

A G E N D A

Strategic Monitoring Committee

Date: **Monday, 17th September, 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:

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**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 JK 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 16th July, 2007.	1 - 8
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 performance to the end of July 2007 against the Annual Operating Plan 2007-08, national performance indicators used externally to measure the performance of the council, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance.	9 - 46
6. EMPLOYEE OPINION SURVEY 2007 To consider the results of the Employee Opinion Survey 2007.	47 - 56
7. OMBUDSMAN LETTER AND COMPLAINTS AND COMPLIMENTS MONITORING 2006/07 To note the Ombudsman Annual Letter 2006/07 and the figures for complaints and compliments recorded including complaints determined by the Local Government Ombudsman and the Complaints Panel for the year ended 31st March, 2007.	57 - 72
8. SCRUTINY REVIEW OF ICT SERVICES - EXECUTIVE ACTION PLAN PROGRESS REPORT To report progress on implementing the Executive's action plan.	73 - 86

9. WORK PROGRAMME UPDATE

To consider the Committee's work programme.

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PUBLIC INFORMATION

HEREFORDSHIRE COUNCIL'S SCRUTINY COMMITTEES

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

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

The principal roles of Scrutiny Committees are to

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

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

PUBLIC INFORMATION

Public Involvement at Scrutiny Committee Meetings

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

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

1. Identifying Areas for Scrutiny

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

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

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

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

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

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

Remits of Herefordshire Council's Scrutiny Committees

Adult Social Care and Strategic Housing

*Statutory functions for adult social services including:
Learning Disabilities
Strategic Housing
Supporting People
Public Health*

Children's Services

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

Community Services Scrutiny Committee

*Libraries
Cultural Services including heritage and tourism
Leisure Services
Parks and Countryside
Community Safety
Economic Development
Youth Services*

Health

*Planning, provision and operation of health services affecting the area
Health Improvement
Services provided by the NHS*

Environment

*Environmental Issues
Highways and Transportation*

Strategic Monitoring Committee

*Corporate Strategy and Finance
Resources
Corporate and Customer Services
Human Resources*

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- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public Register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees.
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- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
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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 Monday, 16th July, 2007 at 10.00 a.m.

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

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

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

7. APOLOGIES FOR ABSENCE

Apologies were received from Councillor R.I. Matthews.

8. DECLARATIONS OF INTEREST

There were no declarations of interest.

9. MINUTES

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

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

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

There were no suggestions from members of the public.

11. INTEGRATED PERFORMANCE REPORT

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

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

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

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

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

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

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

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

September.

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

RESOLVED:

That (a) the report be noted;

and

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

12. MANAGING PERFORMANCE MANAGEMENT

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

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

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

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

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

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

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

13. PAY AND WORKFORCE DEVELOPMENT STRATEGY

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

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

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

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

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

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

RESOLVED:

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

and

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

14. HEREFORDSHIRE COMMUNITY STRATEGY DEVELOPMENT PLAN

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

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

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

RESOLVED:

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

15. NEW PROCUREMENT STRATEGY

The Committee considered the Council's new procurement Strategy.

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

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

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

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

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

16. WORK PROGRAMMES

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

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

17. SCRUTINY ACTIVITY REPORT

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

The meeting ended at 11.50 a.m.

CHAIRMAN

INTEGRATED PERFORMANCE REPORT

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1. To report performance to the end of **July 2007** against the Annual Operating Plan 2007-08, national performance indicators used externally to measure the performance of the council, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance.

Financial Implications

2. There are no financial implications

Background

3. The report is enclosed separately for Members of the Committee and is available to the public on request. Cabinet is to consider the report on 20th September.

RECOMMENDATION

THAT (a) the report be noted, subject to any comments the Committee wishes to make;

and

(b) the Committee considers whether there are any issues it wishes to refer to other Scrutiny Committees for investigation.

BACKGROUND PAPERS

- None identified

INTEGRATED PERFORMANCE REPORT

PORTFOLIO RESPONSIBILITY: CORPORATE, CUSTOMER SERVICES AND HUMAN RESOURCES; AND RESOURCES

CABINET

6TH SEPTEMBER 2007

Wards Affected

County-wide

Purpose

To report performance to the end of **July 2007** against the Annual Operating Plan 2007-08, national performance indicators used externally to measure the performance of the council, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance.

Key Decision

This is not a Key Decision

Recommendations

THAT

- (i) **performance to the end of July 2007, and the adequacy of the proposed remedial actions to address areas of under-performance, be considered**

Reasons

The Council's current Corporate Plan sets out the Council's objectives, priorities and targets for the three years 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.

Considerations

HIGHLIGHTS OF PERFORMANCE
<ul style="list-style-type: none">• 16 council-led indicators from the AOP are currently marked R.
<ul style="list-style-type: none">• 53% of indicators used in external judgements are currently showing an improvement against last year.

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

- In respect of the Benefits Service, the last 18 months as seen an upturn in performance. This has been achieved by monitoring workload and output weekly using reports showing the volume of work received and processed, this includes an age profile of outstanding work. This is supported by a monthly report of BVPIs and Local Indicators and together these reports enable managers to identify performance against target and focus on the areas where improvement action is required. The end-of-year IPR to Cabinet on 7th June 2007 showed an improvement against all of the Benefit Service indicators that measure day-to-day activity.
- The end-of-year review of the LAA received favourable feedback from Government Office West Midlands in respect of progress made. It highlighted significant benefits that have come as a direct result of the enhanced level of cross agency working and the development of robust and responsive performance management systems that have been embedded across the Partnership. It is important, therefore, that the LAA and LPSA continue to be robustly performance managed to ensure enhanced achievement in the future. As mentioned in Paragraph 7 below, consideration of progress towards the LPSA and LAA will be included in the next IPR following consideration by the Partnership's Performance Management Group.
- The overall revenue budget position shows a projected overspend of £2.54 million.
- The revised capital budget forecast is £62.43m compared with the original forecast of £65.46m.

Progress against the Council's Priorities

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

		G	On target/met target
	A		Some progress/data not yet available so not possible to determine trend
R			Not on target

2. Analysis of performance by Council priority is detailed below:

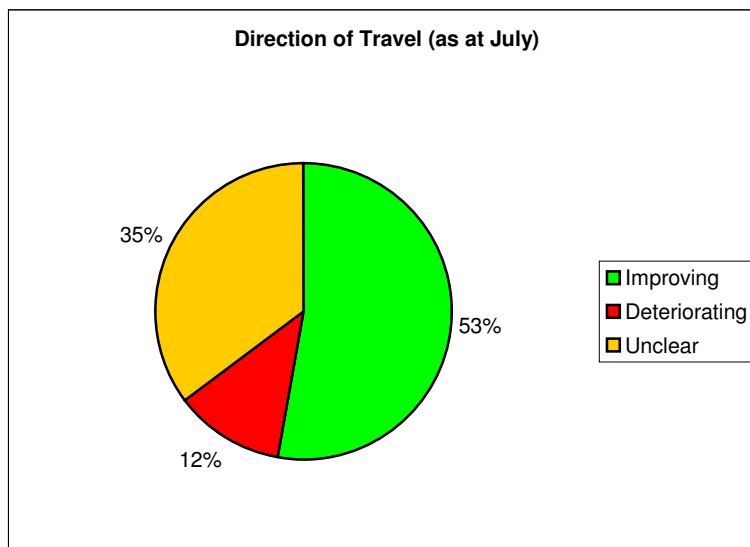
Priority	No. of Indicators	Judgement		
		R	A	G
Maximising the health, safety, economic well-being, achievements and contribution of every child	31	13	15	3
Reshaping adult social care to enable vulnerable adults to live independently and, in particular, to enable many more older people to continue to live in their own homes	8	0	2	6
Securing the essential infrastructure for a successful economy	3	0	3	0
Sustaining thriving communities	36	1	30	5

Priority	No. of Indicators	Judgement		
		R	A	G
Protecting the environment	10	0	10	0
Improving transport and the safety of roads	9	0	7	2
Promoting diversity and community harmony	4	0	2	2
Giving effective community leadership	1	0	1	0
Understanding the needs and preferences of service users and Council Tax-payers, and tailoring services accordingly	2	1	1	0
Recruiting, retaining and motivating high quality staff	4	1	2	1
Embedding corporate planning, performance management and project management systems	3	0	3	0
	111	16	76	19

3. Details of the indicators within each of the priorities above are in **Appendix A**.
4. 8 of the indicators marked **R** within the priority area of 'Maximising the health, safety, economic well-being, achievements and contribution of every child' should be resolved prior to the next IPR to Cabinet. A meeting is planned with the Primary Care Trust on 7th September to give final consideration to the Teenage Lifestyle Survey and agree the indicators for measurement in the coming year. Within this priority, 13 HCS 'average length of stay in B&B accommodation for homeless households' has also been marked **R**. Despite significant improvement in moving homeless households out of temporary accommodation, the target will not be achieved this year. The remaining 4 indicators marked **R** within this priority are behind target but have action plans drawn up to try and recover the situation.
5. The indicator marked **R** in the priority of 'Recruiting, retaining and motivating high quality staff' is 103 HC 'SRD completion rates'. Although current outturn is on course to improve on last year, the target of 100% will not be achieved.
6. The remaining 2 indicators to be marked **R** are in respect of 86 HCS '% of people who feel that parents in their local area are made to take responsibility for the behaviour of their children' and 68 HC '% of those who have contacted Herefordshire Council with a complaint who are satisfied with the way in which it was handled overall'. No templates have been submitted for these indicators to give assurance that work is ongoing to achieve target.
7. As reported to Cabinet on 12th July 2007, the full set of indicators used to measure performance against the LPSA, LAA and HCS will first be considered by the Performance Management Group of the Herefordshire Partnership. The next IPR to Cabinet, to the end-of-September, will include the group's considerations and be used to illustrate the progress being made in delivering the LPSA, LAA and HCS.

Direction of Travel and CPA

8. In addition to those indicators which the council measures itself against through its Annual Operating Plan, the council is externally judged on its performance against a number of national indicators, including Best Value Performance Indicators (BVPIs) and Performance Assessment Framework indicators (PAF). Performance against these indicators is shown in **Appendix B**. Primarily, the council is judged on its performance against previous year, rather than against target, and this comparison will be used to inform the Direction of Travel Assessment in February 2009.
9. Of those indicators where in-year data is currently available, the current direction of travel would show that 53% of indicators are on course to improve on last year.



10. Many of the indicators that are used in the Direction of Travel Assessment are only available annually, such as exam results, so the above chart can only be used as a snapshot of current known performance. As data becomes available throughout the year it will be possible to give a more comprehensive indication as to the direction of travel, and give managers more information on which to base decisions that should impact positively on future performance.
11. In respect of future service scores for the CPA, it is too early to give an indication as to the likely service scores to be announced in February 2009. It is anticipated that there will be more data available for the next report, to the end-of-September, allowing for a service score forecast for Culture, Environment and Housing.

Revenue Monitoring

12. Details of the revenue budget position are at **Appendix C** in summary and then directorate-by-directorate.
13. The overall position shows a projected overspend of £2.54m. This is 2.1% of the Council's £122.37m net revenue budget (excluding Direct Schools Grant funding). The projected position is after allowing for the use of the Social Care contingency and estimated £1.0m underspend on Spend to Save/Spend to Mitigate funding.
14. The key areas of concern as of month 4 of the 2007/08 financial year are Adult and Community Services with a £3.9m projected overspend; Children and Young People's

Directorate with a £776k projected overspend and Customer and Corporate Services where a £940k overspend is projected. Underspends of £500k and £278k are projected for the Environment Directorate and Resources Directorates respectively.

15. The Appendix includes a section on the July floods that caused significant damage to council assets. The estimated total of the damage is £3.6m.

Capital Monitoring

16. Details of the capital programme are at **Appendix D**.
17. As of the end of July the Capital programme is £62.43m compared with the original forecast of £65.46m. The change arises because of revisions to the programme and these are outlined in the report. Actual expenditure as of end of July was £7.054m representing 11% of the programme. This is an early indication of possible slippage.

Corporate Risk monitoring

18. **Appendix E** contains the corporate risk log, which shows the current key risks facing the Council in terms of operations, reputation and external assessment.
19. The format of the Corporate Risk Register, which accompanies this report, has been revised where possible to include actions that need to be taken to mitigate the risks, the responsible officer for the action is named and a target date for completion or review of actions is included.
20. The main issues arising from the register are as follows:
- The number of Corporate Risks continues to rise.
 - There are six risks that continue to score 'high' even after the mitigating actions have been taken into account. These six risks are:
 - a. CR2 – 'Corporate Spending pressures outweigh the level of resources available to meet them. Particular pressures are evident in Adult Social Care, Children's Social Care and ICT Services'. Necessary actions have been identified along with an owner of such and target dates.
 - b. CR3 – 'Herefordshire Connects Programme does not go through a robust investment appraisal with subsequent savings not being realised leading to service cuts'.
 - c. CR4 – 'Failure to maintain CPA 3* rating and move from improving adequately to improving strongly'. Although a strong and clear strategy has been implemented over the last 18 months and specific actions have recently been identified, assessment of this risk needs to be reviewed to ensure all possible measures are being taken.
 - d. CR5 – 'Business Continuity Management'. Substantial resources have been mobilised over the last 12 to 18 months to ensure that service areas have in place service continuity plans. The next stage needs to identify specific actions, responsible officers and target dates. Collaboration between Emergency Planning, Performance Management and Risk Management will help ensure support directorates.

- e. CR8 – ‘Achievement of LPSA2 targets and hence the Performance Reward Grant (PRG). Failure to manage the PRG will have a significant and detrimental impact on the Council’s ability to invest in future performance gains in services’. Again a mitigation strategy is summarised, however the actual actions necessary to ensure that this is achieved will need to be set out for the coming months along with action owners and target dates.
 - f. CR14 – ‘Herefordshire Connects: Management capacity and capabilities not sufficiently developed to plan in advance and deliver the service changes required for realisation of efficiency changes’. See CR3 above for relevant actions to be taken.
- A new risk has been entered, CR25. This covers the integration of procurement with Herefordshire Connects.
 - The recent floods affecting Herefordshire represent a significant potential risk in terms of the council’s financial position if funding of the required work cannot be recovered.

21. The next review of the Corporate Risks will be undertaken in connection with the end-of-September IPR. In the interim period the identified actions will be monitored so that an update can be provided.

Alternative Options

None.

Risk Management

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

Consultees

Partners have been involved in developing the performance indicator templates for the LPSA2G, LAA and Herefordshire Community Strategy.

