

A G E N D A

Strategic Monitoring Committee

Date: **Thursday, 25th October, 2007**

Time: **9.30 a.m.**

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

Notes: **Please note that this meeting has been
rearranged from Monday 22 October. The
agenda and reports remain as issued for that
date.**

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**County of Herefordshire
District 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 17th September, 2007.	1 - 10
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. PRESENTATIONS BY CABINET MEMBERS (LEADER OF THE COUNCIL, CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES, AND RESOURCES) To receive presentations from Cabinet Members on key issues.	11 - 30
6. LOCAL AREA AGREEMENT PRIORITY SETTING To note the process of the Local Area Agreement (LAA) "super-refresh" and comment on the preliminary list of key priorities in appendix 1.	31 - 34
7. HEREFORDSHIRE COMMUNITY STRATEGY DEVELOPMENT PLAN ANNUAL REPORT To note the Annual Report for the Herefordshire Community Strategy Development Plan 2006/7.	35 - 44
8. THE STRATEGIC SERVICE DELIVERY PARTNERSHIP To provide the Strategic Monitoring Committee with an update on the status of the Herefordshire Strategic Service Delivery Partnership including the annual report on the partnership.	45 - 52

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To note an update on the Herefordshire Connects Programme.	
10. FINANCIAL CONTROL OF CAPITAL SCHEMES IN PROPERTY SERVICES	69 - 78
To advise Members of the financial planning and controls used in the monitoring of Capital schemes.	
11. PRINCIPLES TO GUIDE THE PROVISION OF EDUCATION IN HEREFORDSHIRE IN THE 21ST CENTURY	79 - 90
To consider a statement of principles to guide work, set standards, underpin values and inform the future organisation of schools.	
12. WORK PROGRAMME	91 - 102
To consider the Scrutiny Committees' current and future work programmes.	
13. SCRUTINY ACTIVITY REPORT	103 - 106
To consider the work being undertaken by the Council's Scrutiny Committees.	

PUBLIC INFORMATION

HEREFORDSHIRE COUNCIL'S SCRUTINY COMMITTEES

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

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

The principal roles of Scrutiny Committees are to

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

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

PUBLIC INFORMATION

Public Involvement at Scrutiny Committee Meetings

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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

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(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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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, 17th September, 2007 at 10.00 a.m.

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

Councillors: WU Attfield, SPA Daniels, RI Matthews, SJ Robertson,
RH Smith and JK Swinburne

In attendance: Councillors H Bramer, GFM Dawe and JP French

18. APOLOGIES FOR ABSENCE

Apologies were received from Councillors PA Andrews, KG Grumbley and TM James and from Councillor R.J. Phillips.

19. DECLARATIONS OF INTEREST

Councillors PJ Edwards and RH Smith declared a personal interest in agenda item 9: Work programme Update, as Council appointees to the Joint Member Waste Forum.

20. MINUTES

RESOLVED: that the Minutes of the meeting held on 16th July, 2007 be confirmed as a correct record and signed by the Chairman.

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

The following two suggestions were received from Members of the public:

Suggestion 1

A member of the public referred to the call-in by the Environment Scrutiny Committee of Cabinet's decision on 6th September on the subject of Rotherwas Archaeology: options for completion of the Ribbon and completion of the Rotherwas Access Road.

He referred to his correspondence with the Chairman of the Committee and suggested that given the Committee's overarching role in managing the operation of the Scrutiny Committees the Strategic Monitoring Committee should review any decision made and the procedure followed. He made a number of remarks in support of his view that a rigorous enquiry was needed to look at how the matter had been handled.

The Chairman summarised the request as a wish for the Committee to review the process. Consideration would be given to whether this issue should form part of the work programme.

A Member sought clarification on whether the Environment Scrutiny Committee had to consider the call-in of the Cabinet decision and determine its response within 10 working days.

The Head of Legal and Democratic Services said that in general the timeframe of 10 working days in which to consider a call-in and determine a response was appropriate, unless there was a specific reason for not doing so, for example if a key expert was unavailable to attend. In that case the Committee may formally decide to adjourn but this could not be an open ended adjournment.

The matter had been called in by the Environment Scrutiny Committee and it was proper that that Committee dealt with the matter. This did not prevent the Strategic Monitoring Committee looking at the matter and reviewing it.

Suggestion 2

It was suggested that there appeared to be a lack of consistency in the Council's definition of senior citizens in its policy documents. As an example a bus pass was available to people aged 60 whereas to be eligible for the concessionary parking scheme people had to be aged 65. It was requested that this issue should be investigated.

22. INTEGRATED PERFORMANCE REPORT

The Committee considered the Integrated Performance Report (IPR) on 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.

Performance Against Performance Indicators

The Head of Policy and Performance presented the section of the report on performance indicators. He explained the revised format and the intention to seek to make further improvements to the way the performance information was presented.

Referring to the opening paragraphs of the IPR he noted the performance highlights as set out in the report. He drew attention to the upturn in performance of the benefits service and favourable feedback from the Government Office West Midlands on the end of year review of the Local Area Agreement.

He noted that 13 of the 16 indicators marked as red (not on target) were under the Council priority: maximising the health, safety, economic well being, achievement and contribution of every child. Of these 8 targets involved the Primary Care Trust. A meeting scheduled with the Trust on 7 September to give final consideration to the Teenage Lifestyle Survey and agree the indicators for measurement in the coming year had not taken place. The Trust had, however, indicated that they would meet and resolve matters at a more recent meeting of the Herefordshire Partnership performance management group.

In the course of discussion the following principal points were made (page references are to pages of the IPR circulated as a separate document):

- (p16/17) a question was asked about a number of indicators with a baseline, no target but still with a direction of travel. The Head of Policy and Performance commented that the reasons for the lack of a target were being followed up. The relevant directorates had supplied the information on the direction of travel.

There was no reason why targets should not be provided in all appropriate cases. In fact targets should have been set by April.

- (p17 - 89b) It was noted that performance on the number on the child protection register per 10,000 population under 18 was currently below target. In reply the Committee was informed that if the Council had a lower number of children on the register than might on average be expected this could imply that not all potential cases were being identified and children were potentially at risk. However, if too many were being recorded this could imply an unsatisfactory regulatory framework.
- Attention was drawn to the absence of performance templates for a number of indicators. The Head of Policy and Performance replied that it was expected that these would have been completed by the time the next IPR was produced.
- (p3) Progress against the target for the average length of stay in B&B accommodation for homeless households was questioned. In reply it was noted that whilst the Government target of zero would not be achieved in the short term there had been significant success in moving homeless households out of temporary accommodation.
- (p9 – 89b HC – percentage of initial assessments within 7 working days of referral). A question was asked about performance against this target. It was noted that the commentary alongside the indicator, whilst outlining capacity in the Referral Assessment Team remained a pressure point, stated that the target which had been set remained the aim.

The Cabinet Member (Children's Services) reported that the issue was being treated with the utmost urgency.

- In response to a further question about recruitment it was noted that the recruitment of 8 additional Social Workers had been approved and previously reported. There was, however, a difficulty nationally in recruiting social work staff.

Whilst acknowledging the efforts which had been made and continued to be made the Committee remained concerned about the recruitment of social workers and the need to ensure that all vacancies are filled.

- (p12) It was asked whether sickness absence was a problem in any particular directorate. The Head of Human Resources reported that there had been improvements across all directorates and all were now performing well against this indicator.
- (p13 and 14) Members drew attention to the number of targets where data was not available and there was no evidence of direction of travel.
- It was also requested that where data was to be reported annually, as was the case for a number of indicators, it should be made clear when that reporting date would actually happen.
- that it should be made clear in the IPR whether good performance was shown by performance being above or below the relevant performance indicator target.
- In relation to a number of adult social care financial indicators listed on page 14 the Head of Financial Services said that a reorganisation of financial services

staff within adult social services was taking place which should improve the timely collection of data. He reassured the Committee that monitoring of performance against the forecast was taking place and that when suitable systems are in place in year financial indicators will be brought forward as part of future monitoring.

- The need for clarity in the description of each indicator was noted, whilst acknowledging the desire for descriptions to be brief.
- The absence of a commentary on appendix b explaining why performance was or was not on track was noted.
- (p20/21) the absence of evidence to support a number of performance indicators for Children's Services and the direction of travel was highlighted. It was noted that the Area Performance Assessment was due shortly. It was asked whether all the necessary data would be available for the inspectorate. The Cabinet Member (Children's Services) said that a concerted effort was being made to ensure that this was the case.
- (P26) A question was asked about target 79b ii on the recovery of housing benefit overpayments. The Director of Resources undertook to check and confirm progress.
- It was suggested that key officers might need to be invited to future meetings to assist the Committee in considering the detail of some of the indicators.

In summary the Committee recognised the format of the Integrated Performance Report was evolving and the efforts being made to improve its presentation to make it an effective performance management tool for Members. In addition to the detailed points made above the Committee remained concerned that a number of performance templates remained to be completed. It emphasised the need to ensure that these are completed as a priority before the year to which they relate to permit proper performance management to take place.

Revenue and Capital Budgets and Corporate Risks

The Head of Financial Services presented the section of the report on the revenue and capital budgets and corporate risks.

He reported that the net projected overspend was currently £2.536 million. This was of concern given the potential implications for 2008/09 and the likelihood of a poor Comprehensive Spending Review Settlement for local government.

The report set out the position on each Directorate's budget and the Head of Financial Services commented on each section in turn identifying areas of budget pressures as set out in the report.

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

- That the presentation of the revenue budget should include the budgets for the year to enable the significance of budget variations to be more clearly understood and comparisons readily drawn.
- Considerable concern was expressed about the projected overspend on the revenue budget, the questions this raised about how realistic the budget was and the need for Cabinet to ensure that the position was not simply being accepted

and that budgets were being firmly and effectively managed with plans in place to ensure budget compliance.

- It was recognised that the budgets in Adult Social Care and Children's Services were susceptible to unforeseen pressures.
- Concern was expressed about the pressures in ICT Services, notably the holding of vacancies to offset an overspend, the considerable non-staff costs that had not been budgeted for, as described in paragraph 35 of the report, and the full revenue impact of the Community network had yet to be established, noting that the Head of Financial Services had indicated this was estimated to be about £1million after a contribution from the Children and Young People's Directorate. There still seemed to be uncertainty over the full extent of the financial pressures.
- The Director of Resources commented that the financial strategy had been developed to address the funding of the base budget. Social care had experienced overspends in 2004/05 and 2005/06. In 2006/07 resources had been added to the base budget for those services and a contingency sum for social care had also been established. This had been backed up by work on needs analysis. All directorates were being encouraged to modernise and reduce expenditure. The updated financial strategy and service priorities would be presented to the Committee soon.

She would continue to report her concerns about the growing pressures and the problems that lay ahead in meeting continual overspends.

Asked to comment further on the extent of her concern she said that the Corporate Management Board (CMB) was aware of the budget pressures and the need to provide services within the agreed cost. CMB had been told that clear plans needed to be in place stating how each service would be delivered within the resource base.

The Head of Financial Services added that with the adult social care finance staff now part of the Resources Directorate a clearer picture of the pressures in that area was being established but it was a complex picture and a lot of work needed to be done to address the issues.

- It was noted that the costs incurred as a result of summer flooding of a number of schools, estimated at £930,000 were not recoverable under the Government's Bellwin Scheme. This was because the risk was viewed as insurable. The Council had decided to self-insure some years ago setting aside £250,000 to meet the risk. In response to a request that the policy of self-insurance be reviewed the Head of Financial Services said this would be part of the corporate risk management approach. Discussions would also take place with schools on a case by case basis, noting the levels of balances they were holding. The Committee noted that the process for insuring schools against risk was being re-examined and would be the subject of further report.
- In relation to the capital budget the Head of Financial Services reported that there was already evidence of slippage in the programme. He reported that further clarification would be provided in future reports on the funding of the Capital Programme.
- In relation to the corporate risk register the Head of Financial Services added that work was continuing to respond to the points made by the Committee at its last meeting on the Register's content and presentation.

- In response to a question the Director of Resources reported that a report on Strategic Options for the accommodation Strategy would not now be ready in October as the report indicated. It was now expected to be ready by the end of December 2007 with further work then being carried out up to the end of March 2008. Concern was expressed by Members at the delay in reporting on this issue.
- Asked about the savings targets for the Herefordshire Connects Project the Director of Resources said that the original targets had been reviewed and she now considered the targets more deliverable and sounder. The expectation was that savings would be lower than originally estimated by AXON, the business transformation consultancy, and delivered over a longer timescale.
- It was requested that local constituents be briefed on the design of the new livestock market.

RESOLVED:

- That (a) Cabinet be advised of the Committee's comments and concerns as set out above;**
- (b) no issues be specifically referred to other Scrutiny Committees at this stage;**
- and**
- (c) a report be made to the Committee on the review of the approach for insuring schools against risk.**

(The meeting adjourned between 11.55 am and 12.00 noon.)

23. EMPLOYEE OPINION SURVEY 2007

The Committee considered the results of the Employee Opinion Survey 2007.

The Head of Human Resources presented the report. He highlighted the improved response rate which at 53% was well in excess of the 43% average response rate for local government surveys. The responses in general also showed marked improvements in the perception of employees over the areas covered by the survey questions. Trends showing key differences in opinions from the 2006 and 2005 surveys were set out in appendix 1. Appendix 2 set out a comparison with local government benchmark data.

He concluded by emphasising the importance of taking action in response to the survey's findings. Directorates would receive detailed reports to enable them to respond.

In the course of discussion the following principal points made:

- Asked about comparative information, in particular with the private sector, he said that there was a vast amount of information available but the Council relied on the local government benchmark data provided by the Opinion Research Corporation.
- The views expressed about senior management were discussed. The Head of Human Resources clarified that 51% now felt valued by senior management,

36% disagreed and 13% were unable to agree or disagree.

- Whilst 77% agreed that they had adequate training for their job this meant a proportion was not satisfied. It was important to avoid complacency. In reply the Head of Human Resources said that year on year improvements in responses showed that there had not been complacency. The forthcoming work to secure Investors in People accreditation would ensure the engagement of the workforce.
- Regarding bullying the Head of Human Resources said that the detailed directorate reports would identify where the difficulty lay.
- Asked about the finding that 36% disagreed that action would be taken as a result of the survey the Head of Human Resources identified communication as a key issue. He reiterated that action had been taken as a result of previous surveys. There was a need to remind employees of this and demonstrate what had been achieved.
- It was noted that the Council did not have a staff suggestion scheme policy. The view was that a focus on teams rather than individuals was perhaps embraced more by staff. There were opportunities for staff to express views through one to one meetings, the staff review and development process. This was also a feature of Investors in People.

The Chairman thanked Mr Johnson, Head of Human Resources, and congratulated him on his new appointment with the West Midlands Fire and Rescue Authority.

The Cabinet Member (Corporate and Customer Services and Human Resources) also formally thanked Mr Johnson and praised his achievements.

The Committee endorsed these remarks.

RESOLVED: that the report be noted.

24. OMBUDSMAN LETTER AND COMPLAINTS AND COMPLIMENTS MONITORING 2006/07

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

The report to Cabinet on 6th September was appended to the report.

The Head of Legal and Democratic Services presented the report. He highlighted several aspects where the Ombudsman had commented favourably on the Council's complaints handling arrangements, as set out in the report. No reports of maladministration had been issued. The Council was also well placed to move from the second quartile to the top quartile of authorities in terms of responding to enquiries from the Ombudsman's office within 28 days.

It was noted that the majority of complaints continued to relate to planning and building control issues.

RESOLVED: that the report be noted.

**25. SCRUTINY REVIEW OF ICT SERVICES - EXECUTIVE ACTION PLAN
PROGRESS REPORT**

The Committee considered progress in implementing the Executive's action plan.

The Acting Head of Service (ICT and Customer Services) presented the report. This provided an update on progress made since the executive's response had been presented to the Committee on 30th March, 2007. The Acting Head of Service commented on progress against each recommendation as set out in the report.

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

- Questioned about procurement of ICT equipment outside the approved arrangements through ICT Services the Acting Head of Service said that he was not aware of this now being an issue. Schools had the freedom to procure as they wished, but this did not provide them with the four year warranty and security of support afforded to them by procuring through ICT Services.
- The Cabinet Member (Corporate and Customer Services and Human Resources) reminded the Committee of previous discussions about the role of Members in enforcing disciplinary procedures in respect of procurement. The Director of Corporate and Customer Services reported that in consultation with Human Resources a number of related policies had been refreshed, for example internet usage.
- It was asked whether the relationship with schools had improved. The Director of Corporate and Customer Services replied that quarterly meetings were being held and she considered that the relationship was improving. She outlined progress in developing remote access for schools whilst noting that complex issues remained to be resolved. Progress was reviewed at the quarterly meetings. Service Level Agreements with schools had been issued on time, following consultation.
- Asked about ICT staffing the Acting Head of Service confirmed that the need for all permanent posts had been reviewed. The current structure was now considered adequate to deliver the service.
- A question was asked about three reviews to which the report appeared to refer: the work to a standard framework used by Red Island (the specialist agency) in relation to information security accreditation, a physical audit of ICT hardware across the authority, and work on desktop standardisation; and whether there was an inventory of all equipment. The Acting Head of Service replied that following the introduction of a procurement process in 2005 there was a good record of equipment. There was no record prior to that other than that which had been compiled in preparation for the millennium. The Director of Corporate and Customer Services added that the reviews referred to were not three separate reviews but interrelated pieces of work designed to establish clearly what equipment was held and move towards standardisation.
- Asked about the ICT Services budget the Acting Head of Service replied that work was ongoing to achieve a balanced budget by the year end. The Director of Corporate and Customer Services added that Service Level Agreements had been rolled out across all directorates. A zero based budgeting exercise had also been completed. Standardisation of desktops was an important element of reducing costs. Directorates would be charged for the number of desktops supported.

