

**To: All Members of Cabinet:  
RJ Phillips (Leader)  
LO Barnett  
AJM Blackshaw  
H Bramer  
JP French  
JA Hyde  
JG Jarvis  
DB Wilcox**

**Chief Executive's Office**

Chief Executive: N.M. Pringle

Your Ref:

Our Ref: NMP/SAHC

Please ask for: Mr. N.M. Pringle

Direct Line/Extension: (01432) 260044

Fax: (01432) 340189

E-mail: npringle@herefordshire.gov.uk

24th September, 2007

Dear Councillor,

**MEETING OF CABINET  
THURSDAY, 20TH SEPTEMBER, 2007 AT 2.00 P.M.  
THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD**

**AGENDA (07/11)**

**HEREFORDSHIRE COUNCIL - NOTICE UNDER REGULATION 15 OF THE LOCAL  
AUTHORITIES (EXECUTIVE ARRANGEMENTS((ACCESS TO INFORMATION) REGULATIONS  
2000 (AS AMENDED)**

Notice is hereby given that the following report contains a key decision. When the decision has been made, Members of the relevant Scrutiny Committee will be sent a copy of the decision notice and given the opportunity to call-in the decision.

<b>Item No</b>	<b>Title</b>	<b>Portfolio Responsibility</b>	<b>Scrutiny Committee</b>	<b>Included in the Forward Plan Yes/No</b>
7	Hereford Children's Centre	Resources	Strategic Monitoring Committee	No

**1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

**2. DECLARATIONS OF INTEREST**



**Putting People First Providing for our Communities Preserving our Heritage Promoting the County Protecting our Future**

County of Herefordshire District Council, PO Box 239, HEREFORD, HR1 1ZU

Main Switchboard (01432) 260000 - www.herefordshire.gov.uk

To receive any declarations of interest by members in respect of items on this agenda.

**3. INTEGRATED PERFORMANCE REPORT**

To report performance to the end of **July 2007** against the Annual Operating Plan 2007-08, national performance indicators used externally to measure the performance of the council, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance. *(Pages 1 - 54)*

**4. COMPREHENSIVE EQUALITY POLICY AND EQUALITY SCHEMES**

To advise the Cabinet on progress regarding the Council's commitment to and delivery of the Council's statutory obligations to the Diversity agenda. *(Pages 55 - 80)*

**5. EMPLOYEE OPINION SURVEY 2007**

To note the contents of the Employee Opinion Survey report.  
*(Pages 81 - 90)*

**6. LOCAL GOVERNMENT PENSION SCHEME RULE OF 85 PROTECTIONS - RESPONSE TO STATUTORY CONSULTATION**

To endorse the proposed response to the statutory consultation being undertaken by the Communities and Local Government (CLG) Department to extend the current protections in place for the Local Government Pension Scheme (LGPS) in England and Wales. This would affect older Scheme members following the removal of the rule of 85 with effect from 1st October, 2006. *(Pages 91 - 96)*

**7. HEREFORD CHILDREN'S CENTRE**

To seek approval to establish a Children's Centre for North Hereford City on the site of Wide marsh Workshops by converting the current building, and relocating the present services to leased premises. *(Pages 97 - 100)*

**8. PUBLIC SERVICE TRUST PROGRESS FOR HEREFORDSHIRE**

To note the outcome of the public consultation in relation to the proposal and to consider recommendations from the Public Service Trust Steering Group in relation to the next steps.

The report will be sent out to follow the meeting of the Public Service Trust Steering Group which will consider the report to both the Council and Herefordshire Primary Care Trust which is due to be held on Friday, 14th September, 2007.


*(Pages 101 - 158)*

**9. SPECIAL REPORT FROM THE DIRECTOR OF RESOURCES**



To receive a Special Report from the Director of Resources. . (Pages 159 - 180)

Yours sincerely,



**N.M. PRINGLE**  
**CHIEF EXECUTIVE**

Copies to: Chairman of the Council  
Chairman of Strategic Monitoring Committee  
Vice-Chairman of Strategic Monitoring Committee  
Chairmen of Scrutiny Committees  
Group Leaders  
Directors  
Head of Legal and Democratic Services





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# **COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL**

**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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# INTEGRATED PERFORMANCE REPORT

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

CABINET

20TH SEPTEMBER, 2007

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### Wards Affected

County-wide

### Purpose

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

### Key Decision

This is not a Key Decision

### Recommendations

**THAT**

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

### Reasons

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

### Considerations

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

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

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

***Progress against the Council's Priorities***

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

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

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

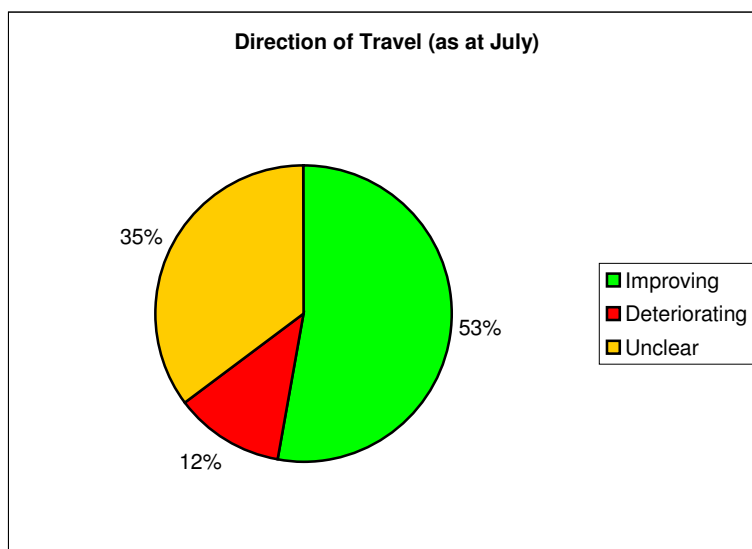
Priority	No. of Indicators	Judgement		
		R	A	G
Maximising the health, safety, economic well-being, achievements and contribution of every child	31	13	15	3
Reshaping adult social care to enable vulnerable adults to live independently and, in particular, to enable many more older people to continue to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

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

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

### ***Direction of Travel and CPA***

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



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

### ***Revenue Monitoring***

12. Details of the revenue budget position are at **Appendix C** in summary and then directorate-by-directorate.
13. The overall position shows a projected overspend of £2.54m. This is 2.1% of the Council's £122.37m net revenue budget (excluding Direct Schools Grant funding). The projected position is after allowing for the use of the Social Care contingency and estimated £1.0m underspend on Spend to Save/Spend to Mitigate funding.
14. The key areas of concern as of month 4 of the 2007/08 financial year are Adult and Community Services with a £3.9m projected overspend; Children and Young People's Directorate with a £776k projected overspend and Customer and Corporate Services

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

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

### ***Capital Monitoring***

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

### ***Corporate Risk monitoring***

18. **Appendix E** contains the corporate risk log, which shows the current key risks facing the Council in terms of operations, reputation and external assessment.
19. The format of the Corporate Risk Register, which accompanies this report, has been revised where possible to include actions that need to be taken to mitigate the risks, the responsible officer for the action is named and a target date for completion or review of actions is included.
20. The main issues arising from the register are as follows:
  - The number of Corporate Risks continues to rise.
  - There are six risks that continue to score 'high' even after the mitigating actions have been taken into account. These six risks are:
    - a. CR2 – 'Corporate Spending pressures outweigh the level of resources available to meet them. Particular pressures are evident in Adult Social Care, Children's Social Care and ICT Services'. Necessary actions have been identified along with an owner of such and target dates.
    - b. CR3 – 'Herefordshire Connects Programme does not go through a robust investment appraisal with subsequent savings not being realised leading to service cuts'.
    - c. CR4 – 'Failure to maintain CPA 3\* rating and move from improving adequately to improving strongly'. Although a strong and clear strategy has been implemented over the last 18 months and specific actions have recently been identified, assessment of this risk needs to be reviewed to ensure all possible measures are being taken.
    - d. CR5 – 'Business Continuity Management'. Substantial resources have been mobilised over the last 12 to 18 months to ensure that service areas have in place service continuity plans. The next stage needs to identify specific actions, responsible officers and target dates. Collaboration between Emergency Planning, Performance Management and Risk Management will help ensure support directorates.
    - e. CR8 – 'Achievement of LPSA2 targets and hence the Performance Reward

Grant (PRG). Failure to manage the PRG will have a significant and detrimental impact on the Council's ability to invest in future performance gains in services'. Again a mitigation strategy is summarised, however the actual actions necessary to ensure that this is achieved will need to be set out for the coming months along with action owners and target dates.

f. CR14 – 'Herefordshire Connects: Management capacity and capabilities not sufficiently developed to plan in advance and deliver the service changes required for realisation of efficiency changes'. See CR3 above for relevant actions to be taken.

- A new risk has been entered, CR25. This covers the integration of procurement with Herefordshire Connects.
- The recent floods affecting Herefordshire represent a significant potential risk in terms of the council's financial position if funding of the required work cannot be recovered.

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

### **Alternative Options**

None.

### **Risk Management**

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

### **Consultees**

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

### **Background Papers**

None

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

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



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

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

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

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

BVPI	CPA	PAF	Indicator	Baseline	Performance			Target	Forecast	Direction of Travel	CPA Thresholds
					April	May	July				
126			Domestic burglaries per year, per 1,000 households in the Local Authority area	4.2	Data not available			4.2		No evidence	
127a			Violent crime per year, per 1,000 population in the Local Authority area	15.1	Data not available			14.7		No evidence	
127b			Number of robberies	0.4	Data not available			0.4		No evidence	
128			The number of vehicle crimes per year, per 1,000 population in the Local Authority area	5.1	Data not available			5.1		No evidence	
225			Actions against domestic violence	81.80%	Data not available			81.80%		No evidence	
226a			The total amount spent by the Local Authority on advice and guidance services provided by external organisations	£195,232	Data reported annually			£195,232		No evidence	
226b			The percentage of monies spent on advice and guidance services provision which was given to organisations holding the CLS Quality Mark at 'General Help' level and above	12%	Data reported annually			12%		No evidence	
226c			The total amount spent on advice and guidance in the areas of housing, welfare benefits and consumer matters which is provided directly by the Local Authority to the public	£756,997	Data reported annually			£756,997		No evidence	
170a	C2c		The number of visits to/uses of Local Authority funded or part-funded museums and galleries per 1,000 population	876	Data reported annually			880		No evidence	Standard = 6,300 LT = 30 percentage points below the standard (4,410) UT = meets or exceeds the standard
170b			The number of those visits to Local Authority funded, or part-funded museums and galleries that were in person, per 1,000 population	689	Data reported annually			720		No evidence	
170c			The number of pupils visiting museums and galleries in organised school groups	6491	Data reported annually			6,500		No evidence	
178	C1		% of footpaths easy to use	48%	Data not available			50%	LT	No evidence	LT = 50% UT = 90%
220			Composite library indicator	1	Data reported annually			3		No evidence	
	C2		Public library service standards on access		Data reported annually						LT = more than one at or below individual threshold UT = all above lower individual threshold AND at least one meets upper individual threshold
	C2a		Proportion of households living within a specified distance of a static library (PLSS 1)		Data reported annually						Standard = 72% within 2 miles LT = 5 percentage points below the standard (68.4%) UT = n/a
	C2b		Aggregate scheduled opening hours per 1,000 population for all libraries (PLSS 2)		Data reported annually						Standard = 128 hours LT = 20 percentage points below the standard (102.4 hours) UT = meets or exceeds the standard
	C3		Public library service standards on ICT provision		Data reported annually						LT = both at or below the lower individual threshold; OR PLSS 3 (C3a) at or below the lower individual threshold and PLSS 4 (C3b) below the upper individual threshold UT = PLSS 3 (C3a) above lower threshold AND PLSS 4 (C3b) meets upper individual threshold Standard = 100%
	C3a		Percentage of static libraries providing access to electronic information resources connected to the internet (PLSS 3)		Data reported annually						LT = does not meet the standard UT = n/a
	C3b		Total number of electronic workstations available to users per 10,000 population (PLSS 4)		Data reported annually						Standard = 6 LT = 25 percentage points below the standard (4.5) UT = meets or exceeds the standard