Background Papers

None

IPR No.	Indicator	LPSA	LAM	HCS	Baseline	Performance			Target	On target	Commentary
						April	May	June			
Secure the essential infrastructure for a successful economy											
1 HCS	Ratio of earnings compared to West Midlands Region			Y		Tracker indicator, to be reported at year-end					
2 HCS	% change in the no. of VAT registered businesses		Y	Y		Template			2% increase		
3 HCS	No. of people employed in technology and knowledge intensive industries	Y	Y	Y		Template			10,286		
Give effective community leadership											
12d HCS	% of adults undertaking 30mins of moderate physical activity at least 5 days per week (adult healthy lifestyles)			Y	47%	Template					Data is provided from the Regional Lifestyle Survey. There is uncertainty whether this survey will go ahead in the future.
Improve transport and the safety of roads											
6 HCS	% of adult residents in Herefordshire that usually travel to work for their main job by driving a car or van - on their own (Method of Travel to Work)			Y	61%	Template			57% (in 2009 survey)		
7a HCS	Index of annual average daily traffic (AADT) volumes into Hereford City		Y	Y	100.63	Template			108		Integrated transport projects included in the LTP are being implemented
7b HCS	Index of annual average daily traffic (AADT) volumes on principle rural road networks		Y	Y	100.63	Template			108		
52 HCS	The number of people killed or seriously injured (KSI) in road traffic collisions	Y	Y		119			43	<134		
72 HC	Indexed number of cycling trips				118.99	Template			118		Integrated transport projects included in the LTP are being implemented
76 HC	Number of bus journeys in local authority area				3,433,043	Template			3,948,000		Survey work has been brought forward so more timely use can be made of the data.
83a HC	Condition of principal roads				14.00%	Data will be available in September			5.00%		The current highway maintenance plan is being delivered, flooding on the network has been assessed and details submitted under the Bellwin scheme.
83b HC	Condition of non-principal classified roads				21.00%	Data will be available in September			19.00%		
99 HC	The number of people slightly injured in road traffic collisions				732			194	<788		
Maximise the health, safety, economic well-being, achievements and contribution of every child											
13 HCS	Average length of stay in B&B accommodation for homeless households (weeks)		Y		15			4	0 weeks		Time spent in B&B is counted at the point FWC are permanently re-housed. During Q1 07/08, 35 families who have spent some time in B&B accommodation were permanently re-housed. An officer has been seconded from within the Homelessness Team to focus on the permanent re-housing of these families to ensure poor performance is resolved within 07/08, with a view to achieving top quartile performance of 0 weeks in 08/09.
22a HCS	Measure of healthy lifestyles for 11-15 year olds: smoking rates		Y	Y	To be set	Template			To be set		
22b HCS	Measure of healthy lifestyles for 11-15 year olds: participating in sport/physical activities		Y	Y	To be set	Template			To be set		
22c HCS	Measure of healthy lifestyles for 11-15 year olds: eating 5-a-day		Y	Y	To be set	Template			To be set		
22d HCS	Measure of healthy lifestyles for 11-15 year olds: obesity		Y	Y	To be set	Template			To be set		
22e HCS	Measure of healthy lifestyles for 11-15 year olds: alcohol consumption		Y	Y	To be set	Template			To be set		A meeting has been arranged for 6th September between the Council and the PCT to agree the exact definition of these indicators, establish baselines and agree targets.
22f HCS	Measure of healthy lifestyles for 11-15 year olds: drug use		Y	Y	To be set	Template			To be set		

IPR No.	Indicator	LPSA	LAM	HCS	Baseline	Performance				Target	On target	Commentary
						April	May	June	July			
22g HCS	Measure of healthy lifestyles for 11-15 year olds: scores for mental health		Y	Y	To be set	Template				To be set		
23 HCS	Measure of sexually transmitted infections for young people				0	Template				271		
24 HCS	No. of schools with National Healthy Schools status		Y		51		65			78		
26 HCS	Re-Registrations on the Child Protection Register				14.50%	0.00%	16.00%	0.00%		15.00%		The Q1 07/08 outturn (16%) is a slight decrease on both the 06/07 outturn (15%) and 07/08 target (15%). It does however mean that Herefordshire has dropped to a four blob banding and is behind England average for 05/06. Action is in place for monthly monitoring through multi agency core groups so the recommendations regarding de registration are reached through robust assessments and at a multi agency level.
28 HCS	% of 11-15 year olds who stated they have been bullied in the last 12 months			Y		Template						Online reporting system now in place with first data for period April-July available in second quarter. Baseline to be established through Youth Survey.
29 HCS	Relative spend on family support		Y		£29	Template				£35		Following the split from Adult Social Care it has been necessary to set up a recording tool - Currently working on spreadsheet to enable data to be available quarterly. First quarter is not available.
30 HCS	% of pupils achieving 5 or more GCSEs at grades A* - G or equiv. including Maths and English (LEA schools)	Y	Y	Y	92.80%	Template				96.00%		Progress to be completed after unvalidated results received in September
31 HCS	% of pupils achieving 5 or more GCSEs at grades A* - C or equiv. including Maths & English (LEA schools)*		Y	Y	48.20%	Template				51.60%		This target was set several years ago through the LAA. It is an extremely challenging target, set higher than the national target. It has been reviewed in the last quarter, and decided that it is still possible to achieve an outturn for
33 HCS	% of half day sessions missed by children in primary schools	Y	Y		5.67%	Template				4.00%		
34 HCS	% of half day sessions missed by children in secondary schools	Y	Y		7.90%	Template				6.00%		
35a HCS	Children looked after absent from school [joint working]	Y	Y		10.50%	Template				9.00%		
35b HCS	No. of half day sessions missed by looked after children as % of total number of sessions in primary schools	Y	Y		3.49%	Template				4.25%		This is well on target having exceeded our predicted outturn last academic year. Data collected bi weekly but only collated annually.
35c HCS	No. of half day sessions missed by looked after children as % of total number of sessions in secondary schools	Y	Y		5.00%	Template				7.00%		
37 HCS	No. of 11-15 year olds volunteering		Y	Y		Template						2007 Youth Survey results will be available in Sept 07 and will establish a baseline.
38 HCS	% of young people that feel that they can influence decisions affecting important local services		Y			Template						2007 Youth Survey results will be available in Sept 07 and will establish a baseline.
40 HCS	% of 16-18 year olds NOT in education, employment or training		Y		4.30%		5.73%			5.30%		Starting to see leavers from Courses seeking help.
41 HCS	No. of young people looked after in 17th year in education, training or employment at age 19	Y	Y	Y	14/14	Template				46 (cumulative)		
66 HC	% of 3 year olds who have access to a good quality free early years education place				85.00%	Template				85.00%		
84 HCS	% of schools with an approved school travel plan (STP)		Y			Template				68%		
85 HCS	Percentage change in number of conceptions amongst 15-17 year olds		Y		-15.70%	Template				-19.00%		

IPR No.	Indicator	LPSA	LAM	HCS	Baseline	Performance				Target	On target	Commentary
						April	May	June	July			
89a HC	Numbers of referrals of children per 10,000 population				266			248		280		The referral rate has decreased since peaking at 06/07 year end (266 referrals per 10,000 U18). The number of referrals shows signs of levelling off. It is too early in the year to be clear about the trend. Monthly monitoring of this figure will continue, together with related targets for DIS 1704, CH 142 and CH143. Review of the target will be undertaken if necessary.
89b HC	Percentage of initial assessments within 7 working days of referral				58.70%			56.90%		68.00%		The timeliness within which initial assessments have been completed has deteriorated slightly against the year end position for 06/07 (58.7%). The Outturn for 07/08 Q1 is 56.9% completed within 7 days. This is 11.1% short of the target for 07/08 (68%) and means that Herefordshire is performing below both statistical neighbours and Eng. average for 05/06. Capacity in the Referral and Assessment Team remains a pressure point, affecting performance in this area. A strategy for recruitment of sufficient experienced staff is in place, and further measures are in train. It is likely that these will not come to fruition until the last quarter of the year, so temporary recruitment drive continues. Performance monitoring and risk management is carried out by the Referral and Assessment Team managers, service manager and Health colleagues. The target set remains the aim.
89c HC	Timing of core assessments				61.00%			73.00%		66.00%		Performance for Q1 07/08 is at 73% - this is an increase against 06/07 performance (61%) and exceeds the 07/08 target of 66%. The improvement in performance has shifted Herefordshire from a two blob banding to three blob status and put the authority in line with statistical neighbours and Eng. average for 05/06.
91 HC	% of schools have a functioning school council							Template		100.00%		
Sustain thriving communities, including by securing more efficient, effective and customer-focused services, clean streets, tackling homelessness and effective emergency												
14 HCS	No. of people accepted as homeless & towards whom the council has a full statutory duty		Y	Y	149	10	6	7	12	160		Performance this quarter falls well within the target for 07/08. However, as the number of acceptances continues to decrease, this will impact upon the percentage of repeat cases (see above).
54 HCS	The proportion of relevant land and highways (expressed as a percentage) that is expressed as having combined deposits of litter and detritus that fall below an acceptable level	Y	Y		17.00%				21.00%	15.00%		Although performance has fallen compared with last year's outturn performance for the same period in 2006 was 23%. The programme of deep cleanses is about to commence and further publicity is planned.
59c HCS	% of respondents finding it easy to access: Library		Y	Y	69%			Template		4% improvement by 2009		
59d HCS	% of respondents finding it easy to access: Sports/leisure centre		Y	Y	64%			Template		4% improvement by 2009		
59e HCS	% of respondents finding it easy to access: Cultural/recreational facility e.g. theatre, cinema		Y	Y	47%			Template		4% improvement by 2009		
60a HCS	Net perceived improvement rating over the last 3 years for CoL factors (adults): Activities for teenagers		Y	Y	0			Template		4% improvement by 2009		
60b HCS	Net perceived improvement rating over the last 3 years for CoL factors (adults): Affordable decent housing		Y	Y	0			Template		4% improvement by 2009		

IPR No.	Indicator	LPSA	LAM	HCS	Baseline	Performance			Target	On target	Commentary
						April	May	June			
60c HCS	Net perceived improvement rating over the last 3 years for GoL factors (adults): Job prospects		Y	Y	0	Template	Template	Template	4% improvement by 2009		
60e HCS	Net perceived improvement rating over the last 3 years for GoL factors (adults): Level of traffic congestion		Y	Y	0.00%	Template	Template	Template	4% improvement by 2009		
60f HCS	Net perceived improvement rating over the last 3 years for GoL factors (adults): Wage levels and local cost of living		Y	Y	0	Template	Template	Template	4% improvement by 2009		
61a HCS	% of adult residents who feel that they can influence decisions affecting their local community	Y	Y	Y	35%	Template	Template	Template	40% (in 2008 survey)		
61b HCS	% of adult residents who feel that they can influence decisions affecting their local area		Y	Y	29%	Template	Template	Template	33% (in 2009 survey)		
62 HCS	% of adult residents who engaged in formal volunteering for an average of 2 hrs a week or more over the previous year	Y	Y	Y	17%	Template	Template	Template	22% (in 2008 survey)		
63 HCS	% of adult residents who feel that Herefordshire is a place where people from different backgrounds get on well together			Y	73%	Template	Template	Template	77% (in 2009 survey)		
64 HCS	% of adult residents who are satisfied with their local community as a place to live	Y	Y	Y	80%	Template	Template	Template	87% (in 2008 survey)		
65a HCS	% of adults who use: Sports and Leisure facilities at least once a month		Y	Y	25%	Template	Template	Template	30% (in 2008 survey)		
65b HCS	% of adults who use: Libraries at least once a month		Y	Y	32%	Template	Template	Template	34% (in 2008 survey)		
65c HCS	% of adults who use: Museums or galleries at least once every 6 months		Y	Y	19%	Template	Template	Template	21% (in 2008 survey)		
65d HCS	% of adults who use: Theatres or concert halls at least once every 6 months		Y	Y	32%	Template	Template	Template	36% (in 2008 survey)		
65e HCS	% of adults who use: Parks, open play areas and other recreational facilities at least once a month		Y	Y	49%	Template	Template	Template	Maintain baseline		
70 HC	% of adult residents that feel the Council does enough to give them opportunity to influence important decisions about local services				23%	Template	Template	Template	28% (in 2009 survey)		
79 HC	Compliance with Civil Contingencies Act, Data Protection and Freedom of Information				Compliant	Template	Template	Template	Compliant		
86 HCS	% of people who feel that parents in their local area are made to take responsibility for the behaviour of their children		Y		35%	Template	Template	Template	39% (in 2009 survey)		No template submitted
87 HCS	% of people who feel that people in their area treat them with respect and consideration		Y		45%	Template	Template	Template	49% (in 2009 survey)		
90 HC	Adult perceptions of improvement in facilities for young children					Tracker indicator, to be reported at year-end					
92 HC	The proportion of relevant land and highways (expressed as a percentage) from which unacceptable levels of graffiti are visible				2.00%				2.00%		
93 HC	The proportion of relevant land and highways (expressed as a percentage) from which unacceptable levels of fly-posting are visible				1.00%				0.00%		
94 HC	The year-on-year reduction in the total number of incidents and increase in the total number of enforcement actions taken to deal with 'fly-tipping'				Grading 1 (Very Effective)				1		
95 HC	% of people satisfied with the cleanliness standard in their area				66.00%	Template	Template	Template	0.00%		

IPR No.	Indicator	LPSA	LAM	HCS	Baseline	Performance			Target	On target	Commentary
						April	May	June			
96 HC	The percentage of abandoned vehicles removed within 24 hours from the point at which the Local Authority is legally entitled to remove the vehicle				99.00%	Template			100.00%		
97b HC	Adult perceptions of improvement in CLEAN STREETS										
97e HC	Adult perceptions of improvement in EDUCATION PROVISION										
97h HC	Adult perceptions of improvement in PUBLIC TRANSPORT										
97i HC	Adult perceptions of improvement in RACE RELATIONS										
97j HC	Adult perceptions of improvement in ROAD AND PAVEMENT REPAIRS										
97m HC	Adult perceptions of improvement in THE LEVEL OF POLLUTION										
Reshape adult social care to enable vulnerable adults to live independently and to enable many more older people to continue to live in their own homes											
16 HCS	Over 65's helped to live at home		Y		81.1	Template			83		Unverified figures, when compared to the same period last year, suggest that the target will be achieved.
17 HCS	Satisfaction with homecare services provided through Social Care via direct payments (65+)	Y	Y		58.00%	Template			66% (in 2009 survey)		
18a HCS	No. of people in receipt of Pension Credit	Y	Y	Y	7,596	Template			8,138		
18b HCS	No. of people in receipt of Attendance Allowance	Y	Y	Y	5,874	Template			6,702		
18c HCS	No. of people in receipt of Council Tax Benefit aged 60 or over	Y	Y	Y	6,862	Template			8,061		
74a HC	Adults with learning disabilities helped to live at home				2.9				3		Unverified figures, when compared to the same period last year, suggest that the target will be achieved.
74b HC	Adults with mental health problems helped to live at home				4.1				4.4		
74c HC	Adults with physical disabilities helped to live at home				6				6		
Protect the environment, producing much less waste, recycling much more of what remains and reducing carbon emissions											
55 HCS	% of Sites of Special Scientific Interest (SSSIs) in favourable condition										Tracker indicator, to be reported at year-end
56a HCS	The number of kilograms of household waste collected per head of the population		Y		505.82			127.26	505		
56b HCS	The percentage of household waste arisings which have been landfilled		Y		72.85%			73.68%	68.50%		
56c HCS	% of municipal waste (excluding household waste) recycled		Y		0.00%			0.00%	0.00%		Although current performance is behind target, projections suggest year-end performance may achieve target
56d HCS	% of municipal waste (excluding household waste) landfilled		Y		0.00%			0.00%	0.00%		
56e HCS	The percentage of household waste arisings which have been sent by the Local Authority for recycling		Y		18.71%			18.02%	23.97%		
57 HCS	No. of key species		Y								
58 HCS	Environmental/Climate change measure (Carbon per head)		Y								
67 HC	% of Council-owned or managed land without a nature conservation designation, managed for biodiversity				13.42%	Template			15.00%		
102 HC	Council carbon dioxide equivalent emissions					Template					
Understand the needs and preferences of service users and Council-Tax payers											
68 HC	The percentage of complainants satisfied with the handling of their complaint				36.00%	Template			50% (in 2009 survey)		No template submitted to demonstrate actions are taking place

