic Procurement and Efficiency Manager to implement and monitor the effectiveness of the strategy, and to update it accordingly as and when required. Compliance with the strategy will also be monitored.

11. To monitor the implementation progress an action plan has been created the details of which will be finalised in conjunction with the Council's Herefordshire Connects partner. Progress against this action plan will be reported to CMB/Cabinet on a six monthly basis.

12. The communication of this strategy will take a similar approach to that used to communicate the Financial Strategy.

13. The capacity to fully implement this strategy and maximise the benefits will need to be reviewed once implementation is underway.

14. The forthcoming Comprehensive Spending Review 2007 is likely to set a target of 3% cashable savings and successful implementation of this strategy will significantly contribute to this target, whilst at the same time it will reinforce the Council's commitment to achieving Value For Money and this will feed into the Use of Resources section of CPA.

RECOMMENDATION

THAT Strategic Monitoring Committee comments on the Procurement Strategy

BACKGROUND PAPERS

- Procurement Strategy 2005

Further information on the subject of this report is available from
Dean Hogan, Strategic Procurement and Efficiency Manager on 01432 260043

9NewProcurementStrategy160707report0.doc

Herefordshire Council

Procurement Strategy

July 2005

Introduction

1. The Council shares a vision for a better Herefordshire with a wide range of partner organisations in the private, public and voluntary sectors, and with those representing communities. The vision is set out in *The Herefordshire Plan*, and the Council's own Corporate Plan says what the Council will do over the next three years to play its full part in turning that vision into reality.

2. The Corporate Plan identifies the main challenges facing the county and the Council, makes clear the Council's priorities for the future and sets out the improvements which are planned in services, and in efficiency and effectiveness. It identifies the main risks to the achievement of the Plan, but shows how the Council's resources – human, financial, organisational and physical – will be deployed to bring about the planned improvements and manage those risks.

3. Among other things, the Council will look for

    -   a balanced budget each year;

    -   a comprehensive Service Improvement Programme that will raise service standards and produce significant efficiency savings;

    -   the achievement of real cash savings from more effective procurement of the goods and services the Council buys; and

    -   a further £3 million of recurrent annual savings, beginning in 2005-06, by re-prioritising services.

4. Better procurement, therefore, is an important part of the Council's current overall strategy.

What is Procurement?

5. Procurement is the process of acquiring goods, works and services, covering acquisitions from third parties and in-house providers. The process spans the "whole life cycle" from identification of needs, through to the end of service contract or the end of the useful life of an asset. It involves options appraisals, and the critical "make or buy" decisions. It involves an assessment of the possible risks if something goes wrong.

6. In the context of a procurement process, obtaining the best value for money means choosing the bid that offers the best combination of whole life costs and benefits to meet the Council's requirements. This is not necessarily the lowest initial price option and requires an assessment of the ongoing revenue and resource costs, as well as the capital investment. The Council's requirements will include social,

environmental, sustainability and other strategic objectives defined at the earliest stages of the procurement cycle.

7. Procurement is therefore about choices, some of which will be difficult. The choice that the Council makes about a particular contract or form of partnering is a clear signal of what type of authority the Council wants to be, and how it wants to be seen now and in the future.

Strategic Management

8. The Council has considered the best way it should handle procurement as just one among a range of important strategic services. In future, procurement will be handled within a new Directorate to cover resources and property, not least to give effect to the Gershon efficiency agenda. The principles of the Council's approach to procurement, however, will largely remain unchanged in that the Council will pragmatically seek the best solution to the acquisition of goods and the provision of services, looking for value for money at all times. The Director of Resources will assume overall responsibility for the Council's procurement function, coordinating and controlling appropriate Directorate activity (see paragraphs 11 & 12, below).

9. The Council fully supports and is actively engaged with the West Midlands Centre of Procurement Excellence (WMCoE), now based at Bromsgrove.

10. The Council already has a very successful track record in securing major improvements in services, and in the way the Council operates, by acting in partnership with other agencies, or by outsourcing functions where it is advantageous to do so. These achievements include:

- Leominster Access Road –the access road connecting the A49 to Leominster's new £20 million business park, a joint project between the Council and Advantage West Midlands, which is expected to create 600 jobs.

- Herefordshire Transport – the Government rated Herefordshire as a top performing authority in the delivery of local transport improvements, attracting an extra £1.2 million for the service in 2004/05 and £1.3 million for highway maintenance improvements for 2005/06.

- Rural Transport Partnership – nearly £400,000 has been attracted into the county to develop transport services through a number of projects, including new community car schemes and a project to improve access to mental health services.

- Supporting People – the £7.5 million programme, a working partnership between the Council's former Social Care and

Strategic Housing Directorate, the West Mercia Probation Service and the Herefordshire Primary Care Trust, aimed at providing housing related support for vulnerable people - was rated as "Good" by the Audit Commission.

- the Hillside Centre has been opened in Hereford, providing intermediate care in partnership with the Primary Care Trust

- in partnership with West Mercia Constabulary, a new CCTV control room has been provided, monitoring Hereford, Leominster and Ross-on-Wye.

- a PFI scheme for the provision of the new Whitecross High School has been successfully agreed, and work has begun on site.

The Strategic Executive and Senior Management Roles

11. Within the Council, overall responsibility for procurement rests at Cabinet level. Under the Council's Constitution, one of the Cabinet Members is responsible for Resources, including procurement.

12. The Director of Resources will be a member of the Corporate Management Board (CMB). The Council has therefore recognised the strategic importance of procurement, and taken steps to ensure that responsibility for it rests at the highest policy-making levels of the administration.

Corporate Procurement

13. The Council has a successful track record to date with its large-scale corporate procurement, with several services outsourced and PFI schemes introduced. Responsibility for continuing this where appropriate will rest with the Director of Resources.

14. In slightly more detail, the Director's corporate role will probably be to:

- direct and oversee strategic procurement

- ensure compliance European procurement rules where necessary

- ensure compliance with the Council's Good Environmental Management performance system (GEM)

- ensure compliance with the Council's commitment to Fairtrade where appropriate, and similarly to the commitment to use local suppliers where they offer good value for money[1]

- ensure compliance with the Council's policies on equality and diversity

- oversee devolved procurement, and continually seek to improve performance

- support and assist the development of West Mercia Supplies

- provide specialist procurement advice to non-specialist Members and officers

- with the Council's Head of ICT, promote eProcurement

- co-ordinate any necessary procurement training

- provide access to procurement information to Members and officers as and when appropriate

15. Notwithstanding the above, responsibility for ICT procurement rests with the Head of ICT, as does responsibility for all ICT-related training.

Departmental Procurement

16. Again subject to the emerging responsibilities of the Director of Resources, responsibility for non-ICT procurement below the corporate level will generally remain with individual Directors and their Directorates, involving the Cabinet Member and CMB as appropriate. The Director of Resources will, however, exercise overall control and direction to ensure tight corporate cohesion.

17. The Directorate procurement role will:

- identify opportunities for alternative provision through strategic procurement

- develop partnerships or consortia as appropriate, particularly with an eye to achieving best value by achieving economies of scale

- similarly, recognise the benefits of leveraging existing contracts and relationships to deliver best value

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[1] On 28 April 2005, the Council's Cabinet agreed among other things that the Council's Procurement Strategy and Code of Practice for the regulation of contracts for works, services and suppliers should be revised to reflect a commitment to Fair-trade and that local Herefordshire producers and their products are used where they offer good value for money and their selection is in accordance with the council's legal obligations, for example, in relation to European procurement rules. (Ref 2005.CAB.040)

- manage and procure Contracts in accordance with agreed performance and other criteria, including GEM and diversity

- where possible, select tenders and manage contracts through eProcurement channels

- make the fullest possible use of West Mercia Supplies

- where appropriate, follow the Council's Code of Practice for Office Administration, to achieve resource efficiency

Other considerations

18.   Different considerations will obviously apply in different circumstances. Generally speaking, however, the Council will expect all managers facing a possible procurement decision to ask themselves the following questions, and to be able demonstrate the most advantageous answer objectively. If there is any doubt, the matter should be referred to the Director of Resources or, as appropriate, the Head of ICT.

- am I following the guidelines set out in the National Procurement Strategy?

- could the service be delivered in-house better, perhaps by improving internal management and efficiency?

- can the market deliver this service?

- is there scope to use a good local supplier or producer, and still get good value for money?

- is there anything I am proposing to do which would unfairly disadvantage minority groups of suppliers or producers and is there anything I could do, in contrast, to make it easier for them to bid for the work envisaged?

- what are the risks to the Council if an externally procured provider cannot deliver the service, but looks to void any contract before its agreed termination date?

- is there scope for procurement through a consortium with another local authority, or group of authorities, or other public sector bodies, to deliver better economies of scale?

- is there scope for procurement through some other form of partnership, even if it might involve breaking new ground?

- can the service under consideration be joined to another, to make it more economic to deliver services, either in-house or through outsourcing?