- The interlinkage of accommodation plans with ICT development was noted.
- The current arrangements for recycling used equipment were also discussed, noting that the contract with a voluntary sector organisation might need to be revisited to ensure that any joint arrangements with the primary Care Trust could also be accommodated.

RESOLVED

That (a) the report be noted;

and

(b) a further update be reported to the Committee in 3 months time.

26. WORK PROGRAMME UPDATE

(Councillors PJ Edwards and RH Smith declared personal interests in respect of the waste disposal issue on the programme)

The Committee considered its work programme.

The following principal points were made:

- That the Scrutiny function would expect to be involved both proactively in consideration of the review of the waste disposal strategy and in reviewing the outcome. It was proposed that the Environment Scrutiny Committee would lead on this issue.
- That the Committee required a report in October on quality of performance of the arms-length services recently purchased by Amey PLC to clarify performance baselines.
- A report on the Council's Smallholdings policy should be brought to its November meeting.
- Referring to the complaints about Planning and Building Control services noted in the Ombudsman's annual letter it was suggested the Committee should look at the reasons for the complaints and the way the services interacted with individuals which seemed to be one cause of concern. It was noted that the Head of Planning Services had reported to the Committee on this issue in January 2007 and an update was requested.
- The suggestions made by the members of the public at the start of the meeting in relation to the scrutiny process and age limits and eligibility for services were also noted for possible future consideration.

RESOLVED: That the work programme be amended to reflect the points above.

The meeting ended at 1.30 p.m.

CHAIRMAN

PRESENTATIONS BY CABINET MEMBERS (LEADER OF THE COUNCIL, CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES, AND RESOURCES)

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1. To receive presentations from Cabinet Members on key issues.

Financial implications

2. None identified.

Background

3. A report from the Cabinet Member (Resources) is appended. Reports from the Leader of the Council and the Cabinet Member (Corporate and Customer Services and human Resources) will be circulated separately.

BACKGROUND PAPERS

- None

CABINET MEMBER (RESOURCES) PORTFOLIO PRESENTATION TO STRATEGIC MONITORING COMMITTEE

Report By: Cabinet Member (Resources)

Wards Affected

County-wide

Purpose

1. To outline the key elements of the Resource portfolio and the future direction that has been agreed with the Director.

Financial Implications

2. Not applicable.

Background

3. RESOURCES DIRECTORATE

- 3.1 The Directorate consists of approximately 250 staff divided into four key areas of activity:

- Asset Management & Property Services;
- Audit Services;
- Benefit & Exchequer Services; and
- Financial Services.

- 3.2 The Directorate Management Team consists of the following members of staff:

- Director (Sonia Rees, took up appointment November 2005);
- Head of Asset Management & Property Services (Malcolm MacAskill, took up appointment May 2007);
- Audit Services Manager (Tony Ford, took up appointment April 1998);
- Head of Benefit & Exchequer Services (Mike Toney, took up appointment in July 2005); and
- Head of Financial Services (David Powell, took up appointment in September 2006).

Further information on the subject of this report is available from Mrs Sonia Rees on 01432 383518

- 3.3 The Resources Directorate is a relatively new one, being created as part of the senior management restructure agreed by Council in May 2005.
- 3.4 The Cabinet Member (Resources) and Director have a formal weekly briefing meeting. The Cabinet Member (Resources) and the Director have a monthly meeting with the Leader to discuss strategic finance issues, as the Leader has prime responsibility for this area of Council policy whilst the Cabinet Member (Resources) supports.
- 3.5 The attached Annual Report (Appendix 1) summarises performance against the Resources Directorate Service Plan for 2006/07 and highlights the key priorities for 2007/08. It was produced as a useful communication tool, both within the Directorate and for briefing the new administration.
- 3.6 The Resources Management Team (RMT) meets fortnightly. RMT monitors performance against the Directorate and four service plans for 2007/08 on a monthly basis. The Directorate risk register and budget position is also monitored on a monthly basis. The Cabinet Member reviews the monthly performance reports as a matter of routine. The Director has bi-monthly performance meetings with the Chief Executive too.
- 3.7 Performance to date against the plan is largely on track. Key priorities and issues going forward are identified in a later section of this report.

4. CURRENT PERFORMANCE

- 4.1 The benefits service is subject to an annual service inspection as part of the Comprehensive Performance Assessment (CPA) process. The service was judged to be 'fair' in 2006 (a 2 out of 4 score). The self-assessed score for 2007 is a strong 'good' (a 3 out of 4 score) and it is anticipated that this self-assessed score will be confirmed next month. The service is on target to achieve 'excellent' in 2008.
- 4.2 The Resources Directorate has a leading role in the Use of Resources judgement but the external auditor's overall assessment does rely heavily on systems and procedures being evidenced as embedded across all Directorates. The overall assessment for 2006 was 'good' with lots of progress demonstrated on all 5 headings within the assessment helping to consolidate the 3 out of 4 score from the previous year. An action plan was developed to tackle the issues identified by the external auditor and progress has been reported on a regular basis to the Audit & Corporate Governance Committee.
- 4.3 The external auditors are currently working on the Use of Resources assessment for 2007.
- 4.4 It is expected that the financial governance issues in ICT, which led to the external auditor's adverse opinion on the Council's arrangements for securing value for money in the Annual Governance Report for 2007, will have an adverse impact on the Use of Resources assessment for this year. There is a direct link between the criteria the external auditor has qualified and the Use of Resources key lines of enquiry on internal control and value for money.
- 4.5 It is also possible that the financial governance issues in ICT impact on the other key lines of enquiry in the Use of Resources judgement.

4.6 A lower Use of Resources assessment for 2007 will be a serious set back in terms of the Council's stated objective of achieving 'excellent' for Use of Resources by 2010 (the Corporate Plan 2007 – 2010 refers).

5. FUTURE PRIORITIES

5.1 The following have been identified as priorities for RMT as a whole:

- Implementing the improvement plan arising from the Section 151 Officer report on financial governance issues in ICT & Customer Services;
- Supporting additional Audit & Corporate Governance Committee meetings during the implementation phase of the above improvement plan;
- Transfer of remaining devolved financial administration and financial management staff to the Directorate;
- Maintaining / improving external assessments that feed into the CPA process and overall score – for example Direction of Travel, Use of Resources, service scores and Annual Governance Report;
- Supporting on the areas of external audit focus for 2007/08 which are Herefordshire Connects, the Public Service Trust, adult social care, accommodation strategy, governance and waste management PFI;
- Managing services at or below the agreed budget for the Directorate to include efficiency savings to pay for additional audit and procurement resource as indicated in the improvement plan arising from the Section 151 Officer report; and
- Promoting the corporate approach to asset management and capital programme management set out in the Asset Management Plan.

5.2 The key priorities for the Asset Management & Property Services team for the next twelve months are as follows:

- Completing the planned restructure – this is proving challenging and is causing delays in progress;
- Accommodation strategy – on track for an initial discussion with CMB colleagues and Cabinet at the end of the month;
- Developing the model agreed for facilities management;
- Reviewing small holdings policy;
- Assisting with the schools review;
- Supporting an ambitious capital programme – Edgar Street Grid, Rotherwas Futures, The Minister, Wyebridge Academy, Riverside replacement primary school, Sutton St Nicholas replacement primary school, new crematorium; and
- Developing partnership arrangements with Amey Wye Valley Limited.

5.3 The key priorities for the Audit Services team for the next twelve months are as follows:

- Completing the restructure agreed as part of the improvement plan arising from the Section 151 Officer report;
- Concluding internal investigations on financial governance issues in ICT & Customer Services;
- Promoting standards of internal control for all fundamental systems; and
- Advising on internal control issues to ensure Herefordshire Connects does not adversely impact on the assurance the team is able to give on the robustness of systems and procedures and compliance with them through a period of major change.

5.4 The key priorities for the Benefit & Exchequer team for the next twelve months are as follows:

- Continued improvement benefit processing and subsidy management;
- Implementation of the Local Housing Allowance scheme;
- Implementation of the new electronic document management system;
- Implementation of new software to enable benefit claimants to view their claims on line;
- Consideration of new payment options; and
- Improved management of debt.

5.5 The key priorities for the Financial Services team for the next twelve months are as follows:

- Maintaining the strong corporate focus on finance by supporting service managers with financial management advice;
- Assist Directors in developing budget management plans to achieve the non-negotiable of delivering services within a +1% tolerance of agreed budget;
- Refreshing the financial management strategy to ensure that resources follow priorities through the Performance Improvement Cycle;
- Concentrate on areas of highest risk - social care and ICT & Customer Services budgets;
- Continue to support an active approach to financial management at all levels through in-house training and accreditation for all budget holders; and
- Developing support available for strategic procurement advice from within existing resources as far as possible.
- Enforcing existing procurement policies such as the use of WMS wherever possible.

Further information on the subject of this report is available from Mrs Sonia Rees on 01432 383518

6. PERFORMANCE IMPROVEMENT CYCLE ISSUES

- 6.1 The Resources Directorate has played a full part in the current Performance Improvement Cycle as a participant in the process. The Head of Financial Services has worked closely with the Head of Policy and Performance in shaping the process on the basis of last year's experience.
- 6.2 The Resources Directorate's proposals show that performance is planned to continue improving in line with last year's proposals. This year, the Directorate has included a greater number of performance indicators giving a more complete picture of activity and planned performance.
- 6.3 The Directorate is planning to deliver improved performance within existing resources, using cash released from improved benefit performance to offset reductions in benefit subsidy and pay for increased audit and procurement resources. The Directorate plans to absorb contractual inflation on non-pay budget headings.
- 6.4 The Directorate has identified a potential capacity issue in Asset Management & Property Services when the accommodation strategy is finalised and a project has been agreed for implementation. This same team is yet to be advised of the level of support that will be required from them to support the schools review.

7. FUTURE SCRUTINY

- 7.1 The key issues within the Resources portfolio that will warrant scrutiny by the Strategic Monitoring Committee include:
- Accommodation strategy; and
 - Financial strategy.
- 7.2 Both these items are already included in the Strategic Monitoring Committee's work plan.

8. CONCLUSIONS

- 8.1 The Resources Directorate continues to direct all its efforts into supporting corporate priorities through effective management of resources. The links from the Corporate Plan and the Annual Operating Plan to personal performance plans are created via the Directorate and service plans.
- 8.2 The number one priority for the Directorate, however, is to continue to promote strong financial governance in all the Council's activities.

BACKGROUND PAPERS

- None.



RESOURCES DIRECTORATE

ANNUAL REPORT 2006/07



Director's Foreword

Service planning within the resources directorate is improving every year. Our service plans for 2007 – 2010 were put together with more involvement from everyone who works in the directorate than ever before, and the end result was a set of plans that are consistent in style and content **and** that met the corporate standards.

This is the first time that we have produced an annual report highlighting our achievements for last financial year and our priorities for the coming year. I hope to use the document to spread the word both within the directorate and across the council about the important role resources has to play in the council's overall success as an organisation.

The last 12 months have been extremely busy for everyone with lots of changes in the way we are organised. But the results outlined in this annual report show that the upheaval has been worth the effort with significant improvement in performance and value for money in many areas already happening. That's good for the directorate, the council and more importantly the people and communities who live in Herefordshire.

I want to thank everyone for his or her contribution to a very successful year. I look forward to another exciting year as we continue to work together to support corporate priorities.

With thanks.

Sonia Rees
Director of resources

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Role of the Service

- Architecture, Asset Management, Building Maintenance and Estate Management, Facilities Management and Custodian Services.

- To manage all aspects of the Council's property holdings including schools, office and administrative buildings, training centres, farms, woodlands, industrial estates, libraries, public toilets, listed buildings, market halls and monuments.
- Projects are managed for external clients including Colleges of Further Education and Aided School Governors.
- Facilities Management for Plough Lane offices and Schools including grounds maintenance, catering and cleaning.
- All aspects of Asset Management and Property Information.

Achievements in 2006/07

Capital Section

A number of large capital schemes have been completed in the last 12 months, these include:

- a new sports hall at Weobley High and Kingstone High schools;
- the conversion of Kington Library into an Info Centre and Library;
- the upgrading of the Info accommodation in both Hereford and Ledbury;
- a number of extensions to existing schools including a classroom at Stretton

- Sugwas Primary and a nursery at Kington Primary.

In addition the new PFI (Private Finance Initiative) funded Whitecross High school opened and has been successful in receiving a number of awards. The procurement process is also detailed in the DfES "Good Practice" Guide.

Work is progressing on a new Museum store in Friars Street, Hereford and a planning application has been submitted for a new crematorium.

Restructuring

Corporate Management Board and Cabinet support for developing the strategic aspects of the former Property Services was secured, including additional funding to create the service.

Property Management

There have been two major advances in the expansion of the Rotherwas Industrial Estate in Hereford. Agreement has been reached on a Rotherwas Futures Plan with Advantage West Midlands and work has commenced on the construction of a new Rotherwas access road after the successful acquisition of the necessary land.

Asset Management and Property Services Cont.

Property Management Cont.

There have been a number of very successful property disposals including two office buildings in St Owen Street that raised in excess of £1 million and the ladies' toilets in Union Street that were sold by auction for £260,000.

The Smallholdings Estate has had a very successful year with capital receipts for disposals exceeding £1 million. Arrears in rent have been almost eliminated and all holdings are tenanted.

Maintenance Section

In accordance with the Performance Indicators, 70% of the maintenance programme was committed by 30th September, 2006. The works included a number of major curtain walling replacement schemes at Weobley High and Kingstone High schools.

The programme for upgrading public toilets has continued with a new toilet block in Gaol Street car park, Hereford and refurbishment work at Union Street toilet, Hereford is still progressing.

Upgrading work to bring the Council's public buildings up to the requirements of the Disability Discrimination Act have continued and by 31st March, 2007 in excess of 63% of the Council's buildings with public access conformed to this requirement. One high profile scheme is a new lift at the Shirehall, Hereford.

Maintenance have also been involved in Energy Conservation work which has included a new pool cover at the learner pool for schools.

Facilities Management

Monitoring of grounds, catering and cleaning, contracts have continued throughout the year and all targets have been met. A new Facilities Manager has been appointed to look after the main administration buildings in Hereford, including Plough Lane. The Catering Officer is now involved in a number of major catering initiatives, including nutritional standards, Food Miles and Healthy Schools.

Land and Property Information

The 2006/07 Asset Management Plan was completed by the deadline of 31st July, 2006 and all the data collecting processes including conditions and asbestos reached the required 20%.

A workshop was held with Adult and Community Services Directorate to discuss their property needs and a number of Property Review reports were produced.

Custodians

The Custodians have continued to provide support at all the main administration buildings. There have been improvements in both the security arrangements at a number of buildings and Health & Safety issues.

Finally, the Town Hall Council Chamber and Assembly Room have now been promoted as a venue for weddings.

Key Priorities For 2007/08

Service Restructure

The restructuring of Asset Management and Property Services to provide both an operational and strategic direction is continuing. A new Head of Service is in post, as is the Property Operations Manager. Job evaluation for the next tier of managers is proceeding.

Asbestos Policy

Recent changes to the Asbestos Regulations has introduced a greater

Asset Management and Property Services Cont.

Asbestos Policy Cont.

responsibility for the management of asbestos within buildings. As a consequence a management plan for all Council sites is being prepared.

Partnership Working Arrangements

In consultation with the Partnership Manager a review is being undertaken of the Performance Indicators for the Partnership and how these can be more focussed to service delivery.

Supporting the Capital Programme

The Council has an ambitious capital programme that will require design and technical support including:

- Edgar Street Grid Regeneration Area;
- Livestock Market replacement;
- Rotherwas Futures;
- The Minster high school replacement;
- Riverside and Sutton St Nicholas primary schools replacement; and
- New Crematorium.

Strategic Fit Property Review

This year we will be establishing the strategic asset management element of the service. A key objective will be to review current asset holdings to ensure they support corporate priorities.

Accommodation Strategy

The Council still operates from a significant number of administrative sites within the City area. The strategy to rationalise accommodation on the Plough Lane site is on hold given the landlord's decision not to sell the building and adjacent land to the Council as promised last year. A new strategy is being developed for Cabinet to consider.

Audit Services

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directly responsible for ensuring that adequate and effective internal controls are established to manage the key risks: that responsibility lies with senior management.

Summary of Performance 2006/07

* Audit Services does not control the actual committee dates.