IPR No.	Indicator	LPSA	LAM	HCS	Baseline	Performance				Target	On target	Commentary
						April	May	June	July			
69 HC	% of young people that feel the Council does enough to give them opportunity to influence important decisions about local services											2007 Youth Survey results will be available in Sept 07 and will establish a baseline
Recruit, retain and motivate high quality staff												
71 HC	Sickness absence (FTE)				8.41	8.13	7.88	8.17		8		
73 HC	Investors in people accreditation				n/a		Template			Accreditation by October		
77 HC	Staff turnover				9.00%	6.63%	6.66%	7.02%		9.00%		
103 HC	SRD completion rates				94.00%			86.16%		100.00%		SRDs are planned for April/May. Considering performance to June it is unlikely that the position can be recovered sufficiently to achieve target.
Embed corporate planning, performance management and project management systems												
78 HC	Status of Best Value Performance Plan				Unqualified		Template			Unqualified		
81 HC	Number of BYPIs qualified				0		Template			0		
82 HC	Outcome of key process audit						Template					
Promote diversity and community harmony and strive for equal opportunities												
80 HC	Equality Standard for local government				2		Template			3		
100a HC	% of employees from an ethnic minority				0.64%		0.66%			0.80%		
100b HC	Ethnic minority staff - senior management				2.14%		Data will be available in September			2.85%		
100c HC	Disabled employees				0.69%		0.77%			0.75%		
Ensuring that essential assets, including schools, other buildings, roads and ICT are in the right condition for the long-term cost-effective delivery of services, and ensure												
101 HC	Use of Resources score				3		Template			3		

Appendix B - Corporate and Customer Services

BVPI	CPA	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel	CPA thresholds
				April	May	June	July				
2a		Equality Standard for local government	2	Data reported annually				3		No evidence	
2b		The duty to promote racial equality	79%	Data reported annually				79%		No evidence	
174		Number of racial incidents	28.33	Data reported annually				57		No evidence	
175	H19	Number of racial incidents with further action	100%	Data reported annually				100%	UT	No evidence	LT = 57% UT = 100%

2007/08 REVENUE BUDGET MONITORING SUMMARY

1. The following table summarises the 2007/08 projected outturn as of the end of July 2007. It also includes figures from the previous IPR report to permit comparison between current and previously reported figures.

	July 2007 Net over or (-) Underspending £000
Adult and Community	+3,900
Children & Young People's	+776
Customer and Corporate	+940
Environment	-500
Resources	<u>-278</u>
Net position	4,838
Less:	
Social Care Contingency	-1,302
Unused Spend to Save Resources	<u>-1,000</u>
Net Council projected overspend	<u>2,536</u>

2. The overall position shows a projected £2.54million overspend. This is 2.1% of the Council's £122.37 million revenue budget (excluding Direct Schools Grant funding).
3. As part of the overall 2007/08 budget there is contingency funding of £1.3m available to mitigate Social Care pressures. However the use of the contingency and the level applied to meet the overspend can only be sanctioned after a review of the causes for the overspend and assurances that mitigating action was taken.
4. The projected year-end includes an estimated £1.0m projected underspend against the Spend to Save/Spend to mitigate allocations in the 2007/08 budget. The majority of the total relates to the £2.04m to modernise social care and community services for older people.
5. The above table does not make any allowance for flooding or community network.
6. At this stage the financial year the projections include some estimates but what is clear is that the overall projected outturn is of concern given the potential implications for 2008/09 and the likelihood of a poor CSR 07 settlement for local government.

Revenue Reserves Position as at 31st July 2007

General Reserves

7. As at 1st April 2007 the estimated General Reserve is £8.502 million. This includes releasing £100k contribution to the Partnership Fund with the PCT for developing the proposed PST arrangements.
8. The Council's Medium Term Financial Management Strategy sets out the council's approach to managing General Fund balances and Specific Reserves and ensuring a balanced budget. A key message is a move away from a higher level of General Fund balances to specific Reserves to deal with key corporate financial risks. In 2006/07 this was achieved as the general fund balance had been £14.525m at 1st April 2006.

Earmarked Reserves

9. At 1st April 2007 the Council held £19.8million of earmarked reserves. This includes school balances reserves of £8.137m that are ring fenced.

July Floods

10. The heavy rain that affected Herefordshire in July caused significant damage. Financial Services is co-ordinating the gathering of data to support claims for funding from central government.
11. The central government funding process, known as the Bellwin Scheme, sets thresholds and conditions for funding. The threshold of £408,526 applies to Herefordshire and expenditure over and above this amount is 100% recoverable. All works for which a claim is to be made, must be completed by 2nd January 2008 with the actual claim submitted before 1st February. One key area of exclusion exists covering items deemed to have been insurable. This is an important definition because even if items are not insured but are viewed as being insurable.
12. The overall estimate of damage as of the end of July was £3.605m. The largest single category covers Highways and Transportation at £2.058m. Within this total is work to repair roads and signs as well as checking and cleansing drainage systems.
13. The flooding badly affected a number of schools in the county with costs estimated at £930k. These are not recoverable under current rules because the risk is viewed as insurable and in any case we self fund our school premises. The total will be partly covered by self insured funding but there will still be a shortfall. There will also be some grants central government specifically for schools related damage.
14. Other funding sources include the European Union Solidarity Fund (EUSF) but as with the Bellwin scheme it does not cover insurable items. A further report will be brought forward to cabinet on 6th September outlining the overall position.

DIRECTOR OF ADULT AND COMMUNITY SERVICES**Directorate Summary as at 31st July 2007**

	July 2007 Net over or (-) underspending £000
Adult Services	+3,789
Strategic Housing	+71
Community Services	+70
Commissioning and Improvement	-30
Total	3,900

Adult Services

15. The projected outturn for Adult Social Care is an overspend of £3.79million. Details of the projected area overspends are as follows:
- Learning Disabilities - £2.287million overspend
 - Older People – £0.413 million underspend
 - Physical Disabilities - £0.767 million overspend
 - Mental Health - £1.124 million overspend
 - Service Strategy - £0.038 million overspend
16. The reasons for the overspend include the full year impact of new packages commenced in the previous year, an upward trend in the numbers in residential care and/or those receiving domiciliary care and the inflationary pressures around care packages. Learning disabilities, mental health and physical /sensory disabilities, all of which overspent in 2006/7, are projected to overspend by 27.5%, 23.9% and 26.1% respectively.

Strategic Housing

17. The projected outturn for Strategic Housing is an overspend of £71k. This has arisen largely from an unexpected growth in numbers of people in bed and breakfast accommodation. Whilst the numbers of families in temporary accommodation has remained constant since the beginning of the year (average 5.4), single people in temporary accommodation have been consistently higher (average 16). There is a shortage of suitable accommodation with Homepoint being able to offer only one or two properties per week.

18. The reduction in grant income for repurchase and re-instatement has also impacted (£20k).
19. Some non-recurrent staff vacancy savings have assisted the underspend position. Once these posts have been filled the saving will cease.

Community Services

20. The projected overspend for this area is £70k with the impact of inflationary pressures being the major cause but as with other areas the policy of zero inflation on non-pay was part of the council's budget strategy for 2007/08. Savings to deal with the original shortfall of £180k have been identified but some of these will now only provide a part year saving.
21. The figures include the base budget adjustment agreed by Cabinet from the General Fund to mitigate Hereford City Council's refusal to contribute towards parks and countryside services (£138k).

Efficiency Savings

22. All the Adult Services efficiency savings have been allocated out to client groups and the relevant services are looking at savings measures to bring down the overspend.
23. The Community Services efficiency savings were all implemented into the base budget at the start of the year but the service is now indicating that it will be unable to meet the entire required savings target.

DIRECTOR OF CHILDREN AND YOUNG PEOPLE'S SERVICES**Directorate Summary as at 31st July 2007**

	July 2007 Net over or (-) underspending £000
Directorate Central Budgets	-142
Children's Social Care/Safeguarding and Assessment Services	+918
Total	+776

24. The current position is a projected overspend of £776k compared to an underspend of £139k for the final outturn in 2006/07. The increase in spend is mainly due to the full year effect of the increase in external agency placements and to a lesser extent the lack of compensating savings in other central directorate budgets.

Dedicated Schools Grant (DSG)

25. Most (80%) of the former Education budget is now funded by Dedicated Schools Grant (DSG). The DSG funds delegated school budgets and central services to schools and pupils. Any under or overspending will be carried forward into the DSG for 2008/09.
26. In 2006/07 Dedicated Schools Grant underspent by £223k and this was carried forward to the current year. Additionally £416,000 extra DSG has been received from government due to extra pupils. Subject to School Forum's agreement the extra funding will be used to support SEN Banded Funding, Joint Agency Management, as a carry forward to offset savings from falling rolls in 2008/09 and a general distribution to schools in this financial year.

Directorate Central Budgets

27. The Dedicated Schools Grant does not fund the remaining education services such as strategic management, SEN assessment, asset management and transport. The projected underspend is £142k. With this resulting from savings on school transport.

Children's Social Care/ Safeguarding and Assessment Services

28. The projected overspend on Children's Social Care is £918k and is mainly related to external residential agency placements (£578k), fostering (£356). External agency placements have risen last year from 24 in April 2006 to 37 in July 2007 and unless numbers can be reduced or the service provided in a more cost effective way, this cost pressure will continue into future financial years. The number of children in foster care has largely stabilised.

Summary

29. Overall, the Children and Young People's budget is expected to overspend with a projected deficit of £776k. This will continue to be monitored closely throughout the rest of the financial year.

Efficiency Savings

30. The efficiency savings required for 2007/08 have been based upon the Invest to Save/Spend to mitigate proposals approved by Cabinet last year and additional transport savings identified from route reviews effective from September 2007.

DIRECTOR OF CORPORATE AND CUSTOMER SERVICES**Directorate Summary as at 31st July 2007**

	July 2007 Net over or (-) underspending £000
Herefordshire Partnership	0
Communications	0
Director and Administration	0
Emergency Planning	0
Legal and Democratic Services	100
Customer Services	200
Policy & Performance	0
Information Services	0
Corporate ICT Projects	-200
ICT Trading Account	600
Corporate Programmes	240
Total	940

31. The Members Scrutiny review conducted by Strategic Monitoring Committee recommended a thorough review of the way in which ICT budgets are treated. The assessment of the financial position in ICT has been the subject of detailed and lengthy work between ICT Services and Financial Services. The current position is clearer but a number of assumptions have been made about likely spending levels given the absence of detailed information in some areas.
32. The ICT trading account figure is based on the assumption that the vacant posts in the structure are filled within the next 2 months, however a number of vacancies are currently being held so the outturn position is likely to be less than indicated. ICT services are reviewing which vacancies are considered business-critical and need to be filled.
33. Work has been completed on a full audit of PC locations in Directorates. It has been confirmed that the number of PCs in Directorates has increased. This should lead to

an increase in SLA income to further reduce the projected overspend but will result in increased charges to Directorates and in effect shifts the shortfall into directorates.

34. The corporate programmes team has been separated out of the trading account and is now picking up its share of the SAP back-office system. The reduction in the number of projects and capital schemes means less income is projected to meet core costs, however the number of contractors employed is being reduced to mitigate this.
35. Customer Services is likely to generate an underspend in direct staff costs due to vacancies, however there are considerable non-staff costs emerging that have not been budgeted for including consultants costs, operating costs and a proportion of the SAP team within the trading account which supports the call system. These costs will be partly mitigated through savings pulled out of directorates as services migrate over during phase two of the project.
36. The ICT corporate projects budget includes provision for new developments but this has not yet been committed. If no new expenditure is made an underspend will be achieved.
37. Work is progressing to establish the full revenue impact of the Community Network. This is likely to cost considerably more than the old network and is not included in the above projections.
38. Legal and Democratic Services has a shortfall in staff budget within Members Services, over a full year this is in the region of £100,000 however the service is carrying some vacancies which should reduce the shortfall. The Legal Services budget includes some income targets that are not going to be met and these need to be addressed.
39. The Director of Corporate and Customer Services is reviewing the overall position and given a clear lead to the service to resolve financial issues around the ICT trading account by looking at the costs incurred on the account.

ENVIRONMENT DIRECTORATE**Directorate Summary as at 31st July 2007**

	July 2007 Net over or (-) underspending £000
Environmental Health and Trading Standards	-500
Planning	0
Highways and Transportation	0
Directorate Management & Support	0
Total	-500

Environmental Health and Trading Standards

40. The current projected underspend of £500k relates to the Waste Disposal budget. This projection is mainly based on forecasts from Worcestershire County Council in relation to the joint Waste Disposal contract. In previous years there has been significant underspend and until the new contract variations are agreed this position will continue, however the cost of the new contract will be considerably higher than at present. The final position will be reflected in the overall revenue account but, as in previous years, any underspend may need to be earmarked for reserves to meet future waste management pressures. However given the likely requirement to fund the Bellwin threshold of £408,526 this will need to be reviewed at a later date.
41. The projected outturn for other services is expected to be on budget for the year.

Efficiency Savings

42. The efficiency savings have all been taken into account in the Directorate's budget. Action is being taken to ensure the savings are made.

DIRECTOR OF RESOURCES**Directorate Summary as at 31st July 2007**

	January 2007 Net over or (-) underspending £000
Corporate Budgets	0
Asset Management and Property Services	0
Audit Service, Benefit and Exchequer Services and Financial Services	-278
Total	-278

Corporate Budgets

43. At this stage of the year corporate budgets are expected to be on target.
44. As part of the budget setting process and in previous Integrated Performance Reports, Cabinet has been informed of the potential for a significant underspend against corporate budgets due to the Local Authority Business Growth Incentive (LABGI) scheme. The LABGI grant scheme is a three year programme of allocation that depend on the increase in rateable value of business properties in a local authority's area. The scheme aims to reward authorities that continue to encourage business growth. In 2006/07 confirmed the Council received £1.4m. The allocation of this funding within the Council is a matter for local decision-making and in 2007/8 it is being used as 'cover' for Herefordshire Connects.