- can we obtain the benefits of another authority's contract with the same terms and conditions, perhaps by amalgamation, to

continue to achieve best value but without the cost of fresh procurement?

- can West Mercia Supplies provide the goods being sought and, if so, why should an alternative supplier be sought?

eProcurement

19. The Council is committed to reducing cost and improving efficiency through eProcurement where possible, and is developing an eProcurement strategy to supplement the main approach set out in this statement.

20. It will include:

- integration with such other corporate systems as front and back office activity;

- any further recommendations for the Council's ICT infrastructure;

- lessons learnt from experience elsewhere, including WMCoE, to ensure optimum benefit;

- the procurement of eTendering solutions to encourage businesses to transact electronically with the Council;

and will ensure compliance with, as appropriate:

- the Corporate Information Security Policy

21. In conjunction with the Director of Resources, the Head of ICT will help staff procuring at the Directorate level in particular to identify opportunities for eProcurement. The Head of ICT will be responsible for any necessary ICT-related training in this context (see paragraph 15, above).

22. The Council will develop eTendering solutions and encourage businesses to transact electronically with the Council. The Council will enhance its website to inform businesses about the Council, its buying ethos and supplier opportunities.

Short Term Action Plan

23. The Council's overall procurement strategy (paragraph 8, above) is that it will pragmatically seek the best solution to the acquisition of goods and the provision of services, looking for value for money at all times.

24.   Its short-term aim within that is to meet the requirements of the National Procurement Strategy for Local Government (paragraph 18, above).

25.   In the remainder of 2005/06, the Council's objectives are to:

- complete a price comparison, as set out in the Annual Operating Plan 2005/06, of 10 commodities in regular use, to confirm or otherwise that best value is being obtained by the Council (by July 2005)

- complete a 5-year "forward look" of upcoming contracts, with scope for advantageous improvements in efficiency as the contracts are renewed (by August 2005)

- formally commit itself to the National Procurement Concordat for Small and Medium-sized Enterprises (in or just after September 2005, to coincide with the Shropshire, Herefordshire & Worcestershire Small Business Event in that month, details of which are not yet finalised)

- publish, on paper and on the Council's website, a guide to local businesses about how to do business with the Council (by December 2005)

Procurement Strategy 2007

HEREFORDSHIRE
COUNCIL

Contents Page

1. Introduction

1.1   Introduction

1.1.1   For the purpose of this strategy the procurement process has been defined as:

"The whole process of acquisition from third parties and in house providers and covers goods services and works.   The process spans the whole life cycle from initial concept and definition of business need to the effective management of markets, through to the end of the useful life of an asset or end of services contract. It involves options appraisals and the critical "make or buy" decision which may result in the provision of services in house in   appropriate circumstances".

1.1.2   From the definition it is clear that procurement embraces the whole of the supply chain from identifying a need to making a payment i.e. 'the procure to pay' cycle is one process.   Key to the success of this strategy is raising the Councils approach to procurement to a strategic supply chain management.

1.1.3   Procurement does not just relate to "buying   things"   but   covers   the whole   process   from   the   initial identification of a need for a good or service, through selecting a supplier   or partner, receiving the goods   or   service, managing a contract,   achieving   the benefits expected, to finally getting rid of an asset   or   ending   a   contract.   This procurement process is described in the diagram below.

The Procurement Cycle
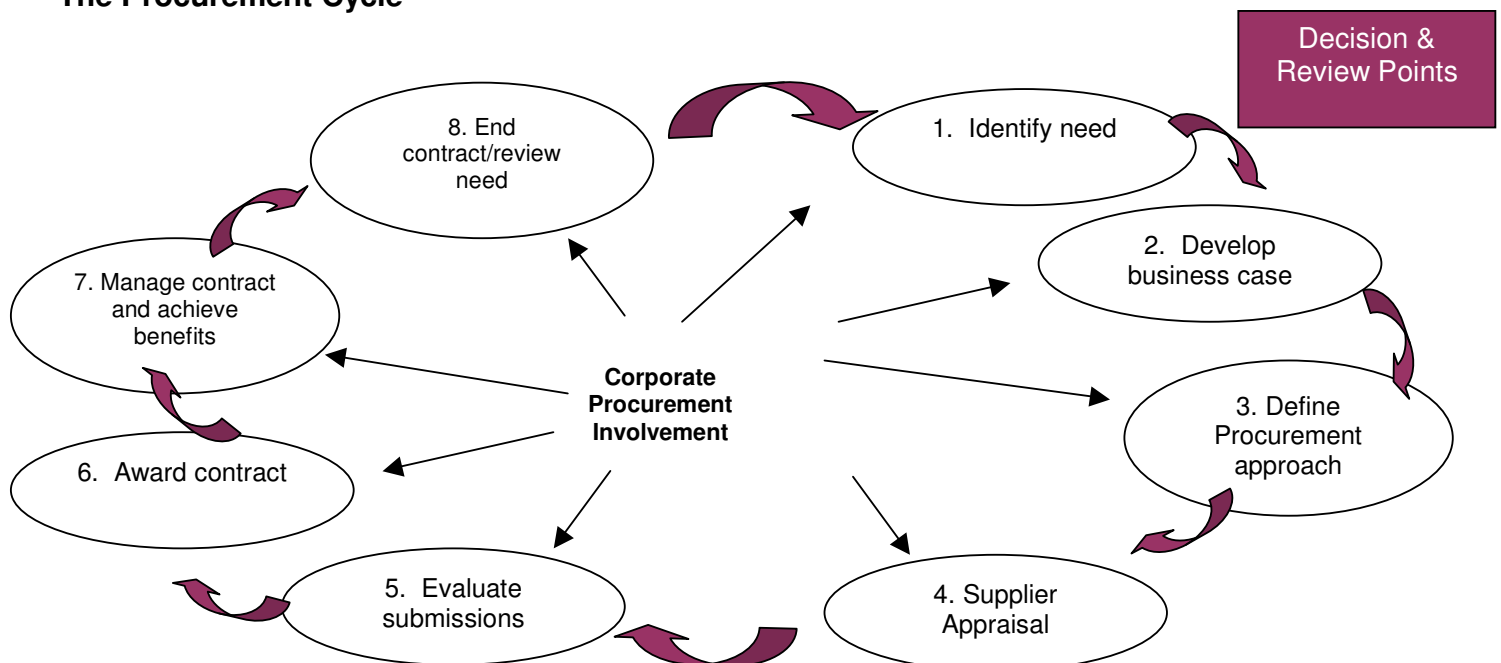
1.1.4 Procurement is a critical process for ensuring that the Council meets the needs of the community. The public do not distinguish between in-house services and those provided by contractors. Poor procurement can lead to a loss of confidence by the public in our ability to delivery excellent public services.

1.1.5 The Government issued a new national procurement strategy in October 2003 and this was incorporated into the Gerson Efficiency Agenda. The national strategy has a number of key milestones associated with it. This procurement strategy will keep in step with the expectations of this national strategy and will perform periodic health checks against the progress made in meeting the expectations of this national strategy. This strategy will be updated once the results of Comprehensive Spending Review 2007 are published and it will reflect any new initiatives and targets issued to the Council as a result of the review.

1.1.6 Nine 'procurement Centres of Excellence' have been set up around the country to help to develop expertise, capacity and networking within England. Herefordshire Council is aligned to the centre for the West Midlands based Centre of Excellence in which comprises the 38 local authorities in the region.

1.1.7 It is essential that the authority continues to focus upon procurement as a major opportunity in reducing the budgetary pressures it will face in the future. The National e-Procurement Project has outlined the potential cost savings that could be made as a consequence of local authorities modernising their procurement processes. The project has recognised that councils need to examine the effectiveness of their procurement, manage their supply chain more effectively, use technology and collaborate more in order to unlock the benefits of effective procurement. The project does recognise that it will take time for authorities to be in a position to accelerate in making savings as they take the time to re-organise their service delivery and take control of some of the legacy problems of the past.

1.2 Commissioning

1.2.1 Commissioning is about understanding and anticipating future needs and opportunities, setting ambitions, making best use of resources, working in partnership, building capacity in the market, and monitoring experience and changing circumstances to inform continuous service development. It is a process where the expertise, skills, knowledge and professionalism of volunteers and paid employees can be knitted together.

1.2.2 Commissioning falls into four stages: analyse, plan, do and review.

1) Analysis

Analysing, mapping and forecasting need and supply take into account national requirements, link with local circumstances, and identify risks Government policy stresses how essential the involvement of the third sector is at this stage – probably on an individual organisation basis.

2) Plan

Agreeing priorities and outcomes, being imaginative about how services can be delivered,

stimulate market, allocating resources, service design (good service design based on desired outcomes, as opposed to outputs, should increase understanding of service costs and value for money) Requires strategic, collective decision making, again involving a range of stakeholders.