Local Performance Indicators Description	2005/06		2006/07	
	Target	Actual	Target	Actual
The half year assurance report is delivered to members*	October 05	February 06	November 06	December 06
The end of year assurance report is delivered to members	June 05	Sept 05	June 06	June 06
90% of service managers are satisfied with the Audit Service	90%	95%	90%	93.4%
100% of SRDs are completed by 31st May	100%	100%	100%	100%
Management accepts 95% of level 1 & 2 recommendations	95%	96%	96%	97%
The Audit Plan is agreed by the start of the new financial year	April 05	April 05	April 06	April 06
Ensure that the Council's Statement of Internal Control for previous financial year is published	July 05	July 05	June 06	June 06

Role of the Service

The role of the Audit Services Team is to understand the key risks to which the Council is exposed and to contribute to the improvement of the internal control environment – it is not a substitute for it. The Audit Services Team is therefore not

Key Priorities for 2007/08

- Maintain progress towards excellence in internal control;
- Develop the links between what we do and Herefordshire's cross-cutting

themes in our four Service Delivery Plans;

- Continue to work closely with our Directorate HR Officer to embed highest standards in people management;

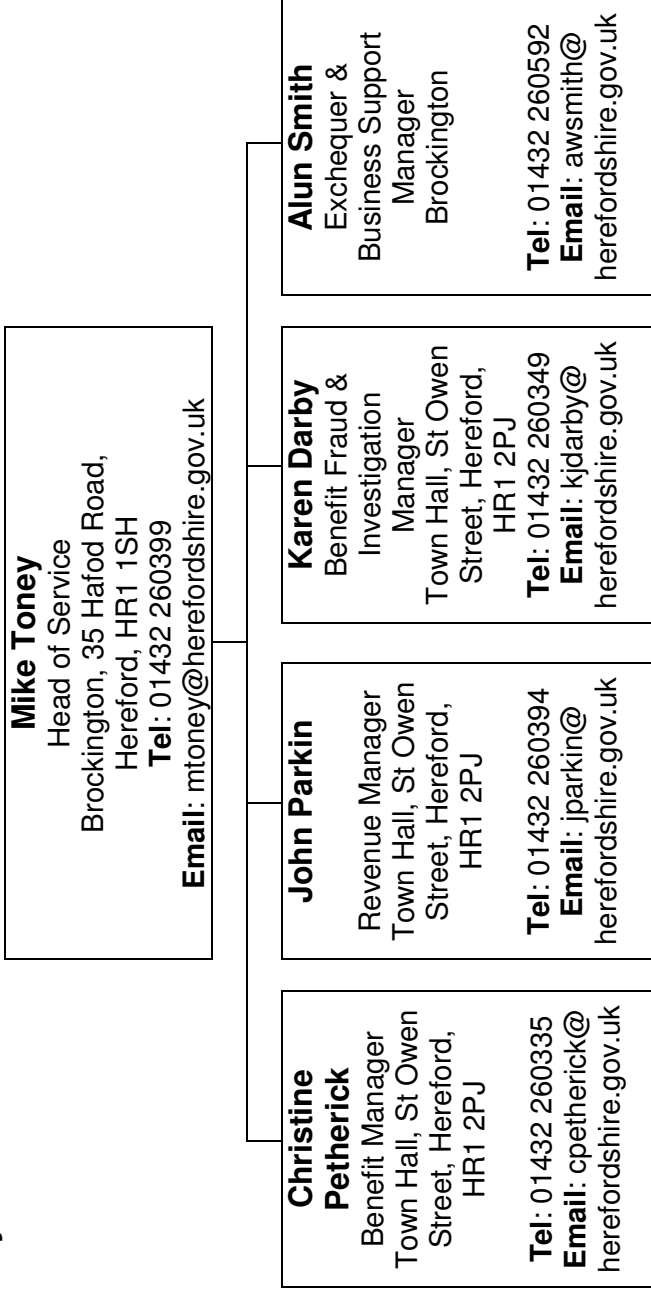
Audit Services Cont.

Key Priorities for 2007/08 Cont.

- Deliver the Directorate Vision;
- Develop partnership arrangements with internal clients;
- Continue to follow Herefordshire's protocol for providing a management response to external audit & inspection reports and managing performance against agreed actions;
- Ensure cost and process comparison with others in our Service Delivery Plans for 2007/08;
- Be a part of a cross-directorate working group to analyse the results of our Employee Opinion Survey for 2006 and recommend an action plan to the Directorate Management Team that can be built into our Service Delivery Plan for 2007/08; and
- Continue to review progress as part of routine performance management arrangements within the Directorate.

Benefit and Exchequer Services

Key Contacts



Achievements in 2006/07

Increased collection levels for council tax and business rates

- Council Tax collected - 98.34% (97.7% in 2005/6)
- Business Rates collected - 98.9% (97.4% in 2005/6)

Improved collecting rates for other income:

- Housing Benefit overpayments in year - 66.58% (61.9% in 2005/6)
- Housing Benefit payments all years - 51.24% (38.79% in 2005/6)

Improved processing times for benefits:

- New Claims 30 days (52.15 days in 2005/06)
- Changes 16 days (42.56 days in 2005/6)

Improved accuracy levels for benefits:

- Increased to 98.4% (98.2% in 2005/6)

Role of the Service

- Administering Council Tax, Non-Domestic Rates, commercial rent, sundry debtors, mortgages, recurring income.
- Administering the Housing and Council Tax Benefit schemes.
- Enforcement of Parking penalty notices.
- Back-office cashing services and support activities for the info shop cash offices provided by the Corporate and Customer Services Directorate.
- Paying Councillors' allowances, staff salaries and paying suppliers for goods and services.

- Administering Council Tax, Non-Domestic Rates, commercial rent, sundry debtors, mortgages, recurring income.
- Administering the Housing and Council Tax Benefit schemes.
- Enforcement of Parking penalty notices.
- Back-office cashing services and support activities for the info shop cash

Benefit and Exchequer Services Cont.

Increased benefit subsidy received from the DWP due to:

- Faster processing and improved quality with levels of local authority error reduced by over 50% and additional overpayment subsidy secured;
- Tighter controls which avoided payments above the threshold for homeless cases in bed and breakfast accommodation;
- The review of cases where benefit subsidy is limited to 60% (rather than 100%) culminating in the termination of a number of claims and a successful appeal to the Tribunal.

The Benefit Fraud Inspectorate report for benefit interventions identified a number of areas of good practice:

- A secure gateway for benefit claims with good performance in the verification of new claims;
- Fraud referrals from the interventions team were of a good quality;
- HBMS performance with all matches resolved;
- The structure and organisation for dealing with interventions;
- Levels of management checking and the provision of management information

The participation in a performance management audit by a focus group from Benefits that identified a performance management culture within the Benefits Team where:

- Benefit managers have worked with staff on improving the information flow of performance data which has resulted in staff being clearer about the impact of their own work on the performance of the service;
- The benefits service plan contains clear actions and targets and links up to the overall Resources Service Directorate Plan;
- In benefits there is a strong culture of performance emerging with staff being provided with key performance indicator information and performance being discussed regularly at team meetings.

Benefit Fraud has continued to achieve an excellent performance rating for the security element of the benefit performance standards.

The new tax regulations for the Construction Industry, which came into force on 6th April, 2007 were implemented on time.

Key Priorities For 2007/08

Plans to increase the number of council taxpayers paying by Direct Debit

To improve the efficiency of council tax collection by encouraging council taxpayers to use the cheapest payment method the Revenues Service will be running a series of campaigns aimed at increasing the take up of direct debit for council taxpayers. The key element of these campaigns will be to emphasise the benefits to payers of using direct debit and the option of four payment dates each month.

Implementing Local Housing Allowance (LHA) in April 2008

LHA provides a new way of determining housing benefit by removing the need to refer rents to the Rent Service by providing pre-determined rent levels. It will not apply to tenants of social landlords. We will be required to pay benefit direct to claimants not direct to landlords.

Changes to the benefit interventions requirements from April 2007

Until April 2007 the Department for Work and Pensions set all local authorities a target for the number of benefit cases where an intervention should be carried out. The

Benefit and Exchequer Services Cont.

Changes to the benefit interventions requirements from April 2007 cont.

intervention was a case review to ensure the benefit being paid was correct.

The intervention requirement has been replaced from April 2007 by an annual target for the number of benefit terminations and reductions. Herefordshire's target for 2007 is 9,840 reductions or terminations.

Improving our Benefits CPA rating

We will be carrying out regular reviews of the self-assessment against the Benefit Performance Standards to help us achieve our aim of at least a 'good' rating in 2007 and an 'excellent' rating in 2008

Improving the way our customers can contact us

We are currently implementing the Academy self-service software, which will enable customers to access details of their benefit and council tax account on line. It will also offer the facility to send council tax and business rate bills by email and enable claimants to complete and submit applications for housing and council tax benefits on line.

Upgrading our Document Management System

The project to implement a new document management system within the Revenues and Benefits sections is progressing with expected completion by early July. This project has been undertaken because the current Comino system will become obsolete.

Providing better information for Customers

We will be reviewing the information we provide to customers to ensure that all letters, forms and information leaflets are updated and can be clearly understood. We will also be ensuring that our websites are regularly updated to reflect changes that arise within our service.

Planned changes to the Local Government Pension Scheme

The Government has announced plans for major changes to the way the pension scheme operates and we will be ensuring that these changes are implemented and all staff are fully aware of the impact on them of the changes.

Financial Services

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(i.e. internal audit), insurance matters and promote good risk management practice.

- The Head of Financial Services also leads on the development of the Local Public Service Agreements and is the financial lead on the Local Area Agreement.
- Deputy Section 151 Officer.
- Medium Term financial planning to support the Council's objectives.

Achievements in 2006/07

Creation of Financial Services

As part of the 'new' Resources Directorate, Financial Services plays a key role providing advice and helping to ensure our finances are on a sound footing. The new structure has aligned our work with that of our customers whilst ensuring the councils overall financial position is effectively monitored. The changes also put in place clearer management responsibilities.

Revised Financial Training

Ensuring the Council's managers are able to understand our finances and manage their budgets is an important element of

Role of the Service

- Assist Directors, Heads of Service and budget holders with managing the Council's budget.
- Prepare the Council's statutory accounts and develop and maintain the Cedar financial management system.
- Technical aspects of Local Government finance, budgetary policies and consultation.
- Co-ordinating the Capital Programme, VAT advice, borrowing and investment requirements.
- Providing an independent appraisal function for the review of activities as a service to all levels of management

Financial Services Cont.

Revised Financial Training Cont.

supporting service improvement. We've built on an existing comprehensive programme by reviewing how we deliver our training. The feedback has been excellent with Managers responding well to an approach based on promoting a better understanding of how the council's financial position meets corporate and service objectives.

Improved Financial Information

In 2006/07 Financial Services has brought forward a series of improvements in the way we present information:

- A user friendly Annual Review and Summary of Accounts booklet explains the council's final accounts everyday language. There was strong demand for the document;
- The council tax leaflet explains our budget and where we get our funding from in 'bite sized chunks';
- We worked with policy and performance to present financial information alongside other information so that a clearer picture of our performance is presented to members in the integrated performance report.

- We also put a strong entry into the CIPFA Public Reporting and Accountability Awards 2007. We didn't make the shortlist but the quality of the entry was noted by the assessors.

Local Performance Indicators 2006/07

	Target	Actual	Updated Position
No of times aggregate bank balances more than £100,000 in surplus or overdrawn to be no more than once per month	Maximum 12	1	1
Performance against Prudential Indicators for borrowing are within target	100%	100%	100%
VAT partial exemption is not exceeded	100%	100%	100%
Complete all returns by the due date	100%	100%	100%

Key Priorities For 2007/08

- Financial Services will play a central role in many of the changes the council will implement. We will be fully involved in Herefordshire Connects, taking a lead on commercial aspects of our engagement with the selected partner.
- We will better understand the needs of our customers so that they see us as an integral part of their service improvement.
- We will bring forward a Procurement Strategy that ensures we effectively provide goods and services so ensuring the council gets value for money from its suppliers.
- We want to see the Council awarded top marks in the Audit Commission's annual Comprehensive Performance Assessment (CPA) for Use of Resources. We can help make this happen by continuing to improve our performance.

LOCAL AREA AGREEMENT PRIORITY SETTING

Report By: Herefordshire Partnership Team Manager

Wards Affected

County-wide

Purpose

1. To note the process of the Local Area Agreement (LAA) “super-refresh” and comment on the preliminary list of key priorities in appendix 1.

Financial Implications

2. One element of the LAA is the Single Pot, which brings together a number of individual grant schemes into one pot with one reporting/audit mechanism. The future scope of the Single Pot is expected to be outlined in CSR 2007.

Background

3. Nationally all LAAs are being re-developed as part of a National Model, and as a critical element of the new relationship between Central and Local Government. The re-development is being termed as a “super-refresh”.
4. The first task in the “super-refresh” of the LAA is to check emerging local priorities and issues against those in the current Herefordshire Community Strategy. Consultation with partner organisations, sectors and groups was undertaken from June to September, and key priorities mapped against those in the Community Strategy. From this a preliminary list of key priorities has emerged, which is attached in Appendix 1. In compiling this list, consideration has been taken of:
 - issues strongly supported by strategic partners and strategies,
 - priorities which address public concern,
 - weighting for priorities from recent inspections and are backed up by data through the State of Herefordshire Report.
5. The number of priorities aim to give Herefordshire a manageable and focused LAA, but with sufficient scope for negotiation with GOWM and Government Departments, and flexible enough for future delivery.
6. The Herefordshire Partnership, as the Local Strategic Partnership (LSP), is responsible for co-ordinating the LAA’s development and delivery. On the 28th September the Herefordshire Partnership Chief Executive Group agreed in principle to the list of key priorities in Appendix 1.
7. These priorities will now be commented upon by organisations, sectors and Partnerships groups during October and November, and this report is part of this process. Council Members, Cabinet, public, private and voluntary organisations, including those we now have a duty to co-operate with, will be part of this

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

consultation process. A specific Councillor session is being planned for October. The deadline for comments on the priorities is 9th November.

8. The National Indicator set of performance indicators is due to be released in October as part of the Comprehensive Spending Review, and the first draft of Herefordshires LAA submission has a preliminary deadline of 30th November 2007, followed by the end of January 2008 and March 2008 for subsequent drafts.
9. Once the key priorities are agreed, focus of attention will then move to identifying performance Indicators, agreeing targets and identifying actions. Please note a key date for your diary of the 10th December, for the Herefordshire Exchange event which will be based on this development work and consultation.

RECOMMENDATION

THAT;

- (a) **Strategic Monitoring Committee note the LAA super refresh process, timetables and opportunities to input; and**
- (b) **Strategic Monitoring Committee comments on the list of key priorities.**

BACKGROUND PAPERS

- None

Appendix 1 – Key LAA Priorities

APPENDIX 1

Key LAA Priorities

The list of preliminary priorities below has been developed through consultation.

The recommended list of key priorities is:

- Reduce the levels of crime and improve public reassurance and perception of crime
- Improve the provision of access to public transport and encourage alternatives to car use
- Reduce traffic congestion in and around Hereford City
- Provide and improve appropriate workforce training and skills development
- Encourage and promote a healthy lifestyle
- Increase the availability of appropriate and affordable housing
- Encourage higher skilled and better-paid jobs in Herefordshire
- Improve recycling and reduce waste volumes
- Improve access to and availability of local services and facilities
- Address the causes and effects of Climate Change reduction
- Improve participation in decision-making and encourage Community Involvement, such as volunteering
- Increase access to and participation in learning and Improve basic skills levels (skills for life)
- Help to live at home, improve and widen support for carers and improve the quality of health and social care for vulnerable adults
- Safeguarding and support for vulnerable children
- Protect, restore and enhance the built, historical and natural environment
- Build sustainability into the design and planning processes of development, land management, transport and communities
- Reduce household debt

In addition, there may also be priorities emerging from current studies on migration and community cohesion, which will be added in as part of the negotiation process.

Please note

This list is subject to amendment as part of consultations during October and November 2007. They will inform the Herefordshire Local Area Agreement for 2008 – 2011 and the delivery of the Community Strategy. Although the Community Strategy differentiates between age groups in its themes, the above priorities would be supported across all ages, including young people.

HEREFORDSHIRE COMMUNITY STRATEGY DEVELOPMENT PLAN ANNUAL REPORT

Report By: Herefordshire Partnership Team Manager

Wards Affected

County-wide

Purpose

1. To note the Annual Report for the Herefordshire Community Strategy Development Plan 2006/7.

Financial Implications

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

Background

Background to the Development Plan

3. The Herefordshire Community Strategy is a high level Strategy looking to Herefordshire in the year 2020. As the Strategy is high level, it does not contain detailed actions. The Development Plan contains these detailed actions, and is focussed on making the Community Strategy happen. The roles of the Development Plan are:
 - (a) A Workplan for the Herefordshire Partnership
 - (b) A document that influences local, regional and national strategies, policy development and decision making
 - (c) The basis for prioritising funding and influencing funding decisions such as regeneration and European funding
 - (d) The Local Area Agreement Action Plan, which will direct the Local Area Agreement Single Pot
 - (e) A document that will be looking to the future and guiding Herefordshire's development.
4. It includes the outcomes in the Herefordshire Community Strategy, Performance Indicators to measure process and actions with timescales and leads.
5. The Development Plan does not replicate existing Council plans. Instead it builds on them and links them to plans from other local organisations. The Development Plan also pulls together a number of existing plans into one document. This means that

Further information on the subject of this report is available from Philippa Lydford, Partnership Officer,
Herefordshire Partnership on 01432-261788

we do not have more plans and strategies in Herefordshire than we need. This has been a significant step, which other Local Strategic Partnerships are following.