Audit Service, Benefit and Exchequer Services and Financial Services

45. There is a projected underspend of £278k in Audit Service, Benefit and Exchequer Services and Financial Services largely due to the continued improved performance around benefits processing.

Asset Management and Property Services

46. At this stage of the year Property Services is estimated to break even.

FINANCING TRANSACTIONS

47. A review of this budget as part of the 2007/08 budget process indicated the "base" income target could be increased. This has been done and now forms part of cover for Herefordshire Connects
48. The overall position for 2007/08 is expected to break even. However, this could change if there is slippage in the Capital programme leading to decreased levels of repayment and a higher amount of cash for temporary investment.

2007/08 CAPITAL PROGRAMME BUDGET MONITORING

Summary

- The capital programme forecast for 2007/08 as at 31st July totals £62,433,000, which is a decrease of £3,029,000 from the original capital programme forecast. This decrease represents capital budget changes following the closedown of the 2006/07 capital accounts and is mainly in relation to Herefordshire Connects expenditure re-profiling as advised by the preferred partner. Expected use of Prudential Borrowing has decreased by £12,330,000 as result of this, which will cause slippage on capital financing costs incurred in the revenue budget this year. A summary of the overall position is provided in table D1.
- Each individual capital project has an expected spend profile and expected spend totalled 33% of the revised forecast although actual spend of £7,054,000 to date represents only 11% of the revised forecast due to expected Herefordshire Connects and Minster School Replacement capital spend not being incurred to date. A summary of the expenditure for each service area is set out in table D2.
- A summary of the Prudential Borrowing position for 2007/08 is set out below.

200708 Original Prudential Borrowing Allocation		£16,995,000
Add: Slippage from 2006/07		£16,288,000
Less: Slippage into future years	(£17,220,000)	
No longer required	(£12,000)	
Funded by available SCE(R)	(£125,000)	(£17,357,000)
Forecast use of Prudential Borrowing in 2007/08		<u>£15,926,000</u>

Capital Receipts Reserves Position as at 31st July 2007

- The capital receipts reserve currently totals £21,734,000, which will be used to fund £10,709,000 of expected capital expenditure in 2007/08. The remaining balance will be used to fund future year's capital programme including affordable housing, Rotherwas futures and cattle market.

DIRECTOR OF CHILDREN AND YOUNG PEOPLE'S SERVICES

Directorate Summary as at 31st July 2007

Original Budget Reported	£11,420,000
Capital Budget Decreases	
• Minster School Replacement (re-profiling)	(£2,949,000)
Capital Budget Increases	
• Sutton Primary School Replacement (slippage from 2006/07)	£1,208,000
• Hereford City North Children's Centre (new)	£975,000
• Golden Valley Children's Centre (new)	£490,000
Other budget revisions (<£250k)	£839,000
Revised Budget as at 31 st July 2007	<u>£11,983,000</u>

5. The Minster school replacement has a tender list waiting for invitation, details of the scheme are being considered, the expected spend in this year has been reduced with spend expected to continue into 2009/10.
6. The Sutton Primary School Replacement budget has increased following slippage from 2006-07 carried forward into 2007-08 reflecting the revised cashflow submitted by the successful contractor.
7. Hereford City and Golden Valley children's centre budgets are funded by capital grant and to be used to provide a total of five centres before 31st March 2008.
8. Not included above are devolved formula capital grants of £2,898,000 which have been allocated to individual schools on a formula basis. The monitoring of this capital expenditure will fall within future rounds of capital monitoring.

DIRECTOR OF RESOURCES

Directorate Summary as at 31st July 2007

Original Budget Reported	£2,334,000
Capital Budget Decreases	
• Herefordshire Cattle Market (expected slippage into 2007/08)	(£500,000)
Capital Budget Increases	
• ESG Property Purchase (new budget)	£1,350,000
Other budget revisions (<£250k)	(£106,000)
Revised Budget as at 31 st July 2007	£3,078,000

9. The new cattle market site works are in the design stage and part of the original expected expenditure this year has been deferred into next year.
10. Property purchases under the Edgar Street development are wholly funded by capital grant.

DIRECTORATE OF CORPORATE AND CUSTOMER SERVICES

Directorate Summary as at 31st July 2007

Original Budget Reported	£20,406,000
Capital Budget Decreases	
• Herefordshire Connects (re-profiling)	(£12,682,000)
Other budget revisions (<£250k)	£219,000
Revised Budget as at 31 st July 2007	£7,943,000

11. Herefordshire Connects capital spend has been reduced to reflect the preferred suppliers expected cashflow.
12. The Info by Phone capital scheme overspent in 2006/07 and costs are still being incurred in 2007/08. Total additional PB of £36,000 (2% of the approved budget) is

expected to be required to fund this overspend.

DIRECTOR OF ENVIRONMENT

Directorate Summary as at 31st July 2007

Original Budget Reported	£19,206,000
Capital Budget Increases	
• Rotherwas Access Road (budget increase)	£7,600,000
• Flood Defences Hereford (new)	£2,306,000
• Highways Maintenance (budget increase)	£438,000
Other budget revisions (<£250k)	£110,000
Revised Budget as at 31 st July 2007	£29,660,000

13. The Rotherwas Access Road budget increase follows the award of contract and is to be funded by part capital grant, part LTP allocation and part capital receipts generated by site sales.
14. Hereford flood defence work is funded by S106 contribution with works being provided by Defra.
15. The Highways Maintenance budget has been increased representing additional LTP funding allocation.
16. Hereford City Enhancements are expected to require additional funding of approximately £1m to complete the city centre works (specifically on Widemarsh St, Commercial St and St Peters St), a bid for additional funding will be submitted in due course.

DIRECTOR OF ADULT AND COMMUNITY SERVICES

Directorate Summary as at 31st July 2007

Original Budget Reported	£12,096,000
Capital Budget Increases	
• Rotherwas Futures Estate Development work (new)	£900,000
• Aylestone Hill (slippage from 2006/07)	£411,000
Capital Budget Decreases	
• Extra Care Housing Development (budget decrease)	(£1,148,000)
• Affordable Housing Grants (re-profiling)	(£1,500,000)
• Ross Library (slippage)	(£700,000)
• Integrated Community Equipment (slippage)	(£300,000)
Other budget revisions (<£250k individually)	£407,000
Revised Budget as at 31 st July 2007	£10,166,000

17. Rotherwas Futures Estate Development work could fluctuate as the work required is yet to be fully specified and costed.

18. Aylestone Hill works have slipped from last year into 2007-08 due to delays in receiving Environment Agency consent.
19. The Extra Care Housing Development reduction towards additional costs as detailed in a separate report will be funded through developer contributions with a 10% retention being held until the project completes next year.
20. The affordable housing grants re-profile represents the committed programme of works for 2007/08 total of £2,000,000.
21. Ross library successful capital bid budget has been re-profiled to recognise that only fee costs should be incurred this year due to the scheme still being in its feasibility stage.
22. Integrated Community Equipment Store successful capital bid allocation towards premises changes is on hold awaiting results of market testing of the service.

TABLE D1

FUNDING OF REVISED 2007/08 CAPITAL PROGRAMME

Capital Programme Area	2007/08 Revised Forecast 31/07/07	SCE(R)	Prudential Borrowing	Grant	Revenue Contribution	Capital Receipts Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Children & Young People's Services	11,983	2,163	2,275	4,550	-	2,995
Resources	3,078	-	376	1,502	-	1,200
Corporate and Customer Services	7,943	-	7,943	-	-	-
Environment Services	29,660	7,582	3,461	15,914	54	2,649
Adult and Community Services	9,769	218	1,871	3,815	-	3,865
Total Revised Forecast	62,433	9,963	15,926	25,781	54	10,709
<i>Original Forecast</i>	<i>65,462</i>	<i>9,963</i>	<i>28,256</i>	<i>18,358</i>	<i>170</i>	<i>8,715</i>
<i>Change from Original</i>	<i>(3,029)</i>	<i>-</i>	<i>(12,330)</i>	<i>7,423</i>	<i>(116)</i>	<i>1,994</i>

<u>Reported to date</u>						
<i>Original Budget</i>	<i>65,462</i>	<i>9,963</i>	<i>28,256</i>	<i>18,358</i>	<i>170</i>	<i>8,715</i>
<i>July 2007 Forecast</i>	<i>62,433</i>	<i>9,963</i>	<i>15,926</i>	<i>25,781</i>	<i>54</i>	<i>10,709</i>

TABLE D2

CAPITAL EXPENDITURE BY PROGRAMME AREA

	Outturn	Original Budget	Revised 2006/07 Forecast as at 31/07/07	Actual spend at 31/07/07	Actual spend as a % of the revised forecast	Committed Spend as a % of the revised forecast	Expected spend as a % of the revised forecast
Programme area	2006/07	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08
	£'000	£'000	£'000	£'000	%	%	%
Children & Young People's Services	9,008	11,420	11,983	1,166	10%	12%	35%
Resources	2,369	2,334	3,078	320	10%	10%	34%
Corporate & Customer Services	3,807	20,460	7,943	719	9%	9%	33%
Environment Services	13,197	12,096	29,660	3,627	12%	42%	30%
Adult & Community Services	12,567	19,206	9,769	1,222	13%	23%	35%
Total	40,949	65,462	62,433	7,054	11%	28%	33%

Managing Risk - Corporate Risks



Stage One				Stage Two			Stage Three				
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Responsible Directors	Assessment of Residual Risk (With control Measures Implemented)			Action Description	Action Owner	Target Date
		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	SM	3	2	Medium			
Corporate spending pressures outweigh the level of resources available to meet them. Particular pressures are evident in Adult Social Care, Children's Social Care and ICT Service.	CR2	4	4	High	ALL/SR	4	3	High	1. Social Care contingency established. 2. ICT base budget issues being examined by Financial Services 3. Robust challenge of monthly budget monitoring reports from Directorates by Financial Services 4. Robust challenge of Directorate budget management plans for 2007/08 through the Performance Improvement Cycle process. 5. Medium Term Financial Strategy being reviewed	SR	Done Sep-07 Ongoing Aug-07 Aug-07
Herefordshire Connects: Programme does not go through robust investment appraisal with subsequent savings not being realised leading to service cuts.	CR3	4	4	High	NP	4	3	High	1. Review of savings and original data. 2. ISS board in place. 3. Financial planning for overall project.	AK/DP AK DP	Done Done Done
Failure to maintain CPA "3 star" rating and move from improving adequately to improving strongly	CR4	4	3	High	ALL/NP	3	3	High			

Managing Risk - Corporate Risks



Stage One				Stage Two				Stage Three			
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix		Potential Mitigation Strategy Summary	Responsible Directors	Assessment of Residual Risk (With control Measures Implemented)		Action Description	Action Owner	Target Date	
		Impact (Severity)	Likelihood (Probability)			Impact (Severity)	Likelihood (Probability)				Residual Priority Rating
				Use of Resources Improvement Plan being implemented.	SR			Use of Resources self assessment for 2007 being prepared by Audit Services/Financial Services	SR	Aug-07	
				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			Action plans resulting from internal audit reviews implemented to agreed timescales	ALL	Ongoing	
Business continuity management	CR5	3	4	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 exercise for the Emergency Response Team. Annual exercising of emergency response plans.	ALL/NP	3	3				
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	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				
Corporate Capacity to deliver a range of changes the Council has embarked upon.	CR7	4	3	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				
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	LPSA Partnership Manager and the Head of Policy & Performance now meet 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	3				
Delivery of Local Area Agreement	CR9	3	2	Financial Management & Review processes also in place.	JJ	3	2				

Managing Risk - Corporate Risks



HEREFORDSHIRE
COUNCIL

Stage One			Stage Two				Stage Three				
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Responsible Directors	Assessment of Residual Risk (With control Measures Implemented)			Action Description	Action Owner	Target Date
		Impact (Severity)	Likelihood (Probability)	Priority Rating		Impact (Severity)	Likelihood (Probability)	Residual Priority Rating			
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	ALL/DJ	2	2	Low			
		4	4	High		2	2	Low			
Development of Adults' Workforce Strategy		3	3	High	DJ	2	2	Low	Looking at traineeships in building control overseas recruitment for social workers. Council's establishment to be reviewed quarterly.	Amanda Attfield	Mar-08
		3	3	High		2	2	Low			
Development of Children's Workforce Strategy		3	3	High	DJ	2	2	Low	Awards ceremony arranged	David Johnson	Sep-07
		3	3	High		2	2	Low			
Approach to Diversity: Risk of not achieving level and not improving Standard	CR12	3	2	Medium	JJ	3	2	Medium			
		3	3	High		2	2	Low			
Review of Accommodation Strategy.	CR13	4	4	High	SR	3	2	Medium	Future options for consideration by Council to be collated.	SR	Sep-07
		4	4	High		3	3	High			
Herefordshire Connects: Management capacity and capabilities not sufficiently developed to plan in advance and deliver, the service changes required for realisation of efficiency savings.	CR14	4	4	High	NP	4	3	High			
		4	4	High		3	3	High			

Managing Risk - Corporate Risks	
 HEREFORDSHIRE COUNCIL	

Stage One				Stage Two				Stage Three			
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix		Potential Mitigation Strategy Summary	Responsible Directors	Assessment of Residual Risk (With control Measures Implemented)		Action Description	Action Owner	Target Date	
		Impact (Severity)	Likelihood (Probability)			Priority Rating	Impact (Severity)				Likelihood (Probability)
Timetable for the establishment of a Public Services Trust for Herefordshire	CR15	3	2	A Project Manager appointed. Steering group and workstreams established.	NP	3	2				
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 the 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 MWIM 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				
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	Directorate Management Teams to review progress implementing actions arising from internal audit reviews on a monthly basis	ALL	Ongoing	
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	Self assessment for 2007 shows an improvement in performance from a 'fair' to 'good' service. The BFI will confirm the self assessment in November 2007.	SR	Completed for 2007	
	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				
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	Capita plc has reviewed and 'cleared' process around preferred partner.	NP	Done	
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	Programme reporting structure to deliver key areas to be in place.	NP	Done	
Herefordshire Connects - insufficient account taken of the PST in development of the Herefordshire Connects Programme	CR22	4	3	High Establishment of workstreams mapping out interfaces. Discussions with potential suppliers throughout procurement process. PST workstreams produce regular risk registers which are fed into the Steering Group including those relating to IT infrastructure	NP	4	2		Workstream leads	Done	
								Risk registers to be in place and fed into steering group.			