3) Do

The process of procurement, contract or grant, service delivery, managing and communicating changes Separation of roles – purchasers and providers.

4) Review

Monitor and evaluate changing need, feedback from service users, challenge and scrutinise, lessons learned individual and collective dialogue with third sector organisations.

1.2.3 Working in partnership to analyse need and plan services will not stand in the way of tendering for contracts.

1.2.4 Once the analysis and planning has been done, the procurement process begins.

1.2.5 Two examples to illustrate the role of procurement in the Commissioning Cycle is the 'Support for Families' strategy which is in the 'PLAN' stage and once the services required have been agreed the next step is to discuss this with the procurement to create a procurement plan and to decide how those services can be secured.

1.2.6 The other example is the hearing Disability Accommodation and Support tender. The vision of this project living in registered care and to provide a number of housing options and support to people with learning disabilities. To achieve this vision a tender process using the Competitive dialogue method was chosen. The outcome will be letting of a contract to an organisation who specialises in achieving the key objectives set out in the 'Plan' stage.

Analysis

Review

Commissioning Cycle

Plan

Do
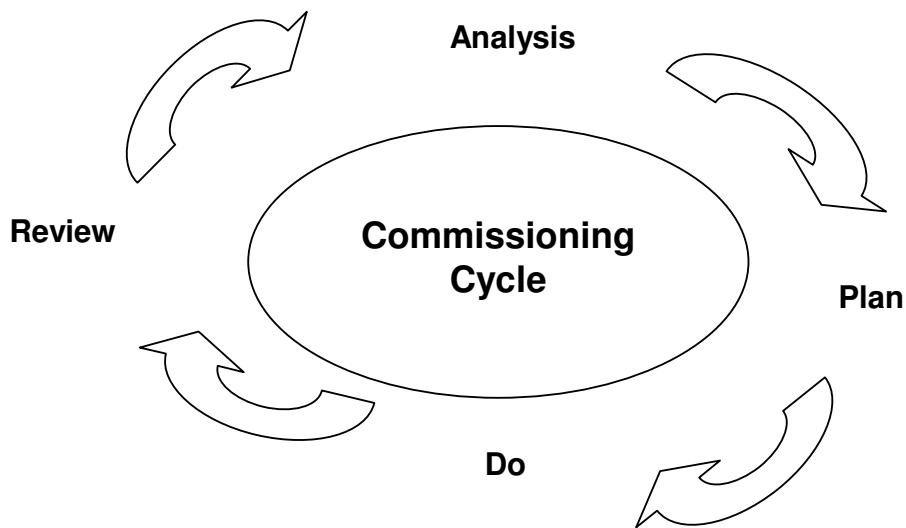
1.3 Purpose of the Strategy

1.3.1 The strategy seeks to provide clear direction and a co-ordinated approach to procurement across the whole Council to deliver improvements to our procurement process.

1.3.2 This document aims to provide a framework for the full range of procurement activity carried out across the Council and ensure that procurement planning reflects the Council's corporate standards and objectives.

1.3.3 This will provide an opportunity not only to co-ordinate current processes but also provide a clear pathway to identifying and acting on improvements to ensure that best value is being obtained consistently when goods and services are purchased. It sets out areas for strategic consideration and development.

1.3.4 It should be noted that this document is not a Procurement Manual. Once best practice procedures and documents have been completed a toolkit via the intranet will be created and made available to all staff.

1.3.5 Training needs analysis will take place and the most appropriate method chosen to meet these needs.

1.4 Objectives

1.4.1 The objectives of this strategy are as follows: -

> ➢ To continue to evaluate and improve current procurement practices to achieve better value for money and ensure customer/client needs are met.

> ➢ To ensure good practice examples and processes are identified and applied consistently across the organisation.

> ➢ To align procurement activities with other strategies adopted by the Council and to ensure that corporate objectives are addressed.

> ➢ To ensure that current and future procurement activities are planned, monitored and reviewed effectively.

> ➢ To identify opportunities for working with others, both public and private sector, in order to widen the scope for maximising purchasing power and identifying innovation and efficiencies.

1.5 Benefits

1.5.1 In taking this strategy forward, the Council can expect to realise the following benefits: -

> ➢ Improved value for money;

> ➢ More efficient procurement;

> ➢ Consistent, compliant and best practice procurement processes;

> ➢ Improvements in procurements outcomes;

> ➢ Effective partnerships to be developed with suppliers/other service providers;

> ➢ Better risk management;

> ➢ Better project planning;

> ➢ Integration of the Council's overall objectives and business plans; and

> ➢ Consistent application of the Councils key policies.

2. Routine Procurement

2.1 General Principles

2.1.1 Procurement of low value items by individual budget holders accounts for a significant proportion of the Council's expenditure when aggregated across the whole range of Council services. Whilst flexibility needs to be maintained to ensure that budget holders can respond to their own requirements, there needs to be sufficient co-ordination to allow good practices to be shared, benefits to be accrued for economies of scale and targets and improvements to be identified and achieved.

2.1.2 The focus for procurement needs to be in outcomes i.e. meeting the Council's objectives, ensuring customer needs are satisfied and achieving value for money.

2.2 Data Collection

2.2.1 To effectively monitor purchasing spend, analysis needs to be carried out annually of goods and services considering data such as:

 ➢ Volume
 ➢ Frequency
 ➢ Expenditure levels
 ➢ Types of spend
 ➢ Purchase and supply method
 ➢ The supplier base
 ➢ Partnership development

2.2.2 A full supplier/spend category analysis will take place using a specialist analysis company called Spikes and Carvell. This will be done in conjunction with Deloitte who will bear the cost for this analysis.

2.2.3 The analysis of this information will identify opportunities to set targets for improvements, aggregate expenditure to achieve economies of scale and provide information on suppliers that can be shared across the organisation.

2.2.4 This analysis will be interpreted by the Strategic Procurement Efficiency Manager to ensure actions continuous for improvement takes place for the benefit of the Council.

2.3 Purchasing Guidance and Regulations

2.3.1 The Council's purchasing guidelines are currently contained within Standing Orders and Financial Regulations. These include the contract standing orders for the Council and govern the way contracts are let.

2.3.2 Adherence to these regulations is mandatory for all Council employees.

2.3.3 Both the Data Protection Act (DPA) and the Freedom of Information Act (FOI) have implications for procurement. Under the DPA we are required to keep personal information private. Under FOI we are required to make non-personal information available to the public. Guidance on these Acts is available on the intranet and from Legal Services.

2.3.4 The primary objective of the Councils Standing Orders and Financial Regulations is to ensure that all contracts for works, services and suppliers are entered into by the Council in a manner which: -

(i) secures the best possible value for money; and

(ii) is demonstrably free from impropriety

.

2.3.5 In connection with securing those primary objectives:

(i) selection and award procedures must be conducted fairly, in a properly regularised manner and in accordance with relevant legal requirements;

(ii) local firms are employed whenever they offer as good value for money as other firms and their selection is in accordance with the Council's legal obligations, for example in relation to European procurement rules.

(iii) the Council's strategic policies must be taken into account, for example in promoting the economic development for Herefordshire and in relation to protecting the environment;

(iv) before commencing any procurement the officers responsible should consider whether there are alternative methods of procurement compatible with the objectives of this Code, which would be more suitable than the method previously used;

(v) consideration needs to be given to ensuring all proposed procurements are within the approved budget for the activity concerned. This should be stipulated in the business case.

(vi) procurement procedures shall be kept under review in order to ensure continuous improvements to services and provide Best Value to the community of Herefordshire.

2.3.6 For more information regarding Standing Orders and the regulation of contracts from Appendix 5 of the Council's Constitution see the Intranet Info library:

Corporate essentials / corporate / constitution / appendices / 5

2.3.7 For more information on Financial Procedure Rules see Intranet Info library:

Corporate essentials / corporate / constitution / appendices / 4

2.4 Consortia and Joint Negotiations

2.4.1 The opportunities identified within this strategy become more powerful when shared with other local authorities, agencies and private sector partners to identify areas of common interest. There are a number of local authorities that have joined together to share expertise, realise administrative efficiencies and economies of scale for mutual benefit. The completion of the data gathering exercise will provide the base for exploring the opportunities available.

2.4.2 The Council owns a quarter share of West Mercia Supplies purchasing consortium (WMS) and as a result receives a significant dividend each year which it invests in corporate projects. It is vital that the Council employees use WMS appropriately and do not purchase outside of this arrangement for the agreed products and services.

2.4.3 The Strategic Procurement and Efficiency Manager will investigate opportunities for utilising purchasing consortiums such as OGC Buying Solutions where beneficial to the Council.

2.4.4 Herefordshire is a member of the Joint Procurement Group consisting of Worcestershire County Council, Telford and Wrekin Council and Shropshire County Council. Opportunities for joint working and best practice sharing are discussed on a regular basis.