BVPI	CPA	PAF	Indicator	Baseline	Performance			Target	Forecast	Direction of Travel	CPA Thresholds
					April	May	July				
	C19		Percentage of population that are within 20 minutes travel time (urban areas – by walk; rural areas – by car) of a range of three different sports facility types, of which one has achieved a specified quality assured standard		Data reported annually					LT = 30% UT = 50%	
	C4		Active borrowers as a percentage of population		Data reported annually					LT = 20.4% UT = 27.3%	
	C16		Percentage of 5-16 year olds in school sports partnerships engaged in two hours a week minimum on high quality PE and school sport within and beyond the curriculum		Data reported annually					LT = below 80% of pupils in school sports partnerships UT = 85% of pupils in school sports partnerships	
	C17		Percentage of adults participating in at least 30 minutes moderate intensity sport and active recreation on three or more days a week		Data reported annually					LT = below 24% UT = 27%	
	C18		Percentage of population volunteering in sport and active recreation for at least one hour per week		Data reported annually					LT = below 5% UT = 6.5%	
	C11		Public library service standards on stock		Data reported annually					LT = more than one at or below lower individual threshold UT = all above lower individual threshold AND at least one meets upper individual threshold	
	C11a		Requis supply time (PLSS 5) - 7 days 15 days 30 days		Data reported annually					Standard = 50%, 70% and 85% LT = 10 percentage points below the standard for any of the three components (45%, 63% and 77.5%) UT = meets or exceeds the standard for all three components	
	C11b		Annual items added through purchase per 1,000 population		Data reported annually					Standard = 216 LT = 15 percentage points below the standard (183.6) UT = meets or exceeds the standard	
	C11c		Time taken to replenish the lending stock on open access or available on loan		Data reported annually					Standard = 6.7 years LT = 30 percentage points above the standard (4.69) UT = meets or exceeds the standard	
	C14a		Public library service standards on satisfaction – assessment of users 16 and over of their library service		Data reported annually					Standard = 94% LT = 20 percentage points below the standard (75.2%) UT = 7 percentage points below the standard (87.42%)	
	C15		Museums accreditation – where applicable (this applies to museums that fall under the definition for BVPI 170)		Data reported annually					LT = Level 0 UT = Level 2	
	C13		Cost per visit (libraries)		Data reported annually					LT = £3.46 UT = £2.53	
53	AO / C28		Intensive home care for adults	6.7			8.1	>6.7			
54	AO / C32		Over 65's helped to live at home	81.1			83	83			
56	AO / D54		% of items of equipment delivered within 7 working days	96% (96.6%)			96%	>96%			
195	AO / D55		Acceptable waiting time for assessment	83.60%			90%	90%			
196	AO / D56		Acceptable waiting time for care package	76%			85%	85%			
201	AO / C51		Direct payments	82 (88)			100	100			
	AO / B11		Intensive home care as a percentage of intensive home and residential care	18			22		No evidence		
	AO / B12		Cost of intensive social care for adults and older people	£531.73			<£500		No evidence		
	AO / B17		Unit cost of home care for adults and older people	£17.80			£15		No evidence		
	AO / D37		Availability of single rooms	90%			90%	90%			
	AO / D39		Percentage of people receiving a statement of their needs and how they will be met	95%			100%	100%			
	AO / D40		Clients receiving a review	76%			78%	>78%			
	AO / E82		Assessments of adults and older people leading to provision of service	82%			77%	77%			
	AO / C72		Older people aged 65 or over admitted to residential / nursing care during the year	73			70	<70			

BVPI	CPA	PAF	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel	CPA Thresholds
					April	May	June	July				
		AO / E47	Ethnicity of older people receiving assessment	1.24				1	1			
		AO / E48	Ethnicity of older people receiving services following an assessment	1.3				1	1			
		AO / C73	Adults aged 18 to 64 or over admitted to residential / nursing care during the year	1.9				1.5	>3			
		AO / C29	Adults with physical disabilities helped to live at home	6				6	6			
		AO / D76	Adults with physical disabilities - user experience survey question							No evidence		
		AO / D77	Adults with physical disabilities - user experience survey question							No evidence		
		AO / C30	Adults with learning disabilities helped to live at home	2.9				3	3			
		AO / C31	Adults with mental health problems helped to live at home	4.1				4.4	4.4			
		AO / C62	Services for carers	10.20%				12%	>10.5%			
183b	H15		Average length of stay in hostel accommodation (weeks)	20				6	6		LT = 21.3 weeks UT = 0 weeks	
202			Number of rough sleepers	0				<3				
213			Homelessness prevention	3.12				4				
64	H23		Private sector dwellings returned to occupation	52				55			LT = 1.01% UT = 6.02%	
	H18		Percentage of total private sector homes vacant for more than 6 months								UT = 0.88% UT = 0.05%	





BVPI	PAF	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel
				April	May	June	July			
<b>Be Healthy</b>										
197	1047SC	Percentage change in number of conceptions amongst 15-17 year olds	-15.7%					-19%		No evidence
	1037SC / PAF CF / C19	Health of Looked After Children	90%					93%		No
	1043SC / PAF CF / A70	Progress made towards a comprehensive children and adolescents Mental Health Service	15					15		No evidence
	1041YJ	The referral of juveniles manifesting mental health difficulties to Child and Adolescent Mental Health Services	91.2%							No evidence
	1042YJ	Substance misuse: The proportion of young offenders receiving substance misuse assessments and interventions	100%							No evidence
	1040NT	Proportion of those in substance misuse treatment who are aged less than 18	24%	11%						
<b>Staying Safe</b>										
49	2043SC / PAF CF / A1	Stability of placements of children looked after	9%		9%			8%		
	2028SC / PAF CF / A3	Re-Registrations on the Child Protection Register	15%		16%			15%		
162	2034SC / PAF CF / C20	Reviews of Child Protection Cases	100%		100%			100%		
	2036SC / PAF CF / C21	Durations on the Child Protection Register	1.2%		1.10%			5%		
163	2059SC / PAF CF / C23	Adoptions of Children looked after	4.1%		4.60%			8%		
	2040SC / PAF CF / E45	Ethnicity of Children in Need	n/a							n/a
	2022SC / PAF CF / C64	Timing of core assessments	61%		73%			66%		
	2064SC / PAF CF / C68	Timeliness of reviews of children looked after	97%		98%			100%		
	2067SC / PAF CF / D74 or D78	Long term stability of children looked after	62.2%		66%			62%		
	2068 / PAF CF / B79	Children looked after in foster placements or placed for adoption	77.90%		78.40%			80%		
	2054SC / DIS 1111	Percentage of looked after children fostered by relatives or friends	19.5%		18.60%			20%		
	2060SC / DIS 1114	Percentage of looked after children with a named social worker who is qualified as a social worker	100%		99%			100%		
	2058SC / DIS 1115	The percentage of looked after children adopted during the year who were placed for adoption within 12 months of their best interest decision being made	100%		100%			100%		
	2024SC / DIS 1219	Percentage of children and young people on the child protection register who are not allocated to a social worker	0%		0%			0%		

BVPI	PAF	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel
				April	May	June	July			
	2038SC / DIS 1507-1509	Percentage of eligible, relevant and former relevant children that have pathway plans, have been allocated a personal adviser and are resident outside the council's boundaries	N/A							n/a
	2020SC / DIS 1704	Percentage of initial assessments within 7 working days of referral	58.7%		56.90%		68%			
	2023SC / KIGS CH01	Number on child protection register per 10,000 population under 18	14.8		13.7		17%			
	2019SC / KIGS CH02	Initial Child protection conferences per 10,000 population under 18	23.9		24.7		29%			
	2027SC / KIGS CH03	Registrations per 10,000 population under 18	20.4		20.4		21%			
	2035SC / KIGS CH10	De-registrations from the Child Protection Register per 10,000 population aged under 18	22.3		23.7		20%			
	2042SC / KIGS CH39	Children looked after per 10,000 population aged under 18	45.4		44.9		45%			
	2052SC/KIGS CH44	Percentage of children looked after in residential accommodation	12.60%		13.50%		12%			
	2015SC / KIGS CH141	Numbers of referrals of children per 10,000 population	266		248		280			
	2016SC / KIGS CH142	Percentage of referrals that are repeat referrals within 12 months	20.3%		19.50%		18%			
	2017SC / KIGS CH143	Percentage of referrals of children in need that led to initial assessments	66%		64.50%		65%			
	2021SC / KIGS CH145	The number of core assessments of children per 10,000 population aged under 18	51.6		56.7		50%			
	2039SC	Ratio of children on the child protection register that were from minority ethnic groups	1.25		2.7					
	2041SC	Assessment of the impact of policies of promoting race equality for children	2 & 2							No evidence
	2046SC	Are safeguarding arrangements in place for [looked after] children placed in your area by other local authorities?								No evidence
	2029SC / KIGS CH04	First time registrations on the child protection register as a percentage of total registrations during the year ended 31st march	85.50%		84.20%					
	2037SC / KIGS CH12	Percentage of children who were subject to s47 enquiries which led to initial child protection conferences which were held within 15 working days	18%		27.20%					

BVPI	PAF	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel
				April	May	June	July			
	2066SC/KIGS CH121	Percentage of children on the Child Protection register who are white	98.2%			96.10%				
	2066SC/KIGS CH122	Percentage of children on the Child Protection register who are of mixed ethnic origin	1.8%			3.90%				
	2066SC/KIGS CH123	Percentage of children on the Child Protection register who are Asian or British Asian	0%			0.00%				
	2066SC/KIGS CH124	Percentage of children on the Child Protection register who are black or black British	0%			0.00%				
	2069SC	The ratio of the percentage of children looked after that were from minority ethnic groups to the percentage of children in the local population that were from minority ethnic groups	1.6			1.6				
	<b>Enjoy &amp; Achieve</b>									
38		% obtaining 5+ A*-C GCSEs	61.80%						66%	No evidence
39		% of pupils achieving 5 or more GCSEs at grades A* - G or equiv. including Maths and English (LEA schools)	92.80%						96%	No evidence
40		% obtaining level 4 in Key Stage 2 Maths	75.50%						82%	No evidence
41		% obtaining level 4 in Key Stage 2 English	80.60%						83%	No evidence
43a		The percentage of proposed statements of Special Educational Need issued by the Local Authority in a financial year and prepared within 18 weeks excluding exceptions	100.00%						100%	
43b		The percentage of proposed statements of Special Educational Need issued by the Local Authority in a financial year and prepared within 18 weeks including exceptions	100.00%						100%	
45		% of half day sessions missed by children in secondary schools	7.90%						6%	No evidence
46		% of half day sessions missed by children in primary schools	5.67%						4%	No evidence
50	3072SC/PAF CF/A2	Educational qualifications of looked after children	76.50%						90%	No evidence

BVPI	PAF	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel
				April	May	June	July			
181a		The percentage of 14 year old pupils in schools maintained by the Local Education Authority achieving Level 5 or above in the Key Stage 3 test in English	76.50%					83%		No evidence
181b		The percentage of 14 year old pupils in schools maintained by the Local Education Authority achieving Level 5 or above in the Key Stage 3 test in Mathematics	79.80%					83%		No evidence
181c		The percentage of 14 year old pupils in schools maintained by the Local Education Authority achieving Level 5 or above in the Key Stage 3 test in Science	77.50%					84%		No evidence
181d		The percentage of 14 year old pupils in schools maintained by the Local Education Authority achieving Level 5 or above in the Key Stage 3 test in ICT	74.00%					84%		No evidence
194a		The percentage of 11 year old pupils achieving Level 5 in Key Stage 2 test in English	31%					33%		No evidence
194b		The percentage of 11 year old pupils achieving Level 5 in Key Stage 2 test in Mathematics	30%					35%		No evidence
	3074SC / PAF CF / C24	Children looked after absent from school [joint working]	10.5%					9%		No
	3085SC / PAF CF / C69	Distance children newly looked after are placed from home (new indicator)	14%		17%			12%		
	3073SC / DIS 1403	% of YP leaving care at 16 or over with 5 or more GCSEs at grades A* - C or a GNVQ	5.90%					10%		No evidence
	3071SC / DIS 1406	Percentage of children looked after who sat at least one GCSE equivalent exam	84.6%					85%		No evidence
	3080YJ	Education, Training and Employment – Proportion of supervised juveniles in full time ETE	62.4%							No evidence
<b>Make a positive contribution</b>										
	4016SC / PAF CF / 63	Participation of looked after children in reviews	95%		94%			97%		
	4015SC / PAF CF / 18	Final warnings, reprimands and convictions of children looked after	2.5					2.5		No evidence
221a		Youth Work – The percentage of young people aged 13-19 gaining a recorded outcome compared to the percentage of young people in the Local Authority area	58.2%		35.10%			60%		
221b		Youth Work – The percentage of young people aged 13-19 gaining an accredited outcome compared to the percentage of young people in the Local Authority area	33.4%		20.80%			30%		

BVPI	PAF	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel
				April	May	June	July			
<b>Achieve economic well-being</b>										
161	5022SC / PAF CF / A4	Employment, education and training for care leavers [Joint working]	1.25					0.99		No evidence
	5025SC / PAF CF / E67	Children in need with disabilities	N/A							n/a
	5026SC	During 2005/06 what percentage of children with disabilities aged 14 + had a transition plan to support their move from Children's services to Adult services	up to 90%		66.67% up to 75%					
	5037SC	Percentage of care leavers at age 19 who are living in suitable accommodation (as judged by the council)	100%					100%		No evidence
<b>Service Management</b>										
	6024SC / PAF CF / B8	Cost of services for children looked after	Provisional £735					£619		No evidence
	6010SC / PAF CF / E44	Relative spend on family support	Provisional 29%					35%		No evidence
	6044SC / PAF MR / D74	Practice Learning	17.2%					14%		No evidence
222a		The percentage of leaders of integrated early education and childcare settings funded or part-funded by the Local Authority with a qualification at Level 4 or above	29.24%					35%		No evidence
222b		The percentage of leaders of integrated early education and childcare settings funded or part-funded by the Local Authority which have input from staff with graduate or post graduate training in teaching or child development	100%					100%		No evidence
	6011SC / DIS 3118	Percentage of SSD directly employed staff for children that left during the year	13.8%					11%		
	6012SC / DIS 3119	Percentage of SSD directly employed posts for children and families vacant on 30 September	11.3%					6.80%		
	6013SC / DIS 3120	% of working days/shifts lost to sickness absence during the fin.year for Social Services staff working with children & families	3.75%					4%		
	6014SC	Do you have recruitment and retention difficulties with any of the following groups that present risks to delivery								n/a