Managing Risk - Corporate Risks



Stage One				Stage Two			Stage Three					
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Responsible Directors	Potential Mitigation Strategy Summary	Assessment of Residual Risk (With control Measures Implemented)			Action Description	Action Owner	Target Date
		Impact (Severity)	Likelihood (Probability)	Priority Rating			Impact (Severity)	Likelihood (Probability)	Residual Priority Rating			
Failure to respond adequately to the local government white paper strong & prosperous communities	CR23	2	2	Low	JJ	CMB/SMT work streams chaired by Head of Policy & Performance reporting to Director	2	1	Low	Report on white papers implications to be provided	JJ/TG	Done
Herefordshire Connects - Negotiations take too long and the Phase 4 start date slips leading to slippage in the completion date for this phase.	CR24	3	2	Medium	JJ	Provide regular updates to CMB and Members Reference Group	2	1	Low			
Ensuring the Council secures improvements in the cost of procurement transactions and procurements costs as part of the Herefordshire Connects Programme.	CR25	3	2	Medium	SR/JJ	This is a separate workstream within the Integrated Support. Services theme of the Herefordshire Connects Programme which is being project managed by the Herefordshire Council's Core Team in line with PRINCE2 methodology.	2	2	Low	This project is being supported by Resources staff seconded to this Work Stream and the Strategic Procurement & Efficiency Review Manager.	SR	Ongoing

Signed: _____

Position: _____

Date: May 2007

Key to Assessment of Risk Scores

Impact Rating	Score	Description/Examples
Catastrophic	4	One or more fatalities Service disruption for more than 5 days Adverse national publicity Financial loss up to 75% of budget Litigation almost certain and difficult to defend Breaches of law punishable with imprisonment
Critical	3	Extensive, permanent injuries, long term sick Service disruption 3 - 5 days Adverse local publicity Major injury to individual/several people Litigation is expected Financial loss up to 50% of budget Breaches of law punishable by fines only
Significant	2	Severe injury to individual/several people Service disruption 2 - 3 days Needs careful public relations Financial loss of up to 25% of budget Higher potential for complaint, litigation possible Breaches of regulations/standards
Negligible	1	No injuries beyond first aid level No significant disruption of service capability Unlikely to cause any adverse publicity Financial loss of up to 10% of budget Unlikely to cause complaint/litigation Breaches of local procedures/standards

Likelihood Rating	Score	Description
Very Likely	4	Is expected to occur in most circumstances i.e. there is a more than 75% chance of occurrence.
Likely	3	Will probably occur in most circumstances, i.e. there is a 40 - 75% chance of occurrence.
Unlikely	2	May occur in exceptional circumstances i.e. there is a 10 - 40% chance of occurrence.
Very Unlikely	1	Is never likely to occur i.e. a less than 20%

Managing Risk - Corporate Risks



Stage One		Stage Two			Stage Three					
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Responsible Directors	Assessment of Residual Risk (With control Measures Implemented)		Action Description	Action Owner	Target Date
		Impact (Severity)	Likelihood (Probability)	Priority Rating		Impact (Severity)	Likelihood (Probability)			

chance of occurrence.

EMPLOYEE OPINION SURVEY 2007

Report By: Head of Human Resources

Wards Affected

County-wide

Purpose

1. To consider the results of the Employee Opinion Survey 2007.

Financial Implications

2. None identified.

Background

3. The Employee Opinion Survey 2007 was run during July. This was to ensure that, as in 2006, the results could be used as part of the corporate planning process. 53% of employees completed the survey compared with 48% last year. This is well in excess of the 43% current average response rate for local government surveys (as identified by the Opinion Research Corporation). 28% returned the form electronically, compared with 21% in 2006 and 20% in 2005, when the electronic option was first introduced.
4. This year's responses in general, show marked improvements in the perception of employees over the areas covered by the survey questions. Appendix 1 shows trend data from 2005 to the present day. Work that the Council is doing to improve is clearly making a difference to what employees think. In most areas of the survey the message from employees is that things are getting better. Some of the improvements over the past year which may have led to the positive results, included:
 - Staff Review and Development (SRD) completion rate continues to improve – now the vast majority of employees have a review at least annually. The SRD process is firmly linked to the Council's performance management cycle. The Council achieved a 97% out-turn of SRD completion in 2007 (94% in 2006).
 - The continuing trend in improving the speed and efficiency of recruitment to Council posts by the introduction of the Council's Central Recruitment Centre in April 2006.
 - Actions that Directorates are taking to improve performance through people as part of the Council's commitment to the Investors in People standard - preliminary assessment against the Investors in People Standard takes place in October 2007.
 - The Council's commitment to achieving the Equality Standard in 2007/08; the positive impact of actions towards this is reflected in the Survey responses.

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

- Updated leadership competencies for Council managers were introduced this year with Key Managers being assessed against them.
 - The Herefordshire Council values of 'Service with integrity, equity and empathy' were developed in consultation with employees, publicised and a programme to embed these, begun.
5. Actions taken during 2006-07 have clearly made a positive difference to employees, as responses to 13 survey questions this year are more positive than previously, with only one statement showing a significant negative shift: 36% of respondents this year disagree that action will be taken on the problems identified in this survey, which is higher than the level of disagreement on the same question in 2005, although lower than the 38% last year.

Examples of more positive responses are (organised here to reflect the themes of the Pay and Workforce Development Strategy):

Leadership

- Views about senior management have improved; all four relevant questions relating showed increased agreement. More people now feel valued by senior management; up from 44% in 2006 to 51%, and the proportion who feel that relations between senior management and employees are good has increased from 43% to 52% over the same period. There is also a marked rise in the numbers of people who feel that 'senior management is visible and approachable'. For the first time in the seven years of the survey, a majority of people (52%) feel that 'senior management's decision-making is fair'.
- There continues to be a large majority of respondents who feel valued by their line manager (80% this year) and who have a clear understanding of their job objectives and priorities (84% this year); both remaining relatively unchanged from previous years. Compared with last year, more people agreed, and fewer disagreed with the statement that 'I am encouraged to learn from things that don't work, and to share learning and best practice'.

Skills, learning and development

- Most respondents (77%) agree that they have adequate training for their job, the greatest level of agreement for that question yet recorded. Most are finding their staff review and development (SRD) meetings worthwhile (66%), continuing last year's upward trend. 50% of respondents stated that 'opportunities for development within the council are good', which represents a 5 percentage-point drop in disagreement since last year.

Organisation development

- There is a marked improvement in responses to questions in this section overall – generally, most of the questions show significant positive movement since last year. Over three-quarters of employees agree the council is good to work for - up from 69% last year to 76% now. More people feel the Council is open, honest and accountable to all its customers (47%) and that the council takes into account the views and diverse needs of its customers (59%), than the proportions responding in 2005 and 2006.

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

- Agreement that 'plans, policies and processes are understandable' fell last year compared with 2005, but did rise from 48% in 2006 up to 54% this year. Perception of communications within service areas has changed little - currently 68% feel it works well. Disagreement with the statement that 'I am given enough information to enable me to understand why organisational change needs to happen' has fallen significantly. More employees (69%, compared with 65% last year) say they have 'the opportunity to ask questions about organisational change before, during, and after it has happened'.

Resourcing

- This year, more people are intending to be still working for the council in 12 months' time, up from 64% last year to 68% now. Views on the standards and targets in service areas remain unchanged with two thirds of respondents feeling they are achievable. Similarly the proportion who can meet the requirements of their job without working excessive hours has seen little change over the year, 55% agreeing now; a 1% gain since 2006.

Pay, reward and recognition

- There has been some improvement here. Around two thirds of respondents agree that they get recognition for a job well done; slightly higher than last year, and over three quarters get feedback on their progress from their immediate manager; much the same as last year. Agreement with the statement 'I am satisfied with the terms & conditions of my contract' improved from 63% to 69%, while disagreement fell from 30% to 25% correspondingly.

Employee wellbeing

- Views that people are treated fairly regardless of race, sexual orientation, age and position in the organisation are much the same as last year. The proportion who sometimes feel bullied or harassed by customers or service users has dipped a little from 34% to 33% over the year, while there has been little change in views of bullying or harassment from other sources in the same period.
- Respondents' morale maintains the positive trend, with 56% agreeing it is good in their work area compared with 55% last year, and 2005, when it was 43%. Fewer people disagreed this year with the sentiment that flexible working helps to 'avoid having problems' in meeting commitments either at work or at home.

Comparison with local government benchmark data (See Appendix 2 for the data as compiled by the Opinion Research Corporation)

6. We compare favourably in terms of morale within the organisation, that employees have the resources needed to do their jobs properly and also that opportunities for flexible working allow people to avoid problems in meeting home and work commitments, health and safety, and the visibility of senior managers. Also, the Council's response rate of 53% this year is well in excess of the current average response rate for local government, of 43%. Areas where the council does not compare well are: satisfaction with earnings, the intent to be working here in 12 months time and that employees can meet their job requirements without working excessive hours.

7. Given the 36% level of disagreement that actions will be taken as a result of the survey, it is important that action is taken and that it is communicated to employees as being one outcome from their feedback through the survey. This will be made clear from survey follow up in First Press and through employee involvement in service planning, for example. Clear links will also be made to the Investors in People (IIP) standard. This will be done by action planning against the standard with Directorates, the Corporate Management Board and Elected Members.
8. This report is to be considered by Cabinet on 20th September, 2007.

RECOMMENDATION

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

BACKGROUND PAPERS

- None

Key differences in opinions from the 2006 and 2005 surveys

This section identifies those statements in the survey where the opinions of the respondents this year are significantly more positive (first table) or negative (second table) than those of either last year or 2005. Results are considered more **positive** than the council norm if there is either *greater agreement* or *less disagreement*. Results are considered more negative than the council norm if there is either *less agreement* or *greater disagreement*.

The system for identifying 'significant difference' has changed from previous years. The thresholds to identify 'significant' changes is now a difference of plus or minus 5 percentage points compared to another year's score. For instance, if a score in 2006 was 60%, and the same question this year read 65%, that would be considered a 'significant difference', likewise if a score declined from 60% in 2006 to 55% this year. The purpose of these thresholds is meant to 'flag up' larger variances from the norms for further investigation. There are a few questions where higher levels of disagreement is a good thing (3.2a – 3.2d); these have been explained on the pages concerned, and those results have been treated appropriately.

Positive

Statements where the responses from council employees this year show a significant increase in agreement or significant decrease in disagreement compared with either 2006 or 2005.

Statement	Agreement (* Denotes significant increase between that year and 2007)		
	Council 2005	Council 2006	Council 2007
1.1 Herefordshire Council is good to work for.	65%*	69%*	75%
1.2 I speak highly of the council to others outside.	48%*	47%*	55%
1.3 The council is open, honest and accountable to all its customers.	38%*	41%*	48%
1.4 The council takes into account the views and diverse needs of customers.	50%*	53%*	59%
1.5 Generally, plans, policies and processes are understandable.	58%	49%*	54%
1.6 Opportunities for development within the council are good.	43%*	48%	50%
1.7 I intend still to be working for Herefordshire Council in 12 months' time.	61%*	64%	68%
1.9 I am kept informed about the council's plans, priorities and performance	61%*	63%*	69%
1.12 I receive information about planned organisational change at an early stage.	65%*	74%	75%
1.13 I am given enough information to enable me to understand why organisational change needs to happen.	62%*	67%	71%
1.14 The organisation communicates with employees regularly when going through change.	69%*	75%	77%
1.15 I have the opportunity to comment and ask questions about organisational change before, during and after it has happened.	58%*	65%	69%
1.18 How often do you have team meetings?	64%*	75%	72%
2.1 I get recognition for a job well done.	60%*	67%	68%
2.2 Morale within my work area is generally good.	41%*	55%	57%

Statement	Agreement <i>(* Denotes significant increase between that year and 2007)</i>		
	Council 2005	Council 2006	Council 2007
2.5 Communications within my service area work well.	63%*	64%	68%
2.8 I am encouraged to learn from things that don't work and share learning and best practice.	59%*	61%	65%
2.9 I feel valued by senior management.	42%*	44%*	51%
2.10 Senior management is visible and approachable.	50%*	53%*	60%
2.11 I have confidence that senior management's decision making is fair.	40%*	43%*	52%
2.12 Relations between senior management and employees are good.	36%*	43%*	52%
3.1g Position in the organisation.	50%*	55%	55%
3.3 My manager takes health and safety matters seriously.	72%*	78%	80%
3.4 I am satisfied with my current terms and conditions of employment.	59%*	63%*	69%
3.7 Opportunities for flexibility in my hours / job help me to avoid having problems in meeting home / work commitments.	75%	73%*	78%

Negative

Statements where the responses from council employees this year show a significant increase in disagreement or a significant decrease in agreement compared with either 2006 or 2005.

Statement	Disagreement <i>(* Denotes significant increase between that year and 2007)</i>		
	Council 2005	Council 2006	Council 2007
1.8 I believe that action will be taken on problems identified in this survey.	29%*	38%	36%

Comparison with ORC local government benchmarking data

Source: ORC local government benchmark data, from their 23rd January 2007 report, and Herefordshire Council employee opinion survey 2001 – 2007.

Figures are percentages of the respondents agreeing with the statement.