2.4.5 Recently the Council has been invited to join the Procurement Advisory Group for the West Midlands joining 12 other Local Authorities. The group has been created to look strategically at how procurement can contribute and achieve some key outcomes and priorities facing Local authorities and it also gives an opportunity to shape the agenda of the West Midlands Centre of Excellence. Representation on this board will ensure Herefordshire is at the forefront of procurement workstreams across the region and help raise its profile.

2.5 E-Procurement

2.5.1 E-procurement is more than simply automating the purchase order and invoice payment process. It is about using the technology available to improve the effectiveness of the whole supply chain.

2.5.2 The Council is in the process of identifying as part of the Herefordshire Connects programme:

➢ How the procurement process can be further automated to streamline the processes through the application of Business Process Re-engineering (BPR)

➢ Maximising the use of BACS (electronic transfer of monies into bank accounts) for payments to suppliers and contractors

➢ Electronic tendering and e-sourcing allowing placing of supplies contracts on line with the opportunity for tenders to be returned electronically

> ➤ How particular suppliers could meet the requirements for e-procurement given the variety of systems individual organisations operate, for example the sharing of electronic data on supplier databases.

2.5.3 The development of "e" initiatives is aimed at bringing down the cost and time of purchasing processes and transactions for the Council and its suppliers. It will also help control how the Council spends its money and drive compliance around corporate contracts.

> ➤ Complete 'end to end' on line ordering system that will integrate with the financial back office to provide automated commitment accounting.

> ➤ On-line ordering from e-catalogues.

> ➤ Investigations into the benefits of joining on e-marketplace.

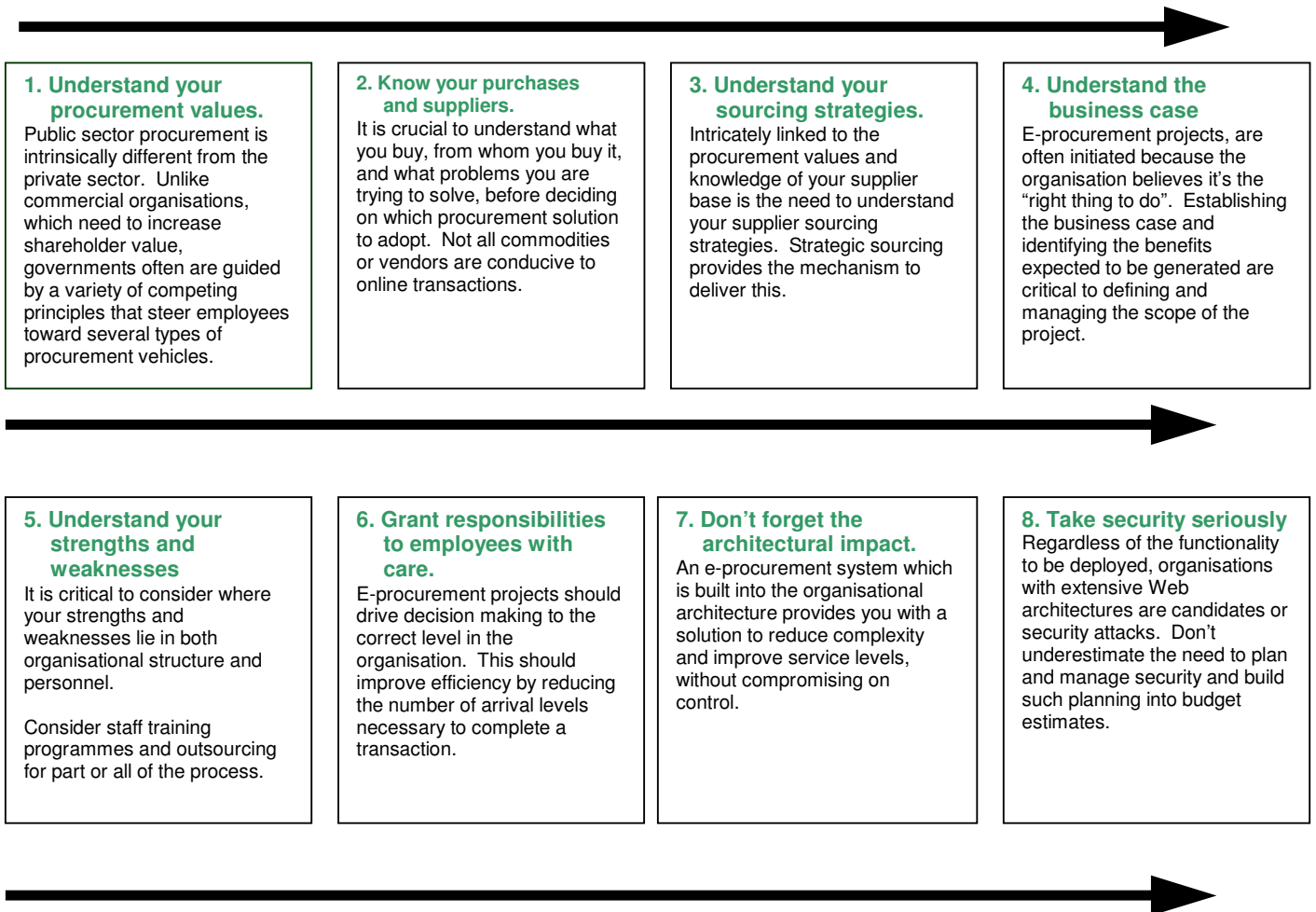|	**CONTROLLING**		**BUYING**	
ACTIVITY	Sourcing	Managing	Ordering	Paying
SCENARIO	A local authority (LA) puts in place corporate contracts with suppliers.	The local authority reviews and negotiates contracts when necessary	A LA employee wants to purchase goods (or services). They contact the supplier, place an order and later take delivery.	The supplier invoices the LA and the LA Finance department arranges payment.
TASKS	➤ Perform due diligence on suppliers ➤ Ensure best contract price and Service Level Agreement is achieved by negotiating ➤ Select the best deal	➤ Review existing supplier contracts ➤ Monitor and assess performance of existing suppliers ➤ Renegotiation contracts	➤ Select good or service ➤ Place an order with the supplier ➤ Receive the goods or services and complete delivery note	➤ The supplier invoice is received by the local authority ➤ LA arranges payment of the invoice via LA accounting system
SOLUTION TYPE	Reverse auction / e-tender / Bid evaluation tools	Contract Management / Management information	e-market place / Back-office order system / Supplier websites / Content management	e-invoicing / Procurement card / BACS

2.5.5 The diagram above outlines the e-procurement options available in the sourcing-managing- ordering-paying cycle of procurement. The Council will as part of Herefordshire Connects explore the opportunity of exploiting e-procurement technology to reduce the cost and improve the efficiency and effectiveness of all aspects of the procurement process for the Council.

2.5.6 The e-procurement part of the council's procurement strategy is expected to change and develop rapidly whilst it responds to changing needs and emerging technologies. The 'Buying' activity described in the previous diagram is expected to be in early phase within the HC programme. The e-sourcing aspects are more of a challenge, with the Council looking to the support of the Regional Centre of Excellence to facilitate the development and use of technologies in this area on a business case basis.

The overall strategy will be incremental, ensuring that risk is minimised whilst opportunities for business gain are developed and realised over time. However, some level of risk is inevitable if we are to take maximum advantage of cutting edge technology.

2.5.7 The diagram below outlines some of the areas to be addressed when implementing e-procurement.

1. Understand your procurement values.
Public sector procurement is intrinsically different from the private sector. Unlike commercial organisations, which need to increase shareholder value, governments often are guided by a variety of competing principles that steer employees toward several types of procurement vehicles.

2. Know your purchases and suppliers.
It is crucial to understand what you buy, from whom you buy it, and what problems you are trying to solve, before deciding on which procurement solution to adopt. Not all commodities or vendors are conducive to online transactions.

3. Understand your sourcing strategies.
Intricately linked to the procurement values and knowledge of your supplier base is the need to understand your supplier sourcing strategies. Strategic sourcing provides the mechanism to deliver this.

4. Understand the business case
E-procurement projects, are often initiated because the organisation believes it's the "right thing to do". Establishing the business case and identifying the benefits expected to be generated are critical to defining and managing the scope of the project.

5. Understand your strengths and weaknesses
It is critical to consider where your strengths and weaknesses lie in both organisational structure and personnel.

Consider staff training programmes and outsourcing for part or all of the process.

6. Grant responsibilities to employees with care.
E-procurement projects should drive decision making to the correct level in the organisation. This should improve efficiency by reducing the number of arrival levels necessary to complete a transaction.

7. Don't forget the architectural impact.
An e-procurement system which is built into the organisational architecture provides you with a solution to reduce complexity and improve service levels, without compromising on control.

8. Take security seriously
Regardless of the functionality to be deployed, organisations with extensive Web architectures are candidates or security attacks. Don't underestimate the need to plan and manage security and build such planning into budget estimates.