BVPI	PAF	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel
				April	May	June	July			
	6015SC / DIS3121	% of SSD gross current expenditure on staffing for children and families which was spent on training the council's directly employed staff working with children and families during the financial year	3.10%					3.50%		No evidence
	6017SC / DIS 3124	The % of social workers and residential managers who need to obtain the child care PQ who have achieved the PQ1 award	58%							No evidence
	6043SC / DIS 3125	The estimated % of current staff working with children in need who are skilled and qualified as at 31 Mar as in the VCI audit	100%					100%		No evidence
	6005SC / KIGS BU01PSS	Budget for children and families per population aged under 18	£321					£313		No evidence
	6003SC / KIGS BU07	Total Personal Social Services (PSS) budget per capita	£280					£287		No evidence
	6004SC / KIGS EX12	Percentage of PSS actual expenditure on provision for families and children	20.59%					22.70%		No evidence
	6006SC / KIGS EX61	Gross Expenditure on services to children per capita aged under 16	£356					£319		No evidence
	6045SC / KIGS EX66	Gross expenditure on adoption service per capita aged under 18	£11					£20		No evidence
	6009SC / KIGS EX 77	Expenditure on family support services per capita aged under 18	£35					£29		No evidence
	6022SC / KIGS EX 62	Gross expenditure on children looked after per capita aged under 18	£164							No evidence
	6020SC / KIGS ST03	Social Services Department (SSD) operational staff working specifically for children's services (WTEs) per 10,000 population aged 0-17	23.74				27.39			
	6021SC / KIGS ST12	Social workers and care managers specifically for children (WTEs) per 10,000 population aged 0-17	15.4				16.89			

Appendix B - Corporate and Customer Services

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





BVPI	CPA	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel	CPA Thresholds
				April	May	June	July				
82a i		The percentage of household waste arisings which have been sent by the Local Authority for recycling	18.71%			18.02%	23.97%				
82a ii		Tonnage of household waste arisings which have been sent by the Local Authority for recycling	16,921.66			4100.41	22,444.11		n/a		
82b i		The percentage of household waste sent by the Local Authority for composting or treatment by anaerobic digestion	7.36%			8.30%	6.85%				
82b ii		The tonnage of household waste sent by the Local Authority for composting or treatment by anaerobic digestion	6,657.02			1888.49	6,413.94		n/a		
82c i		The percentage of the total tonnage of household waste arisings which have been used to recover heat, power and other energy sources	1.08%			0	1.05%				
82c ii		The tonnage of household waste arisings which have been used to recover heat, power and other energy sources	974.5			0	983.16		n/a		
82d i		The percentage of household waste arisings which have been landfilled	72.85%			73.68%	68.50%				
82d ii		The tonnage of household waste arisings which have been landfilled	65,887.51			16764.62	63,792.96		n/a		
E6		Recycling and composting performance	26.07%			26.92%	0.31	MT		LT = (not met 2005/06 statutory recycling target) AND (2006/07 performance 18% or worse (the lowest statutory target applied to any authority)) UT = (met 2005/06 statutory recycling target) AND (2006/07 performance is 27% or better (based on the national targets of 25% in 2005 and 30% in 2010))	
84a	E26	The number of kilograms of household waste collected per head of the population	505.82			127.26	505.00	MT		LT = 555kg UT = 455kg	
84b		The percentage change from the previous financial year in the number of kilograms of household waste collected per head of the population	-3.04%			-6.52%	-0.15%		n/a		
86		Cost of waste collection	£47.03			Data reported annually	£52.13				
87		Cost of waste disposal	£79.09			Data reported annually	£82.33				
89	E38	% of people satisfied with the cleanliness standard in their area	66%			Not measured in 2007-08			MT	LT - 64.6% UT = 74.4%	
90a	E8A	The percentage of people satisfied with household waste collection	82%			Not measured in 2007-08			MT	LT = 81% UT = 89%	
90b	E8B	The percentage of people satisfied with waste recycling	70%			Not measured in 2007-08			MT	LT = 71.3% UP = 83.1% UT = 84%	
90c	E8C	The percentage of people satisfied with waste disposal	86%			Not measured in 2007-08			UT	LT = 70% UT = 84%	
91a		The percentage of households resident in the Local Authority's area served by a kerbside collection of recyclables	68%			70%	70%				
91b	E45	The percentage of households resident in the Local Authority's area served by a kerbside collection of at least 2 recyclables	68%			70%	70%			LT = 90.1% UT = 100%	
99a i		The number of people killed or seriously injured (KSI) in road traffic collisions	147				<134	119			
99a ii		The percentage change in the number of people killed or seriously injured (KSI) in road traffic collisions since the previous year	4%				-28%		n/a		
99a iii		The percentage change in the number of people killed or seriously injured (KSI) in road traffic collisions since the 1994-96 average	-41%				-46%		n/a		

BVPI	CPA	Indicator	Baseline	Performance			Target	Forecast	Direction of Travel	CPA Thresholds
				April	May	July				
	E12	The number of people killed or seriously injured (KSI) in road traffic collisions			43					LT = average of last three years' data (2004, 2005 and 2006) is greater than or equal to the 2005 target figure PLUS 12% of baseline figure UT = average of last three years' data (2004, 2005 and 2006) is less than or equal to the 2005 target figure MINUS 12% of baseline figure
99b i		The number of children (aged under 16 years) killed or seriously injured (KSI) in road traffic collisions	13				<15	10		
99b ii		The percentage change in the number of people killed or seriously injured (KSI) in road traffic collisions since the previous year	63%				-7%		n/a	
99b iii		The percentage change in the number of children killed or seriously injured (KSI) in road traffic collisions since the 1994-98 average	-41%				-30%		n/a	
99c i		The number of people slightly injured in road traffic collisions	732				<788	663		
99c ii		The percentage change in the number of people slightly injured in road traffic collisions since the previous year	-6%				5%		n/a	
99c iii		The percentage change in the number of people slightly injured in road traffic collisions since the 1994-98 average	2%				10%		n/a	
	E40	The number of people slightly injured in road traffic collisions			194					LT = average of last three years' data (2004, 2005 and 2006) is greater than or equal to 10% above baseline UT = average of last three years' data (2004, 2005 and 2006) is less than or equal to baseline
100		Road works	0		0		0			
102		Number of bus journeys in local authority area	3,433,043				3,948,000			No evidence
103		Satisfaction with passenger transport information	48.00%							
E14		Satisfaction with passenger transport information (that have seen information)								LT = 62% UT = 72%
104		Satisfaction with bus services	49.00%							
E15		Satisfaction with bus services (users)								LT = 54% UT = 65%
E23		% of new homes built on brownfield land	76.70%				60%			LT = n/a UT = 93%
109a		The percentage of major applications determined within 13 weeks	75%				60%			
109b		The percentage of minor applications determined within 8 weeks	84%				76%			
109c		The percentage of 'other' applications determined within 8 weeks	92%				85%			
E2		The percentage of major applications determined within 13 weeks (to-end-of-June)					60%	UT		LT = Statutorily designated as a PSA for the current year (announced on March 07, based on performance up to June 06) AND performance is below any of the following for the year up to 30 June 07 (thresholds set by CLG for designation of PSA the following year - to be announced in March 08): 60% major applications in 13 weeks 65% minor applications in 8 weeks
E2		The percentage of minor applications determined within 8 weeks (to-end-of-June)					65%	UT		
E2		The percentage of 'other' applications determined within 8 weeks (to-end-of-June)					80%	UT		
E3		Satisfaction with Planning Service	76%							LT = 68.3% UT = 81%
165		The percentage of pedestrian crossings with facilities for disabled people, as a proportion of all crossings in the Local Authority area	92%				100%			LT = 75% UT = 98%
166a		Score against a checklist of best practice for Environmental Health	98.75%				100%			No evidence LT = 50% UT = 100%
166b		Score against a checklist of best practice for Trading Standards	100%				100%			No evidence LT = 50% UT = 100%

BVPI	CPA	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel	CPA Thresholds
				April	May	June	July				
187	E18	Condition of footway	31%	Data reported annually				27.50%	MT	No evidence	LT = two-year average greater than or equal to 38% UT = two-year average less than or equal to 18%
199a		The proportion of relevant land and highways (expressed as a percentage) that is expressed as having combined deposits of litter and detritus that fall below an acceptable level	17%				21%	15%	15%		
			5								
			12								
			17								
			21								
			10								
			23								
			20								
			21								
			29								
			14								
199b		The proportion of relevant land and highways (expressed as a percentage) from which unacceptable levels of graffiti are visible	2%				2%	2%			
199c		The proportion of relevant land and highways (expressed as a percentage) from which unacceptable levels of fly-posting are visible	1%				0%	1%			
199d		The year-on-year reduction in the total number of incidents and increase in the total number of enforcement actions taken to deal with 'fly-tipping'	Grading 1 (Very Effective)					1			
200a		Did the Local Planning Authority submit the Local Development Scheme (LDS) by 28 March 2006 and thereafter maintain a 3-year rolling programme?	Yes	Data reported annually				Yes	Yes		
200b	E44	Has the Local Planning Authority met the milestones that the current Local Development Scheme (LDS) sets out?	Yes	Data reported annually				Yes	UT		LT = No UT = n/a
204	E42	% of appeals allowed against decision to refuse planning application	22%				30%	21%	MT		LT = 37.5% UT = 25%
205	E43	Quality of planning service checklist	94%				94%	94%	UT		LT = 72.2% UT = 88.9%
215a		The average number of days taken to repair a street lighting fault, which is under the control of the Local Authority	8.78				2.79	5			
215b		The average time taken to repair a street lighting fault, where response time is under the control of a Distribution Network Operator (DNO)	57.16				0	30			
216a		The number of 'sites of potential concern' [within the Local Authority area], with respect to land contamination	2,896	Data reported annually				5,841		No evidence	
216b		The number of sites for which sufficient detailed information is available to decide whether remediation of the land is necessary, as a percentage of all 'sites of potential concern'	0.2	Data reported annually				2		No evidence	
217		% of pollution control improvements completed in year	96.80%	Data reported annually				96.80%		No evidence	
218a		The percentage of new reports of abandoned vehicles investigated within 24 hours of notification	98%					100%		No evidence	
218b		The percentage of abandoned vehicles removed within 24 hours from the point at which the Local Authority is legally entitled to remove the vehicle	99%					100%		No evidence	

BVPI	CPA	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel	CPA Thresholds
				April	May	June	July				
219b		% of conservation areas with up to date character appraisal	12.50%			20%	26.56%				
223		Condition of principal roads	14%				5%		No evidence		
224a		Condition of non-principal classified roads	21%				19%		No evidence		
224b	E11	Condition of non-principal unclassified roads	24.28%				19%	MT	No evidence	LT = two-year average is greater than or equal to 25% UT = two-year average is less than or equal to 12%	
	E1	Progress with local transport plan	Good	Not measured in 2007-08				Good	MT		LT = annual progress report assessed as 'Weak' UT = annual progress report assessed as 'Excellent'
	E19	Intervention by the Secretary of State under Traffic Management Act powers	No	Data reported annually				No	MT		LT = intervention by Secretary of State UT = n/a
	E30	Consumer satisfaction with trading standards service	82.9	Data reported annually				80	UT		LT = 50% UT = 75%
	E31	Business satisfaction with trading standards service	89.6	Data reported annually				90	UT		LT = 50% UT = 75%
	E32	Trading standards, visits to high risk premises	85.7						MT		UT = 100%
	E33	Trading standards, levels of business compliance, high-medium and low-risk premises	83.5% 85.3% 87.7%						MT		LT = 50% of visited business found compliant in any one risk category UT = 95% of visited business found compliant in all risk categories

Appendix B - Human Resources

BVPI	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel
			April	May	June	July			
11a	Women - senior management	38.57%					42%		No evidence
11b	Ethnic minority staff - senior management	2.14%					2.85%		No evidence
11c	Disabled staff - senior management	0.71%					1.40%		No evidence
12	Sickness absence (FTE)	8.41	8.13	7.88	8.17		8.00		
14	Early retirements	0.16%					0.14%		No evidence
15	Ill health retirements	0.14%					0.13%		No evidence
16	Disabled employees	0.69%		0.77%			0.75%		
17a	% of employees from an ethnic minority	0.64%		0.66%			0.80%		