ORC comparator question	ORC score	2001	2002	2003	2004	2005	2006	2007	Herefordshire Council employee opinion survey question.
56: I would tell people that this is a good place to work	56% (2006)	60%	62%	na	41%	48%	47%	55%	2005-7 1.2: I speak highly of the council to others outside 2002/1: I am proud to be working in the Council
60: Considering everything, I am satisfied with this company at the present time	68% (2005)	72%	79%	60%	59%	65%	69%	75%	1.1: Herefordshire Council is good to work for
29: Morale is good where I work	44%	39%	46%	37%	35%	41%	55%	57%	2.2: Morale within my work area is generally good
40: My manager recognises and acknowledges when I have done my job well	68%	62%	72%	74%	72%	74%	76%	74%	2.14: I get feedback on how I'm doing from my manager
40: My manager recognises and acknowledges when I have done my job well (repeat of above)	68%	na	na	na	59%	60%	67%	68%	2.1 I get recognition for a job well done
30: I am clear about what I am expected to achieve in my job	80%	na	na	na	85%	83%	84%	84%	2.15: I have a clear understanding of my job priorities and objectives
5: I am kept well informed about what the "company" is doing	50%	46%	60%	48%	47%	61%	63%	69%	1.9: I am kept informed about the Council's plans, priorities and performance
		52%	62%	56%	62%	67%	65%	68%	2.7: I am kept informed about my service area's plans, priorities and performance
4: I have the opportunity to contribute my views before changes are made which affect my job	40%	na	na	na	55%	58%	65%	69%	2005-7: 1.14 I have the opportunity to comment & ask questions about organisational change before, during and after it has happened
		47%	56%	58%	na	na	na	na	2001-3: I am invited to be involved in decisions within the directorate / dept

APPENDIX 2

ORC comparator question	ORC score	2001	2002	2003	2004	2005	2006	2007	Herefordshire Council employee opinion survey question.
61: I believe that action will be taken on problems identified in this survey	39%	43%	55%	44%	44%	40%	39%	43%	1.8: I believe that action will be taken on problems identified in this survey.
72: I am satisfied with the training I receive for my present job	55% (2006)	67%	75%	73%	74%	75%	73%	77%	2.20: I have adequate training and development for the work I do
28: Where I work we have the resources we need to complete our work effectively	50%	59%	66%	66%	66%	67%	64%	65%	2.3: Usually, I have the resources to do my job properly
99: I can meet the requirements of my job without regularly working excessive hours	59%	53%	51%	61%	62%	56%	56%	55%	2003 onwards: 3.6: I can meet the requirements of my job without working excessive hours
97: I am able to strike the right balance between my work and home life	68% (2006)	31%	69%	73%	77%	75%	73%	78%	3.7: Opportunities for flexibility in my hours/job help me avoid having problems meeting home/work commitments
65: I believe I have the opportunity for personal development and growth in this company	48% (2006)	na	na	na	30%	43%	48%	50%	1.6: Opportunities for development within the council are good
24: I am satisfied with my physical working conditions	58%	63%	65%	na	70%	65%	61%	62%	3.8 I am satisfied with my physical working environment,
25: I intend to still be working for this company/ organisation in 12 months' time	74%	na	na	55%	51%	61%	64%	68%	1.7 I intend to still be working for Herefordshire Council in 12 months' time
36: Health and safety is taken seriously in this organisation	67%	na	na	na	72%	72%	78%	80%	3.3 My manager takes health and safety seriously

APPENDIX 2

ORC comparator question	ORC score	2001	2002	2003	2004	2005	2006	2007	Herefordshire Council employee opinion survey question.
49: Senior managers are sufficiently visible in this organisation	39%	na	na	na	50%	50%	53%	60%	2.10 Senior management is visible and approachable
68 Considering my duties and responsibilities, I feel my pay is fair	43%	na	na	39%	39%	40%	42%	43%	3.5 My current earnings are satisfactory considering my duties and responsibilities.
82 I believe that this company provides equal opportunities with regard to race	76%	81%	79%	72%	73%	73%	76%	75%	3.1b Employees are treated fairly whatever their race
83 I believe that this company provides equal opportunities with regard to people with disabilities	72%	na	71%	60%	69%	70%	73%	75%	3.1e Employees are treated fairly whatever their disability status
81 I believe that this company provides equal opportunities with regard to gender	76%	77%	76%	73%	72%	73%	75%	75%	3.1c Employees are treated fairly whatever their gender

OMBUDSMAN LETTER AND COMPLAINTS AND COMPLIMENTS MONITORING 2006/07

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1. To note the Ombudsman Annual Letter 2006/07 and the figures for complaints and compliments recorded including complaints determined by the Local Government Ombudsman and the Complaints Panel for the year ended 31st March, 2007.

Financial Implications

2. None.

Background

3. The report to Cabinet on 6th September is appended. Cabinet noted the report.

RECOMMENDATION

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

BACKGROUND PAPERS

- None

OMBUDSMAN LETTER AND COMPLAINTS AND COMPLIMENTS MONITORING 2006/07

PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

6TH SEPTEMBER, 2007

Wards Affected

County-wide

Purpose

To inform Cabinet of the Ombudsman Annual Letter 2006/07 and the figures for complaints recorded including complaints determined by the Local Government Ombudsman and the Complaints Panel for the year ended 31st March 2007

Key Decision

This is not a Key Decision

Recommendation

THAT the report be noted.

Considerations

1. The Local Government Ombudsman issues an Annual Letter for all councils reflecting on the complaints they receive against individual authorities and any recommended action. The Herefordshire Council Annual Letter for 2006/07 is appended to this report as Appendix A
2. The Ombudsman comments favourably on several aspects of our complaints handling arrangements.
 - During this period 52 complaints were determined. Of these 9 complaints were referred back to the Council because they were premature, 3 were outside the Ombudsman's jurisdiction, 27 showed no or insufficient evidence of maladministration and the Ombudsman decided not to investigate a further 10 under his general discretion, mainly because complainants had not suffered significant injustice from the fault claims.
 - No reports of maladministration were issued against the Council
 - 9 out of 52 complaints were received back by the Council because they were premature. This represents almost 20% of the complaints that were received against the Council.
 - Favourable comments that the Council's complaints procedure is well publicised

Further information on the subject of this report is available from
Alan McLaughlin, Head of Legal and Democratic Services on (01432 260200)

in comparison with other councils.

- Commended that the Council's website includes helpful information for complainants on how to complain to him if they are unhappy with how we have dealt with their complaints
 - The Council has taken steps to improve its performance with regard to reducing the time taken to respond to enquiries from his office from 31.8 days to 29.3 a further improvement on 2005/06 and the Council is now well placed to be in the top quartile of response of 28 days in the next year
3. The Ombudsman commented that during the period 52 complaints were received against the Council which is a decrease of 10% compared with the previous year. Planning complaints have fallen in this period from 35 in 2005/06 to 21 in 2006/07.

Performance 2006/07

4. The table below shows the total number of complaints received by the Ombudsman for Herefordshire in 2006/07 and the two previous years.

	2004/05	2005/06	2006/07
Total number of complaints determined by the Ombudsman	35	72	49
Total number of complaints to the Ombudsman settled locally.	1	3	3

5. The table below sets out the number of complaints received by the Ombudsman by subject area, as classified by the Ombudsman, for 2006/07.

Complaints received by subject area	Adult care services	Benefits	Children and family services	Education	Housing	Other	Planning & Building control	Public Finance	Social Services – other	Transport and Highways	Total
2006/07	2	6	1	1	2	6	21	2	0	8	49
2005/06	2	3	0	12	2	9	35	0	1	8	72
2004/05	1	2	0	3	0	3	15	3	1	7	35

Response Times

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

	First Enquiries	
	No. of First Enquiries	Avg no. of days to respond
2006/07	29	29.3
2005/06	32	31.8

2004/05	15	47.9
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7. The Council has improved its response times from 47.9 days down to 29.3 days. It is to be noted, and the point has been raised with the Ombudsman, that there appears to be a significant delay in receipt of the Ombudsman's post in their office which appears to have impacted on our response time by up to 2 days and on some occasions by as many as 4 days. It has been agreed that in order to improve response times and in order to achieve the 28 day response time, that responses be e-mailed to the Ombudsman and the Ombudsman will also e-mail his notification to the Council of complaints. This should reduce delays by up to 4 to 5 days.

Herefordshire's Comments and Complaints Procedure

8. Recording of the Level I, II and III comments, complaints and compliments received within each Directorate/Department, are currently maintained by the relevant Complaints Administrator using a combination of the Customer Relationship Management (CRM) and ComTrac, the Council's computerised recording system. Reports can be produced for each respective Directorate Management Team from COMTRAC.
9. Leaflets are available at receptions, libraries and Info Shops or Points to enable the public to register their comments, complaints and compliments. This leaflet now incorporates a cut of section to enable the Council to monitor the ethnicity of complainants and report accordingly.
10. The public can also register their feedback on line by accessing the Herefordshire Council website to complete the electronic complaints form.
11. BVPI 174 and 175 states that all complaints concerning Diversity should be recorded, investigated and reported on thoroughly. As COMTRAC is unable to capture this information, development work within Northgate CRM was undertaken during 2005/06 to record all Level 1 complaints, comments and compliments and this work also incorporated Diversity. This went live on 4th October 2005. Complaints are investigated by the Diversity Team and fed back to the relevant directorate with recommendations for action, which are subsequently monitored by the Diversity Team.
12. A breakdown of the informal and formal complaints received by Directorate/Department, is shown in Appendix B.
13. A project is already underway to consolidate the Corporate Complaints process into a single client database. A programme of staff training will precede its planned introduction this year.

Herefordshire's Compliments Procedure

14. All compliments are now recorded on Northgate CRM as of 4th October 2006. Appendix C shows the number of compliments received during 2004/05, 2005/06 and 2006/07.

Ethnicity Monitoring

15. Diversity monitoring is included in all totals for 2006/07

Complaints Panel

16. The Complaints Panel (Level III meet to hear unresolved complaints from members of the public following review at Level I (by the local manager) and Level II (by Director). The Panel comprises the Chief Executive and two Group Leaders advised by the Head of Legal and Democratic Services. During 2006/07 it heard a total of 9 complaints. 1 was partially upheld.

Directorate/ Department	No. of Complaints / Section	Outcome
Environment	5 - Planning 1 – Highways and Transportation 1 – Environment Health & Trading Standards	5 Not upheld 1 Not upheld 1 Not upheld
Adult & Community Services	1 – PROW	1 Upheld
Children's Services	1 – Schools and Services	Not upheld

Risk Management

Not applicable

Alternative Options

There are no Alternative Options

Consultees

None

Appendices

- Appendix A - The Local Government Ombudsman's Annual Letter for the year ended 31 March 2007
- Appendix B - Complaints Informal and Formal 2006/07
- Appendix C - Compliments received 2006/07

Background Papers

None identified



The Commission for
Local Administration in England

**The Local Government Ombudsman's
Annual Letter
Herefordshire Council
for the year ended
31 March 2007**

The Local Government Ombudsman (LGO) investigates complaints by members of the public who consider that they have been caused injustice through administrative fault by local authorities and certain other bodies. The LGO also uses the findings from investigation work to help authorities provide better public services through initiatives such as special reports, training and annual letters.

Annual Letter 2006/07 - Introduction

The aim of the annual letter is to provide a summary of information on the complaints about your authority that we have received and try to draw any lessons learned about the authority's performance and complaint-handling arrangements. These might then be fed back into service improvement.

I hope that the letter will be a useful addition to other information your authority holds on how people experience or perceive your services.

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

Complaints received

Volume

We received 49 complaints during the year, a reduction of almost a third from the previous year. We expect the number of complaints to vary from year to year, and I note that last year's figures were inflated by ten complaints about the same education matter.

Character

Almost half the complaints received were about planning and building control, as in previous years, but the overall number of such complaints was down. Complaints about benefits increased, but we received only one complaint about education compared with twelve the year before. Complaints about housing, adult care services and transport and highways were static. Six complaints were received about other matters relating to drainage, land and miscellaneous issues. The numbers involved in other categories were small and no discernible trends were evident.

Decisions on complaints

Reports and local settlements

We use the term 'local settlement' to describe the outcome of a complaint where, during the course of our investigation, the Council takes, or agrees to take, some action which we consider is a satisfactory response to the complaint and the investigation does not need to be completed. These form a significant proportion of the complaints we determine. When we complete an investigation we must issue a report.

Three complaints were settled locally.

In one complaint about adult care services, the complainant said the Council had not properly planned or handled the departure of her son from his residential school. He had Asperger's syndrome and was left with her while supported lodgings were found. She also complained that the Council would not put her complaint through Stage 2 of the statutory complaints process. The Council agreed to take the complaint through the Stage 2 process. I welcomed the Council's agreement to this course of action but it took an unacceptably lengthy period of three months to respond to the proposal from my office, with follow-up enquiries by my staff meanwhile.

One complaint concerned antisocial behaviour. I found maladministration by the Council because it failed to give information about its Anti-Social Behaviour Team and it did not inform the Team of incidents of noisy behaviour by the complainant's neighbours. The Council treated the issue as a noise nuisance and failed to consider the wider issues raised by the complainant about unacceptable behaviour. The complainant was unaware that the Council had other powers to deal with the harassment she considered she was experiencing. The Council agreed to apologise, review its

procedures for sharing information between departments and provide the complainant with details of its anti-nuisance behaviour policy and a named officer to contact if needed. On this occasion, the Council was very willing to take action to address the concerns raised in the complaint.

In a complaint about Housing Benefit, I found that the Council had delayed in assessing the complainant's Housing Benefit application submitted on behalf of her tenant and it failed to pay her Housing Benefit direct as a landlord. The Council agreed to pay the shortfall in unpaid Housing Benefit to the complainant plus interest, amounting to £764.

During the year, I had no need to issue any reports against your authority.

Other findings

Fifty two complaints were decided during the year. I found no evidence of maladministration in twenty seven complaints, 19 of which related to planning and building control. I decided that three complaints were outside my jurisdiction and I exercised my discretion not to pursue ten complaints for various reasons. Nine complaints were premature, a reduction from the previous year.

Your Council's complaints procedure and handling of complaints

The number of premature complaints was a relatively small proportion of the total complaints decided. This suggests that the Council's complaints process is accessible for service users and working effectively.

Training in complaint handling

As part of our role to provide advice in good administrative practice, we offer training courses for all levels of local authority staff in complaints handling and investigation. The feedback from courses that have been delivered over the past two and a half years is very positive.

The range of courses is expanding in response to demand. In addition to the generic Good Complaint Handling (identifying and processing complaints) and Effective Complaint Handling (investigation and resolution) we now offer these courses specifically for social services staff. We have also successfully piloted a course on reviewing complaints for social services review panel members. We can run open courses for groups of staff from smaller authorities and also customise courses to meet your Council's specific requirements.

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

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

We have not delivered any formal training courses to your Council this year. If we can provide any training for you, please let Vereena Jones, Assistant Ombudsman, know.

Liaison with the Local Government Ombudsman

We made enquiries on 29 complaints this year. The average time for responding was 29.3 days, a welcome continued decrease on the previous year, and just outside the 28 days we ask for. The Council's performance in this area has steadily improved, and I am very grateful for all your efforts here.

I draw the Council's attention again to the seminars that we hold for link officers. Our records indicate that your Link Officer has not attended one of these seminars most recently. If you would like to send someone from your authority to this year's seminar, please contact Vereena Jones.

If you would like Vereena Jones to visit the Council to present this letter or to give a presentation about how we investigate complaints, I would be happy to arrange this.

LGO developments

I thought it would be helpful to update you on a project we are implementing to improve the first contact that people have with us as part of our customer focus initiative. We are developing a new Access and Advice Service that will provide a gateway to our services for all complainants and enquirers. It will be mainly telephone-based but will also deal with email, text and letter correspondence. As the project progresses we will keep you informed about developments and expected timescales.

Changes brought about by the Local Government Bill are also expected to impact on the way that we work and again we will keep you informed as relevant.

We have just issued a special report that draws on our experience of dealing with complaints about planning applications for phone masts considered under the prior approval system, which can be highly controversial. We recommend simple measures that councils can adopt to minimise the problems that can occur.

A further special report will be published in July focusing on the difficulties that can be encountered when complaints are received by local authorities about services delivered through a partnership. *Local partnerships and citizen redress* sets out our advice and guidance on how these problems can be overcome by adopting good governance arrangements that include an effective complaints protocol.

Conclusions and general observations

I welcome this opportunity to give you my reflections about the complaints my office has dealt with over the past year. I hope that you find the information and assessment provided useful when seeking improvements to your Council's services.