2006/2007 Development Plan

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

Action Plan 2008/2011

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

Background to the Local Area Agreement

8. Herefordshire Council was a round two Local Area Agreement area. Performance indicators are monitored on a bi-monthly basis using the same performance management systems as for the Integrated Performance Report. The Local Area Agreement is monitored by Government Office West Midlands every six months. As part of the review process Herefordshire was graded Green for progress against our performance indicators and Green for our governance and performance monitoring arrangements. Only two Local Authorities in the region were graded green/green.
9. Over the next few months every Local Area Agreement in the country will be re-developed, with the number of performance indicators reducing to 35 (plus 17 statutory DfES targets). This should be a real improvement, but means that we must re-confirm our local priorities, to guide decisions on the indicators we chose. The Local Area Agreement also requires an Action Plan to show how we will achieve our targets. The provisional list of priorities for Herefordshire is currently out for consultation, with a separate report going to Cabinet and SMC during October 2007.
10. The new Local Area Agreement will also be used to monitor service delivery in Herefordshire, and will be a central part of the new Comprehensive Area Assessment.

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

11. The 2008-2011 Action Plan will be developed in conjunction with the redevelopment of the Local Area Agreement and the Single Pot. The Action Plan, these commissioning processes and the actions we take as a result will also be a fundamental part of the Comprehensive Area Assessment in the future.

Next steps

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

Further information on the subject of this report is available from Philippa Lydford, Partnership Officer, Herefordshire Partnership on 01432-261788

opportunities to participate in a Members briefing session on priorities for the LAA and Action Plan on Friday 26th October between 10 and 12 midday in the Council Chamber. All Council Members will be also be invited to a Herefordshire Exchange event on 10th December, where the main focus will be to gather information on actions to support achievement against the agreed priorities.

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

RECOMMENDATIONS

THAT:

- (a) the report, and dates for the forthcoming combined consultation on the 2008-2011 Herefordshire Community Strategy Action Plan and LAA be noted; and
- (b) the Annual Report for the Development Plan 2006/7 be received

BACKGROUND PAPERS

- The 2006-2007 Development Plan is available on the Herefordshire Partnership website (www.herefordshirepartnership.com) under the "What we do" section.
- The Annual Report is an appendix to this report.

Annual Report

Development Plan 2006/07



Herefordshire Partnership 01432 261792 www.herefordshirepartnership.com hfdpartnership@herefordshire.gov.uk

Herefordshire Partnership and the Community Strategy

Herefordshire Partnership is the Local Strategic Partnership (LSP) for Herefordshire. It comprises key organisations, or Partners, who deliver services to people who visit, live or work in the County. Consulting and working together, the Partners developed and committed their organisations to the Community Strategy for Herefordshire. This Strategy has a Vision:

Herefordshire will be a place where people, organisations and businesses working together within an outstanding natural environment will bring about sustainable prosperity and well-being for all
The Partner organisations and their contact details are listed on page 6.

The Development Plan

The Development Plan 2006/07 contained actions which supported the delivery of agreed outcomes in the Community Strategy. These were grouped by the Strategy's four Themes:

Economic Development and Enterprise

Healthier Communities and Older People

Children and Young People

Safer and Stronger Communities

This Report records the key achievements, which are set within the context of each of the Themes. Many of these projects are still in progress, with future achievements continuing to be monitored and celebrated. During 2007/08 the Local Strategic Partnership will use the Local Area Agreement as its Delivery Plan for the Community Strategy. A First Report on progress achieved during 2006/07 was submitted for approval to Government Office West Midlands. The Local Area Agreement is due to be refreshed and a new Agreement signed June 2008. Long-term projects which don't easily fit within the three-year timescale of the Local Area Agreement, will go into an Action Plan for the period 2011 to 2020.

How we Measure Progress

Within the Herefordshire Community Strategy and Local Area Agreement there are a number of indicators which measure progress towards achieving the aims and outcomes in the Strategy. These indicators have milestones and targets and are monitored every 2 months through the use of a performance management template. Herefordshire Partnership Support Team works closely with partner organisations to ensure that monitoring is effective, and the results fed back to Herefordshire Partnership's Performance Management Group. At this Group representatives from Partner organisations discuss the progress each indicator is making and, where there is a shortfall in performance, remedial action is recommended. This ensures that those actions deemed priorities for Herefordshire are put in place, achieve the desired outcome and result in an improvement in the quality of life for the local community.

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Page 6	Partners and documentation details

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Progress and Achievements

Economic Development & Enterprise

Edgar Street Grid (ESG) Development

The Delivery Plan for this scheme was approved by the ESG Board and a Business Plan was published. Traffic modelling, consisting of surveys and proposals for transport management in this area was completed. Consultants were appointed to undertake environmental impact assessments, archaeological investigations and provide legal advice on compulsory purchase orders. The Supplementary Planning Document was prepared and the Master Planning exercise was completed by Spring 2007. These documents were made available for public consultation spring/summer 2007. During 2007/8 the first phase of development, the retail quarter, will be out to market, the preferred developer will be chosen by February 2008.

Hereford Learning Village

In 2006 invitations to tender were invited, and in August 2006 demolition work on the existing Folly Lane site commenced. In November the full contract was awarded to Willmott Dixon. Early in 2007 final demolitions were completed, foundations installed, the steel work frame fabricated and erected and floors installed at all levels.

The first phase of the £30m new build has a completion target of 31 December 2007 and will comprise; a new technology building for construction, engineering and computing, a suite of seminar rooms and IT facilities, with space for academic and business conferences and exhibitions, a learning resource centre, student social space, a refectory and a nursery.



Rotherwas Futures

The £20m Rotherwas Futures project will transform the existing Rotherwas Industrial Estate, creating new jobs and helping Herefordshire's economy to compete.

Specific plans include: the development of the new access road; redevelopment of the existing estate; refurbishment of existing properties where relevant; development of site service infrastructure to provide additional land for development; and implementation of a flood alleviation scheme.

In 2006/7 the Rotherwas Futures framework was developed and a Joint Venture Company established. An agreement was reached between Advantage West Midlands (AWM) and Herefordshire Council, with £9.5m being committed by AWM.

Rotherwas Access Road In September 2006 Herefordshire Council agreed the implementation of the Rotherwas Access Road scheme. The scheme went out to tender and successful contractors Alfred McAlpine Project Services were appointed. Construction work started in March 2007 and is scheduled for completion by May 2008. The Access Road construction will enable further phases of Rotherwas Futures.

Rotherwas Enterprise centre

Part of the new development land has been identified as the location for a managed workspace facility to provide workshop and office accommodation for small and start-up businesses. The planning application was submitted in January with permission granted April 2007. Construction is planned to commence 2007/08.

Progress and Achievements

Healthier Communities & Older People



Growing Older in Herefordshire

The 'Growing Older in Herefordshire' strategy was developed in consultation with the public and a number of statutory, voluntary and community groups. It's vision is that older people in Herefordshire should remain independent, active and continue to live in, and contribute to, strong local communities. Older people should also be included in decisions regarding the future services and activities they want and need.

The Strategy sets out a way to achieve this, and to respond to the rising expectations of older people. It also includes national requirements and new ways of thinking about planning for older age.

The Signposting Scheme

The award-winning Herefordshire Signposting Scheme provides a single gateway to a range of free services. These are designed to help vulnerable people remain in their own homes, supported by community services. When a Partner agency is in contact with a service user a simple signposting form is completed. This records contact details and the answers to several simple yes/no questions. The form is then sent to the Signposting Co-ordinator who acts as a 'clearing house' and makes the appropriate referrals to other Partner agencies.

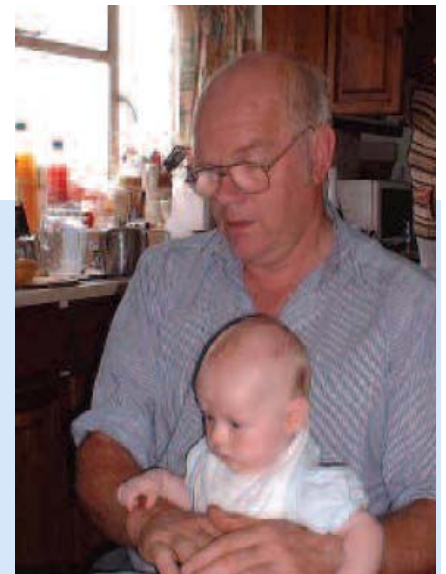
The scheme has clear benefits. It enables Partner agencies to access a wide range of services in a simple efficient manner, saving time and resources. For the customer, 'signposting' ensures they benefit from a range of services through a seamless process. By March 2007 there were 5,244 signposting forms completed, resulting in 10,683 referrals.

The Village Warden Scheme

A new Village Warden scheme for Herefordshire was launched by the Primary Care Trust and the British Red Cross.

The pilot project covered Ewyas Harold, Border Group and Wigmore, Kingsland, Weobley, Wellington, Hunderton, Newton Farm, Brampton Road and Golden Post. It provides a team of Red Cross wardens who encourage older people to be involved in their community, whilst helping them stay independent in their own homes. Village wardens and volunteers put people in touch with local and national services, such as the Signposting Scheme.

For those who have suffered illness, the scheme offers assistance by helping people return to their routine and stay in touch with neighbours and friends.



Progress and Achievements

Children & Young People

Herefordshire Play Strategy

The Herefordshire Play Strategy, developed by Herefordshire Play Partnership and Herefordshire Council, sets out Herefordshire's vision for play: *"Time to Discover, Space to Develop, Free to have Fun"*.

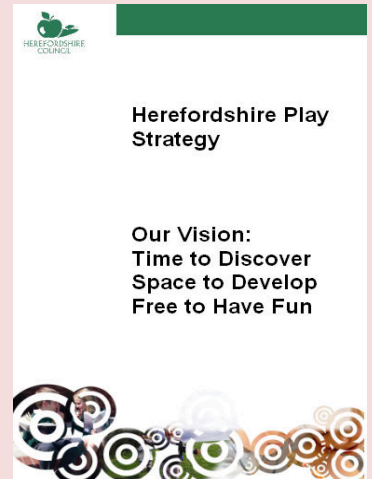
Children, families and the wider community were consulted to inform the development of the strategy and to determine the needs of children's play across the county. The needs and wishes of children and young people were prioritised and Herefordshire Play Partnership directed funding towards these priorities through a number of play projects.

The projects demonstrated a commitment to invest in people, rather than infrastructure. They helped increase skills in play work through training and development, and ensured a connection between those delivering the projects and the children and young people for whom they were intended.

The play projects chosen for funding were:



- The introduction of Nature Rangers (Nature Trust) working in parks and open spaces across the county
- 'Joining In Joining Us' project (for children with disabilities and their siblings – Kidz First)
- Herefordshire Skate Park (Wheeled Sports)
- Mobile Outreach Project (Voluntary and Statutory Youth Service)
- Part-time Play Development Co-ordinator (EYDCP)
- Play promotion: raising the profile of play through play events/conferences (EYDCP/Play Partnership)



Herefordshire Youth Council

In April 2006 the first Herefordshire Youth Council was elected by young people in Herefordshire. This provides a voice for 11-18 year olds across the County. Initially the Youth Council made contact with organisations and key people in the county, and attended meetings and events to introduce themselves. Subsequently, questionnaires were produced and distributed to establish the key three issues in need of reform.

Facilities for young people were the top priority, followed by the Environment and in joint third place were Health and School & Education.

Youth Councillors met Council Cabinet members to discuss these issues and explore ways of improving them. This resulted in MPs being lobbied and Youth Councillors joining Partnership Boards.

The Youth Council also took on the provision of running the Youth Opportunity and Youth Capital funds which have provided over £220,000 to deliver projects for local young people.

Two Youth Councillors were elected to become United Kingdom Youth Parliament (UKYP) members, taking local issues for young people in Herefordshire to a national level.

Progress and Achievements

Safer & Stronger Communities

CCTV helps cut crime in Herefordshire

Herefordshire Community Safety and Drugs Partnership is responsible for the Closed Circuit Television (CCTV) network across the county. There are twenty cameras in Hereford, five in Ledbury, five in Leominster and six in Ross. CCTV plays a crucial role in detecting crime, providing Police Officers with vital information, and gathering images that can be used as evidence against offenders.



Between April 2006 and March 2007, the county's cameras recorded 3,746 incidents, nearly half of which picked up by CCTV alone. These included anti-social behaviour, intervening in disputes before any injury or damage occurred, and alerting police to thefts and criminal damage.

Climate Change Strategy and Action Plan



Herefordshire Partnership launched its Climate Change Strategy and Action Plan in June 2006, which emphasised the importance of raising awareness through a number of different initiatives. This included education through addressing a number of groups, promoting the Herefordshire Declaration on Climate Change, and information and publicity to media outlets with Herefordshire Partnership taking the lead.

Herefordshire Council has also made great strides towards tackling Climate Change, including internal energy awareness and developing a Carbon Management Action Programme, whilst supporting the work of the Partnership. The initiatives have laid a solid foundation upon which future work can build and demonstrate how a low carbon and proactive approach to climate change can lead to securing a better future for across the County and beyond.

Access to Services

Throughout 2006/07 a number of initiatives aimed at maintaining and improving local residents' access to services were developed. The Community Access Point (CAP) project provides accessible, secure and sustainable broadband facilities within rural communities. By the end of March 2007, six Community Access Points were fully operational with hardware, software and Internet access provided. These were used for learning, leisure and enable access to a range of services. A further six sites had active Broadband links in the process of installation, and two more approved for funding with Broadband connection.

In order to establish a co-ordinated approach to "access to services" initiatives, Herefordshire Partnership Chief Executives' Group approved the establishment of a Rural Access Partnership to provide high-level leadership, strategic thinking and joint planning on rural issues in Herefordshire. The Multi Use Facilities project was developed, aiming to promote easier access to services for people living in rural areas, through the development of local facilities. These will be 'multi use' because they allow services to work together, extending their reach by sharing resources and costs. A report was commissioned which made a number of recommendations in pursuit of this development.



Herefordshire Partnership is a non-statutory, voluntary partnership often referred to as a Local Strategic Partnership. Herefordshire Partnership consists of key local and regional organisations that, through joint consultation and working initiated, developed and have signed up to the Community Strategy for Herefordshire. The Partner organisations are:

- **Chamber of Commerce Herefordshire and Worcestershire**
- **Herefordshire Association of Local Councils**
- **Herefordshire Council**
- **Herefordshire Primary Care Trust**
- **Learning and Skills Council Herefordshire and Worcestershire**
- **Voluntary Organisations**
- **West Mercia Constabulary**

Together, the Partners are contributing towards the outcomes of the Community Strategy in their work and plans for the future. Websites of Partner organisations can be found below:

- Community First Herefordshire and Worcestershire www.comfirst.org.uk
- Learning and Skills Council www.lsc.gov.uk
- Herefordshire and Worcestershire Chamber of Commerce www.hwchamber.co.uk
- Voluntary Sector Assembly www.thevsa.org.uk
- West Mercia Constabulary www.westmercia.police.uk
- Herefordshire Council www.herefordshire.gov.uk

Documents referred to in this report are listed below, with contact details of where they can be obtained from :

- Community Strategy for Herefordshire
- The Development Plan 2006/07
- Herefordshire Local Area Agreement
- First Report to GOWM 2006/07
- Growing Older in Herefordshire
- Climate Change Strategy and Action Plan

Herefordshire Partnership support team
01432 261792
www.herefordshirepartnership.com
hfdpartnership@herefordshire.gov.uk

- Edgar Street Grid documentation and plans
ESG Herefordshire Ltd
4 Blackfriars Street
Hereford
HR4 9HS
01432 370681
enquiries@esgherefordshire.co.uk
www.esgherefordshire.co.uk

- The Herefordshire Play Strategy
Senior Integrated Children's Services Development Co-ordinator
Herefordshire Council Children and Young People's Directorate
Blackfriars
Blackfriars St
Hereford
HR4 9ZR

THE STRATEGIC SERVICE DELIVERY PARTNERSHIP**Report By: Environment Support Manager****Wards Affected**

County-wide

Purpose

1. To provide the Strategic Monitoring Committee with an update on the status of the Herefordshire Strategic Service Delivery Partnership and in particular to provide the Committee with an annual report on the partnership between Herefordshire Jarvis Services (now Amey Wye Valley Limited), Owen Williams and Herefordshire Council.

Financial Implications

2. Not applicable.

Background

3. The report prepared for the Cabinet meeting on 11 October 2007 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

Further information on the subject of this report is available from
Dr Peter Cross, Environment Support Manager, on (01432) 260099

ANNUAL REPORT ON THE STRATEGIC SERVICE DELIVERY PARTNERSHIP

PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

11 OCTOBER 2007

NOT FOR PUBLICATION

Wards Affected

County-wide

Purpose

To receive a report on the operations and performance of the Strategic Service Delivery Partnership between the Council, Herefordshire Jarvis Services Limited and Owen Williams Limited during the period April 2006 to August 2007.

Key Decision

This is not a Key Decision.

Recommendation

THAT the report be noted.

Reasons

Work carried out for the Council through the Strategic Service Delivery Partnership represents a substantial commitment of corporate resources. Regular review of the salient features of the partnership arrangements provides Cabinet with an opportunity to maintain an overview of developments in this area.