2.6   Purchasing Cards

2.6.1   Opportunities for introducing procurement cards will be explored and implemented in those areas with an operational requirement for flexibility of ordering that a p-card can provide. P-cards should complement the procure to pay ordering system and only be implemented where the purchasing need cannot readily be serviced by the electronic ordering system. P-cards will help reduce the transaction process costs and also offer a flexible but controlled way of spending the Council's money.

3.   High Value/Strategic Procurement

3.1   General Principles

3.1.1   Although there are less transactions that would meet the criteria under this category of procurement, each contract tends to be of a high expenditure level and carry far higher risks if the project is not completed successfully e.g. construction contract or tendering the provision of a service. Strong support and guidance, therefore, needs to be in place.

3.2   Legal Framework

3.2.1   High value projects are likely to be covered by the European Union (EU) procurement regulations and lack of compliance with the legal requirements can open the Council to costly legal appeal. All decisions must be transparent, objective and auditable. The EU processes specify different routes according to the type of procurement undertaken and the Council must provide clear support on the legal framework, identifying as necessary how specialist legal advice can be obtained.

3.2.2   In response to Part 1 of the Local Government Act 1999 the Council can now take account of certain "non-commercial" matters when determining contracts. Under Compulsory Competitive Tendering councils could not take such matters into consideration during the tendering process. Under Best Value this prohibition has been removed enabling authorities to take into account the terms and conditions of the workforce and the conduct of contractors or works in industrial disputes between them.

3.2.3   Detailed guidance regarding the letting of contracts in this category needs to be developed to ensure best practice is shared and maintained. Guidance notes and template documents are planned to be created and accessed via the intranet.

3.3   Tender Evaluation

3.3.1   The Council has to develop corporate guidance on the selection criteria to be applied when awarding contracts. Typically these will include;

- ➢ Price, including whole life cost
- ➢ Quality
- ➢ Plans for service improvements
- ➢ Empathy with the Councils objectives and core values
- ➢ Skills and capabilities
- ➢ Investment required
- ➢ Impact on employees innovation
- ➢ Shared risk/reward
- ➢ Staffing issues including TUPE arrangements
- ➢ Environmental issues

- Equality and diversity
- Health and safety issues

3.4 Partnership Working

3.4.1 Partnering is more about the approach undertaken than a specific method of procurement. The Council is committed to working with public, private and voluntary sector organisations to develop co-operative procurement arrangements and develop supplier effectiveness. Exploring further opportunities to work in partnership and achieve benefit from sharing resources, skills and expertise, will evidence this commitment.

3.4.2 Partnering is a term widely used within the both public and private sectors but has no commonly agreed definition. The aim of partnering is for clients and service providers to work together to achieve best value for all parties by adopting a flexible and motivated approach unrestrained by artificial barriers and in a non-confrontational manner. Ideally, the partnership will be underpinned with a formal contract, processes and procedures document in which the ethos of the partnership is captured.

3.4.3 The partnering model enables customers and service providers to work together sharing risk, cost savings, innovations and best practice. The relationship is built on mutual respect and the trust that develops between customer and supplier at strategic and operational levels and enables the sharing of skills, knowledge and research. Where quality is enhanced, life cycle costs are driven down and customer satisfaction remains high.

3.4.4 Partnering principles will be applied to individual projects. There is a growing number of successful project partnering initiatives which the Council may embrace, establish areas for improvements and develop best practice. However, to maintain momentum and build on the learning and culture change that has taken place, it is increasingly important for the Council to extend these partnering principles to more strategic alliances covering

- Programmes or phases of work

- Work which is more difficult to define precisely in advance such as building maintenance

- Initiatives whose priorities will develop over time requiring flexible structures

- Projects where a solution has yet to be defined such as regeneration or redevelopment projects

- Initiatives where construction is only a part of the solution and the partnership may extend into the operation of a facility or series of facilities, for example the Private Finance Initiatives.

3.5 Project Management

3.5.1 Procurement undertaken in this category needs to be managed to formal project management principles, with responsibilities clearly outlined and plans must be in place setting targets, milestones, timescales and resources required for successful completion. This applies not only to tendering processes but also to the performance of the contract once in place to ensure the desired outcomes are achieved and the Council's objectives met. The Council should consider the training given to key employees undertaking this work to ensure that the appropriate project

management skills are in place.

3.5.2 Before the start of any procurement project a business should be completed to clearly define the sired benefits and the approach to achieving them. Successful completion of the business case will lead to a project manager being appointed to the project for its duration.

3.6 Performance Improvement

3.6.1 Achieving continuous performance improvement is an essential objective for each and every one of the Council's services. Effective procurement needs to be recognised, where appropriate, as a tool that can be used to achieve this.

3.6.2 Use of appropriate management information and contract management techniques is essential if continuous improvement is to be achieved.

3.7 Strategic Procurement Forward Plan

3.7.1 Once the initial procurement strategy has been delivered, it is necessary to ensure that a forward plan of strategic procurement reviews is developed to provide a framework for the realisation of benefits from implementation and align contract renewal dates for goods and services internally. This will also help identify collaboration opportunities with other public sector organisations.

3.7.2 A Strategic Forward Procurement Plan will be created for each Directorate to ensure that the authority maximises the opportunities or procurement savings both Capital and Revenue in the next few years. Each of these will be project managed to assure a thorough approach and options appraisal.

3.7.3 The forward plan is driven by a number of triggers that may stimulate the inception of a procurement project. These are depicted in the diagram below: -

Strategic Review

Inputs:
- Contract Renewal
- Market Knowledge/Opportunities
- Aggregation Opportunities
- Retention & Recruitment
- Contract Reviews
- Performance/Duty of Best Value Compliance
- Trading Powers
- Power of Collaboration
- Capital Strategy

Output:
- Forward Plan

3.7.4 The forward plan considers a number of drivers for example:-

- ➢ Renewal dates for large strategic contracts
- ➢ Market opportunties and maturity
- ➢ Opportunities for investigating new financial models for the procurement of services
- ➢ Poor performance of services/best value reviews
- ➢ Analysis of internal spend
- ➢ Analysis of non-pay expenditure

3.7.5 All strategic procurement exercises will be project managed under the PRINCE2 project methodology which will be lead by the project manager. Managers. Each will underake an options analysis comparing all or some of the following procurement options:-

- ➢ Tradional procurement
- ➢ Partnering
- ➢ PFI/Public Private Partnership
- ➢ Outsourcing
- ➢ In house service provision

3.7.6 The options analysis will encompass a review of the following; -

- ➢ Cost
- ➢ Service Quality
- ➢ Risk
- ➢ Deliverability
- ➢ Timescales
- ➢ Funding
- ➢ Practicality
- ➢ Legal/Statutory Requirement

3.7.7 Once the details have been collated for the forward plan it will be split into three sections: -

- ➢ Strategic Procurement Reviews/Duty of Best Value
- ➢ Commodity Procurement
- ➢ Contract Reviews

4. Risk Assessment

4. Risk Management & Insurance

4.1 The procurement of services or the identification of a partner to deliver such services will always include a measure of risk to the authority. The Corporate Risk Manager is ideally placed to assist in reviewing those risks before final decisions are made and therefore the embryonic stage of any such project would be the ideal time to involve him in the decision-making. Reviewing the risks and how they can be controlled often opens up opportunities rather than stifling change and therefore should be seen as a positive part of the procurement process.

4.2 The Council's Risk Management Policy and Guidance document is available on the intranet and would be used as a basis for considering the risks during the procurement process.

4.3 Often insurance implications are left to last in matters to be considered, however there can be a danger in this as inadequate insurance arrangements can put a project on hold whilst insurers consider the current levels of cover against those required. Again as soon as a procurement process is considered the insurance section should be contacted for advise.

5. Employment Matters

5.1 Consultation

5.1.1 In accordance with the Council's policies and procedures relating to managing change in employment, employees affected will be kept informed of procurement developments and their comments sought and fully considered.

5.1.2 Trade unions will also be consulted as appropriate.

5.1.3 A consultation timetable will be drawn up early in the process
.

5.2 Transfer of Employees

5.2.1 Where outsourcing is an option, this will be undertaken in accordance with current employment legislation (for example TUPE) and best practice. Separate guidance is available on the info library page on the intranet under personnel/personnel.

5.3 Training and Development

5.3.1 A substantial amount of procurement carried out within the Council is not managed by purchasing professionals and, therefore, the skills required need to be properly identified and met. This will include project and contract management skills referred to earlier as well as competency in appraising suppliers, carrying out tendering processes, negotiations and risk management.

5.3.2 In additional where new processes are adopted e.g. use of payment cards or on-line procurement or changes to guidance/standing orders, training requirements need to be identified as part of the changes proposed.

5.3.3 Through a newly formed Procurement Exchange Group training needs will be identified and a training plan created to cover these training needs.

5.3.4 The procurement Exchange Group will replace the Contract Officer Monitoring Group, and will give greater opportunity for two way procurement information exchange and will act as an internal network for all procurement related activity and initiatives.