BVPI	Indicator	Baseline	Performance				Target	Forecast	Direction of Travel
			April	May	June	July			
8	Invoices paid on time	92.67%	94.49%	92.97%	92.32%		92.67%		
9	Council tax	98.34%	11.10%	21.31%	30.78%		98.34%		
10	National non-domestic rates	98.90%	11.85%	21.89%	30.67%		98.90%		
76b	The number of fraud investigators employed by the Local Authority, per 1,000 caseload	0.29	0.26	0.26	0.26		0.28	n/a	
76c	The number of Housing Benefit and Council Tax Benefit (HB/CTB) fraud investigations carried out by the Local Authority per year, per 1,000 caseload	40.00	40	48	45		35.00	n/a	
76d	The number of Housing Benefit and Council Tax Benefit (HB/CTB) prosecutions and sanctions, per year, per 1,000 caseload, in the Local Authority area	7.50	14	14	13		8.00	n/a	
78a	Speed of processing - new claims (days)	29.80	27.23	28	28.6		26		
78b	Speed of processing - change of circumstances (days)	15.60	13.75	15	15.5		15.00		
79a	Accuracy - % of cases correct	98.40%			96%		98.80%		
79b i	The amount of Housing Benefit (HB) overpayments recovered during the period being reported on as a percentage of HB deemed recoverable overpayments during that period	66.58%	66%	66%	69%		66%		
79b ii	Housing Benefit (HB) overpayments recovered during the period as a percentage of HB overpayment debt outstanding at the start of the period plus amount of HB overpayments identified during the period	51.24%			13.50%		55%		
79b iii	Housing Benefit (HB) overpayments written off during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the period, plus amount of HB overpayments identified during the period	4.78%			1.36%		9%		
156	The percentage of Local Authority buildings open to the public in which all public areas are suitable for, and accessible to, disabled people	63.80%					70%	No evidence	





## 2007/08 REVENUE BUDGET MONITORING SUMMARY

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

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

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

## Revenue Reserves Position as at 31st July 2007

### General Reserves

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

### Earmarked Reserves

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

### July Floods

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

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

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

**Adult Services**

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

**Strategic Housing**

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

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

### **Community Services**

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

### **Efficiency Savings**

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

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

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

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

**Dedicated Schools Grant (DSG)**

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

**Directorate Central Budgets**

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

**Children's Social Care/ Safeguarding and Assessment Services**

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

**Summary**

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

**Efficiency Savings**

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

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

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

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

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

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



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

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

**Environmental Health and Trading Standards**

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

**Efficiency Savings**

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

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

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

**Corporate Budgets**

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

**Audit Service, Benefit and Exchequer Services and Financial Services**

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

**Asset Management and Property Services**

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

**FINANCING TRANSACTIONS**

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

## 2007/08 CAPITAL PROGRAMME BUDGET MONITORING

### Summary

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

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

### Capital Receipts Reserves Position as at 31<sup>st</sup> July 2007

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

### DIRECTOR OF CHILDREN AND YOUNG PEOPLE'S SERVICES

#### Directorate Summary as at 31<sup>st</sup> July 2007

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

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

## DIRECTOR OF RESOURCES

### Directorate Summary as at 31<sup>st</sup> July 2007

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

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

## DIRECTORATE OF CORPORATE AND CUSTOMER SERVICES

### Directorate Summary as at 31<sup>st</sup> July 2007

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

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

expected to be required to fund this overspend.

## DIRECTOR OF ENVIRONMENT

### Directorate Summary as at 31<sup>st</sup> July 2007

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

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

## DIRECTOR OF ADULT AND COMMUNITY SERVICES

### Directorate Summary as at 31<sup>st</sup> July 2007

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

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

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

TABLE D1

## FUNDING OF REVISED 2007/08 CAPITAL PROGRAMME

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

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

**TABLE D2**

**CAPITAL EXPENDITURE BY PROGRAMME AREA**

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



Managing Risk - Corporate Risks



Stage One				Stage Two			Stage Three				
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Responsible Directors	Assessment of Residual Risk (With control Measures Implemented)			Action Description	Action Owner	Target Date
		Impact (Severity)	Likelihood (Probability)	Priority Rating		Impact (Severity)	Likelihood (Probability)	Residual Priority Rating			
Ensuring the Council secures the completion of the formal engagement with the DFES on Children and Young People's outcomes and project and performance management	CR1	4	3	High	SM	3	2	Medium			
Corporate spending pressures outweigh the level of resources available to meet them. Particular pressures are evident in Adult Social Care, Children's Social Care and ICT Service.	CR2	4	4	High	ALL/SR	4	3	High	1. Social Care contingency established. 2. ICT base budget issues being examined by Financial Services 3. Robust challenge of monthly budget monitoring reports from Directorates by Financial Services 4. Robust challenge of Directorate budget management plans for 2007/08 through the Performance Improvement Cycle process. 5. Medium Term Financial Strategy being reviewed	SR	Done Sep-07 Ongoing Aug-07 Aug-07
Herefordshire Connects: Programme does not go through robust investment appraisal with subsequent savings not being realised leading to service cuts.	CR3	4	4	High	NP	4	3	High	1. Review of savings and original data. 2. ISS board in place. 3. Financial planning for overall project.	AK/DP AK DP	Done Done Done
Failure to maintain CPA "3 star" rating and move from improving adequately to improving strongly	CR4	4	3	High	ALL/NP	3	3	High			

Managing Risk - Corporate Risks



Stage One				Stage Two				Stage Three			
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix		Potential Mitigation Strategy Summary	Responsible Directors	Assessment of Residual Risk (With control Measures Implemented)		Action Description	Action Owner	Target Date	
		Impact (Severity)	Likelihood (Probability)			Impact (Severity)	Likelihood (Probability)				Residual Priority Rating
				Use of Resources Improvement Plan being implemented.	SR			Use of Resources self assessment for 2007 being prepared by Audit Services/Financial Services	SR	Aug-07	
				Considerable work has taken place in embedding a strong performance management framework including structured meetings between Chief Executive and Directors. Performance Improvement Managers have been appointed for all Directorates.	NP/JJ			Action plans resulting from internal audit reviews implemented to agreed timescales	ALL	Ongoing	
Business continuity management	CR5	3	4	Substantial capital investment made in ICT network and disaster recovery arrangements. Workshops held for all directorates and service continuity plans have been prepared and due for testing during the year in business critical systems and services. Monthly checks made to ensure amendments are made to all plans. Annual update of Community Risk Register to inform the review process of Council emergency response plans in support of the emergency services and the Council's arrangements to assist recovery and return to normality of the community & environment following an emergency. Bi-annual exercise for the Emergency Response Team. Annual exercising of emergency response plans.	ALL/NP	3	3				
The failure of the Herefordshire Jarvis arrangements. The risks are both strategic and operational. A failure would occur if Jarvis were to go into liquidation. If Jarvis sell the current Prismo shares to another company there would be a need to ensure an orderly transition of service delivery to the new owner.	CR6	4	3	Ensure Council's financial liabilities are covered. Raise awareness of contingency arrangements following creation of contingency plan. Implement actions in relationship development plan	MH	3	2				
Corporate Capacity to deliver a range of changes the Council has embarked upon.	CR7	4	3	Programme Management, Clear Leadership and Senior Management Restructuring. Capacity issues identified within CPA inspection and were part of Improvement Plan. A minimum of 20% of corporate directors' time will be spent on corporate issues. Discussed by CMB as part of 2007 PIC and adjustments proposed for the budget. New CMB/SMT joint working has also been launched.	NP	4	2				
Achievement of LPSA 2 targets and hence the Performance Reward Grant (PRG). Failure to manage future PRG will have a significant and detrimental impact on the Council's ability to invest in future performance gains in services.	CR8	3	3	LPSA Partnership Manager and the Head of Policy & Performance now meet regularly with the assigned project manager and have agreed responsibilities for chasing progress and ensuring action. In addition performance indicators are received every 2 months, in line with the Council's performance management arrangements, enabling proactive management through this management group.	SM/GH/MH	3	3				
Delivery of Local Area Agreement	CR9	3	2	Financial Management & Review processes also in place.	JJ	3	2				

Managing Risk - Corporate Risks



Stage One			Stage Two				Stage Three				
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Responsible Directors	Assessment of Residual Risk (With control Measures Implemented)			Action Description	Action Owner	Target Date
		Impact (Severity)	Likelihood (Probability)	Priority Rating		Impact (Severity)	Likelihood (Probability)	Residual Priority Rating			
Recruitment and retention of staff where there are national skills shortages and including the impact of Job Evaluation. Ensuring consistent treatment of Equal Pay Claims	CR11	3	3	High	ALL/DJ	2	2	Low			
		4	4	High							
Development of Adults' Workforce Strategy	51	3	3	High	DJ	2	2	Low	Awards ceremony arranged	David Johnson	Sep-07
		3	3	High							
Development of Children's Workforce Strategy	CR12	3	3	High	DJ	2	2	Low	Initial focus on learning disability	DJ	
		3	3	High							
Approach to Diversity: Risk of not achieving level and not improving Standard	CR13	3	2	Medium	JJ	3	2	Medium	Action plans lead officer in place	Shaun McLurg	Sep-07
		4	4	High							
Review of Accommodation Strategy.	CR14	4	4	High	SR	3	2	Medium	Future options for consideration by Council to be collated.	SR	Sep-07
		3	3	High							
Herefordshire Connects: Management capacity and capabilities not sufficiently developed to plan in advance, and deliver, the service changes required for realisation of efficiency savings.	CR14	4	4	High	NP	4	3	High			
		3	3	High							

Managing Risk - Corporate Risks	
 HEREFORDSHIRE COUNCIL	

Stage One				Stage Two			Stage Three			
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix		Potential Mitigation Strategy Summary	Responsible Directors	Assessment of Residual Risk (With control Measures Implemented)		Action Description	Action Owner	Target Date
		Impact (Severity)	Likelihood (Probability)			Priority Rating	Residual Priority Rating			
Timetable for the establishment of a Public Services Trust for Herefordshire	CR15	3	2	A Project Manager appointed. Steering group and workstreams established.	NP	3	2			
Failure of Waste Management Contract leading to failure to meet diversion targets and the potential for the Authority to be paying £150 per tonne extra on our missed target tonnages. Failure of the contract would also lead to the loss of PFI credits	CR16	4	3	High Ongoing commitment from Herefordshire and Worcestershire to retaining the existing contract. The incorporation of subcontractors into the existing contract as a variation should enable adequate waste to be diverted to ensure the authority does not become subject to penalties under the Landfill Allowance Trading Scheme (LATS). Herefordshire and Worcestershire have an agreement to trade LATS between the two authorities at "no cost" to offset risks - this risk needs to be formalised. The failure of negotiations with ReEnergy means that the issue of MWIM identifying and introducing a new sub-contractor will need to be monitored to ensure early warning can be given of likely timescales for the negotiations and implementation of a varied contract. Because of the timescales involved in delivering a variation to the Contract it will be necessary to offset our risks of LATS penalties by maximising our recycling performance, through Waste Collection, to deliver increased diversion from landfill.	MH	4	2			
Use of Resources Judgement	CR17	4	2	Medium Potential negative impacts on the 2007 UoR assessments include external audit follow up work on fundamental systems, budget variations and service inspection results.	SR	3	2	Directorate Management Teams to review progress implementing actions arising from internal audit reviews on a monthly basis	ALL	Ongoing
Benefits CPA Score 2007	CR18	2	2	Low The BFI Performance Measures have been monitored closely. We are on track to regain a 3 score based on 2006/07 performance.	SR	2	2	Self assessment for 2007 shows an improvement in performance from a 'fair' to 'good' service. The BFI will confirm the self assessment in November 2007.	SR	Completed for 2007
	CR19	4	3	High Significant work has taken place over the last 18 months to produce effective service continuity plans to mitigate the effects of major incidents on the delivery of essential services. Service impact assessments and continuity plans require constant review and updating and the monthly 'second Tuesday' updates from Heads of Service and Key Managers are an integral part of that process.	ALL/NP	2	2			
Herefordshire Connects - selection of preferred supplier and technical platform	CR20	4	3	High Contract third party to carry out independent evaluation of the process	NP	2	2	Capita plc has reviewed and 'cleared' process around preferred partner.	NP	Done
Herefordshire Connects programme - not proceeding; Council insolvent within two years	CR21	4	3	High Ensure Herefordshire Connects programme in place, and delivers.	NP	3	2	Programme reporting structure to deliver key areas to be in place.	NP	Done
Herefordshire Connects - insufficient account taken of the PST in development of the Herefordshire Connects Programme	CR22	4	3	High Establishment of workstreams mapping out interfaces. Discussions with potential suppliers throughout procurement process. PST workstreams produce regular risk registers which are fed into the Steering Group including those relating to IT infrastructure	NP	4	2		Workstream leads	Done
								Risk registers to be in place and fed into steering group.		

Managing Risk - Corporate Risks



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

Signed: \_\_\_\_\_

Position: \_\_\_\_\_

Date: May 2007

Key to Assessment of Risk Scores

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

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

Managing Risk - Corporate Risks



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

chance of occurrence.

# COMPREHENSIVE EQUALITY POLICY AND EQUALITY SCHEMES

## PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

20TH SEPTEMBER, 2007

### Wards Affected

County-wide.

### Purpose

To advise the Cabinet on progress regarding the Council's commitment to and delivery of the Council's statutory obligations to the Diversity agenda.

### Key Decision

This is not a Key Decision.