Considerations

1. In July 2005, Cabinet received a report on the operations of the Herefordshire Strategic Service Delivery Partnership (SSDP) to that time. It was agreed at the meeting on July 14 2005 that annual reports would in future be prepared to allow Cabinet to maintain an overview of these strategically important arrangements. For a range of operational and other reasons, no annual report was in fact produced during financial year 2006/07 and so the current report covers the period April 2006 to the end of August 2007.
2. The Herefordshire Strategic Service Delivery Partnership began on September 1 2003 with the award of initial ten-year contracts to Herefordshire Jarvis Services Limited and Owen Williams Limited. Herefordshire Jarvis Services Limited (HJS) is a joint venture between Herefordshire Council and Prismo Limited, a wholly-owned subsidiary of Jarvis plc. The partnership arrangements have their origins in a decision in 2001 to review the operation of Herefordshire Commercial Services, the Council's in-house

Further information on the subject of this report is available from
Dr Peter Cross, Environment Support Manager, on 01432 260099

Direct Service Organisation, and to examine whether the private sector could offer a better service.

3. The value of the Herefordshire Jarvis Services Limited contract is approximately £15 million per annum and the value of the Owen Williams Limited contract is approximately £2 million per annum although the respective contract minimum guaranteed amounts are significantly lower than these sums.
4. The overall objectives of the SSDP are enshrined in nine high level aims and objectives set out in the service delivery agreements. These aims and objectives have been kept under regular review by the Partnership Project Management Team to ensure that they remain pertinent and to ensure that the partnership continues to focus on them.
5. Detailed progress against the objectives is monitored by the Partnership Project Management Team through a suite of key performance indicators (KPIs). In total there were 80 KPIs reported for 2006/07. The position of each of these is assessed as either *satisfactory*, with the indicator exceeding target or within plus or minus 10% of target, or *unsatisfactory*, where the indicator is both below target and outside the 10% tolerance band.
6. The overall position at the end of 2006/07 was that 46 of the 80 indicators were satisfactory, 20 were unsatisfactory and 14 had no data for the period because of insufficient activity for a meaningful quantitative assessment. Overall, the picture was therefore a mixed one with encouraging performance in some areas but with scope for improvement in others.
7. Areas where performance has been positive are: satisfaction with the quality of work of the partnership; defects rating; jobs completed within planned cost, customer satisfaction on completed highways works; customer satisfaction on facilities management; safety; and predictability of design cost for highways works.
8. The principal areas of concern for the partnership as evidenced by the performance indicator information are those relating to time predictability and critical dates met (starting dates). Both of these indicator groups have consistently shown unsatisfactory performance in respect of highways works.
9. Financial year 2007/08 saw the launch of a new key performance indicator framework intended to remove some of the shortcomings of the previous systems. The new framework has indicator groups that focus on quality, cost, time, safety and environment, as these relate directly to the high-level strategic objectives of the partnership. In particular, the new indicator set uses measures that track the performance of the partnership, rather than that of individual partners, that allow for more frequent reporting (monthly rather than quarterly on key indicators) and that minimise duplication by using, wherever possible, information collection arrangements that are already in place for best value performance indicator reporting.
10. At the time of writing the information flows to allow complete reporting under the new performance indicator system are still being refined and the methodologies for the calculation of some individual indicators are being fine-tuned, but the latest position is broadly in line with that described in paras 7 and 8 above.
11. The foregoing comments relate to the overall performance of the partnership. The following paragraphs summarise the highlights of the reporting period for both HJS and Owen Williams Limited.

HJS

12. At the start of the current reporting period, Herefordshire Jarvis Services was positioned within one of the then three core business streams – Rail, Roads and Plant – within Jarvis plc. During the reporting period, a significant reorganisation of the Jarvis business led to the sale in December 2006 of Prismo Road Markings Limited, the vehicle for Jarvis's ownership position in HJS, and the consequent transfer of HJS to the Accommodation Services Group within the parent company. This re-positioning, together with the refocus on just the rail and plant business streams, clearly signalled that the HJS operation was no longer to be seen as a priority for the parent company.
13. Prior to the start of the current reporting period, HJS had prepared a business plan for 2006/07 in consultation with the Council, in line with the requirements of the Shareholders Agreement. This plan envisaged a total turnover of £17.8 million with an operating profit of £1.05 million. This represented a significant improvement in financial performance compared with 2005/06, to be achieved through a range of measures including: merging of business areas within the highways business segment, merging of the cleaning and catering businesses under a single management, reductions in senior management, reductions in administration and other support staff, and further withdrawals from catering.
14. In the event, the turnover for 2006/07 was c£18.2 million, a decrease of £350,000 on 2005/06 but an increase on budget of £400,000. The principal reason for the improvement on budgeted turnover was an increase in spend on highways maintenance.
15. Working with Proudfoot Consulting, an international consultant specialising in improving business processes, the HJS business has achieved significant productivity improvements in a number of business areas, most notably programmed highways work and building cleaning.
16. The decision to withdraw from schools catering during 2006/07, whilst disappointing, resulted in a significant improvement in profitability.
17. The change from SGS to Lloyds as accreditation body for the quality, health and safety, and environment systems proved time-consuming but has resulted in improvements in operations and customer service.
18. The Accident Frequency Rate (an industry standard for measuring health and safety performance) was high at the start of the reporting period, at 1.36. Through training and a variety of other measures the rate has been reduced to 0.26.
19. Without doubt the biggest single challenge for HJS during the reporting period has been the payment of creditors. The local management team has struggled to maintain service delivery with the limited cash allocations it has received from the Jarvis Group Treasury to pay creditors.
20. The 2007/08 HJS business plan envisages that the business will build on the dramatic improvements in financial performance achieved in 2006/07 with key objectives identified as: delivery of final cost reduction targets arising from the consultant review of operations, integration of the highways and building maintenance workstreams, and continuing to build on relationship development activities launched during 2006/07. At the time of writing, progress against the 2007/08 business plan objectives is largely on track.

21. In summary, the partnership with HJS has continued to provide the Council with a very wide range of services during the period under review and has delivered many thousands of individual jobs to a total value of £24.1million during the period. Whilst there have been issues in some areas of the business, this is only to be expected with such a wide spectrum of activity and with such a large group of staff involved in both the client and partner organisations. The most significant issues have been those occasioned by the cash management policy of HJS's parent.

Owen Williams

22. Owen Williams Limited was acquired by Amey plc in February 2006, just prior to the start of the current reporting period. Other than some minor changes to quality management systems, the acquisition has been largely seamless although wider access to key skills and resources in the Amey group has supported the Herefordshire contract and will become more evident with projects such as the Transportation Asset Management Plan (TAMP).
23. During the 2006/07 financial year, Owen Williams undertook approximately £2.4million worth of work for Herefordshire Council, supporting mainly the Environment, Adult and Community Services, and Resources Directorates. This is well in excess of the guaranteed minimum contract amount under the service delivery agreement. Most of the Property portfolio was delivered from Owen Williams Development Team in Lewes with the exception of certain projects with a 'highways' nature such as the Livestock Market being delivered from Hereford.
24. The main highlights of the year for the Owen Williams element of the SSDP have been the success of the Project Delivery Teams for Victoria Footbridge and City Centre Refurbishments. Victoria Footbridge has won a number of awards to date and is still short listed for the British Construction Industry Awards to be announced in October. The City Centre Refurbishment saw the completion of Eign Gate which achieved Highly Commended by Local Government News and the commencement and completion of High Town which won a bronze award for Considerate Constructor and is currently awaiting Local Government News and BCSC Town Centre Environmental awards.
25. Due to funding issues affecting the Rotherwas Relief Road and the Ross Flood Alleviation Scheme, Owen Williams had to adopt an extremely flexible approach to providing staff resources during the reporting period. Initially, progress on these projects was delayed but was then followed by an intense period of activity once funding was secured. Owen Williams' ability to react to the changing JUP and the support it has given to the client teams with seconded staff has been another highlight for the year although the changing priorities on project delivery have resulted in some projects being delayed.
26. The Rotherwas Relief Road was successfully tendered and commenced on site. The partnership has reacted positively in responding to the recent unforeseen Rotherwas Ribbon ensuring that the essential procedures were followed and providing excellent communication throughout to all parties and press. The Ross Flood Alleviation Scheme has also been progressed with retendering of the contract and completion of the CPO process.

Concluding comment

27. As this report goes to press, there has been a Stock Exchange announcement (3 September 2007) that Jarvis plc has sold its controlling interest in Herefordshire Jarvis Services Limited to Amey plc. The successor company to HJS is named Amey Wye Valley Limited. This transaction, almost on the fourth anniversary of the inception of

the original partnership agreements, clearly offers every possibility of a fresh start for the partnership and should allow the best aspects of what has been achieved in the first four years to be built upon whilst removing the source of a number of the major issues. With Amey Wye Valley Limited and Owen Williams under a common ownership there are clearly a number of possibilities for closer integration with attendant potential enhancements to service delivery and value for money, and these will be actively explored in the coming months.

Financial Implications

None identified.

Risk Management

The risks associated with the operation of the Strategic Service Delivery Partnership are managed through the Council's corporate risk register and the Environment Directorate risk register. Formal processes operate for maintaining these registers up-to-date and regularly reviewed.

Alternative Options

There are no Alternative Options.

Consultees

Partnership Project Management Team

Appendices

None

Background Papers

None identified

HEREFORDSHIRE CONNECTS PROGRESS REPORT**Report By: Director of Corporate and Customer Services****Wards Affected**

County-wide

Purpose

1. To note an update on the Herefordshire Connects Programme.

Financial Implications

2. Not applicable.

Background

3. The report considered by Cabinet on 11 October 2007 is appended. Cabinet approved the recommendations.

RECOMMENDATION

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

BACKGROUND PAPERS

- None

Jane Jones, Director of Corporate & Customer Services
on (01432) 260042

HEREFORDSHIRE CONNECTS PROGRAMME UPDATE

PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

11TH OCTOBER, 2007

Wards Affected

County-wide

Purpose

To note progress in respect of the Herefordshire Connects programme, approve the technology platform on which further progression will be based, and approve the extension of the existing interim agreement with Deloitte.

Key Decision

This is not a Key Decision.

Recommendation(s)

- THAT (a) Cabinet notes the current position in respect of programme implementation;**
- (b) Cabinet approves the retention of SAP as the technology base; and**
- (c) Cabinet approves the extension of an interim agreement with Deloitte until such time as a decision on the master agreement can be taken.**

Reasons

To note progress with this phase of the Herefordshire Connects Programme, approve the technology platform for future programme development and approve the extension of the existing interim agreement with Deloitte.

Considerations

1. Further to the Cabinet Paper of 7 June 2007, this report provides an update to Cabinet on progress in the programme.
2. Phase 3 of the programme was Programme Definition. All objectives for this phase have now been achieved with the exception of the completion of the contractual agreements.
3. *Costs and Benefits Review*. In order to ensure that the Council can indeed deliver on savings, each benefit line was investigated and challenged to ensure that the figures are robust and 'bankable'. Over several weeks, the Herefordshire Connects Core Team and Deloitte ran a number of workshops to complete this. This work was then

Further information on the subject of this report is available from
Jane Jones, Director of Corporate & Customer Services on (01432) 260042

presented to the Head of Financial Services and the Strategic Procurement & Efficiency Review Manager, and the figures have now been accepted as valid. Independent advice throughout this process has been provided by CAPITA plc. A similar approach was adopted towards the Programme Costs.

4. The resulting financial appraisal was presented to the Leader, Cabinet Member, Corporate & Customer services and Human Resources and Cabinet Member, Resources at a meeting on 18th July, and considered in the context of the Medium Term Financial Management Strategy (MTFMS)
5. At that meeting, the Leader and two Cabinet Members agreed that the reports demonstrated that the Herefordshire Connects Programme was fundable and therefore should be continued; that an interim agreement be signed with Deloitte; and that the Programme Team continued to consider opportunities to improve benefits and reduce costs as outlined in the report. What lay behind that conclusion was that two key assumptions had been made:
 - the Social Care solution would not be provided by SAP, but for the purposes of developing the profile, the highest cost alternative had been used;
 - SAP had been costed as providing the technical platform. The potential for using existing systems such as Cedar as an alternative were to be explored. Whilst it was accepted that would produce some cost savings, the Programme Manager would also undertake an assessment of technical functionality together with an assessment of the level at which benefits would be realised if the alternative platform was to be used. It was further noted that a decision as to which option was finally adopted must be based on a technical, rather than a solely financial assessment.
6. Pending completion of the appraisal and a decision on the technology platform a decision was taken to put part of the programme in abeyance. This scaling down of the programme impacted most significantly on the integrated support service (ISS) stream of activity, but enabled the social care platform to continue to progress. The technical appraisal has now been completed and externally validated by CAPITA and is attached at Appendix 1.
7. From recent reports to Corporate Management Board it is clear that, based on the most recent budget forecasts and the impact of expenditure on flooding, the MTFMS is likely to see a deteriorating rather than improving financial picture and it is understood that there may be a preference to await the financial settlement and the revision of the Medium Term Financial Strategy before taking a decision in relation to the Programme.
8. However, whilst Deloitte have been able to accommodate the scaling down of the Programme for a limited period, this cannot be sustained without the risk of losing key staff resource allocated to the programme. There is the option of continuing under an interim agreement until a decision can be taken in light of a revised MTFMS, but work cannot be progressed whilst there is uncertainty regarding the technology platform upon which the programme is to be progressed.
9. It is recognised by officers and members alike that the overall impact of Herefordshire Connects is key to the longer term financial stability of the organisation. The technology appraisal assesses the SAP technology platform as providing longer term returns. It recognises the adoption of a Cedar platform would contribute to the closing of the gap in 2008/09 but that this would be at the expense of a significant reduction in returns in later years.

10. Deloitte have indicated that they would be prepared to work with either platform but have two principal concerns in relation to the use of the Cedar suite of applications as opposed to SAP:-
- (i) As the technology report indicates, Cedar is seen as a strong financial system in particular around budget planning and control. It can provide the majority of the functionality of SAP. Deloitte do, however, have specific concerns about the inability of Cedar to provide a local government customer that has implemented their complete ERP suite. There would appear to be an inconsistency between the Council taking the decision not to accept the risks associated with being an early adopter of the SAP social care solution and yet to take a contrary decision in relation to the main operating platform. There is a secondary concern about the inability to establish why there is a lack of take up amongst Councils of their payroll and HR modules.
 - (ii) Deloitte would be prepared to support a Cedar based platform as part of the Herefordshire Connects Programme but would want to be clear that in their view it would have a material impact on the nature of the Programme. They do believe that although untried, it should be capable of providing a platform for the Council. They do believe however that it will change the nature of the Programme and move it away from a catalyst for a programme of transformation to the installation of an effective operating platform for the Council. It will be seen from the technology appraisal that that view is also expressed by Capita. That would raise questions as to how the Council resourced the Programme.
11. Whilst the costs of the interim agreement are within the previously agreed financial envelope for the programme, it is recognised that continuing with an interim arrangement does present a risk in terms of the investment if the Council does not finally proceed.

Risk

Key Risk	Mitigation
Anticipated Cost savings are not realistic (Benefits savings are not realistic)	Each benefit line has been vigorously challenged. In addition a new 'Programme Benefits Board' will monitor and control the delivery of these savings with a direct reporting line in to the Corporate Management Board. The Audit Commission have praised this work and stated that this will increase the likelihood of achieving these savings.
Lack of Council expertise and skills and resources	A detailed set of workshops is currently underway to ensure that every role is assessed.
Funding of programme will require early delivery of savings	Carry out Cost Reduction exercise during Phase Four. This will also align with the implementation of most beneficial 'Quick wins'. Quick wins assessment has already begun.

Lack of Management Buy-in	<p>Effective change planning and managing the change curve, excellent communication to support buy-in through understanding the benefits to be delivered by service users.</p> <p>Deloitte will bring their expertise to bear in this area. There is also to be an emphasis on as much peer-to-peer contact as is needed so that staff can understand and learn from the experience of other authorities. The Change Management Team will be confirmed and will cover Communication, Change Leadership, Organisational Development and Training.</p>
Loss of key staff prior to a decision on the master contract	Negotiations with both the Programme Manager and Deloitte are ongoing to secure key team members are available to re-engage with the programme.

Alternative Options

Adoption of the alternative technology platform is likely to result in an estimated 5-15% reduction in benefits. Experience, and assessments carried out by the programme team and validated by CAPITA, had shown that those local authorities, central government or private sector organisations who had been most successful at driving out efficiencies had all done so through the use of technologies similar to those offered by SAP.

Consultees

CAPITA

Appendices

Appendix 1 Herefordshire Connects Programme: Technical Appraisal.

HEREFORDSHIRE CONNECTS PROGRAMME

TECHNICAL APPRAISAL

REPORT BY: PROGRAMME MANAGER

REPORT TO: PROGRAMME BOARD

24TH SEPTEMBER, 2007

Purpose

This report has been written for the Programme Board on the work undertaken to consider whether the Council's existing solutions could be used to enable the Herefordshire Connects Programme. This has been considered primarily to understand whether this option could alleviate some of the cost pressures on the Programme. The remit was to provide a technical appraisal as to whether existing solutions will provide the functionality requirements **and** deliver the benefits required.