J R White
Local Government Ombudsman
The Oaks No 2
Westwood Way
Westwood Business Park
Coventry CV4 8JB

June 2007

Enc: Statistical data
Note on interpretation of statistics
Leaflet on training courses (with posted copy only)

Complaints received by subject area	Adult care services	Benefits	Children and family services	Education	Housing	Other	Planning & building control	Public finance	Social Services - other	Transport and highways	Total
01/04/2006 - 31/03/2007	2	6	1	1	2	6	21	2	0	8	49
2005 / 2006	2	3	0	12	2	9	35	0	1	8	72
2004 / 2005	1	2	0	3	0	3	15	3	1	7	35

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

Decisions	MI reps	LS	M reps	NM reps	No mal	Omb disc	Outside jurisdiction	Premature complaints	Total excl premature	Total
01/04/2006 - 31/03/2007	0	3	0	0	27	10	3	9	43	52
2005 / 2006	0	3	0	0	21	19	4	13	47	60
2004 / 2005	0	1	0	0	7	5	9	11	22	33

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

Average local authority response times 01/04/2006 to 31/03/2007

Response times	FIRST ENQUIRIES	
	No. of First Enquiries	Avg no. of days to respond
01/04/2006 - 31/03/2007	29	29.3
2005 / 2006	32	31.8
2004 / 2005	15	47.9

Types of authority	≤ 28 days %	29 - 35 days %	> = 36 days %
District Councils	48.9	23.4	27.7
Unitary Authorities	30.4	37.0	32.6
Metropolitan Authorities	38.9	41.7	19.4
County Councils	47.1	32.3	20.6
London Boroughs	39.4	33.3	27.3
National Park Authorities	66.7	33.3	0.0

Complaints Informal and Formal 2006/07

	April 2003 to March 2004	April 2004 to March 2005	April 2005 to September 2005	October to March 2006	April 06 To March 07		
Chief Executive including HR	0	0	0	1	4		
County Secretary & Solicitor	5	5	12	-	-		
County Treasurer	43	15	9	-	-		
Resources	-	-	-	9	23		
Property Services	1	0	-	-	-		
Education	30	11	6	-	-		
Children's Services	-	-	-	83	-		
Environmental Health and Trading Standards	16	12	6	18	29		
Highways and Transportation	30	21	5	3	10		
Planning	15	22	25	5	33		
Social Care – Adults	104	88	39	-	-		
Social Care – Children	23	27	17	-	-		
Strategic Housing	18	11	9	-	-		
Adult & Community Services And children's Services	-	-	-	9	132		
Policy & Community	8	39	15	-	-		
Corporate & Customer Services	-	-	-	14	14		
Diversity	-	-	-	21	-		
TOTAL	293	251	138	176	314		

Compliments received 2006/07

	April 2003 to March 2004	April 2004 to March 2005	April 2005 to September 2005	October 2005 to March 2006	April 06 To March 07
Chief Executive including HR	9	0	-	7	42
County Secretary & Solicitor	80	79	26	-	-
County Treasurer	27	31	17	-	-
Resources	-	-	-	5	19
Property Services	8	0	0	0	-
Education	2	2	0	-	-
Children's Services	-	-	-	119	-
Environmental Health and Trading Standards	58	104	60	44	80
Highways and Transportation	83	99	25	30	24
Planning	22	17	13	15	15
Social Care & Strategic Housing Adult & Community Services and Children's Services	98	147	80	-	-
	-	-	-	9	97
Policy & Community	40	62	10	-	-
Corporate & Customer Services	-	-	-	27	131
Diversity	-	-	-	-	-
TOTAL	427	541	231	256	

SCRUTINY REVIEW OF ICT SERVICES – EXECUTIVE ACTION PLAN PROGRESS REPORT

Report By: Acting Head of Information, Technology and Customer Services

Wards Affected

County-wide

Purpose

1. To report progress on implementing the Executive's action plan.

Financial Implications

2. The financial implications contained in this report are linked to a decision in the Performance Improvement Cycle.

Background

3. Following the review of ICT Services, the findings of which were approved by this Committee in December 2006 and the subsequent executive response presented to this Committee on 30th March, a programme has been developed to meet the requirements in the Executive's action plan. A progress update under each heading is appended. This sets out the Committee's recommendations followed by the Executive's Response and the most recent progress report.
4. In accordance with the standard procedure for monitoring progress in response to reviews the Committee agreed in March that it would receive a progress report after six months and then decide on the need for any further reports to be made.

RECOMMENDATION

THAT (a) the report be noted, subject to any comments the Committee wishes to make;

and

(b) the Committee considers whether it wishes to receive any further progress reports.

BACKGROUND PAPERS

- None

Scrutiny Review of ICT Services – Executive Action Plan Progress Report

1. General Update

Since publication of the report in December 2006, and the response by the executive on 22nd March 2007, there have been some significant changes within the ICT organisation.

Since April 2007 a review of the ICT Structure has been undertaken. This has resulted in a total of 22 posts either being deleted from the establishment list, contracts not extended or posts integrated. This work is continuing with robust challenges to all vacant posts.

Information Security Accreditation

The current ongoing Information Security Accreditation project will certify ICT and Modern Records to the International Standard of ISO27001. This standard is mandated by central Government for information exchange and sharing between other Government organisations, and is a prerequisite for closer working with the Primary Care Trust. The project commenced in May 2007 and is due to be completed by the end of November this year and will give Herefordshire Council ICT and Modern Records Services accreditation for ISO27001.

Working to a standard framework utilised by Red Island (the specialist agency in this area) we have:-

- carried out 70+ interviews with staff from ICT and modern records to determine exactly what computer equipment, applications, paper files and other information assets are required to undertake their day-to-day duties.
- rated the information assets in terms of their availability, confidentiality and integrity according impact on the organisation following unauthorised information modification, breach of security or loss of the asset.
- updated the Information Security Management System (ISMS) and all related policy documentation (such as e-mail usage, internet usage etc.)
- produced a Statement of Applicability (SOA)
- compiled management reporting Information
- amended or created processes and procedures where required to mitigate against identified information security risks

Risk Assessment and Risk Treatment Plans required for the Stage 1 external accreditation audit, which will be taking place during late October being worked on.

Other local authorities that have already gained the standard include Hampshire County Council, Wandsworth Council, Haringey Council and Cherwell District Council.

The intention is to roll the standard out across the rest of the authority once accreditation has been achieved for ICT Services and Modern Records.

ICT Audit

Herefordshire Council had not conducted a physical audit of its ICT Hardware since 1999, which was an undertaking for the year 2000 compliance project shortly after the formation of the unitary authority, though the Hedra report of 2005 indicated over 2,000 PC's were in use in the authority.

The purpose of that audit was to establish what equipment was being used in the council and its vulnerability to the Y2K bug. It did not provide an inventory of equipment being used within each Directorate. As the ICT Services charging model is based on this information, up until now ICT have had to rely on remote administration tools (such as LANDesk) to obtain this information, the accuracy of which could not always be verified.

It was identified by ICT management that a much-needed physical audit of ICT hardware across the authority was required, so that charging could be accurately maintained. Four students were employed during the summer holidays 2007 to carry out this task. They visited every desk in the authority, recording all ICT equipment people were using. This information was recorded into a database, which will subsequently be migrated into SAP so all equipment in use can accurately be recoded against the correct team and cost codes.

Initial findings have shown that extra revenue would be generated by equipment that was not being charged for prior to the audit. This is subject to further discussion with CMB, through the Performance Improvement Challenge (PIC) process currently underway, together with the continued focus on reducing unit costs.

2 Recommendations; Executive's Response; Progress Report

- (a) **Responsibility for the line management for all the authority's ICT staff should be placed within the ICT Services Division and implemented with immediate effect.**

Executive's Response - March 2007

The Corporate Management Board has already agreed this position in principle. Although the recommendation makes specific reference to staffing in one directorate there is a need to separate out what is effectively service considerations and technical support and make adjustments to line management arrangements accordingly. In Children's and Young People's Services this implies a separation of curriculum and technical support. For

each area of the Council where staff are involved in some technical activity this clarification needs to be sought and will form part of overall realignment through the Herefordshire Connects programme.

Progress Update – September 2007

Recommendation No. (a) - Line Management of ICT staff

- (a) An initial review of ICT Services itself has taken place. Herefordshire Connects will impact on the style and type of service offered in the future, and this recommendation will be taken forward as part of those considerations. However greater clarity of the roles, particularly in Children & Young Peoples Services is developing as a result of the work so far.

- (b) **Consideration is given to the control for ICT expenditure being placed within the ICT Services Division subject to overall responsibility being held by the Director of Resources.**
- (c) **A review of the financing of ICT Services is undertaken examining the way directorates account for ICT spend subject to recommendation (b) above, base budget for ICT Services, as well as the corporate funding of ICT programmes.**

Executive's Response – March 2007

Overall responsibility for management of the budget arrangements for the Council rests with the Director of Resources in her role as section 151 officer. Within that framework the Director of Corporate and Customer Services has overall responsibility for the budget contained within the directorate and under financial standing orders needs to manage those as a whole. The commitment to the Herefordshire Connects programme has already placed an embargo on any further ICT development and procurement activity (with the exception of desktops). There is an exceptions process, which has been overseen to date by the Herefordshire Connects Board and will shortly shift to the Information Policy Group. In future therefore the expenditure on ICT platforms and software will be subject to the same rigours as at present and signed off in a business case approach demonstrating clear benefits on how these will be realised. More specifically in relation to the ICT budgets – corporate ICT projects and the trading account, the Director of Corporate and Customer Services has agreed with the Director of Resources that a fresh look needs to be taken at how these are set out, managed and accounted for.

The ICT projects budget needs to be focussed on support to the implementation of the Herefordshire Connects programme. To date much of it has been used to supplement external funding for web services, to implement

necessary email upgrades and to develop a corporate approach to GIS and to put in place server replacement capacity. A more fundamental review is required in respect of the trading account and the extent to which there is sufficient investment in this area and the need for that to be reflected and accepted as part of the Policy Improvement Cycle.

Progress Update – September 2007

Recommendation No (b) & (c) - ICT expenditure and funding

(b/c) A zero based budgeting exercise has been carried out by staff in the Resource Directorate and the ICT & Customer Services Division. ICT budgets have been separated from corporate services and the Corporate Programmes team, and in each case a major review and challenge of the establishment is resulting in revised projections from those reported in the month 4 IPR to be considered by Cabinet on 20th September. For example on the SLA account a substantial number of posts have been deleted or functions integrated.

Former ICT finance staff are now line-managed by the Director of Resources.

(d) **A council-wide policy should be developed and implemented that provides for greater standardisation of desktops and server infrastructure and that ICT Services should have the responsibility for the management and control of this policy ensuring that it provides equipment and software to meet the requirements of the post rather than the wishes of the individual. Further, that this policy provides all ICT assets are corporate and not the possessions of individual services or staff. In effect this means that ICT assets will not be relocated with individuals but rather that individuals will be relocated to existing assets.**

Executive's Response – March 2007

The authority needs to consider provision such as the community network and other infrastructure as a corporate asset and deal with it accordingly.

The call for greater standardisation for both servers and desktops is welcomed. The complexity of the server infrastructure and desktop configurations currently in use has long been a source of frustration and the support thereof takes up a disproportionate amount of capacity. The ICT Strategy also sets out the need to standardise. Work is already well advanced on server consolidation as referred to above. In terms of desktops, BT is currently conducting an eleven-week analysis of the requirements of specific job roles. This will not prescribe the technology to be used but will set out a range of options. Clearly the move to standardisation also involves consideration of the way in which ICT is financed in the future because, for a transitional period at least, there will be a 'gap', which needs to be managed and ultimately a rolling programme of replacement every three to four years. Again this will need to be picked up in conjunction with the funding review.

Progress Update – September 2007

ICT Services are currently progressing desktop standardisation as follows:

- Evaluating standard desktops computers to determine suitability
- Carrying out a physical asset audit to determine what computers are in the authority
- Compiling figures on the age of computers and when replacements will be required
- Starting the process of consolidating all desktop spend into a single corporate budget managed by ICT Services
- Reached agreement on a 4 year desktop replacement cycle
- Identified LANDesk as a critical dependency in enabling both Herefordshire Connects and the standardisation of desktops which is being progressed though the exceptions process.

The report provided by BT looked at the feasibility of flexible working (badged 'Worksmart' by this Council) and concluded this was feasible given the research and analysis carried out. However, given the progress already made with Herefordshire Connects and its longer-term programme of work, it was recommended that Worksmart be incorporated into Herefordshire Connects.

BT found quite a number of services eager and willing to take on Worksmart as they saw huge benefits in embracing that mode of working. BT recommended that these should be picked up as possible quick wins and introduced as appropriate within the Herefordshire Connects programme. Longer term it should look at a wider rollout of Worksmart.

Obviously these recommendations need to be underpinned to enable suitable technology consistent with the Herefordshire Connects programme and resourced.

- (e) **The existing ICT procurement policies and procedures, including taking positive action to address non-compliance, are enforced. Further that the appointment of the Strategic Procurement & Efficiency Review manager will progress the need to develop the council-wide procurement policy.**

Executive's Response – March 2007

The principle on non-compliance will require any proposals to purchase outside of agreed guidelines to be thrown back and to be the subject of action within the directorates. Since being appointed the Strategic Procurement and Efficiency Review Manager has already set about reviewing the council's procurement policies including that for ICT.

Progress Update – September 2007

The ICT procurement policies and procedures are being examined and reviewed to ensure consistency and compliance with the council's procurement strategy.

Non-compliance will be reduced through on line ordering on a council wide basis with preferred suppliers loaded on to the system. These will be the only suppliers that can be bought from.

- (f) Consideration is given to dedicated public relations support to the Head of ICT and the means by which this might be delivered.**

Executive's Response – March 2007

The Council has a corporate communications team, which increasingly offers support for specific directorates on the basis of an agreed communication strategy. This has already been implemented successfully within the Children and Young Peoples Directorate and a similar package is being deployed to ICT Services. There is also work to be done internally in improving communication from ICT to other customers, for example schools and members, and there are a number of mechanisms already in hand, for example ICT liaison meetings with schools and the review of ICT support to members which can assist this development.

Progress Update – September 2007

Recommendation No. (f) - Public Relations support

- (f) A draft ICT Communication Strategy has been progressed by the Corporate Communications team and staff in ICT Services and is currently out to consultation with staff in ICT. It is not intended to provide dedicated ICT Communications Support, as the new structure includes sufficient capacity to respond to communication issues or through Corporate Communications.**

- (g) As part of the corporate review of SLAs the ICT Service ensures that the ICT SLAs are clearly worded, and describe clearly the range of services to be provided, charges and any relevant financial arrangements and are communicated to all relevant officers and issued no later than the start of each financial year moving forward.**

Executive's Response – March 2007

CMB has commissioned a working group of SMT members to conduct a review of all SLA's within the authority. The interim report is expected in May and comprises representatives of not just the providers of support services through SLA's, but also the services that receive them.