### Recommendation

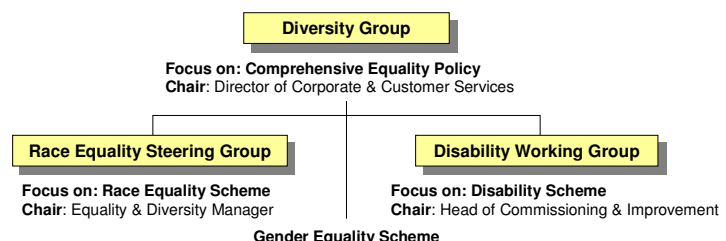
**THAT progress of the Comprehensive Equality Policy and associated equality schemes be noted.**

### Reasons

The changing and diverse nature of the community of Herefordshire should be recognised and acknowledged, along with the challenges this brings. The Comprehensive Equality Policy (CEP) is the umbrella document that sets out the Council's commitment to achieving excellence and meeting its statutory responsibilities to promote and implement equality when it is:

- Providing services
- Purchasing services
- Employing staff
- Working in partnership with other organisations

The CEP provides the focus to ensure that the Council meets the criteria needed to reach Level 3 of the Equality Standard by March 2008. The CEP is underpinned by the Race Equality Scheme (RES) Disability Equality Scheme (DES) and the Gender Equality Scheme (GES). It should be noted that the RES the DES and the GES are incorporated within the CEP, and therefore their action plans sit as appendices to it.



Further information on the subject of this report is available from  
Carol Trachonitis, Equality & Diversity Manager, on 01432 260616

## Considerations

### 1. Community/Social Cohesion

Community cohesion was not included in our original CEP. However the local government white paper “strong and prosperous communities”, published in October 2006, aims to give local people and local communities more influence and power to improve their lives. The vision is to revitalise local authorities working with their partners to reshape public services around the citizens and communities that use them. This means changing the way we work – to enable Herefordshire council and local partners to respond more flexibly to local needs. It was agreed through the Diversity Group that we would not have a separate community/social cohesion strategy and that this should be incorporated within the CEP.

### 2. Tension Monitoring (not previously included in CEP)

Within all communities there is the potential for an element of competition and for tensions to arise, which may lead to conflict. The nature of tensions, conflicts and divisions will differ from one area to another, and between one group and another. For example there may be tensions and mistrust between different ethnic or faith groups, urban and rural dwellers, new arrivals and long-term residents, or along inter-generational lines. Councils need to be able to track and monitor local trends and ‘hot spots’, alongside any national or international events/incidents which may threaten cohesion, and agree and implement actions to manage tensions on the basis that early intervention can make a real difference in preventing incidents of public disorder.

3. The CEP action plan sets out how we will monitor, track and put in place an intervention initiative where any potential “hot-spots” may threaten social cohesion. The delivery of any intervention will be through a partnership approach. Herefordshire has a well established equality partnership (the Herefordshire Equality Partnership was formed in 2001, then known as the Herefordshire Race Equality Partnership). Through this mechanism we will agree and implement actions, manage tensions and intervene at the earliest opportunity to prevent incidents that could escalate into public disorder.

### 4. Equality schemes – headline achievements to date:

#### a. Comprehensive Equality Policy

- Achieved Level 2 of the Equality Standard for Local Government in March 2007.
- Completed 150 EIAs between 2004-2007. A new programme of EIAs for 2007/09 agreed and on track.
- Review and incorporated equality content in strategic documents/policies/Community Strategy.

#### b. Race Equality Scheme (RES)

- Race equality awareness sessions delivered for staff, councillors and community groups and incorporated in central induction process for all new starters.
- Production of the “Me We” film evidencing the impact of racism on Herefordshire and its people.
- Ensure that race equality issues are highlighted in directorate and service planning through the EIA process.

#### c. Disability Equality Scheme (DES)

- Automatic doors to the rear of the Butter Market - now on plan of works for May 2008 as a direct result of public consultation.



- Guidance document produced for managers and staff on issues of disability.
- Mailing list of local disability organisations formalised.

**d. Gender Equality Scheme (GES)**

- Gender equality incorporated into central induction and EIA process.
- Equal pay review as part of the Pay & Workforce Development Strategy completed July 2007.
- Work with the Rainbow Forum to progress and raise awareness of challenges for Trans people in Herefordshire.

5. The CEP action plan will be brought to Cabinet every six months to report on progress.

## **Financial Implications**

Withdrawal of resources would mean that we would be unable to implement the Action Plans associated with the Council's equality schemes and reduce our effectiveness and influence in partnership working/responsibilities.

## **Risk Management**

It is a legal requirement to have the equality schemes in place.

If we do not continue to drive the equality and diversity agenda, act on the findings of Equality Impact Assessments, and demonstrate actions taken, we are unlikely to fulfil the criteria required for Level 3 of the Equality Standard, and may fail in our statutory duties.

## **Alternative Options**

There are no Alternative Options.

## **Consultees**

All diversity groups.

## **Appendices**

- |          |                                              |
|----------|----------------------------------------------|
| Appendix | 1. Comprehensive Equality Policy             |
|          | 2. Comprehensive Equality Policy Action Plan |

## **Background Papers**

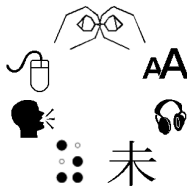
- Race Equality Scheme 2005/08
- Disability Equality Scheme 2006/09
- Gender Equality Scheme 2007/10





# Comprehensive Equality Policy 2007-2010

*“Service with integrity, equity and empathy”*



If you would like help to understand this document, or would like it in another format or language, please call the Corporate Diversity Team on 01432 260244 or e-mail [diversity@herefordshire.gov.uk](mailto:diversity@herefordshire.gov.uk).

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# 1. Introduction

Herefordshire Council is committed to promoting equality of opportunity, good community relations and to tackling all forms of discrimination. As an organisation, the Council has a responsibility and a community leadership role to promote and implement equality when it is:

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

The Council recognises that people may experience discrimination and be disadvantaged for many reasons, including but not limited to:

- race or ethnic origin
- religion or belief
- disability
- age
- gender
- sexual orientation

Herefordshire Council has a legal duty to meet all statutory and other duties with regard to the diversity strands<sup>1</sup>. The council acknowledges that this is the minimum required and that there is a moral obligation to go beyond legislation.

This Comprehensive Equality Policy forms the basis of our commitment to equality in service provision, employment and community leadership. It sets out how the Council will go that step further working in partnership with local leaders to drive the equalities agenda in Herefordshire. It provides a focus to ensure that the detailed requirements of the Equality Standard for Local Government are fully met.

## 2. Equal Opportunities and the Law

We will endeavour to eliminate all discrimination, both direct and indirect, against everyone regardless of individual circumstances, in the promotion of our services and in the employment of our workforce.

This policy has been developed within a framework of existing legislation and codes of practice.

The relevant Acts of Parliament relating to equal opportunities policy are (this list is not exhaustive):

- Equal Pay Act 1970
- Rehabilitation of Offenders Act 1974
- Sex Discrimination Act 1975 (and 1979 and 1986)
- Race Relations Act 1976 and Race Relations (Amendment) Act 2000
- Employment Act 1989
- Disability Discrimination Act 1995 and 2005
- Employment Rights Act 1996
- Protection from Harassment Act 1997
- Data Protection Act 1998
- Working Time Regulations 1998

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<sup>1</sup> Race, Religion and belief, Sexual orientation, Age, Gender, Disability, as defined by the Home Office

- Human Rights Act 1998
- Employment Relations Act 1999
- Sex Discrimination (Gender Reassignment) Regulations 1999
- Employment Equality (Religion or Belief) Regulations 2003
- Employment Equality (Sexual Orientation) Regulations 2003
- Equality Act 2006 (the Gender Equality Duty)
- The Equality Act (Sexual Orientation) Regulations 2007

In addition, the Council will comply with the codes of practice of the Commission for Equality and Human Rights.

All managers and employees are made aware of the details and implications of this policy, and ensure that it is adhered to.

### 3. Profile of Herefordshire Council Employees

Herefordshire Council employee numbers can be broken down as follows<sup>2</sup>:

Headcount including schools = 5,610

- 4,351 (77.56%) are female, 1,259 (22.44%) are male
- 2,619 (46.68%) are full-time, 2,991 (53.32%) are part-time
- 1,618 (61.78%) of the full-time employees are female, and 1,001 (38.22%) are male
- 2,733 (91.37%) of the part-time employees are female, and 258 (8.63%) are male

Headcount excluding schools = 2,228

- 30.3% male, 69.7% female
- 42.76% full-time male, 57.24% full-time female
- 11.49% part-time male, 88.51% part-time female

Employees declaring that they meet the Disability Discrimination Act definition as a percentage of the total workforce = 0.69% (this is BVPI 16a outturn and includes schools).

Minority Ethnic Community employees as a percentage of the total workforce = 0.64% (this is BVPI 17a outturn and includes schools).

Age Range	Including schools	Excluding schools
• 16-24.....	5.56% .....	5.83%
• 25-34.....	15.54% .....	16.61%
• 35-44.....	30.03% .....	25.99%
• 45-54.....	29.72% .....	29.76%
• 55-59.....	12.29% .....	12.93%
• 60-65.....	5.42% .....	7.54%
• 65+.....	1.44% .....	1.34%

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<sup>2</sup> Data as at 31 March 2007

## 4. The Equality Standard for Local Government

In 2002 Herefordshire Council adopted the Equality Standard framework for Local Government. The Standard is designed to enable local authorities to mainstream equalities into service delivery and employment, ensuring that discriminatory barriers preventing equal access to services are identified and removed.

There are five levels in the Equality Standard, indicating how advanced the organisation is in achieving continuous improvement in the equalities field. They are:

1. Commitment to a Comprehensive Equality Policy
2. Assessment and consultation
3. Setting equality objectives and targets
4. Information systems and monitoring against targets
5. Achieving and reviewing outcomes

The Council achieved Level 2 of the Equality Standard in March 2007, and is aiming to reach Level 5 by March 2010.

"A cohesive community is a community that is in a state of 'wellbeing, harmony and stability'. Local authorities have an important role in facilitating community cohesion, by listening to communities, engaging residents and assisting interaction between communities."

## 5. Community/Social Cohesion

The local government White Paper "Strong and Prosperous Communities", published October 2006, aims to give local people and local communities more influence and power to improve their lives. The vision is to revitalise local authorities working with their partners to reshape public services around the citizens and communities that use them. This means changing the way we deliver services and work with local partners to respond more flexibly to local needs.

Social cohesion is about developing and maintaining positive and productive relationships between the many different communities that make up our society. It also about recognising the impact of societal change and responding to it.

Britain's hugely diverse communities - diversity based not only on ethnicity, race and culture but also on age, disability/ability, religion/belief and other factors - are now demanding that service delivery is equitable. In many cases it is the obstacles to accessing a service that perpetuates the perception of one group being favoured over another. To bring about social cohesion we need to improve the quality and responsiveness of services to communities, increase resident participation by enhancing the role of community groups, and strengthen and develop local leadership.

The Herefordshire perspective differs from the national perspective with regard to the community cohesion agenda in a fundamental way. The national interpretation of community cohesion ("different communities living parallel lives") concentrates on cultural and religious differences becoming a cause of tension in a large multicultural urban setting. This results in communities becoming fragmented and increasingly isolated, living parallel lives, compounded by new migrants who gravitate towards living near those who share their background, culture and beliefs. It is a challenging agenda, but promoting and fostering positive community cohesion must be successful and is vital with regard to the absolute need to tackle extremism.

The phenomena of different communities living parallel lives has long been an issue in Herefordshire, but has historically been ignored. The Gypsy/Traveller community, a community that has been established in Herefordshire since the 1600s has been living a parallel existence with the general community. Neither community has worked at interacting in any meaningful way and as a result there is a lack of understanding and a great deal of suspicion between the two.

With the ever-increasing membership of the EU, it is now important to gain a sophisticated understanding of the community cohesion agenda as it applies to this county. There is a need to understand why it is important and how to facilitate success, because as large numbers of seasonal and migrant workers move into the area, some ultimately committing their long-term future to Herefordshire, this is no longer an urban-only issue. Previously we had households and not communities. Now we have communities working and living side by side but for many reasons, not forming relationships. It is very early days for the new communities in the county. Herefordshire's cross-sector organisations have an opportunity to learn from the mistakes of the past and prevent parallel communities from developing.

Herefordshire Council is committed to promoting and developing social cohesion in Herefordshire. The CEP action plan sets out how the authority will mainstream this agenda across the Council. The action plan will be consistent with the Council's other equality schemes, the Race Equality Scheme (RES), Disability Equality Scheme (DES), and Gender Equality Scheme (GES), and will include performance indicators.

**FACT:**

Low levels of earnings in Herefordshire coupled with relatively high house prices mean that affordability of housing is a major issue in the county. The fact that "affordable housing" in Herefordshire costs over 8 times lower quartile earnings shows the problem of affordability, given that mortgages would not usually be offered to more than 3 or 4 times income.

*(The State of Herefordshire Report 2007)*

For this county, "cohesion" includes all the strands that make up the diversity agenda, a commitment to the individual as well as any group. It is important all are aware that there are as many differences *within* communities as there are *between* communities, however a community is defined.

In Herefordshire we have poor, White, working class areas (eg. South Wye), where many individuals are disadvantaged due to low income. Low income can lead to a lack of accessibility to services due to a poor infrastructure, transport service or accessibility of venues. These issues and the rural nature of our county impact on the ability of groups of people to participate in, and enjoy the benefits of, what wider community life of Herefordshire, has to offer.