1. Introduction

As explained in the previous paper to the Members Reference Group on 18th July 2007, in order to consider ways of reducing the overall Programme cost base, this report is a technical appraisal of the Council's existing solutions Cedar (sometimes called COA), the current corporate finance system, and Selima, the current Payroll system.

Two options have been considered. Firstly, using an upgraded version of Cedar for finance & procurement and HR & Payroll and secondly using an upgraded version of Cedar for Finance & Procurement and an upgraded Selima for HR & Payroll.

2. Process

The Process adopted was as follows:

- Cedar were invited to discuss the Programme requirements with the Council and then to provide a high level presentation;
- The technical requirements that were completed by the bidders for the Programme were then completed by Cedar. Some additional questions were asked, based on discussions with HR and ICT;
- HR and Payroll requirements were also sent out to Selima who responded with their capabilities. In addition
- both HR and Payroll and ICT have provided a written appraisal of this option; and
- Capita provided advice by way of two reports on the options.

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550

3. Feedback from High level presentation from Cedar:

This presentation was given to a small team from the Council. The team included Deloitte, Capita and colleagues from ICT and the Resources directorate.

The main conclusions from this are as follows:

- a ringing endorsement of Cedar's finance functionality, in particular around budget planning and control
- sound functionality in the Cedar procurement offering, but gaps around Request for Quote and tendering and strategic sourcing (this will impact benefits delivery); and
- concern around the lack of other Councils using the full Cedar ERP suite, in particular HR & Payroll, and the lack of integration between the finance and payroll modules.

4. Response to Technical Requirements

The results of the technical comparison based upon Cedar's responses to the technical requirements are shown in Appendix A.

Cedar can cover the majority of the functionality with the exceptions of:

- User Authentication and Access Control
- Case Management
- Programme and Project Management
- Knowledge and Information Base
- SLA Management
- Diary Management/Booking Appointments
- Flexible Working

The solution also scores significantly lower than SAP on:

- Human Resources
- Recruitment
- Training and e-Learning
- Asset Management
- EDRMS/ESCR/One Client One Record

5. Benefits

The Council asked one of its advisors, Capita to verify the initial assessment of the impact of this option on both the overall benefits case and the Programme as a whole.

In their reports, Capita draw attention to the following points:

- *“Change projects require a powerful vision and a sense of urgency to deliver real benefits, implementing a **new software solution** signals a real commitment to change”*
- *“In addition, Cedar does not provide much of the functionality in the existing SAP Plant Maintenance solution deployed in ICT. It may be necessary to run both Cedar and SAP.”*
- Capita also highlight the lack of a ‘single update’ functionality will potentially compromise benefit realisation. The report states, *“Questions about the links between the approval and spend limit matrix in Cedar and the HR organisation as held in the HR module suggested that a single update across modules was not possible. **The ability to update once across the system is one of the stated aims of the project to release benefits in HR by reducing management of leavers, joiners and employee role changes. SAP offers more enterprise wide management functionality.”***
- *Capita also advise that some of the projected benefits may be affected “**Current sense is that Cedar will enable a part of the FTE savings**”.*

By using Cedar, Capita have highlighted the likelihood for some reduction in the benefits realised. This will be in the areas of procurement, HR and enterprise wide functionality as Cedar appears weaker in these areas.

Work done by the Core team has come to the same conclusions.

It is estimated that this reduction in benefits will be between 5% and 15% of those targeted. This would result in an estimated reduction in savings of between £400,000 and £1,200,000 per annum.

6. Costs

Although this report is fundamentally about a technical review and benefits assessment of an alternative technical option for Herefordshire Connects the reason for considering the option is mainly driven by cost considerations. It is therefore useful to have some indication of the scale of any potential cost saving.

Appendix B shows a set of indicative estimates for the Cedar/Selima option compared to the proposed SAP solution. It must be recognised that these are indicative estimates to give an approximate scale to enable decision making and are not as robust as the costs the Council now has for the SAP solution. The implementation effort (and therefore the cost) required for the implementation of SAP has been developed and refined over the past three months, by a combined team of Herefordshire Council, Deloitte, IBM and Epi-Use staff. This has been ratified by Capita.

This has led to a high-level of clarity regarding the scope of the solution and the resourcing levels required from both the Council and its partners. This estimation has included not only the technical configuration staff, but also effort required to design the new organisation and support the transformation of the Council.

7. Other Considerations

As well as the technical assessment and consideration of the benefits and costs outlined above there are three other factors that merit consideration:

(1) Advice from ICT:

The overall support model for the Cedar/Selima will require a number of systems being supported by individuals skilled in different technologies. Attracting skilled resource is a real challenge to ICT. It is thought the support team will be about 20 staff (3-5 per application) as opposed to the projected SAP support model which has 14 staff.

Cabinet recently approved the ICT Strategy. The ICT Strategy will need to be re-written as it was developed on the basis of a single ERP solution. A multiple-system landscape with interfaces will require a revised ICT Strategy.

There is also an increase in the Disaster Recovery costs and the time-to-recovery would be longer and more tortuous than a single system. The impact of running both SAP and Cedar is also raised as a concern.

(2) Public Services Trust:

In addition the Council may wish to consider the impact of such an approach to future PST requirements. It is likely that it will be harder to integrate into multiple systems rather than one, for example, in terms of back office functionality.

(3) Future proofing

The ambitions of the Programme, as with all transformation programmes, are high. The next phase of the Connects was planned to include delivery of, for instance, remote, real time technology to front line staff. SAP has a proven record of this in local government both here and abroad. SAP has proven to provide more opportunity for the ambitions of the Programme to be fulfilled going forward.

(4) Risks:

1. Continuing indecision on the technology choice will lead to a further delay in savings being generated. This will also lead to an increase in costs. Already a 150k discount with our hardware supplier, Dell, has been lost. By delaying this decision the Social Solution will be at greater risk if it is to be implemented by next summer. It is worth noting that the Programme started in August 2005.
2. Programme costs escalate since in effect the Programme design work will have to be delayed until a full evaluation is completed. In addition time-scales will be slipped. A full scale evaluation will require site visits, scenario demonstrations, an assessment panel to be drawn from across the Council (51 staff were used last time) and the process to be fully audited. In addition the Council will need to enter into negotiations with Cedar and Selima.
3. On this note, the Council will need to run an additional six or seven technology solution selections. This will need to be in each of the areas where Cedar cannot meet the functionality e.g. Project Management Software, in order to select a suitable alternative. Deloitte will also need to be satisfied so that they can underwrite each selection. The current Social Care selection has taken three months.

4. Cedar has not been able to provide a local government customer that has implemented their complete ERP (Smart Business) suite. The Council would therefore be one of the first to do so. The risks associated with being an early adopter of the SAP Social Care solution was cited as one of the reasons for looking for an alternative solution to meet the Social Care requirements.
5. It has also not been possible to establish why there is a lack of councils that use their Payroll and HR modules.
6. There is lack of process blue print that can be used since there are few integrated Finance/Procurement/HR/Payroll shared service centre models (such as Surrey). There is a risk therefore, that processes will be new and un-tested. In addition costs may escalate as design will have to start from scratch.
7. There is a further risk in terms of performance management since data will need to be built from multiple systems.
8. The Cedar to SAP interface, required for CRM, is untested.
9. Deloitte would need to underwrite this option or the Council will end up needing to start a new procurement. Another risk is that Deloitte may pass some of the risk of Programme delivery back on to the Council since their recommendation for the technology base was not accepted by the Council. This may lead to a change in the terms of the yet to be signed master agreement.
10. There is also a risk that during a full assessment the evaluation scores are less for Cedar than the scores achieved by SAP. In addition customer site visits may not be favourable, given the lack of comparable local government sites.

8. Conclusions and Recommendations

There is little doubt that by changing the technology base from SAP to Cedar the Council will save at least 400k over five years. This is equivalent to £80k per annum over 5 years. This may alleviate some of the cost pressures on the Programme. It is important to note that it is the over the next two financial years that the Council faces cost pressures in relation to the Programme. Beyond that, the Programme will become self-financing. So it is the 80k per annum over the first two years which is of most benefit to the Council.

It is clear that this cost saving needs to be considered in terms of a reduction in benefits and the increased risk of failure.

As Capita have stated in their conclusion, **“Change projects require a powerful vision and a sense of urgency to deliver real benefits, implementing a new software solution signals a real commitment to change. The evaluation of proposals driven by initial price rather than long term value for money (benefits realisation) is highlighted by the IDEA as a reason for projects failing to deliver the promised benefits”**

As highlighted above, the initial work by both the Core Team and Capita has suggested that some benefits may be adversely affected. This has suggested the loss could be between £400k to £1200k per year. This loss of benefits significantly outweighs the reduction in costs.

Even if this level is acceptable to the Council, it would end up with a more complex systems landscape with multiple systems. This is what it has at the moment and is trying to move away from. This has been a fundamental axiom of the Connects Programme.

Programme momentum would be lost and the broader transformation agenda is less likely to be achieved. There is increased risk of failure in the Authority deciding to be the one of the first major transformation programmes in local government to select Cedar and Selima as the enabling technologies.

It would also require postponing large parts of the current programme as they move to build stage and in effect the re-running of the technology aspects of the Herefordshire Connects procurement in order for the Council to satisfy itself fully that indeed Cedar [and Selima] can meet our transformational requirements. This in itself will divert Programme resource and inevitably impact costs and target time-scales.

Once again, it is important to ensure that in any option, the ambition remains to transform the Council, not simply upgrade existing software.

Referring back to the original remit for this report, Cedar can not provide the same level of functionality and there is going to be a reduction in the level of benefit savings.

It is recommended, therefore, that the Herefordshire Connects Programme retains SAP as the technology base.

Appendix A: High Level Technical Comparison

<u>Doc ref</u>	<u>Heading</u>	<u>CEDAR</u>	<u>SAP</u>
2.1	Customer Access Channels	Y	Y
2.2	External Access	Y	Y
2.3	Usability	Y	Y
2.4	System Administration	Y	Y
2.5	User Authentication and Access control	N	Y
2.6	Case Management	N	Y
2.7	Programme and Project Management	N	Y
2.8	Workflow capabilities	Y	Y
2.9	Knowledge and Information Base	N	Y
2.10	Management Information and Reporting Capabilities	Y	Y
2.11	Service Level Agreements Management (internal)	N	Y
2.12	Production of Documents	Y	Y
2.13	Audit trail	Y	Y
2.14	Authentication Protocols	N	N
2.15	Diary Management / Booking Appointments	N	Y
2.16	Route Planning	N	N
	AREA SPECIFIC		
3.1	Performance Management	Y	Y
3.2	Human Resources	70%	95%
3.3	Recruitment	50%	95%
3.4	Integrated Training and E-Learning	75%	90%
3.5	Integrated Financial Management	Y	Y
3.5.1	General ledger	Y	Y
3.6	Payroll	Y	Y
3.7	Procurement	Y	Y
3.8	Asset Management	40%	90%
3.9	EDRMS / ESCR / One Client, One Record	66%	100%
3.10	Schools Management	N	N
3.11	Flexible Working, Home Working & Smarter Working	N	Y
4	Compliance Requirements	Y	Y
4.2	E-Government Requirements	Y	Y
5	Technical Vendor Criteria		
5.1	Solution Architecture Requirements	Y	Y
5.2	Scalability and Disaster Recovery	Y	Y
5.3	Security	Y	Y
5.4	Technical – Platforms	Y	Y
6	Integration Issues	Y	Y
6.2	Methods of Integration / Interfacing	Y	Y
6.3	Integration to future systems	Y	Y

Appendix B

Cost Items/Comparisons	Costs (£000k) Cedar/Selima	Costs (£000k) SAP	Cedar/Selima FT	SAP FTE
Hardware				
		20		
Software				
ERP		1,100		
Asset Management	400			
Case Management	60			
Programme and Project Management	50			
Knowledge and Information Base	75			
Service Level Agreement Management	30			
Service Management / Works Ordering Package	40			
	50			
Implementation Costs				
Asset Management	838	1,500		
Additional Specific Costs				
Permanent Interfaces	275	91		
TOTAL ONE OFF COSTS	1818	2711		
RECURRING COSTS				
Ongoing Support Costs (per annum)				
Internal ICT – Technical Services FTE	150	150	5	5
Internal ICT - Applications Support FTE	630	490	18	14
Ongoing Maintenance (per annum)				
Software Maintenance	134	175		
TOTAL RECURRING COSTS (Per Annum)	914	815		
TOTAL FIVE YEAR COST	6388	6786		
Cost Differential		-398		

Symology Ltd
Singularity; DPS Software
Microsoft Corporate Project Solutions
ICT
Singularity
ICT Helpdesk - AXIOIS; Fusion

200k for Selima; 490 days for Cedar; (1200 days for IBM/EPIUSE)
200k for Case Mgt, MCPS; Asset Mgt, Service Mgt, Know
SLA

FINANCIAL CONTROL OF CAPITAL SCHEMES IN PROPERTY SERVICES

Report By: DIRECTOR OF RESOURCES

Wards Affected

County-wide

Purpose

To advise Members of the financial planning and controls used in the monitoring of Capital schemes.

Financial Implications

As detailed in the report.

Background

1. Following concerns expressed by Members on the financial position of a number of capital schemes a paper was requested on how the financial aspects of a contract are prepared and monitored.
2. The process is noted in the next section.

Considerations

1. Projects are prepared in accordance with the Royal Institute of British Architects (RIBA) stages of engagement for the larger schemes and the Royal Institute of Chartered Surveyors (RICS) stages of engagement for the smaller projects.
2. The initial costing is prepared after a brief of the client's requirements has been established. At this stage often the actual site is not known so the cost is based purely on the gross floor area of the proposed building with additions for site works and fees. The rate allowed per m² is from one of the national cost data organisations that monitor average costs of projects e.g. Building Cost Information Service.
3. As the client's brief is developed in more detail using techniques, such as room data sheets, additional cost plans are prepared. This is often still on a floor area basis but with specific additions for design features required.
4. Once an actual site has been identified a more realistic cost plan can be prepared. This will take into account the site abnormalities such as pile foundations, site services or specific landscaping requirements of the planning officer.

Further information on the subject of this report is available from Colin S Birks, Property Services Manager
(01432 261980) csbirks@herefordshire.gov.uk

5. Once the detailed design has been prepared an elemental cost plan is produced. This costs the project in terms of the principal elements of the building i.e. roof, walls, flooring, etc. and provides a more accurate cost plan for the development.
6. Where unknown costs are included such as connection of statutory services like drainage, electrics and gas, provisional costs and contingencies are included, which are a professional estimate of known works that cannot be clearly defined, detailed or described.
7. For a traditionally procured scheme the project team will then prepare the working details for the project (and either a Bill of Quantities or a specification, depending on the type of work). For a design and build project outline performance requirements are prepared.
8. A detailed project cost is then prepared prior to inviting tenders, usually on an elemental basis.
9. Tenders are sought from a selected list of contractors and once received and opened these are compared against the detailed project cost. Checks are made for arithmetical and technical errors.
10. A tender report is prepared and submitted to the client Directorate for approval or a recommendation is made not to proceed, if it does not represent value for money.
11. Once the contract has been placed, costs are monitored on a monthly basis when interim valuations for payments are made. This involves the contractor's Quantity Surveyor and the Council's Quantity Surveyor (or representative) measuring work on site and agreeing a valuation which would then have a retention of normally 5% omitted from it. The Council's Quantity Surveyor will indicate each month an anticipated final contract figure depending on problems encountered and variation to the work. (It should be noted that this post is currently vacant and being advertised. The work is currently being undertaken by the Property Operations Manager.)
12. When the project reaches a stage known as practical completion both Quantity Surveyors (detailed in 11 above) would prepare a draft final account. At this stage once the Architect/Surveyor has issued the practical completion certificate giving the client Directorate access to the building the retention amount is reduced, normally from 5% to 2.5% (it does vary depending on type of contract).
13. This retention amount is then held for 12 months for what is known as a defects liability period. At the end of this period a completion certificate is issued and the retention is released providing the contractor has completed what are known as 'snagging items'.
14. At the final account stage omissions and additions are audited to ensure each has an audit trail. If the contract has a Liquidated and Ascertainable Damages clause (where the client Directorate has suffered loss because the project was not completed on time), these are deducted at this stage.

15. On selected contracts an external audit on the final account is undertaken.

Performance Against Funding

16. The attached Appendix outlines the performance of the capital programme against funding over financial years 2004/05, 2005/06 and 2006/07.

17. The following table summarises the year end position for each of the these financial years against the original budget:

Financial Year	Original Budget £000	Outturn £000	Underspend £000
2006/07	58,977	39,542	19,435
2005/06	37,131	31,845	5,286
2004/05	40,100	33,198	6,902

18. This indicates that over the three years there has been a pattern of underspending against capital budget varying from £19.435m in 2006/07 to £5.286m in 2005/06. In percentage terms this was a 33% underspend in 2006/07 and 14% in 2005/06.

19. The appendix also highlights individual schemes where a 10% variation (and a minimum £250k variation) occurred when compared with the original funding.

20. The reasons for the variances range from the slippage in corporate projects against original timetables (Herefordshire Connects being one such example) to delays in specific individual projects such as the Hereford Crematorium. The latter was caused by issues around land purchase.