5.3.5 Terms of reference to the Procurement Exchange Group included in Appendix 3.

6. Environmental and Sustainable Procurement

6.1 Environmental Considerations

6.1.1 The whole Council and all contracts are bound by the council's environmental policy commitment to 'use its influence to actively encourage responsible environmental practice by suppliers and contractors'.

The Council's Constitution states that, "the Council's strategic policies must be taken into account, for example in relation to protecting the environment." (Appendix 5: Contracts Procedure Rules,1.2.iii)

6.1.2 In the context of the procurement process, obtaining the best value for money means choosing the bid that offers the best combination of whole life costs and benefits to meet the Council's requirements. This is not necessarily the lowest initial price option and requires an assessment of the ongoing revenue, resource and disposal costs, as well as the capital investment. The Council's requirements relating to social, environmental, sustainability and other strategic objectives should be defined at the earliest stages of the procurement cycle.

Whatever method of procurement is used, the Council must ensure that providers of services work to environmental standards

equivalent to those set within the Council and are made aware of relevant requirements. This may be achieved both by contractual means and through advice, support and guidance.

6.1.3 The following could be included at the end where you are signposting out to more detailed information.

6.1.4 Further information is included in Contracts: Environmental Requirements, GEM OPC28 & 3eP1[1])

6.1.5 It is the responsibility of those involved in contracting to ensure compliance with the Council's commitment to Fairtrade[2] where provision of food and drink is included and similarly to the commitment to use local suppliers where they offer good value for money[3].

---

[1] GEM/GEM Corporate/GEM Procedures

[2] GEM/GEM News/Fairtrade

[3] On 28 April 2005, the Council's Cabinet agreed among other things that the Council's Procurement Strategy and Code of Practice for the regulation of contracts for works, services and suppliers should be revised to reflect a commitment to Fair-trade and that local Herefordshire producers and their products are used where they offer good value for money and their selection is in accordance with the council's legal obligations, for example, in relation to European procurement rules. (Ref 2005.CAB.040). This commitment is also contained in the Council's constitution, appendix 5, section 1.2 ii.
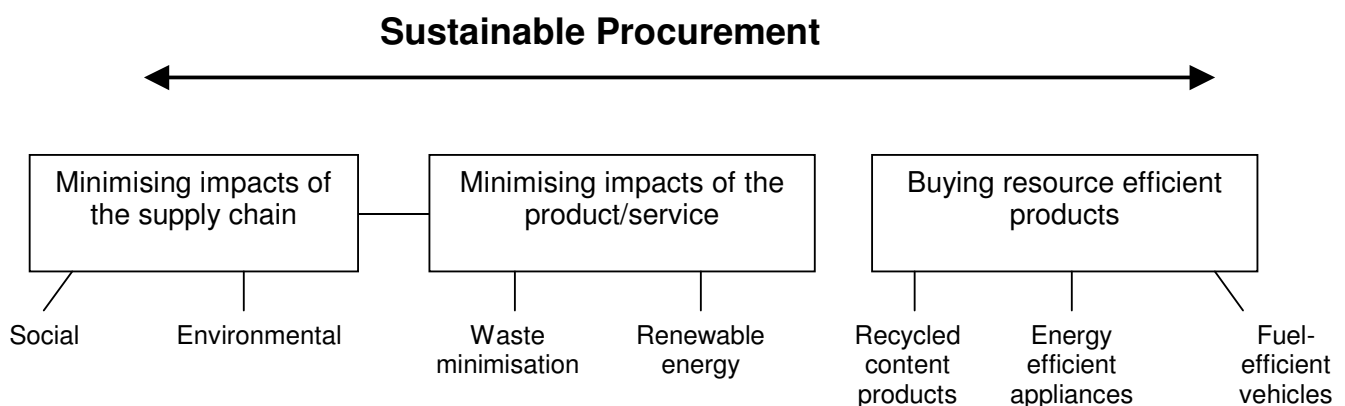
6.2 Sustainable Procurement

6.2.1 Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, while minimising damage to the environment." *Procuring the Future* (Sustainable Procurement Task Force, June 2006).

6.2.2 There is a compelling business case for making procurement spend more "sustainable" –

➢ First, there are financial benefits for the council. Savings can be realised through the design and construction of buildings with lower through-life operating costs, better management of demand (including re-use, recycling and standardisation) and the acquisition of products that are more efficient in their use of energy, water and material resources.

➢ The environmental imperative is clear, particularly the need to reduce CO2 emissions and the amount of waste going to landfill.

➢ Socio-economic benefits range from the creation of employment and training opportunities for the long-term unemployed and people with disabilities to the elimination of child labour.

➢ Through better coordination of demand across local government and the wider public sector, and engagement of key suppliers at a strategic level, public purchasing power can be harnessed to stimulate product and process innovations that deliver improved environmental performance and further savings.

➢ Intelligent public procurement can also capture innovation from small businesses (SMEs) and third sector organizations (TSOs) while realising wider benefits for local communities. This includes the engagement of SMEs and smaller TSOs in the supply chains for major projects.

6.1.3 The Council should work towards purchasing sustainable and renewable goods and services wherever feasible and effective.

Sustainable Procurement

Minimising impacts of the supply chain	Minimising impacts of the product/service	Buying resource efficient products
Social Environmental	Waste minimisation Renewable energy	Recycled content products Energy efficient appliances Fuel-efficient vehicles

7. Equalities and Diversity

7.1 Promoting equality through procurement matters. All Herefordshire residents have a right to expect that public money is spent on services which suit their needs, and that it is spent in a way which promotes equality of opportunity and delivers high quality goods and services.

7.2 Legislation now requires the authority to eliminate unlawful discrimination. Where an external supplier carries out one or more of our functions for us, the authority remains responsible for meeting this duty. Therefore it is vital to take issues of equality into consideration when:

- providing services;
- purchasing services;
- employing staff; and
- working in partnership with other organisations.

7.3 It is key that we demand the same commitment from those who deliver services on our behalf.

7.4 When procuring or commissioning services, the Council will:

- treat contractors and partners with dignity and respect.
- encourage applications from partners and contractors which represent the Herefordshire population.
- ensure that, in setting the standards for the services it procures, barriers for potential services users will be eliminated. These barriers may include affordability, language, physical accessibility, culture and attitude.
- ensure that individuals and organisations providing services on its behalf are aware of the Council's Comprehensive Equality Policy and understand their responsibility for implementing it.
- ensure that the services it provides and those provided on its behalf are monitored to ensure fairness, equity and accessibility for all.
- ensure that the organisations it commissions comply with all equalities legislation and do not unlawfully discriminate as an employer or service provider.
- use whatever opportunities he law allows to ensure that those providing the Council with works, goods or services or providing services on the Council's behalf, accept a commitment to equality and monitor their own performance in the area.
- provide diversity training sessions for partners' employees free of charge upon request.
- encourage contractors to agree to further voluntary steps to promote equality after the contract has been awarded.

7.5 When providing services on behalf of the Council, partners will:

- treat Council officers and members of the public with dignity and respect.
- ensure that everyone providing, receiving or benefiting from the service are treated fairly and without discrimination (on whatever grounds), either directly or

indirectly, and will put systems in place to monitor this.

- ensure that barriers to accessing services are removed, including physical, communication and attitudinal barriers.
- make every effort to consult, involve and encourage the participation of the diverse communities of Herefordshire to ensure equitable service delivery.
- comply with all relevant diversity legislation and reflect the Council's values of "service with integrity, empathy and equity".
- provide such information as the Council may reasonably request for the purpose of assessing the partner's compliance with the above conditions.
- ensure that staff providing the service have diversity training and understand their responsibilities in regards to the councils commitment to diversity and relevant equality legislation.

8.   Benefit Card

8.1   The Herefordshire Connects Board identified the need for a simple mechanism for managing the benefits realisation programme relating the Herefordshire Connects programme and projects to avoid the 'Invest and Hope to Save' scenario. As set out in the Medium-Term Financial Management Strategy, it is imperative that cash savings realised through the Herefordshire Connects programme are treated as a corporate resource in order to pay for planned investment in corporate priorities.

8.2   In the interests of simplicity, it is proposed we adopt one mechanism for identifying, approving and monitoring delivery of benefits for all change programmes – not just Herefordshire Connects – that can double-up to help us manage the corporate efficiency agenda. Key to the process is agreeing the level of investment in the project (if any is required), the benefits that will be delivered, the implications for the base budget and accountability for delivery.

8.3   It is proposed that the "Benefit Card" attached at Appendix 1 is used to collect the key information needed to manage the benefits that will flow from transformation projects such as Herefordshire Connects. Following sign-off, the Benefit Card will contain all the information needed to track changes in the base budgets and monitor delivery against agreed financial and service targets. A guide to what a completed Benefit Card might look like is given at Appendix 2.