Progress Update – September 2007

Recommendation No. (g) - SLA's

- (g) SLAs have represented a challenge across the council. A pilot for a corporate approach has been agreed by CMB for October and November 2007, and following evaluation implementation will take place in April 2008. ICT services are covered by this arrangement. However, draft standards for the ICT element will be available to Directors and Heads of Service in the Council in October 2007, and much of the relationship building necessary to support effective implementation is ongoing.

- (h) **The responsibility for providing ICT training and its procurement be centralised under the management of the ICT service. As part thereof, the identification of ICT training needs should be formalised as part of induction and recorded.**

Executive's Response – March 2007

Identification of ICT training needs will be derived from a number of sources. In part there is expectation of the authority on officers to use the equipment they are provided with effectively and to set out clear levels that might be achieved. It is recommended that the induction programme for all new staff includes a compulsory module on ICT, as it does for Diversity. It will also be a requirement to set out specific training programmes to accompany the introduction of new hardware and software systems. This again will form a significant element in the implementation of Herefordshire Connects. It will also be necessary to review the training needs that arise as a result of SRD interviews and capture these across the Council so that appropriate remedial actions can be taken. ICT Services needs to work with the HR training and development function to identify and then provide a suitable response to the requirements.

Progress Update – September 2007

The ICT Training Team within ICT Services proactively manages corporate ICT training. The capacity on European Computer Driving Licence (ECDL) workshops had been increased 3 fold, reducing frustration for officers by offering more spaces and greatly increasing examination completion rate.

Having the Corporate ICT training budget reduced by 19% for 2007/2008 has meant that less funded ICT training courses can now be offered to officers, despite ICT Training being one of the top training requests during SRD reviews.

Specific training programmes have been created for new hardware and software. These include SAP - CRM training (Used in the Info shops), Outlook Calendar Training, Blackberry Devices and the Members ICT Induction. All of these courses have received very positive feedback and

have been added to the range of services coordinated and delivered by the ICT Training Team. The ICT Training team also support and oversee the training activities of the other ICT departments providing support and examples of best practice.

The ICT Training team fully support the formulisation of an ICT Induction for all new staff. Benefits of an ICT Induction would include: Better communication between staff and departments e.g. email, sharing calendars and meeting requests, more efficient use of staff time, less calls to helpdesk, better understanding of security policies and best practice.

ICT Training Resources - ICT Services have a fully equipped training facility able to cater for up to 24 learners at any one time. One full time ICT Training Officer and one full time ICT Training Coordinator are also in place. It has been agreed that ICT will form part of Corporate Induction.

- (i) **The options for offering a variety of income generating services to local partners not covered under existing SLAs are explored.**

Executive's Response – March 2007

The executive supports the view that in the future there may well be opportunities for income generation but this stage recommends attention be focussed on getting the 'ship in order' first.

Progress Update – September 2007

Recommendation No. (i) - Offering of services to local partners - To be reviewed in 2008,

- (i) However work is being progressed on identifying linkages with the PCT which will be necessary for the PST and enhanced partnership working with Health consistent with legislation.

- (j) **Improvement to the implementation of project management throughout the authority continues and the interface between Corporate Programmes and project delivery within Directorates is strengthened.**

Executive's Response – March 2007

Since the ICT Review commenced the Council has implemented a set of governance arrangements for its transformation programme. This includes project boards to oversee key developments in accommodation, adult services, children and young people services, customer services, workforce

strategy and Herefordshire Connects. All of these are allocated project managers and are being quality assured to make sure they meet principles of Prince2 project management. In addition CMB has endorsed the necessity for other projects to ensure adequate project management arrangements and this will form part of the project approval process. There is an issue of how this resource is financed in the future and consideration should be given to it being clearly identified as a cost in the project approval process.

Progress Update – September 2007

The Corporate Programmes service has been repositioned in the Council in June 2007, transferring from the Information, Technology & Customer Services service to the Director of Corporate & Customer Services. This to ensure that there is closer alignment with Herefordshire Connects and other projects and programmes in the Council. It reflects the continued and growing importance of business change and project management for the council and to ensure that the service is positioned as a 'corporate' resource. The aim is to be a 'Centre of Excellence/Competence' on Programme & Project Management for the Council – developing and applying good practice, project management expertise, appropriate tool sets and supporting methods. The service will be restructured over the latter part of 2007/08 to match provision to the authority's needs and to allow a development approach based 'grow your own'.

A Project Assurance manager has also been appointed, with two key responsibilities; firstly, for ensuring that the Council's Programme and Projects portfolio is monitored and reported in accordance with recognised quality standards, procedures and policies. Secondly, to develop and implement best practice in the methods, processes and procedures used by the Corporate Programmes Service.

The business case approval process for projects includes consideration and inclusion of project management requirements.

(k) That the feedback from schools be analysed and an improvement plan prepared to address the many concerns identified, with a view to ICT Services becoming the preferred provider of services to schools funded and maintained by the Local Authority.

Executive's Response – March 2007

The Council has now implemented a series of ICT liaison meetings between representatives of the high schools and primary schools, Corporate and Customer Services (ICT Services) and the Children and Young Peoples Directorate. An independent satisfaction survey was commissioned through HEDRA and feedback provided to the high schools in early December. Feedback has recently been given to the primary schools. ICT Services had already implemented some of the recommendations including, for example,

regular report back on incident reporting and set out a clear timetable for discussion of 07/08 SLA's with schools.

The other main focus of this activity to date has been on piloting a remote access solution required by the DFES by 2008, in a high school and a primary school. That is due to report back on the 20th March. There has been continued involvement from both pilot schools in that activity. In addition, the remainder of schools have been kept up to date directly with progress on the project.

The recommendations contained in chapter seven of the ICT review report has been shared with schools and a request made to work with the authority in building the improvement plan. This was agreed at the last meeting. Nonetheless it is important to recognise that the relationship with schools will never be a straightforward and easy one to pursue and that the Council will need to work hard to ensure that any communications to schools is effectively disseminated to all.

Progress Update – September 2007

A draft SLA was issued to two high schools on time as agreed, though no representatives from the primary schools came forward. Comments were taken on board and the 2007/08 schools SLA issued with agreed time scales. The majority of schools returned the signed SLA's by the agreed date the current number of schools taking support from ICT Services is for SIMS support 94 schools, plus and additional 4 taking FMS support only. The number of schools taking technical support is 29.

Following an independent report the decision was taken to separate the corporate and schools networks using VRF-Lite (virtual routing and forwarding) so that the schools can implement their own remote access (RAS) solution. The project is on schedule with the piloting of the VRF-Lite infrastructure at John Kyrle and Luston Primary w/c 3rd Sept 2008. The solution does however pass on the risk for managing the security to the schools who will need to support the systems themselves. This will be monitored carefully by Children & Young Peoples services to ensure that the primary schools can cope with those requirements.

At the most recent liaison meeting schools raised the issue of 'chat room type' facilities and the implications of eg Face Book, Bebo.

- (I) A single website for all council services is developed ensuring consistent branding and access to services for all. Further that the website should consider the potential for a single, obvious directory of contacts for all council services.**

Executive's Response – March 2007

This principle is already accepted and some websites have migrated. The executive accepts that this process needs to be speeded up and will request a timetable for completion of the exercise.

Progress Update – September 2007

Progress is being made on this recommendation - the following steps have been taken:

3 supporting policy documents have been approved by IPG.

- Herefordshire Council corporate web templating requirements policy
- Corporate design standards for digital content
- Copyright of resources placed on the e-Gateway

A list of external websites known to ICT Services has been compiled as a precursor to an audit of all directorate sponsored websites that are used for Council services delivery

Business cases are being developed in conjunction with Client Account Managers (CAMs) for the migration of:

- Historic Herefordshire Online
- Education website
- Libraries website

Where only content is involved work has already begun to move this across to the Council website.

The process will be speeded up if agreement is reached that the functionality migration work is undertaken by Web and Information Management Services as non-rechargeable as part of the service level if agreement with ICT Services.

The online forms tool used for the intranet is being enabled for the external website to begin to support interactive online forms for services.

Work is progressing on the web search tool and application of metadata to create a full directory of Council service web pages on the Council website. A piece of work to ensure the inclusion of standard contact information on these pages will support this recommendation. The migration of all services onto the Council website will enable the service list to be completed and maintained automatically. This would also be used to automate provision of the services list to LocalDirectGov.

Work will commence shortly on reviewing the relationship between the technical infrastructure and the quality and degree of content. It is proposed to work more closely with corporate communications on content management. Whilst technically the web site scores strongly (top 10) in the monthly Site Morse updating content remains the responsibility of individual services.

- (m) The options for “growing own talent” through training and the use of a form of “golden handcuffs”, possibly by means of recouping the cost of training should the individual leave the authority within a given period, be explored by Human Resources.

Executive's Response – March 2007

The review team was right to highlight the difficulty in recruiting to some posts in this area and the challenges faced in keeping staff once they have undertaken training and possess highly marketable and sometimes scarce skills. This is not unique to Herefordshire. Work is already underway between HR and ICT Services on developing a recruitment and retention strategy for ICT Services. This was highlighted in the workforce strategy priorities for 07/08.

Progress Update – September 2007

The use of "golden handcuffs" is currently under review by the HR team - if this does become Council policy it would obviously have to be driven right across all directorates and departments.

A recruitment and retention strategy for ICT has been developed with the initial focus being on the recruitment of some critical roles - we have successfully recruited 3 network engineers, 1 senior network engineer and an information security monitoring officer. It has been agreed by the Acting Head of ICT that recruitment of a further information security monitoring officer can proceed.

Turnover figures for ICT for the period 1st Jan 07 to date are reported at 7 leavers (7.42%).

(There are two people yet to start therefore this figure will reduce). This figure is in line with the authority's annual turnover figure of 7.02% for the period July 06 to June 07. The reported figure for Corporate and Customer Services for the same period was 10.75%.

Both Technical Services Manager and Operations Manager posts were filled by contractors - this position has now changed with an existing employee having been given the opportunity to take on the role as Technical Services Manager for an interim period. Other ICT employees have also been given the opportunity to progress. The Information Security Manager has taken on Data Centre Manager responsibilities and Web & Knowledge Management posts have also been joined. The Operations Manager post has not been filled. It is anticipated that the ability to move within the organisation will provide further motivation for staff and their teams to use skills gained within the council on a continuing basis for the council.

Geoff Cole
Head of Service
Thorn Office Centre
6th September 2007

WORK PROGRAMME UPDATE**Report By: Director of Corporate and Customer Services****Wards Affected**

County-wide

Purpose

1. To consider the Committee's work programme.

Background

2. A report on Scrutiny Committees' current work programmes is made to each of the scheduled quarterly meetings of this Scrutiny Committee. The Chairman has decided that an update on this Committee's work programme should be made to this meeting to highlight, in particular, progress on five major issues that he and the Vice-Chairman consider should be scrutinised. A copy of the current work programme is appended.
3. The five issues are
 - Waste Disposal which in turn affects future Collection contracts
 - Accommodation for Council Staff and potential partner providers
 - ICT
 - Herefordshire Connects
 - Electoral Registration Services issues
4. The intended reporting arrangements are as follows:

	Planned Reporting Date to Strategic Monitoring Committee	Comment
Waste Disposal	To be agreed with the Committee.	The joint waste disposal strategy (Worcestershire County Council and Herefordshire Council) is under review and a draft for consultation will be published in the next 6 weeks or so. The outcome of that review will shape the future strategy and delivery of both the disposal and collection operations. The Director of Environment and Cabinet Member for Environment and Strategic Housing are assessing a wide range of options to balance medium and long term

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

		needs and opportunities in the context of financial and environmental concerns. The consultation on the new strategy is due to complete in March 2008 after which a comprehensive report will be forthcoming.
Accommodation Strategy	October 2007	Report due to go to Cabinet in October and then be considered by this Committee.
ICT	September 2007	Report on progress in response to Scrutiny Review of ICT Services is on the agenda for the meeting on 17 th September. .
Herefordshire Connects	October 2007	The annual report on Herefordshire Connects is due to be considered by Cabinet in September and will be reported to this Committee in October
Electoral Registration Issues (including review of location of polling stations)	October 2007 and as agreed with the Committee.	A report on Electoral Registration issues will be made in October 2007. The review of polling stations is a separate exercise which will report to Cabinet in November with consultation with the public and Members in October 2007. Consideration of this issue to be agreed with the Committee.

5. Having received these reports the Committee will be invited to decide whether further scrutiny is required and what form that should take.
6. There was originally a sixth issue: Herefordshire Jarvis Services (HJS) and other "arms-length" contractors' performance and comparable value for money & delivery schedules.
7. As announced on Monday 3 September, Amey plc, one of the leading integrated support service providers in the country, has purchased the major part of Herefordshire Jarvis Services. Jarvis plc has sold 80 per cent of HJS. Herefordshire Council owns and retains the remaining 20 per cent share in the business.
8. In these circumstances the Committee could take the view that the new arrangements should be allowed to develop and a review of progress on this issue considered by the Committee in six months time. Alternatively it might request a report on quality of performance and costs of arms-length services in October 2007 prior to any new initiatives being introduced by Amey PLC.

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

RECOMMENDATION

THAT the Committee considers the proposed reporting arrangements set out above and the Work programme be amended to reflect any comments 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

Strategic Monitoring Committee – work programme 2007/08

October 2007	
	<ul style="list-style-type: none"> • Presentations By Cabinet Members (Leader, Corporate and Customer Services and Human Resources, Resources • Corporate Plan (Three year Strategic Proposals) • Herefordshire Connects (Annual Report) • Community Strategy Action Plan 2006/07 end of year report (or November) • Draft Medium Term Financial Strategy • Scrutiny Development Plan • Systemic Failings leading to overspends on Building Projects • Accommodation Strategy • School Review – principles report • Work Programmes
Scrutiny Review	<ul style="list-style-type: none"> •
November 2007	
	<ul style="list-style-type: none"> • Integrated Performance Report
January 2008	
	<ul style="list-style-type: none"> • 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 • Managing Performance Management Progress Report • Draft Community Strategy Action Plan • Work Programme
February 2008	
	<ul style="list-style-type: none"> • Revenue budget consideration • Corporate Plan (or January) • Annual Operating Plan (or January?)
March 2008	
	<ul style="list-style-type: none"> • Integrated Performance Report

April 2008	
	<ul style="list-style-type: none"> • Integrated Performance Report • Community Strategy Action Plan Monitoring • Annual Efficiency Statement • Service Plan Monitoring/Proposals • Work programmes
<p>Other issues</p> <ul style="list-style-type: none"> • 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 of 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. • Policies Relating to Generating Capital Receipts from the Smallholdings Estate. • Consideration be given to requesting further information on 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. • Waste Issues • Electoral Registration issues (including polling station review) • Contract with Amey PLC 	

Further additions to the work programme will be made as required