21. In some cases the capital programme is affected by the allocation of grants part way through the year. These additional resources represent additional funding and end up as an underspend because the expenditure cannot be made in the year in which the grant is received. In these cases the grant is carried forward.

RECOMMENDATION

THAT the contents of this report be noted

BACKGROUND PAPERS

- Summary paper on specific contracts

SUMMARY – SPECIFIC CONTRACTS - COMPLETED SCHEMES

SCHEME	TENDER FIGURE	FINAL ACCOUNT FIGURE	NOTES
note – costs exclude fees, furniture and IT works D = Draft F = Final Account A = Actual			
North Herefordshire Pool	£2,114,482.51	£2,234,600.00	(D) Project Board and Cabinet Member notified and additional funding identified for remedial works to spring on site
John Kyrle High School Sixth Form block	£449,794.00	£409,715.33	(A)
John Masefeld High School Sixth Form Block	£738,992.00	£738,774.61	(A)
Leominster SureStart	£873,837.00	£900,000.00	(D) Additional work requested and funded during project
Hinton Community Centre	£398,602.00	£372,087.55	(D)
Greencroft Early Years Centre	£667,170.85	£647,364.34	(A)
Fairfield High School CDT Block	£578,829.00	£590,000.00	(A) Additional works funded by the school
Weobley High School Sports Hall	£1,406,725.34	£1,413,372.50	(D) Despite extensive site investigations areas of poor ground bearing capacity identified during foundation construction. Children's Services advised of additional costs as a result
St Mary's RC High School Sports Hall	£798,186.00	£769,304.00	(D)
Kingstone High School Sports Hall	£1,211,991.98	£1,216,041.98	(D) Final account figure expected to be below Tender figure
Hope Family Centre Bromyard	£579,989.00	£500,609.62	(F)

SCHEMES IN PROGRESS

SCHEME	ALLOCATION	TENDER	TOTAL SAVINGS	SHORTFALL	NOTES
Sutton Primary School	£2,029,000	£2,706,114	£277,780	£399,333	Reasons for difference in cost 1) No inflation allowed on original budget 2) Changes in legislation 3) Site abnormalities eg: sewage pumps
Riverside Primary School	£6,670,496	£8,413,888	—————	£1,743,392	Reasons for difference in cost 1) Requirement for temporary accommodation 2) Site contamination 3) Changes in legislation 4) Increase in floor area

Individual scheme changes > 10% & > £250k

2006/07 Original £'000	2006/07 Outturn £'000	2006/07 Change £'000	Reason
-	264	264	New capital grant funded budget allocated in year
			Moved to Adult and Community Service Directorate affordable housing
			LPSA2 GSCE Target
300	-	(300)	budget
2,542	1,525	(1,017)	Anticipated costs in 2006-07 carried forward to 2007-08
1,738	297	(1,441)	Anticipated costs in 2006-07 carried forward to 2007-09
-	292	292	New capital grant funded budget allocated in year
118	2,076	1,958	New capital receipt funded capital budget required to release restrictive covenant to be able to sell site
1,225	1,503	278	Partly anticipated costs in 2005-06 carried forward to 2006-07, part additional costs incurred
-	1,261	1,261	New capital grant funded budget allocated in year under Edgar St Grid
-	267	267	New capital receipts reserve funded budget re corporate accommodation
500	1,083	583	Increase due to additional prudential borrowing funding awarded following report to Cabinet in April 2006
500	2,069	1,569	Capital grant funded increase following award of contract
1,728	2,103	375	Redistribution of LTP funding between schemes
900	607	(293)	Redistribution of LTP funding between schemes
1,047	92	(955)	Prudential Borrowing scheme slippage into 2007/08
500	48	(452)	Prudential Borrowing scheme slippage into 2007/09
1,878	549	(1,329)	Prudential Borrowing scheme slippage into 2007/09
1,850	1,346	(504)	Prudential Borrowing scheme slippage into 2007/10
3,500	2,119	(1,381)	Various capital receipt reserve funded schemes slippage and changes
2,640	5,280	2,640	Capital grant funded scheme profiling following within one not two financial years, due to late start on site
2005/06 Original £'000	2005/06 Outturn £'000	2005/06 Change £'000	Reason

1,200	Nds Condition Property NDS Condition 2001/2	1,591	391	Use of DfES funding
1,645	Other Schemes	-	(1,645)	Funding allocated by DfES
-	Leominster Family Centre	807	807	New capital grant funded budget allocated in year
-	Mini Sure Start	327	327	New capital grant funded budget allocated in year
175	Temporary Classrooms	595	420	Use of DfES funding
675	Weobley High School	285	(390)	Slippage into 2006/07
-	E Learning Credits	336	336	New capital grant funded budget allocated in year
950	ICT Golden Thread Network Enhancement	2,147	1,197	Part slippage brought forward part grant funding allocation
-	E Gateway	1,116	1,116	New capital grant funded budget allocated in year
376	To be allocated	-	(376)	Funding allocated by DCLG
2,010	Capitalised Maintenance of Principal Roads	897	(1,113)	Reduction in expenditure to repay overspend in previous year
2,950	Capitalised Maintenance of Non Principal Roads	4,005	1,055	Redistribution of LTP funding between schemes
390	Footways	680	290	Redistribution of LTP funding between schemes
1,417	Other LTP Progs 06/07 to be allocated	-	(1,417)	Redistribution of LTP funding between schemes
975	LTP Rotherwas Access Rd	366	(609)	Redistribution of LTP funding between schemes
508	LTP Roman Road	1,191	683	Redistribution of LTP funding between schemes
540	Crematorium Hereford	24	(516)	Slippage into 2006/07
2,000	City Centre Enhancements	-	(2,000)	Moved to Adult and Community Service Directorate
8,100	Affordable Housing Grants	2,710	(5,390)	Various capital receipt reserve funded schemes slippage & changes plus capital grant funded scheme slippage
645	Swimming Pool North Herefordshire	995	350	Part re-profiling part capital receipt reserve funded remedial works
535	Kington Library	176	(359)	Slippage in 2006/07
2004/05		2004/05	2004/05	Reason
Original		Outturn	Change	
£'000		£'000	£'000	
-	Site Acquisition	601	601	Use of DfES funding
1,084	Kingstone High Sports Hall	118	(966)	Slippage capital grant funded capital scheme
175	Temporary Classrooms	430	255	Use of DfES funding
810	Fairfield High School	199	(611)	Slippage into 2005/06
1,480	Weobley High School	667	(813)	Slippage capital grant funded capital scheme
-	E Learning Credits	346	346	New capital grant funded budget allocated in year
722	Other Schemes	-	(722)	Funding allocated by DfES
-	Community Equipment	319	319	Part prudential borrowing late allocation & capitalisation of costs
-	Purchase of Property	1,989	1,989	New capital grant funded budget allocated in year under Edgar St Grid

375 The Homelands @ Nordan	53	(322)	Scope of projected work altered New capital grant & capital receipt reserve funded budget allocated in
- Revenues & Benefits	692	692	year
- E Gateway phase	973	973	New capital grant funded budget allocated in year
3,100 LTP Roman Road	3,835	735	Overspend, reduced 2006/07 programme to compensate
3,522 Capitalised Maintenance of Principal Roads	3,943	421	Redistribution of LTP funding between schemes
774 Urban Bus Challenge WyeSmoves	-	(774)	Redistribution of LTP funding between schemes
1,800 Replacement Swimming Pool Nth Hfd	1,285	(515)	Slippage into 2005/06
			Part grant funding part overspend funded through capital receipts
1,879 Leominster Ind Access Rd	2,839	960	reserve
1,913 Match Funding Rotherwas	-	(1,913)	Slippage awaiting external funding confirmation
400 Rent allow Capitalisation	-	(400)	Anticipated capital receipt funded spend not required following LSVT
3,100 Affordable Housing Grants	1,158	(1,942)	Various capital receipt reserve funded schemes slippage and changes

Summary for Financial Year

Capital Programme by Directorate Area	2006/07 Original £'000	2006/07 Outturn £'000
Children & Young People's Services	8,048	9,008
Resources	520	2,369
Corporate and Customer Services	1,760	2,401
Environment Services	12,554	13,197
Adult and Community Services	14,133	12,567
Total	37,015	39,542

Capital Expenditure by Directorate Area	2005/06 Original £'000	2005/06 Outturn £'000
Children's Services	6,655	7,907
Resources	350	662
Corporate & Customer Services	2,576	4,623
Environment Services	13,424	10,288
Adult & Community Services	14,126	8,365

Total	37,131	31,845
Capital Programme Area	2004/05 Original	2004/05 Outturn
	£'000	£'000
Education	7,014	5,746
Social Care	132	722
P&F – Property	402	2,568
P&F – General	25	941
ICT Services	127	1,919
Environment General	11,846	12,994
Social Development	2,467	2,209
Economic Development	4,092	3,001
Strategic Housing	10,795	3,098
Prudential Borrowing	3,200	-
Outturn	40,100	33,198

PRINCIPLES TO GUIDE THE PROVISION OF EDUCATION IN HEREFORDSHIRE IN THE 21ST CENTURY

**Report By: Head of Commissioning and Improvement –
Schools and Services**

Wards Affected

County-wide

Purpose

1. To consider a statement of principles to guide work, set standards, underpin values and inform the future organisation of schools.

Financial Implications

2. Not applicable.

Background

3. The report considered by the Children's Services Scrutiny Committee on 5 October 2007 is appended. The Committee noted the report but did comment on the need for adequate resources to be allocated to complete the review as promptly as possible to avoid prolonging uncertainty. The need to consider the distance primary school pupils travelled to school was also mentioned. The Committee is scheduled to receive updates as the matter progresses.

RECOMMENDATION

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

BACKGROUND PAPERS

- None

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

PRINCIPLES TO GUIDE THE PROVISION OF EDUCATION IN HEREFORDSHIRE IN THE 21st CENTURY

Introduction

Herefordshire Council is committed to working in partnership with schools, settings, colleges and their stakeholders together with other partners to meet the wider Every Child Matters agenda and the requirements of the Children's Act. We act to ensure that the education system is fit for purpose to sustain improvement in the years ahead, and is able to meet the changes and challenges to come.

We affirm this Statement of Principles to guide our work, set our standards, underpin our values and inform the future organisation of schools to enable us with partners to give the best opportunities and the best outcomes for all learners. Our aims for all our children and young people are:

- that they all can have the best start and maximise progress in their education;
- that through their learning and entitlement they can develop all their abilities and talents to achieve the highest standards
- that through high quality provision and support they can realise the highest aspiration and expectations for their benefit and that of the whole community
- that such a sound foundation will prepare them for a positive and fulfilling adult life as citizens living in a global context.

To deliver this vision, resources will have to be used to maximum effect. The provision of school places and school organisation are major determinants in how resources are allocated and expended. The aim is to see agreement on the principles on which we want to base educational provision, and then in the review of school provision proposals which will deliver the vision. Decisions taken now will shape provision over the next 20-30 years.

In developing the Statement of Principles we have taken account of the vision, ambitions and local priorities set out in the

- Herefordshire Partnership Plan,
- The Children and Young People's Plan,
- The Education Asset Management Plan,
- The 14-19 Learning Entitlement for Young People.

There is a common cause to build an equal and inclusive society; realise the potential of individuals and communities, seek continual improvement and provide excellent education, training and learning opportunities in Herefordshire for all ages.

STATEMENT OF PRINCIPLES

1. The Best for All of Herefordshire's Children and Young People

We place the child/young person, his/her needs and the development of his/her potential, at the centre of all we do. We base our strategies and decisions on what will benefit the education and welfare of all of Herefordshire's children and young people.

In line with the holistic approach under Every Child Matters, we believe that, with consistent nurture, support and encouragement from their schools, peers, family and community, our children/young people can succeed in their learning and grow into mature, healthy, well-rounded individuals who contribute positively to society.

We seek the greater involvement of children and young people, individually and collectively, in the development of their learning and self-esteem by taking account of learner voice, opinions and assessments in a variety of forms. We value their contribution to developing provision and appropriate educational pathways.

Practical Steps

- Schools will be encouraged to develop extended services for children and families,
- The role of schools in providing co-located bases for multi-professional teams delivering services across the 5 outcomes will be considered in the development of integrated services,
- The Shadow Partnership Board and Youth Council will be consulted as part of the current school review,
- The statutory requirement to review any school placed in a negative Ofsted Category will be pursued more robustly.

2. Equity:

We believe that all children and young people should be equally valued and should have a common entitlement in their school, settings and in the community educational partnerships. We believe that educational strength, expertise and experience should be shared for the benefit of all, and the enterprise and innovative capacity of individual schools must contribute to the collective resources in the county.

In an era of diversity, specialism and declining numbers, parental preference can best be addressed within a county-wide strategic framework, which ensures a high quality of basic entitlement for all, supplemented by enrichment opportunities available through collaborative working between schools and other providers.

Practical Steps

In order to achieve the aims of equity and excellence for all in the context of limited financial resources and falling rolls,

- We acknowledge the need to refine the funding mechanisms for schools to establish greater parity and opportunities in the overall provision.

- We will encourage and facilitate networking and opportunities for collaboration
- Our schools must be inclusive with appropriate access to the curriculum for all
- Schools need to be supported in developing skills to meet the full range of pupil needs, carefully monitoring outcomes and targeting resources to greatest effect.

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3. Partnership:

Together with other agencies, we aim to positively embrace the Children Act 2004 in supporting and strengthening our beliefs and strategies. We believe in open and constructive partnership working with and between schools, key agencies and parents/carers to ensure we deliver a first class education service that meets the needs of each pupil. Indeed in a period of falling rolls, partnership working between schools is likely to be the only way in which some specific needs of individual learner can be met.

Practical Steps

To achieve better outcomes for our children and young people, we will work together with partners to create new structures or arrangements in the development of a flexible learning organisation that can successfully face new challenges as they emerge. At present, this includes a review of the role of the school in delivering the Foundation Stage to children under 5, and the work within the 14-19 Strategy to develop individualised/personalised curriculum for all pupils.

4. Diversity:

We recognise the benefits of furthering diversity in countywide provision in pursuit of equity, inclusion, improvement and innovation.

Practical Steps

The local authority will consider action which will

- select from the range of national initiatives (and where appropriate adapting them to local circumstances), to support the transformation of primary and secondary schools to sustain a first class service.
- endorse and promote new arrangements in school organisation such as co-locations and amalgamations of infant and junior or primary and secondary schools, mergers and federations where these are the most appropriate means of securing improved standards and services in the locality.
- encourage community focused schools working in clusters or networks to provide local access to high quality education for children of all ages and adults and access to other services such as Health where that is appropriate.
- achieve co-located provision with other agencies on schools sites to further the effective delivery of the ECM agenda through the aligned development of children's centres and extended services,
- consider different legal status for schools, where this is judged to bring significant benefit to children and young people.

5. Leadership:

Strong leadership from the local authority, headteachers and schools governing bodies is essential to meet the evolving agenda and to manage the changes. We recognise the strength of leaders in Herefordshire and will continue to support and challenge them to ensure a high quality experience of learners through a period of change.

Practical Steps

We will work in partnership with headteachers and governors to create:

- a unity amongst leading professionals built upon common values and principles;
- a passion for excellence;
- a commitment to working collaboratively with many partners for the benefit of Herefordshire learners;
- a commitment to each other to support, to challenge and to lead
- a willingness to consider the development of new ways to disseminate best practice and generate new approaches to the improvement of the service.
- with the cooperation of Governing Bodies, internal arrangements which allow headteachers at least 50% non-teaching time.
- the opportunities to consider different models of school leadership through, for example, federated schools.

6. Additional Needs:

We believe in equal opportunities and in positive, active intervention for children with additional needs and those who are vulnerable.

Practical Steps

We aim to ensure that:

- the needs of these children and young people are identified at an early stage so that the school and, where necessary, specialist staff can intervene speedily and appropriately with greater emphasis on in-school provision;
- a continuum of provision is developed which has greater flexibility to ensure access to the best outcomes for an individual as no single school or setting can meet all needs at all times;
- there is appropriate transition or transfer arrangements for pupils between school and specialist settings, which include short-term intervention or part time placements, and flexibility between sectors;
- the provision of a broad, personalised curriculum presented in an innovative, vibrant, exciting and challenging way. This will offer, particularly at KS3 and KS4, a diverse menu of alternative curriculum pathways to reduce the incidence of exclusion;

- those pupils who have become disaffected or have been excluded must be encouraged and supported to re-engage in their education within their own school or at another local school as quickly as possible so that they have the maximum chance of success;
- Herefordshire's specialist provision is developed so that only a few cases with the most complex low incidence need will have to go outside our boundaries.

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7. Resources:

We recognise that a high quality of teaching and learning exists in Herefordshire schools. However, we also acknowledge the need for schools to be fully fit for purpose for the twenty-first century challenges, and to be appropriately resourced in terms of finance, staffing, materials, equipment and accommodation.

Practical Steps

In order to achieve this

- the LMS Scheme will be reviewed to reduce the resources allocated under non-pupil factors e.g. floor area
- school organisation will be examined to reduce the percentage of budget spent on non-teaching costs
- e-learning opportunities will be advanced through ICT systems and infrastructures.
- capital investment will be made, as resources allow, to ensure that buildings and facilities support the full participation of children and adults in curricular and extra-curricular activities.
- resources will be focused on those areas which have greatest impact on teaching and learning, through both changes in school organisation and in the LMS Scheme,
- schools will be supported in developing and sustaining partnerships to improve local access to specialist staff, resources and services which can be better provided collaboratively than individually.
- training programmes will be provided to ensure that all staff have access to high quality training and development to maintain and improve standards and to demonstrate and disseminate best practice.