	BENEFIT CARD	
SUMMARY	**Benefit**	Provide a brief description of the proposed benefit here
	Change programme	Name of the change programme the benefit relates to
	Link to change programme	Describe how the benefit supports the change programme objectives
	Link to corporate priorities	Describe how the benefit supports corporate priorities
	Efficiency gains	Describe the nature of the efficiency gains
	CMB Sponsor	Name the individual and give post title
	SMT Sponsor	Name the individual and give post title
	Officer responsible for delivery	Name the individual and give post title
	Financial Services Officer	Name the individual and give post title
	Business Change Manager	Name the individual and give post title
	Reference number	Referencing system to be devised

	Description	**Current / Planned Performance**	**Current Revenue Budget (£000)**		
CURRENT PROCESS	Describe the current arrangements	Describe current and planned performance as per relevant corporate or service delivery plan in current and future years.	**2007/08**	**2008/09**	**2009/10**
			Revenue Budget Code:		
			Current Capital Budget (£000)		
			2007/08	**2008/09**	**2009/10**
			Capital Budget Code:		

	Description	**Performance Improvement**	**Revenue Investment Needed (£000)**		
NEW PROCESS	Describe the new arrangements	Evidence improved levels of performance against indicators to show the stretch in performance that can be achieved	**2007/08**	**2008/09**	**2009/10**
			Revenue Budget Code:		
			Capital Investment Needed (£000)		
			2007/08	**2008/09**	**2009/10**
			Capital Budget Code:		

Cashable Savings (£000)			**Non Cashable Savings (£000)**		
2007/08	**2008/09**	**2009/10**	**2007/08**	**2008/09**	**2009/10**
Budget Code:			**Budget Code:**		

DEPENDENCIES	**Description**		
	Describe here what other things might need to be in place for the benefit to be realised		
STAFFING RESOURCES	**Description**		
	List here who will support the officer responsible for the delivery of this benefit		

	Task	Planned Date	Actual Date
TIMETABLE	**Sign-off of proposed benefit**		
	Start of project		
	Target completion date		

	Who	Signature	Date
SIGN OFF	**CMB Sponsor**		
	SMT Sponsor		
	Officer responsible for delivery		
	Financial Services Officer		
	Business Change Manager		

POST IMPLEMENTATION REVIEW	**Were the expected benefits delivered?**		
	This section needs developing but will need to ensure that we review benefits realised to assess whether expectations were realised and to capture further improvements.		

	BENEFIT CARD				
SUMMARY	**Benefit**	Reducing the amount of paper remittances sent to creditors and the number of payment enquiries from suppliers			
	Change programme	Herefordshire Connects			
	Link to change programme	Integrated Support Services			
	Link to corporate priorities	Organisational priorities on efficiency			
	Efficiency gains	Cost reduction and improved service efficiency			
	CMB Sponsor	Sonia Rees			
	SMT Sponsor	Mike Toney			
	Officer responsible for delivery	Alun Smith			
	Financial Services Officer	Greg Evans			
	Business Improvement Manager	TBA			
	Reference number	TBA			

	Description	**Current / Planned Performance**	**Current Revenue Budget (£000)**		
CURRENT PROCESS	All remittances are printed, enveloped and posted to creditors and an average of 100 calls are taken on the payments enquiry number each week Consumables including postages amount to £50k a year and approximately £5k staff time spent on dealing with payment queries	No current performance indicators	**2007/08**	**2008/09**	**2009/10**
			55	55	55
			Revenue Budget Code: yyxxxx		
			Current Capital Budget (£000)		
			2007/08	**2008/09**	**2009/10**
			None	None	None
			Capital Budget Code: n/a		

	Description	**Performance Improvement**	**Revenue Investment Needed (£000)**		
NEW PROCESS	Introduce an electronic means of sending remittances advices to suppliers by email or fax	Year 1 – 25% electronic remittances and 25% reduction in payment queries Year 2 – 50% electronic remittances and 50% reduction in payment queries Year 3 – 75% electronic remittances and 75% reduction in payment queries	**2007/08**	**2008/09**	**2009/10**
			5	None	None
			Revenue Budget Code: yyxxxx		
			Capital Investment Needed (£000)		
			2007/08	**2008/09**	**2009/10**
			None	None	None
			Capital Budget Code: n/a		

Cashable Savings (£000)			**Non Cashable Savings (£000)**		
2007/08	**2008/09**	**2009/10**	**2007/08**	**2008/09**	**2009/10**
12	25	37	1	3	4
Budget Code: yyxxxx			**Budget Code:** yyxxx		

	Description
DEPENDENCIES	New ICT enabled procurement system needs to be in place.

	Description
STAFFING RESOURCES	Creditor payments team. ICT technical support.

	Task	Planned Date	Actual Date
TIMETABLE	**Sign-off of proposed benefit**	June 2007	
	Start of project	September 2007	
	Target completion date	December 2007	

	Who	Signature	Date
SIGN OFF	**CMB Sponsor**		
	SMT Sponsor		
	Officer responsible for delivery		
	Financial Services Officer		
	Business Improvement Manager		

	Were the expected benefits delivered?
POST IMPLEMENTATION REVIEW	

WORK PROGRAMMES

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

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

Background

2.   In accordance with the Scrutiny Improvement Plan a report on Scrutiny Committees' current work programmes will be made to each of the scheduled quarterly meetings of this Scrutiny Committee. Copies of the current work programmes are attached.

3   Should Members become aware of any issues they consider may be added to the scrutiny programme they should contact the Chairman to log the issue so that it may be taken into consideration when planning future agendas or when revising the work programme.

RECOMMENDATION

THAT the current Work Programmes serve as a basis for further development, subject to any comment the Committee wishes to make.

BACKGROUND PAPERS

- None

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

workprogrammesupdatesmcJuly070.doc

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Adult Social Care and Housing Scrutiny Committee Work Programme 2007/08

<table>
<tr><td colspan="2" align="center">October 2007</td></tr>
<tr>
<td>Items</td>
<td>

- Budget
- Performance Monitoring
- Executive's response to recommendations on Homelessness
- Presentation by Cabinet Member (s)
- Registered Social Landlords to be invited to explain maintenance policies
- Report on outcome of consultation on fairer charging
- Monitoring of Learning Disabilities Action Plan

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<tr>
<td>Scrutiny Reviews</td>
<td>

- Transition from leaving care to adult life

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<tr><td colspan="2" align="center">December 2007</td></tr>
<tr>
<td>Items</td>
<td>

- Budget
- Performance Monitoring
- Executive's Response to review of transition from leaving care to adult life

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<tr><td colspan="2" align="center">April 2008</td></tr>
<tr>
<td>Items</td>
<td>

- Budget
- Performance Monitoring

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</tr>
<tr><td colspan="2" align="center">Other issues to be Progressed</td></tr>
<tr>
<td colspan="2">

- Day Care Services
- Home Care Services
- Allocation of Housing

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Further additions to the work programme will be made as required

24 Sept 2007	
Officer Reports	• Presentations by Cabinet members (Highways & Transportation and Environment & Strategic Housing) • Strategy for the Conservation of Biodiversity. • Capital Budget Monitoring. • Revenue Budget Monitoring. • Report on Performance Indicators. • Review of Polytunnels – Executive response to Scrutiny Review and action plan. • Committee Work Programme.
Scrutiny Reviews	• Findings of the Scrutiny Review Group: Household Waste Recycling in Herefordshire. • Findings of the Scrutiny Review Group: Draft Travellers Policy
3 Dec 2007	
Officer Reports	• Good Environmental Management (GEM) • Capital Budget Monitoring • Revenue Budget Monitoring • Report on Performance Indicators • Review of Household Waste Recycling in Herefordshire - Executive response to Scrutiny Review and action plan. • Review of Travellers Policy - Executive response to Scrutiny Review and action plan. • Committee Work Programme
Scrutiny Reviews	
31 March 2008	
Officer Reports	• Capital Budget Monitoring • Revenue Budget Monitoring • Report on Performance Indicators • Committee Work Programme
Scrutiny Reviews	

At its meeting on 19th June, Committee members agreed to submit suggested issues for scrutiny and the Chairman and Vice-Chairman following consultation with the Director of Environment determine the draft work programme.

Items for consideration as the programme is further developed:
- Scrutinising progress with the Local Transport Plan (LTP2) and any associated issues.
- The effect on Herefordshire of changes to the Single Farm Payments system (e.g. hedge cutting, drainage ditch clearance)
- Implications arising from the 'Better Regulation Agenda' (concerning regulatory inspections and enforcement – within the context of this Committee).

- Any specific issues arising from Council Strategies or Plans.
- Contribute to policy development of LTP3.
- Consideration of revised/reviewed Flood Defence Policy.