The Council has a commitment to work with its service providers, partners and contractors to deliver equality objectives through its procurement processes. Directorate and Service Plans will be used to demonstrate our commitment to improving equitable access to services and be used to monitor our performance at delivering our equality targets.

The Corporate Diversity Team will provide a policy development, scrutiny and practical support role.

The Council's HR Department, through its Pay and Workforce Strategy, will work towards achieving the equality targets in order to meet the Council's commitment to improving equitable access to employment, training and development.



## 6. Community Tension

Within all communities there is the potential for tensions to arise, which may lead to conflict. The nature of these tensions and conflicts will differ from one area to another. The CEP action plan sets out how we will monitor, track and put in place an intervention initiative where any potential “hot-spots” may threaten social cohesion. The delivery of any intervention will be a partnership approach. The HEP<sup>3</sup> will agree and implement actions, manage tensions and intervene at the earliest opportunity to prevent incidents that could escalate into public disorder.

## 7. Equality Impact Assessments (EIAs)

An EIA is an analysis of a service or policy to ensure that it is appropriate and accessible and does not, however unwittingly, disadvantage or discriminate against any group.

Around 150 EIAs were carried out as part of the first tranche (from 2004-2007). Around 124 assessments are due to be carried out in the next tranche (2007-2009), and further targets and objectives will be developed during this time. EIAs will also be conducted for all proposed policies and functions before they are adopted.

EIAs are a statutory duty with regards to Race. However the Council took the decision to incorporate within the assessments each of the diversity strands, as well as income and geographic location, as it is recognised in Herefordshire that both these additional factors could have significant impact on how services are delivered across the county.

We will operate monitoring and evaluation systems to ensure that the impact of our services, along with the needs and requirements of our customers, are identified and addressed appropriately, utilising consultation mechanisms as necessary. A cross-Directorate Diversity Group will help to ensure that this work is effectively progressed, driven and incorporated within business plans.

During 2007/08 we will identify our data requirements in respect of diversity and equalities, which will enable us to undertake the impact assessments more effectively. Such data will also assist the Council in setting future targets and monitoring the results. We will commission and work with our partner agencies to ensure that we collect accurate and local data to influence service delivery and to measure our progress.

## 8. Service Delivery

The Council commits to working towards ensuring that all our customers have equitable access to services they need. In particular, service providers will:

- Ensure that Council services are accessible and equitable.
- Ensure that equality considerations are integrated into all relevant areas of service planning, management and delivery.
- Ensure that information about services is offered in appropriate formats and languages.
- Ensure that the Council’s commissioning, purchasing and grants provision policies and procedures are equitable.
- Ensure that the Council’s resources and subsidies are targeted to promote equality of access.
- Improve the monitoring of service take-up and complaints.

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<sup>3</sup> Herefordshire Equality Partnership

- Assess the impact of proposed policies and changes to existing policies.
- Improve the Council's awareness and understanding of the needs of different groups in the county through effective community profiling, consultation and involvement.
- Train staff to ensure that they are aware of the CEP and their own responsibilities, and are able to apply it to their own area of work.

## 9. Employment and Training

The Council is committed to all aspects of equal opportunities in employment, including fair employment and equal pay policy. In particular, the Council will:

- Promote opportunities to ensure that the Council's workforce is diverse and representative of the local community.
- Ensure that Council jobs are accessible to people from all sections of the community.
- Ensure that all applicants for posts are aware of our equalities policies and of their right to be treated with dignity and respect.
- Ensure that employees are treated equitably in all areas of employment, including career development, pay, training and promotion.
- Address harassment and bullying in the workplace.
- Improve consultation with staff from the groups covered by the policy.
- Continually review human resource policies to assess their impact on the groups covered by the policy.
- Monitor recruitment, promotion, training, grievances, disciplinary procedures and exit from employment.
- Carry out an Equality Impact Assessment on all proposed new policies, and proposals that significantly change existing policies.
- Work with our Trade Union partners in addressing the Council's goals in equalities.

## 10. Consultation

Herefordshire Council recognises the crucial role that all service users and employees play in helping to shape our services and the way they are delivered. Involvement of people, either as a member of a particular community, an employee or as an individual service user is essential in ensuring that services remain responsive and are accessible by all.

Effective consultation is key to promoting equity in the provision of our services. We will continue to use a variety of appropriate consultation methods, such as surveys, questionnaires and focus groups, to ensure that the needs and requirements of service users who may be disadvantaged due to discrimination or social exclusion are properly represented. Consultation is key to ensuring that the Council is proactive in its approach to local democracy.

The Council recognises the need to have in place an appropriate, relevant and effective communications strategy to enable it to consult with its employees and ensure the full value of this consultation is reflected in its subsequent decision-making. It will continue to undertake a formal survey of employee satisfaction, opinion and attitudes on an annual basis. Staff groups also play an important part in assessing the needs and opinions of employees. Three staff groups exist at the time of writing this document; these are based on Race, Disability and LGBT<sup>4</sup>.

The Council needs to access a very wide range of opinions and views in order to plan and make decisions appropriately. Its consultation arrangements will ensure that people's different needs and requirements are properly represented before policies or specific actions are decided.

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<sup>4</sup> Lesbian, Gay, Bisexual, Transgender

## 11. Accessible Communications

Accessible communications are important in promoting equality in the provision of our services. A new policy will ensure that an “alternative formats statement” appears on all new internal and external documents. This commits us to providing information on request in a number of different formats or languages, or even going through a document personally with someone to help them understand. Alternative formats include large print, Braille, audio, and easy read.

We will ensure that public meetings and events are accessible. This will include providing, upon request, an alternative format of any written document, hearing enhancement systems, level access, accessible toilets, and adequate emergency exit procedures.

Interpreters and sign language interpreters will be provided where we have received prior notification that these are required. Invitations and publicity for all such events will clearly state the facilities available and provide details of appropriate booking systems to request any facilities or services required.

We acknowledge that the development of web communications is critical to achieving equality of access and opportunity for all. The council is committed to achieving RNIB<sup>5</sup> accreditation for its website.

## 12. Comments and Complaints

We will encourage customer comments regarding our services and maintain clear, transparent, fair and sensitive procedures for dealing with complaints. Comments and complaints are encouraged, in that customers are no longer required to formally write to the Council to complain. Instead, any form of communication is accepted as official, be it e-mailed, telephoned or face-to-face.

Members of the public who are dissatisfied with the behaviour or actions of Council staff, the extent or non-provision of a service, or the manner in which it is provided may use the Council’s complaints procedure.

We will undertake diversity monitoring of complaints and ensure that we have effective mechanisms for responding to complaints of a discriminatory nature.

## 13. Priorities

Within the broad heading of Equality and Diversity, priorities are needed in order to best target the Council’s resources. Our key priority is to ensure we meet our statutory duties under the Race Relations Amendment Act, Sex Discrimination Act, Equal Pay Act, Disability Discrimination Act and employment legislation. In addition, it is our duty to ensure that all our written policies are compliant with current legislation.

Herefordshire Council also recognises it has moral and social duties regarding all diversity strands, as well as income and geographic location.

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<sup>5</sup> Royal National Institute for the Blind

## 14. Responsibility for the Policy

- The overall responsibility for Diversity lies with the Leader of the Council. Within the Corporate Management Board, responsibility for Diversity is with the Director of Corporate & Customer Services.
- The Council's Diversity Group, chaired by the Director of Corporate & Customer Services, will oversee, monitor and ensure that the CEP action plan is delivered.
- Each Director and Head of Department has specific responsibilities to ensure the implementation of this Policy at Directorate, Departmental and Service level.
- All managers are responsible for ensuring that all aspects of their services comply with the Policy.
- All employees are required to ensure "integrity, equity and empathy" towards colleagues, service users and other members of the community in carrying out their duties.
- All employees should work towards the elimination of unlawful discrimination in the workplace in all aspects of service delivery.
- All employees have a duty to report instances of unfair discrimination to their managers at the earliest opportunity so that appropriate action can be taken to remedy a situation.
- The Council requires that those who provide services on its behalf, or organisations which are funded by the Council, ensure that their service provision and employment practices are consistent with the CEP.

## 15. Resources

Herefordshire Council is committed to mainstreaming the CEP into service planning and budgetary allocation.

The Council will provide specialist resources devoted to developing and monitoring the Policy.

## 16. Reviewing and Monitoring

The Corporate Diversity Team will review this Comprehensive Equality Policy each year and produce an annual report. They will also fully review the document every three years (or as otherwise required) to reflect the Council's objectives and current legislation. The next full review will take place in April 2010.

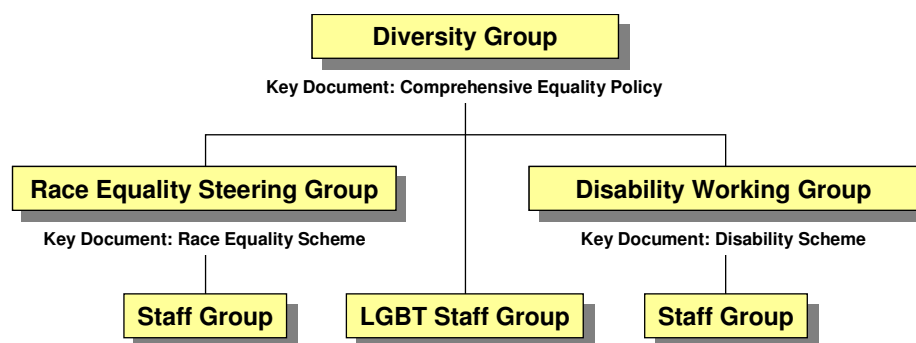
The Corporate Diversity Team will also monitor progress on the corporate and departmental targets set out in the CEP action plan.

Performance indicators will be included in the CEP, the Council's Corporate Plan (which is the Council's strategic Best Value Performance Plan) and its Annual Operating Plan.

Reviews will take into account the views of elected Members, employees, community and voluntary groups, and trade unions.

The CEP action plan will include quarterly performance review reports to the Corporate Management Board, Cabinet and Strategic Monitoring Committee.

## 17. Herefordshire Council Diversity Structure



### The Diversity Group

The Diversity Group exists to ensure that the Council fulfils its statutory and other commitments in respect of diversity and equality of opportunity. It aims to promote and achieve equitable access for all regardless of race, religion or belief, disability, age, gender or sexual orientation, income or geographical location within the county. The group is led and chaired by the Director of Corporate & Customer Services, and members include officers from each Council Directorate.

### Race Equality Steering Group

The Steering Group exists to ensure that the Council fulfils its statutory and other commitments in respect of race equality including monitoring the progress and developing the work on the Race Equality Scheme. Its remit extends to all the Council's functions, including its community leadership role, service development and as an employer. The Equality & Diversity Manager chairs this group.

### Disability Working Group

The Disability Working Group exists to ensure that the Council fulfils its statutory and other commitments in respect of disabled people, including drawing up a Disability Equality Scheme. It is attended by at least one member of each Directorate, whose responsibility it is to ensure that the Council's commitments, policies, programmes and priorities are fulfilled in their field of operation. To this end, the individual members will be expected, in particular, to disseminate good practice within their Directorate. The Head of Commissioning and Improvement - Schools and Services, chairs this group.

### Staff Groups

There are currently three Staff Groups in place, which help the Council push forward its work in race equality, disability, and LGBT issues. The objectives of the groups vary slightly from each other, but are predominantly as follows:

- To raise awareness and understanding of the various equality issues
- To act as a consultation forum
- To advise the Council on increasing equalities awareness and understanding
- To support and advise each other
- To share experiences and new ideas
- To work to develop a suitable forum to support those who have experienced prejudice and discrimination
- To act as ambassadors for service areas/directorates
- To raise issues from everyday experiences at work
- To promote community events and festivals

## **18. The Corporate Diversity Team**

The Corporate Diversity Team was established in June 2005 to drive forward all issues of diversity and equality. They work closely with colleagues from all services areas across the authority.

Part of their remit is to address complaints or concerns on issues relating to both Council business and in the community. They support employees and members of the public who feel they have been treated unfairly, discriminated against, harassed or bullied. They also work proactively within the organisation and out in the community to initiate projects that will improve the quality of people's lives or raise awareness of important issues.

## **19. Promotion of the Council's Equality Ethos**

### **Two Ticks Disability Symbol**

Jobcentre Plus sponsors the Two Ticks symbol for use by employers who are "positive about disabled people", and Herefordshire Council has been approved to use it. It's a recognition that the employer has agreed to take action to meet five commitments regarding the employment, retention, training and career development of disabled employees. This includes a guarantee to interview disabled people if they meet the essential minimum criteria for the post. Organisations are reviewed each year by Jobcentre Plus to ensure that they remain committed to employing and retaining disabled people.

### **Stonewall Diversity Champions**

In April 2007 the Council committed to joining the Diversity Champions programme run by Stonewall. This is a good practice forum for Lesbian Gay and Bisexual workplace issues. The programme brings together top employers from across the UK to promote diversity in the workplace. Stonewall publish an annual list of the top 100 gay friendly employers – 23 of which are local authorities. Herefordshire Council intends to apply for a place on this list in 2008.