8. A Community of Schools:

We are committed to maintaining a community of schools in Herefordshire that primarily serve their local area but may also allow for parental preference, accessing the curriculum and extended services on a strategic countywide basis. In maintaining this commitment to quality and excellence in a time of falling rolls and increasing demands, we recognise that we cannot compromise on quality in times of scarcity.

Practical Steps

- We will endeavour to restrict pupil travel time to schools so that no child or young person, unless by choice, has to travel more than 45 minutes to school
- We will continue to apply the Best Value Performance Indicator which identifies those schools with more than 25% surplus spaces (and at least 30 places). This will be used to inform the school review process

NEXT STEPS AND SOME EARLY CONSIDERATIONS

Comments are sought on these principles. Once agreed, by the Council the ability of current provision to deliver the vision at a time of falling rolls will be assessed. The traditional model that schools educate children between the ages of 5 – 16, with some to 18 between 9.00 and 3.30 on 190 days in a year, following a standard curriculum is rapidly changing to reflect the national transformational agenda. At this stage it is envisaged that schools in the future will offer more flexible services with schools offering places or provision for children and young people of all ages as well as adults in the local community.

Possible ways forward include

1. more diverse provision in terms of status of school (aided, trust, academy, federated) and age-range. This will be supported where it can be reasonably demonstrated that standards of teaching and learning will improve, or that resources can be used more effectively;
2. in the primary sector all schools will be expected to have at least 3.5 F.T.E. teachers, including a headteacher with no more than 0.5 teaching workload. (This would require all schools to have at least 55-60 pupils on roll);
3. in the secondary sector all schools must be able to demonstrate that they are able to offer either independently or working in partnership with another school, the learning entitlement for academic and vocational subjects
4. no Sixth Forms should be created with fewer than 120 students;
5. any school where the per pupil funding for children without SEN exceeds the DfCFS unit DSG funding (currently £3,400) will be subject to more detailed review;
6. school transport will be organised where practical, and where geography allows, to reduce the journey time for students to less than 45 minutes;
7. all accommodation used for the core teaching and learning will be in permanent accommodation, that meets the current standards expressed in DfCFS Building Bulletins. Future capital investment programmes of the Council should be formulated to make good those areas which are below standards;
8. parental choice will be supported through ensuring that there is diversity of provision, and that schools are provided in strategic locations throughout the County, (and not necessarily through expanding schools which only the more mobile parents can access).

Again comments are sought on these ideas. As part of the process to develop proposals for individual schools, the following information is being collected on the circumstances of each school;

- quality of education as assessed by Ofsted;
- funding level in terms of per pupil amount ;
- number of children under the age of 5 living in catchment area as at August 31st 2007 ;
- projection of future numbers of children on roll;
- current and future surplus space;
- distance to alternative schools;
- quality of accommodation;
- number of temporary classrooms;
- number of children on excessive journeys;
- volume of services offered to community under extended schools;
- potential for all through school or alternative organisation.

This will be used alongside other information which maybe brought to our attention to shape proposals that will emerge in the next stage.

WORK PROGRAMMES

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

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

Background

2. A report on the Scrutiny Committees' current work programmes will be made to each of the scheduled quarterly meetings of this Scrutiny Committee. Copies of the current work programmes are attached.
3. Should Members become aware of any issues they consider may be added to the scrutiny programme they should contact the Chairman to log the issue so that it may be taken into consideration when planning future agendas or when revising the work programme.

RECOMMENDATION

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

BACKGROUND PAPERS

- None

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

December 2007	
Items	<ul style="list-style-type: none"> • Budget • Performance Monitoring • Learning Disability Services Action Plan Update • Learning Disability Services – Tender for Support • Replacement of Widemarsh Workshops
Scrutiny Reviews	<ul style="list-style-type: none"> • Transition from leaving care to adult life (final report) • The modernisation of day opportunities for older people (progress report) •
	Potentially to be scheduled
Scrutiny Reviews	<ul style="list-style-type: none"> • The modernisation of day opportunities for older people (final report)
April 2008	
Items	<ul style="list-style-type: none"> • Budget • Performance Monitoring • Executive's Response to review of transition from leaving care to adult life • Adult Social Care Fairer Funding - update
Other issues	
Scrutiny Reviews	<ul style="list-style-type: none"> • Herefordshire Home Point Housing Allocations Policy
	<ul style="list-style-type: none"> • Home Care Services

Further additions to the work programme will be made as required

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

14th December 2007	
Officer Reports	<ul style="list-style-type: none"> • Presentation by Cabinet Member (Children's Services) • Annual Performance Assessment (APA) -update • Youth Service • Principles on future provision of School places – update. • Capital Budget Monitoring. • Revenue Budget Monitoring • Performance Digest • Committee Work Programme.
Scrutiny Reviews	
21st April 2008	
Officer Reports	<ul style="list-style-type: none"> • Principles on future provision of School places – update. • Capital Budget Monitoring. • Revenue Budget Monitoring • Performance Digest • Behaviour and Discipline Management in Herefordshire Schools – progress against the action plan. • Committee Work Programme.
Scrutiny Reviews	

The Chairman and Vice-Chairman are discussing with the Director of Children's Services possible future items on

- Extended Schools
- Early Years provision.
- School transport
- School meal provision.

The Director of Children's Services is discussing with the Chairman and Vice-Chairman the possible introduction of open seminars for Committee Members based on defined themes.

Note: the "Principles on future provision of School places issue is also listed for possible consideration by Strategic Monitoring Committee.

Community Services Scrutiny Committee – Work Programme 2007/08

December 2007	
Items	<ul style="list-style-type: none"> • Budget • Performance Monitoring • Review of Museums and Heritage Centres Group – Executive Response – Monitoring • Performance Monitoring • Executive’s Response to Review of the Courtyard Centre for the Arts • Report of recommendations of Ledbury Development Trust • Review of how to retain 18-35 yr olds in Herefordshire – Monitoring of Executive’s response • Monitoring of Cultural Services Inspection Action Plan • Review of Hereford City Partnership - Monitoring of Executive’s response • Rotherwas Futures • Herefordshire Community Safety and Drugs Partnership – action plan monitoring
Scrutiny Reviews	<ul style="list-style-type: none"> • To report the findings of Scrutiny Review of Tourism with specific reference to Tourist Information Centres
April 2008	
Items	<ul style="list-style-type: none"> • Budget • Performance Monitoring • Review of Tourism with specific reference to Tourist Information Centres – Executive’s response • Review of how to retain 18-35 yr olds in Herefordshire – Monitoring of Executive’s response • Review of Hereford City Partnership - Monitoring of Executive’s response • Edgar Street Grid
Scrutiny Reviews	<ul style="list-style-type: none"> • To report the findings of the Scrutiny Review of the Agreement with Halo Leisure Trust
Other issues	
	<ul style="list-style-type: none"> • Review of Herefordshire’s Future Economic Policy
	<ul style="list-style-type: none"> • Review of Community and Safety Drugs Partnership

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

ENVIRONMENT SCRUTINY COMMITTEE WORK PROGRAMME - AT OCTOBER 2007

Issues postponed from 24 Sept 2007 (meeting date to be arranged)	
Officer Reports	<ul style="list-style-type: none"> • Presentation by Cabinet Member (Highways and Transportation) • Presentation by Cabinet Member (Environment and Strategic Housing) • Capital Budget Monitoring • Revenue Budget Monitoring • Report on Performance Indicators • Committee Work Programme
Scrutiny Reviews	<ul style="list-style-type: none"> • Findings of the Scrutiny Review of Household Waste Recycling in Herefordshire • Findings of the Review of Travellers Policy
3 December 2007	
Officer Reports	<ul style="list-style-type: none"> • Good Environmental Management (GEM) • Strategy for the Conservation of Biodiversity. • Review of Polytunnels – Executive response to Scrutiny Review and Action Plan. • Capital Budget Monitoring • Revenue Budget Monitoring • Report on Performance Indicators • Committee Work Programme
Scrutiny Reviews	
February 2007 (proposed)	
Officer Reports	<ul style="list-style-type: none"> • Highway and Footway maintenance. Following consideration of the Herefordshire Satisfaction Survey and monitoring of Performance Indicators the Chairman and Vice-Chairman have identified this issue for further Committee consideration.
31 March 2007	
Officer Reports	<ul style="list-style-type: none"> • Review of Household Waste Recycling in Herefordshire: Executive Response to Scrutiny Review and Action Plan. • Review of Travellers Policy: Executive response to Scrutiny Review and Action Plan. • Capital Budget Monitoring • Revenue Budget Monitoring • Report on Performance Indicators • Committee Work Programme
Scrutiny Reviews	

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Since the Committee last considered its programme the following items have been noted for consideration:

- **Waste Strategy** - Strategic Monitoring Committee at their meeting on 17 September 2007 requested that the Committee look at the Waste Strategy by making a proactive and reactive contribution to the development of the Waste Strategy
- **Residential Parking Scheme** - Councillor Hubbard has requested that the Committee look at the residential parking scheme. A number of deficiencies in the scheme have been brought to his attention.
- **Parking Charges in Hereford City** - Councillor Hubbard has highlighted that there is to be a review of parking charges in Hereford City the outcome of which may put further pressure on the system.

Items for consideration as the programme is further developed:

- Scrutinising progress with the Local Transport Plan (LTP2) and any associated issues.
- The effect on Herefordshire of changes to the Single Farm Payments system (e.g. hedge cutting, drainage ditch clearance)
- Implications arising from the 'Better Regulation Agenda' (concerning regulatory inspections and enforcement – within the context of this Committee).
- Any specific issues arising from Council Strategies or Plans.
- Contribute to policy development of LTP3.
- Consideration of revised/reviewed Flood Defence Policy.
- Safety on the A49 and A465 trunk roads – the Director will update the Committee as appropriate.

Health Scrutiny Committee Work Programme 2007/08

To be Rescheduled	
	<ul style="list-style-type: none"> • Annual Report of Director of Public Health • Public Service Trust - Update • Commissioning of Provider Services • Update on response to Review of Communications, in particular by the Hospitals Trust • Update on the out of hours service having regard to the project being undertaken on unscheduled care. • Progress in developing a Memorandum of Understanding between the Council and the Health Protection Agency dealing with the protocols for tackling infectious diseases.
December 2007	
Items	<ul style="list-style-type: none"> • Plan Annual Health Check commentaries • Public Service Trust Update • NHS Local Delivery Plan Briefing • Update on Procurement Process For the Local Involvement Network (LINK) • Plan Annual Healthcheck Commentaries • Changes in the Management of Mental Health Services • Reconfiguration of Mental Health Services
Scrutiny Reviews	<ul style="list-style-type: none"> • Access to health 1) for ethnic minorities – Scoping Statement • Report on Elderly Falls Review
April 2008	
	<ul style="list-style-type: none"> • Finalise Annual Healthcheck Commentaries (including presentations from health bodies as necessary) • Public Service Trust Update • Update on Procurement Process For the Local Involvement Network (LINK)
Scrutiny Reviews	<ul style="list-style-type: none"> • Access to Health 2) Scoping Statement

Other issues

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

Proposal to look at the long-term implications for people in the county of having an inappropriate diet.

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Further additions to the work programme will be made as required

Strategic Monitoring Committee – Work Programme 2007/08

November 2007	
	<ul style="list-style-type: none"> • Integrated Performance Report • Draft Medium Term Financial Strategy • Electoral Registration Issues • Scrutiny Development Plan • Smallholdings Policy • Analysis of Complaints to the Ombudsman - Planning
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 • Accommodation Strategy • ICT Services Executive Action Plan – progress report • 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 • Progress Report on Strategic Service • 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. • 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. • Electoral Registration issues - polling station reviews • Scrutiny Process (suggestion from member of the public) • Definition of Senior Citizens (Request from member of the public) 	

Further additions to the work programme will be made as required

SCRUTINY ACTIVITY REPORT**Report By: Director of Corporate and Customer Services****Wards Affected**

County-wide

Purpose

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

Financial Implications

2. None

Background

3. This report summarises the matters considered by the Scrutiny Committees since the last report by this Committee to Council. It is intended to help keep Council aware of the work being undertaken.
4. The work of the Committees is analysed below in accordance with the following two roles for scrutiny based on a University of Birmingham categorisation.

Holding the Executive to Account	Developing Policy
Questioning members of the Executive	Pre-Decision Scrutiny – commenting on decisions about to be made
Call-ins – Scrutinising decisions before they take effect	Policy Reviews and Development
Scrutinising decisions after they are made	External Scrutiny
Management of Performance	Health Scrutiny
Ensuring Corporate Priorities are Met	
Budget Scrutiny	
Community and Area Scrutiny	

5. The business considered by the Scrutiny Committees is set out below. Each Scrutiny Committee has also considered and rolled forward its work programme.

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

Scrutiny Committee	Holding the Executive to Account	Developing Policy
Adult Social Care and Strategic Housing	Presentation by Cabinet Member (Social Care Adults and Health) Revenue Budget 2007/08 Performance monitoring Learning Disability Action Plan Executive Response to Recommendations on Homelessness	Review of Transition from Leaving Care to Adult Life (Joint with Children's Services) Presentation by Registered Social Landlords Adult Social Care Fairer Charging Review of the Modernisation of Day Opportunities for older people. Review of Herefordshire Home Point Housing Allocations Policy
Children's Services 25 September 2007 5 October 2007	Call-in of Cabinet Decision on WyeBridge Sports College: Academy Project Annual Performance Assessment Capital Budget Monitoring Report 2007/08 Revenue Budget monitoring Report 2007/08 Performance Digest Executive Response to Review of Behaviour and Discipline management in Herefordshire Schools	Review of Transition (see above) Principles on Future Provision of School Places
Community Services 8 October 2007	Presentation By Cabinet Member – Economic Development and Community Services Action plans in response to the Cultural Services inspection, Hereford City Partnership and the 18-35 Review Revenue Budget 2007/08 Performance Monitoring	Review of Agreement with HALO Leisure Trust Review of Tourism with specific reference to Tourist Information Centres Ledbury Tourist Information Centre

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

Scrutiny Committee	Holding the Executive to Account	Developing Policy
Environment 24 September 2007	Call-In Of Cabinet Decision On Rotherwas Archaeology: Options For The Preservation Of The Ribbon And Completion Of The Rotherwas Access Road	Review of Household Waste Recycling in Herefordshire Review of Travellers Policy
Health 14 August 2007 20 September 2007		Review of Multi-organisation patient pathways (focusing on elderly patients having unscheduled medical emergencies) Public Service Trust for Herefordshire West Midlands Ambulance Service NHS Trust – Foundation Trust Status Hereford Hospitals NHS Trust – Foundation Trust Status Reconfiguration of mental health Services Changes in the Management of mental Health Services Development of Local Involvement Network

6. Issues of particular note include:

- **Adult Social Care and Strategic Housing Scrutiny Committee**

The Committee has received a presentation from the Cabinet Member (Social Care Adults and Health) and discussed issues with her.

The Committee has also received a presentation from one of the Registered Social Landlords in the County and intends to hear from two more at a future meeting. The invitation was originally prompted by a wish to examine maintenance policies but the Committee is analysing a range of issues to identify areas for improvement.

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

The Committee continues to monitor the pressure on the revenue budget and a seminar on the budget has been arranged.

- **Children's Services Scrutiny Committee**

The Committee called in Cabinet's decision on WyeBridge Sports College: Academy Project. Having considered the issues the Committee has accepted Cabinet's decision.

- **Community Services Scrutiny Committee**

The Committee has received a presentation from the Cabinet Member (Economic Development and Community Services) and discussed issues with him.

- **Environment Scrutiny Committee**

The Committee called-in Cabinet's decision on "Rotherwas Archaeology: Options For the Preservation Of The Ribbon And Completion Of The Rotherwas Access Road".

The Committee endorsed the decision taken by Cabinet on 6th September 2007 with regard to proceeding with option F for the completion of the Rotherwas Access Road. Whilst endorsing this decision the Committee noted that there might have been instances when information flow within the Council fell short of that normally expected. Cabinet has been recommended to set in place work to address this for the future during periods of "purdah" and immediately following elections. The Committee also congratulated the County Archaeologist on the universally acknowledged standards and quality of his work on the ribbon thus far. The Committee sincerely hoped he will be able to lead further researches either side of the present find in due course. The Committee also urged Cabinet to continue to seek funding for further research into the ribbon including a tourism scoping report when appropriate.

- **Health Scrutiny Committee**

The Committee has considered the Public Service Trust proposals making a number of recommendations to Cabinet.

The Committee has also considered and responded to the West Midlands Ambulance Service NHS Trust's proposed reconfiguration of emergency operations centres. The Committee has supported the reconfiguration in principle but has sought assurances that the service on the ground in Herefordshire will not be adversely affected and, amongst other things, has requested some reinvestment into the County of any resources realised through reorganisation. It has suggested that providing direct funding for equipment for Community First Responders would be a good place to start to seek to improve the provision of service to rural areas.

BACKGROUND PAPERS

- None