Children's Services Scrutiny Committee - Work Programme 2007/08

October 2007	
Officer Reports	• Presentation by Cabinet Member (Children's Services) • Executive response to the Behaviour and Discipline Management in Herefordshire Schools Review. • Capital Budget Monitoring. • Committee Work Programme.
Scrutiny Reviews	Note: the Joint Review of Transition from Leaving Care to Adult Life is expected to report to Adult Social Care and Strategic Housing Scrutiny Committee to which members of this Committee will be invited to attend.
December 2007	
Officer Reports	• Capital Budget Monitoring. • Committee Work Programme.
Scrutiny Reviews	
April 2007	
Officer Reports	• Capital Budget Monitoring. • Committee Work Programme.
Scrutiny Reviews	

At its meeting on 25th June 07 the Committee noted suggested items for scrutiny in relation to: the lack of provision of youth services to the north of the City, and the implications of the School Reviews. The Chairman and Vice-Chairman following consultation with the Director of Children's Services will determine the draft work programme.

Note: the School Review issue is listed for possible consideration by Strategic Monitoring Committee.

Health Scrutiny Committee Work Programme 2007/08

September 2007	
Items	• Annual Report of Director of Public Health • Update on Foundation Trust status • Update of Public Service Trust • Update on four options for Primary Care Trust provider arm services • Mental health – Primary Care Trust proposal for provision of long term accommodation • Mental Health Rehabilitation Service – possible proposal by Primary Care Trust • Update on response to Review of Communications, in particular by the Hospitals Trust • Update on the out of hours service having regard to the project being undertaken on unscheduled care. • Progress in developing a Memorandum of Understanding between the Council and the Health Protection Agency dealing with the protocols for tackling infectious diseases.
Scrutiny Reviews	• Access to health 1) for ethnic minorities – Scoping Statement
December 2007	
Items	• Plan Annual Health Check commentaries • Public Service Trust Update • NHS Local Delivery Plan Briefing • Procurement Process For the Local Involvement Network
Scrutiny Reviews	• Access To Health 2) transport – scoping statement
April 2008	
	• Finalise Annual Healthcheck Commentaries (including presentations from health bodies as necessary) • Public Service Trust Update
Scrutiny Reviews	• Report of Review of Access to health 1) for ethnic minorities

At its meeting on 28th June the Chairman suggested a short Scrutiny Review into "elderly falls" – from the ambulance to hospital to after care at home. Work on the scope of this is to be undertaken and reported to the next meeting. The Committee also noted a suggestion that the Committee could look at the long-term implications for people in the county of having an inappropriate diet.

Other issues
• Councillors' potential role in managing public expectation within their constituencies
• Cancer Services
• Stroke Services (further update in due course)
• Update on specialist Children's Services Development??
• Development of LINks

Further additions to the work programme will be made as required

Community Services Scrutiny Committee – Work Programme 2007/08

October 2007	
Items	• Presentation by Cabinet Member (Economic Development and Community Services) • Review of the Courtyard Centre for the Arts – Executive's Response • Review of how to retain 18-35 year olds in Herefordshire and attract them to it – Executive's response • Review of Hereford City Partnership – Executive's response • Progress with Ledbury Tourist Information Centre
Scrutiny Reviews	• To report the findings of Scrutiny Review of Tourism with specific reference to Tourist Information Centres
December 2007	
Items	• Review of Museums and Heritage Centres Group – Executive Response – Monitoring • Performance Monitoring • Review of Tourism with specific reference to Tourist Information Centres – Executive's response
April 2008	
Items	• Performance Monitoring
Scrutiny Reviews	• To report the findings of the Scrutiny Review of the Agreement with Halo Leisure Trust
Other issues	
	• Review of Herefordshire's Future Economic Policy
	• Review of Community and Safety Drugs Partnership

Further additions to the work programme will be made as required.

Strategic Monitoring Committee – work programme 2007/08

September 2007	
	• Integrated Performance Report • Draft Medium Term Financial Strategy • Update on actions in response to the review of ICT Services • Update on Strategic Service Delivery Partnership • Scrutiny Development Plan • Systemic Failings leading to overspends on Building Projects
October 2007	
	• Presentations By Cabinet Members (Leader, Corporate and Customer Services and Human Resources, Resources (cross-referring to Service Plans). • Corporate Plan (Three year Strategic Proposals) • Ombudsman and Complaints and Compliments Monitoring • Employee Opinion Survey • Annual Report of the Strategic Service Delivery Partnership • Herefordshire Connects (Annual Report) • Work Programmes
Scrutiny Review	•
November 2007	
	• Integrated Performance Report
January 2008	
	• Integrated Performance Report • Corporate Plan (or February) • Annual Operating Plan (or February) • Pay and Workforce Development Strategy monitoring (inc Staff Opinion Survey) • Comprehensive Equality Policy • Work Programme
February 2008	
	• Revenue budget consideration • Corporate Plan (or January) • Annual Operating Plan (or January?)
March 2008	
	• Integrated Performance Report

April 2008
- Integrated Performance Report   - Community Strategy Action Plan Monitoring   - Annual Efficiency Statement   - Service Plan Monitoring/Proposals   - Work programmes

Other issues

- Reports on School Reviews as appropriate (note report to Cabinet 21 June that rather than being conducted on an area by area basis it be completed in one exercise to be reported to Cabinet prior to end on 2007).

- User Satisfaction Surveys.

- Review of the Constitution.

- Gender Equality Scheme Monitoring (reported March 2007 6 month/annual).

- Comprehensive Equality Scheme Action Plan monitoring.

- Scrutiny of Police/Crime and Disorder Reduction Partnership.

- Polices Relating to Generating Capital Receipts from the Smallholdings Estate.

- Consideration be given to requesting further information o areas of concern identified in minute 86 13 June 2007 - Integrated Performance Report – as part of developing future work programmes, in particular the overall approach to delivering targets in the LPSA and LLA.

Further additions to the work programme will be made as required

SCRUTINY ACTIVITY REPORT

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

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

Financial Implications

2.   None

Background

3.   This report summarises the matters considered by the Scrutiny Committees since the last report by this Committee to Council. It is intended to help keep Council aware of the work being undertaken.

4.   The work of the Committees is analysed below as far as practicable under the following five roles for overview and scrutiny: holding the executive to account, best value reviews, policy development and review, external scrutiny, and improvement (performance management and review).

Summary

5.   The Environment Scrutiny Committee met on 19th June 2007 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Scrutiny Review Group: Household Waste Recycling in Herefordshire. Scrutiny Review Group: Draft Travellers Policy.
External Scrutiny	Safety on Trunk Roads
Improvement (Performance Management and Review)	Good Environmental Management (GEM). Capital Budget Monitoring. Revenue Budget Monitoring. Environment Directorate Plan: Outturn for 2006/07 Performance Indicators.
Other	Introduction by Cabinet Member (Highways and Transportation). Introduction by Cabinet Member (Environment and Strategic Housing). Committee Work Programme.

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

8. The Adult Social Care and Strategic Housing Scrutiny Committee met on 22nd June, 2007 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Fairer Charging Policy. Joint Scrutiny Review: Transition from Leaving Care to Adult Life.
External Scrutiny	
Improvement (Performance Management and Review)	Revenue Budget Outturn 2006/07 and budget 2007/08. Commission for Social Care Inspection report on services for people with learning disabilities and the Council's Action Plan. Performance Monitoring.
Other	Co-opted Membership. Work Programme.

9. The Children's Services Scrutiny Committee met on 25th June, 2007 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Joint Scrutiny Review: Transition from Leaving Care to Adult Life.
External Scrutiny	
Improvement (Performance Management and Review)	Children and Young People's Plan Annual Review 2006/07 and Annual Performance Assessment. Children and Young People's Directorate Plan 2007-2010. Capital Budget Outturn Report 2006/07. Revenue Budget Monitoring. Performance reporting on Children and Young People's Services 2006/07 outturn.
Other	Review and consideration of Committee representative arrangements. Work Programme.

10. The Health Scrutiny Committee met on 12th March 2007 and considered the following issues:

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

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Theme	Reports
Holding the Executive to Account	-
Best Value Reviews	
Policy Development and Review	Public Service Trust for Herefordshire.
External Scrutiny	Presentations on behalf of: The Herefordshire Primary Care Trust. The Hereford Hospitals NHS Trust. West Midlands Regional Ambulance Trust.
Improvement (Performance Management and Review)	
Other	Work Programme

11.   The Community Services Scrutiny Committee met on 2nd July 2007 and considered the following issues:

Theme	Reports
Holding the Executive to Account	Review of the Support for Museums and Heritage Centres – Cabinet's Response.
Best Value Reviews	
Policy Development and Review	Proposed Review of Agreement with Halo Leisure Trust. Proposed Review of Tourism.
External Scrutiny	
Improvement (Performance Management and Review)	Cultural Services Comprehensive Performance Assessment Report. Performance Monitoring. Service Plan for Economic and Community Services.
Other	Herefordshire Satisfaction Survey. Work Programme.

BACKGROUND PAPERS

- None

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

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