## 20. Appendix 1: Definitions

**Equality**      **Attributing the same value rights or status, equal, sameness**

**Diversity**      **Variety, different, mixed and varied**

**Equity**      **Fairness and impartiality**

**Racism** (*as defined in the Steven Lawrence enquiry*)

“Racism in general terms consists of conduct or words or practices which disadvantage or advantage people because of their colour, culture or origin.”

### ***Institutional Racism***

“The collective failure of an organisation to provide an effective and professional service to people because of their race. It can be seen or detected in process, attitudes and behaviour which amount to unfair discrimination through unwitting prejudice, ignorance, thoughtlessness and stereotyping which unfairly disadvantages or advantages people”.

### ***Unfair Discrimination***

“Unfair discrimination consists of conduct or words or practices which disadvantages or advantages people because of their colour, culture or ethnic origin, nationality, religious belief, gender, disability, sexual orientation, age, geographical location or other status”.

The Council's definition of discrimination includes direct and indirect forms of unfair discrimination.

***Direct (unfair) Discrimination*** - occurs when a person is treated less favourably or more favourably than others would be, on grounds that are not justifiable, such as race, gender, disability or other status. In employment this can be when an individual is denied access to a position or a promotion or staff development opportunities on the basis of race, gender, marital status, or disability.

***Indirect (unfair) Discrimination*** - occurs when treatment appears to be fair (eg. the requirement is applied to everybody equally), but that results in an unjustifiable adverse impact upon an individual/group. In employment this can mean criteria for access to jobs and/or training are set in a way that discourages or prevents suitable applicants and/or participants.

***Victimisation*** occurs when an employer treats an employee less favourably than other employees because he or she has brought proceedings or given evidence or information under the Sex Discrimination or Race Relations Acts or invoked the Grievance Procedure in relation to an incident of discrimination or harassment.

### ***Discriminatory Incident***

“An incident of discrimination is any incident which is perceived to be discriminatory by the victim or any other person”.



### ***Equal Opportunities***

“The promotion of policies and practices aimed at ensuring everyone in an organisation has the same chances and opportunities. Equal opportunities promotes equality of access to employment and services for everyone”.

### ***Harassment and Bullying***

Can be verbal/non-verbal, physical or psychological and can be experienced by both men and women. Harassment includes acts of unfair discrimination on grounds of age, religion, disability, gender, marital status, sexual orientation, race, colour, nationality, ethnic or national origins. What appears acceptable to one person might not be so to another. People experiencing such incidents are often far more adversely affected than the harasser/bully thinks. Their work and health may suffer. The effect is the key consideration rather than the intention.

## 21. Appendix 2: Key Statistics of Herefordshire's Resident Population

### a) Ethnicity of Resident Population, 2004

Percentage of residents in ethnic group:	%
White: British	96.5%
White: Irish	0.5%
White: Other	1.3%
Mixed	0.6%
Asian or Asian British	0.5%
Black or Black British	0.3%
Chinese	0.2%
Other ethnic group	0.2%
Any group other than White British (ie. 'BME')	3.5%

Source: ONS experimental population estimates by ethnic group © Crown copyright 2006

Comparable data is available for mid-2001, 2002 and 2003.

It should be noted that all population estimates are based on the concept of 'usual residence', and define a 'migrant' as someone who intends to stay in the UK for at least a year. Therefore short-term migrants (such as seasonal workers) will not be included in any estimates of resident population, or any estimates of the ethnic composition of the resident population.

Also note that the age profiles of different ethnic groups may be very different to the age profile of the total population, therefore certain services may be more or less relevant to certain groups.

### b) Religion of Resident Population, 2001 Census

Percentage of people stating religion as:	%
Christian	79.01%
Buddhist	0.20%
Hindu	0.06%
Jewish	0.07%
Muslim	0.10%
Sikh	0.04%
Other religions	0.26%
No religion	12.55%
Religion not stated	7.71%

Source: 2001 Census © Crown copyright

### c) Gender, 2005

Proportion of resident population who are:	%
Male	48.8%
Female	51.2%

Source: ONS mid-year estimate of population © Crown copyright

These are the only gender categories for which information is available. This data is updated every September (for the previous calendar year).

Key data, for example age, earnings, employment, is available by male and females.

### d) Sexual Orientation

According to the 2001 Census, there are 176 persons living in same-sex couples (ie. two people of the same sex identifying the other as partner). This equates to 0.1% of all persons aged 16 and over living in households. This is all the information currently available.

### e) Disability

No data exists on the number of disabled people. The best alternative is the number of people stating that they have a limiting long-term illness or LLTI (ie. a long-term illness, health problem or disability which limits daily activities or work). According to the 2001 Census, 17.9% of the resident population have an LLTI.

### f) Age Structure of Resident Population, 2005

Age Group	Number	%
0-14	30,400	17.0%
15-24	18,900	10.6%
25-44	43,500	24.3%
45-59	38,500	21.5%
60-74	30,200	16.9%
75+	17,300	9.7%
<b>Total</b>	<b>178,800</b>	<b>100%</b>

Source: ONS mid-year estimate © Crown copyright

These estimates are updated every September (for the previous calendar year). Other age groups are available. For current data and more detailed age groups see the Research Team's website: [www.herefordshire.gov.uk/research](http://www.herefordshire.gov.uk/research).

### g) Income

No reliable data exists on levels of income at a county level. Information is available on the earnings of people in full-time employment, but by definition this excludes those who aren't working, and any income from investments or pensions.

#### h) Proportion of Herefordshire Population Living in Income Deprived Households

Age	%
All Ages	9.7%
Aged under 16	14.3%
Aged 60 and over	10.5%

Source: Derived from the ODPM's Index of Multiple Deprivation, 2004

#### i) Geographical Distribution of Resident Population, 2004

Proportion of resident population living in:	%
Hereford City	31.5%
Leominster	6.3%
Ross-on-Wye	5.7%
Ledbury	5.2%
Bromyard	2.4%
Kington	1.5%
One of the 5 Market Towns	21.1%
Elsewhere in County	47.4%

Source: Herefordshire Council Research Team, mid-2004 ward & parish population estimates.

For further information contact Herefordshire Council Research Team:

E-mail: [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk)

Tel: 01432 260498

Website: [www.herefordshire.gov.uk/research](http://www.herefordshire.gov.uk/research).

# Herefordshire Council Comprehensive Equality Policy (CEP) Action Plan 2007-2010

## Introduction

The Comprehensive Equality Policy (CEP) is the umbrella document that sets out the Council's commitment to achieving excellence and meeting its responsibilities to promote and implement equality when it is:

- Providing services
- Purchasing services
- Employing staff or
- Working in partnership with other organisations

The CEP provides the focus to ensure that the Council meets the criteria needed to reach Level 5 of the Equality Standard for Local Government by 2010.

This Action Plan is the document that sets out how we are going to achieve this. It is the action plan that brings all the strands of the diversity agenda together. It should be noted that the Race Equality Scheme (RES), the Gender Equality Scheme (GES) and the Disability Equality Scheme (DES) are sub-sections of the CEP and therefore their action plans sit as appendices to this Plan.

It should also be noted that both the RES and the DES are driven by single focus steering groups where performance and progress is monitored. These steering groups make reports to the Diversity Group, which has overall responsibility for progress on mainstreaming diversity issues through the Council, and achievement of the Equality Standard for Local Government.

This document sets out specific actions to achieve corporate objectives based on service need. It is a tool that will be used to monitor progress and report on levels of achievement. It will focus on ensuring that the Council has mechanisms, processes and procedures in place to achieve Level 5 of the Equality Standard.

The Equality Standard is split into four main areas, and this action plan has been designed to reflect this:

1. Leadership and Corporate Commitment
2. Consultation, Community Development and Scrutiny
3. Service Delivery and Customer Care
4. Employment and Training

<b>Key</b>	
<b>BV:</b>	Best Value
<b>BVPI:</b>	Best Value Performance Indicators
<b>CDT:</b>	Corporate Diversity Team
<b>CEP:</b>	Comprehensive Equality Policy
<b>DES:</b>	Disability Equality Scheme
<b>EIA:</b>	Equality Impact Assessment
<b>HCS:</b>	Herefordshire Community Strategy
<b>HEP:</b>	Herefordshire Equality Partnership
<b>HR:</b>	Human Resources
<b>IPR:</b>	Improvement Performance Review
<b>GES:</b>	Gender Equality Scheme
<b>GOWM:</b>	Government Office West Midlands
<b>LAA:</b>	Local Area Agreement
<b>LGBT:</b>	Lesbian, Gay, Bisexual, Transgender
<b>RES:</b>	Race Equality Scheme
A shaded area means Commitment completed	
Commitments shown in red are performance indicators that are reported externally.	

Commitments	Lead Officer	Evidence	Target/Date	Cross-ref to other documents for specific action
<b>1. Leadership &amp; Corporate Commitment</b>				
<b>1.1. BV 2b: The level of the Equality Standard for Local Government reached</b>	Carol Trachonitis	Internal audit and external verification by IDEA	Level 3 March 2008 Level 4 March 2009 Level 5 March 2010	IPR
<b>1.2. BV 174: The number of racial incidents reported to the Local Authority and subsequently reported, per 100,000 population</b>	Carol Trachonitis/ Neville Meredith	IPR/BVPI		IPR
<b>1.3. BV 175: The percentage of racial incidents reported to the local authority that resulted in further action</b>	Carol Trachonitis/ Neville Meredith	IPR/BVPI	100%	IPR
<b>1.4. Ensure that all equality schemes are reviewed and implemented (RES, GES, DES)</b>	CDT and diversity groups	New schemes published. Actions implemented.	RES – March 2008 DES – Dec 2009 GES – March 2010	RES, DES, GES
<b>1.5. Monitor and assess use of EIA action plans in directorate service planning</b>	Performance Managers	Action plans in all service plans. Evidence of changes to service delivery documented	Service planning cycle service plans 2008/09	Performance planning framework Service and Directorate Plans. Ccentral list/database of EIAs
<b>2. Consultation, Community Development &amp; Scrutiny</b>				
<b>2.1. HCS 63: Percentage of adult residents who feel that Herefordshire is a place where people from different backgrounds get on well together</b>	HEP	Customer satisfaction survey	March 08	Community Strategy LAA
<b>2.2. HCS 87: The percentage of people who feel that people in their area treat them with respect and consideration</b>	HEP	Customer satisfaction survey	March 08	Community Strategy LAA

Commitments	Lead Officer	Evidence	Target/Date	Cross-ref to other documents for specific action
2.3. Develop a consultation group specifically to support the diversity agenda (Herefordshire 100)	Martin Heuter	Groups set up and consulted on	October 2007	Consultation Strategy
<b>3. Service Delivery &amp; Customer Care</b>				
<b>3.1. BV 2b: The quality of the authority's Race Equality Scheme and improvement</b>	Neville Meredith	Review and re-written	April 2008	RES, IPR
3.2. Ensure that equality policy and objectives are incorporated in "partnership" and procurement arrangements	Dean Hogan	Equality clauses written into contracts	April 2008	Corporate Procurement Strategy
3.3. Ensure planned programme of service area impact assessments are carried out	Carol Trachonitis	EIAs carried out and action plans developed	Rolling programme 2007/09	Service plans/local databases
3.4. Ensure that planned agreed service area equality targets and objectives are incorporated into service plans	Carol Trachonitis/ Performance Managers	Directorate and Service plan action plans	2008/09	Performance management framework. Directorate and Service Plans
3.5. Ensure that each service area has approved and established monitoring and information systems in place	Connects/ Performance Managers	Central/local database and associated reporting system?	C&YP March 08 A&CS March 08 HR March 08	EIA guidance document
<b>4. Employment &amp; Training</b>				
<b>4.1. % top paid 5% of wage earners that are female</b>	Amanda Attfield/Richard Beavan-Pearson	BVPI/IPR	2007/10	Pay & Workforce Dev Strategy, IPR
<b>4.2. % top paid 5% of wage earners with a disability</b>	Amanda Attfield/Richard Beavan-Pearson	BVPI/IPR	2007/10	Pay & Workforce Dev Strategy, IPR

Commitments	Lead Officer	Evidence	Target/Date	Cross-ref to other documents for specific action
<b>4.3. % employees with a disability</b>	Amanda Attfield/Richard Beavan-Pearson	BVPI/IPR	2007/10	Pay & Workforce Dev Strategy, IPR
<b>4.4. % employees from ethnic minority community</b>	Amanda Attfield/Richard Beavan-Pearson	BVPI/IPR	2007/10	Pay & Workforce Dev Strategy, IPR
<b>4.5. Review personnel information systems for monitoring including supporting the Council's statutory ethnic monitoring duties</b>	Amanda Attfield/Richard Beavan-Pearson	Accurate data produced	March 08	Pay & Workforce Dev Strategy
<b>4.6. Develop a programme of equality training to support the CEP and service area objectives. Ensure that the training programme is consistent with the Council's equality schemes</b>	Liz Wallace	Equality training incorporated into induction process / management competencies.	Dec 07	Pay & Workforce Dev Strategy, DES, RES, GES
<b>5. Tension Monitoring</b>				
<b>5.1. Monthly returns to GOWM through the HEP</b>	CDT	Monthly return	25 <sup>th</sup> of each month	
<b>5.2. Support any interventions as deemed necessary</b>	CDT/HEP	Minutes of HEP meeting		
<b>6. Community / Social Cohesion</b>				
<b>6.1. Develop, promote and host events to encourage social cohesion across all strands of diversity</b>	CDT	Support given to a number of events eg. LGBT History Month, International Day of Disabled Persons, Black History Month, Holocaust Memorial Day	Minimum of 3 events each year	DES, RES, GES
<b>6.2. Develop an Equalities Forum</b>	Neville Meredith	Event hosted	March 2008	



## EMPLOYEE OPINION SURVEY 2007

### PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

20TH SEPTEMBER, 2007

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#### Wards Affected

No Wards are affected.

#### Purpose

To note the contents of the Employee Opinion Survey report.

#### Key Decision

This is not a Key Decision.

#### Recommendation

**THAT the Employee Opinion Survey report be noted.**

#### Reasons

The Employee Opinion Survey is carried out annually, and this report is for information on the key findings of the 2007 Survey.

#### Considerations

1. The Employee Opinion Survey 2007 was run during July. This was to ensure that, as in 2006, the results could be used as part of the corporate planning process. 53% of employees completed the survey compared with 48% last year. This is well in excess of the 43% current average response rate for local government surveys (as identified by the Opinion Research Corporation). 28% returned the form electronically, compared with 21% in 2006 and 20% in 2005, when the electronic option was first introduced.
2. This year's responses in general, show marked improvements in the perception of employees over the areas covered by the survey questions. Work that the Council is doing to improve is clearly making a difference to what employees think. In most areas of the survey the message from employees is that things are getting better. Some of the improvements over the past year which may have led to the positive results, included:
  - Staff Review and Development (SRD) completion rate continues to improve – now the vast majority of employees have a review at least annually. The SRD process is firmly linked to the Council's performance management cycle. The Council achieved a 97% out-turn of SRD completion in 2007 (94% in 2006).

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Further information on the subject of this report is available from  
Liz Wallace Human Resources Manager, Organisation Development on (01432) 383384

- The continuing trend in improving the speed and efficiency of recruitment to Council posts by the introduction of the Council's Central Recruitment Centre in April 2006.
  - Actions that Directorates are taking to improve performance through people as part of the Council's commitment to the Investors in People standard - preliminary assessment against the Investors in People Standard takes place in October 2007.
  - The Council's commitment to achieving the Equality Standard in 2007/08; the positive impact of actions towards this is reflected in the Survey responses.
  - Updated leadership competencies for Council managers were introduced this year with Key Managers being assessed against them.
  - The Herefordshire Council values of 'Service with integrity, equity and empathy' were developed in consultation with employees, publicised and a programme to embed these, begun.
3. Actions taken during 2006-07 have clearly made a positive difference to employees, as responses to 13 survey questions this year are more positive than previously, with only one statement showing a significant negative shift: 36% of respondents this year disagree that action will be taken on the problems identified in this survey, which is higher than the level of disagreement on the same question in 2005, although lower than the 38% last year.
4. Examples of more positive responses are (organised here to reflect the themes of the Pay and Workforce Development Strategy):

### **Leadership**

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

### **Skills, learning and development**

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

## Organisation development

- There is a marked improvement in responses to questions in this section overall – generally, most of the questions show significant positive movement since last year. Over three-quarters of employees agree the council is good to work for - up from 69% last year to 76% now. More people feel the council is open, honest and accountable to all its customers (47%) and that the council takes into account the views and diverse needs of its customers (59%), than the proportions responding in 2005 and 2006.
- Agreement that 'plans, policies and processes are understandable' fell last year compared with 2005, but did rise from 48% in 2006 up to 54% this year. Perception of communications within service areas has changed little - currently 68% feel it works well. Disagreement with the statement that 'I am given enough information to enable me to understand why organisational change needs to happen' has fallen significantly. More employees (69%, compared with 65% last year) say they have 'the opportunity to ask questions about organisational change before, during, and after it has happened'.

## Resourcing

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

## Pay, reward and recognition

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

## Employee wellbeing

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

## Comparison with local government benchmark data (Opinion Research Corporation)

5. We compare favourably in terms of morale within the organisation, that employees have the resources needed to do their jobs properly and also that opportunities for flexible working allow people to avoid problems in meeting home and work commitments, health and safety, and the visibility of senior managers. Also, the Council's response rate of 53% this year is well in excess of the current average

response rate for local government, of 43%. Areas where the council does not compare well are: satisfaction with earnings, the intent to be working here in 12 months time and that employees can meet their job requirements without working excessive hours.

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

## **Financial Implications**

None identified.

## **Risk Management**

The Survey is a key management process, part of the Council's performance management. It contributes significantly to developing the Corporate Plan, Pay and Workforce Development Strategy and to shaping priorities for management action. If the Survey contents are not noted and publicised, employees may feel the Survey is not taken seriously and this may negatively impact motivation and performance.

## **Alternative Options**

There are no alternative options.

## **Consultees**

All non school-based employees were offered the opportunity to participate in the Survey. The Opinion Research Company is used (at no cost to the Council) for ideas in Survey construction, cross-fertilisation of improvement ideas with other Councils and to benchmark findings in key areas.

## **Appendices**

Appendix 1 – Comparison with ORC local government benchmarking data

Appendix 2 – Key differences in opinions from the 2006 and 2005 surveys

## **Background Papers**

None identified.

## Comparison with ORC local government benchmarking data

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

Figures are percentages of the respondents agreeing with the statement.

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

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

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





## **Key differences in opinions from the 2006 and 2005 surveys**

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

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

### **Positive**

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

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

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

### Negative

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

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

# LOCAL GOVERNMENT PENSION SCHEME RULE OF 85 PROTECTIONS – RESPONSE TO STATUTORY CONSULTATION

## PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

20TH SEPTEMBER, 2007

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### Wards Affected

None

### Purpose

To endorse the proposed response to the statutory consultation being undertaken by the Communities and Local Government (CLG) Department to extend the current protections in place for the Local Government Pension Scheme (LGPS) in England and Wales. This would affect older Scheme members following the removal of the rule of 85 with effect from 1st October, 2006.

### Key Decision

This is not a Key Decision.

### Recommendation

**THAT the response to the statutory consultation be endorsed.**

### Reasons

To provide a prompt and comprehensive response to the statutory consultation exercise in order to influence the proposals and ensure that Herefordshire Council retains a LGPS that is affordable to Herefordshire, as well as remaining valued by current and prospective employees.

### Considerations

1. Prior to 1<sup>st</sup> October 2006 provisions within the Local Government Pension Scheme (LGPS) allowed members who voluntarily retired before age 65 to take unreduced benefits if their combined age and calendar length of membership (both in whole years) added up to 85. This was known as the "85 year rule".
2. The Local Government Pension Scheme (Amendment) and (Amendment No.2) Regulations 2006 provided for the phasing out of the "85 year rule" from 1 October 2006. Transitional protection was provided for older members who would be aged 60 or over by 31 March 2013. Further protection was agreed following industrial action in March 2006.

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

3. The current protections provide that LGPS members who are 60 on or before 31 March 2016 will be able to retire at 60 with an unreduced pension if they qualify for the 85 year rule. Those who are 60 between 1 April 2016 and 31 March 2020 will have their benefits reduced on a tapered basis.
4. CLG carried out an informal consultation with Scheme stakeholders between 16 May and 13 June 2007 on alternatives to the current protections. In light of the responses received, the Minister for Local Government, Phil Woolas, then announced a twelve week statutory consultation exercise to consider providing full, rather than tapered, protection to 2020. The deadline for response to the statutory consultation is 1 October 2007.
5. To meet the Government's longstanding policy on affordability, the costs of implementing any amendments must be made from elsewhere in the Scheme. Consultees have been asked to express a preference for a specific way of offsetting the costs of extending transitional protection. Ministers have confirmed that, if no statutory and agreed means of providing the increased protections emerge from the consultation, the present level of tapered protections will remain.
6. Following a judicial review the High Court has judged that the 85 year rule is discriminatory on the grounds of age. Any increase to the existing protections would therefore need to be objectively justified.

### **Cost estimates**

7. The cost of the existing levels of protection have been calculated at £50 million a year over 20 years (in real earnings terms).
8. The Government Actuary's Department has estimated that the capital cost of removing the current level of tapered protections between 2016 and 2020 is £0.35 billion - £0.4 billion. This equates to 0.1% of payroll or an estimated £25 million annually, for 20 years and would increase the total cost of protection to £75 million per year. The costs for individual administering authorities will vary depending on the number of Scheme members who qualify and their age and service characteristics.
9. Worcestershire pensions administering authority have confirmed that members of the fund attaining age 60 within the current tapered protection period amount to 12% of total membership. Of those members 27% will satisfy the rule of 85. If tapering was removed and full protections up to 2020 were applied there would be an increase in costs to the pension fund and the employer. The fund actuary will include costs of the proposed increase in protection in its 3-year valuation, however this information will not be available until November 2007.

### **The Union position**

10. Union feedback has been sought at the local level. Both nationally and locally, Unison has asked Herefordshire Council to respond positively to the CLG consultation. No other local unions have responded.
11. In supporting the proposed amendments, Unison is citing fairness and equality for LGPS members in England and Wales in comparison to Scotland where full protection to 2020 has already been agreed. In addition, Unison believe that the costs of increased protections can be met from savings provided by the new look LGPS.

## **The national employers position**

12. The Local Government Association's response to the informal consultation exercise did not support the extension of the existing protections as the additional costs would have to be met by new Scheme members. They have indicated that their response to the current consultation will be broadly similar.

## **Response to the Consultation**

13. It is not recommended that Herefordshire Council supports the proposed extension of the existing protections. Even if a legally effective objective justification for the extension could be provided, the additional costs would need to be offset through further adjustments to the benefits package or an increase in employees' contribution rates. This would mean that new Scheme members would, in effect, be paying towards the cost of additional protections for existing members. We are, however, sympathetic to the inconsistencies this would produce for LGPS members in England and Wales in comparison to Scotland. Attached at appendix 1 is the text of the Council's proposed response.

## **Risk Management**

14. The removal of the 85 year rule from the LGPS has generated strike action and a judicial review and is still very much a 'live' issue for the unions. 97.1% of Unison members have voted in favour of the new look LGPS but did so in the context of the Government commencing this statutory consultation exercise.
15. Herefordshire Council will review its contingency plan to deal with the consequences of any proposed industrial action ballot. Systems are already in place following the trade union industrial action over the abolition of the 85 year rule on 28 March 2006.
16. If full protection is not extended to 2020 the Council would need to consider how to address issues arising from cross-border transfers of employees from Scotland. However, given our location in proximity to the Scottish border, this is not considered a high risk.

## **Alternative Options**

An alternative option is not to respond. This is not a recommended action as it is important that the views of all employers are made known to the CLG and inform the final decision making process.

## **Consultees**

Pensions Administering Authority – Worcester

Trade Unions

## **Appendices**

Appendix 1 – RESPONSE TO LGPS STATUTORY CONSULTATION – CONTENT

## **Background Papers**

None identified



## **Herefordshire Council response to CLG statutory consultation on the Local Government Pension Scheme Rule of 85 protections**

Herefordshire Council is responding to the CLG letter of 5 July 2007 regarding additional protection for existing Scheme members following the removal of the 85 year rule.

In summary, Herefordshire Council does not support the proposed extension of the existing rule of 85 protections as this would mean that new Scheme members would, in effect, be paying towards the cost of additional protections for existing members. We are, however, sympathetic to the inconsistencies this would produce for LGPS members in England and Wales in comparison to Scotland.

The CLG letter asked consultees to consider a number of specific areas. Our response is set out below:

1. The current levels of protections were agreed on the basis of legality and have been tested and upheld in the High Court judicial review in September 2006. We do not consider there to be sufficient employment policy or labour market objectives which could objectively and reasonably justify an extension of the current protection levels. We have not experienced any issues arising from cross-border transfers of staff and do not anticipate retention issues arising from the differing level of protection in Scotland.
2. We do not support the proposed extension to existing protections and have not, therefore, expressed a preference for a specific way of offsetting the associated costs.
3. Ministers have confirmed that the full costs of implementing increased protections must be provided from within the Scheme's existing cost-envelope. This would require further adjustments to the benefits package in the new look scheme or higher contributions for all members in order to provide affordable and improved levels of protection for a minority of Scheme members. We believe that this is inequitable.
4. The extension of full protection to 2020 would create a 'cliff-edge' which the current tapered protections avoid. We would still wish to avoid the cliff edge. Locally, fund members attaining age 60 between 01/04/2016 and 31/03/2020 amount to 12% of total membership. Of those members 27% would satisfy the rule of 85. Therefore the number of Scheme members who would benefit from a move to full protection until 2020 is minimal.





# HEREFORD CHILDREN'S CENTRE

## PORTFOLIO RESPONSIBILITY: RESOURCES

**CABINET**

**20TH SEPTEMBER, 2007**

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### **Wards Affected**

Central and Three Elms

### **Purpose**

To seek approval to establish a Children's Centre for North Hereford City on the site of Wide marsh Workshops by converting the current building, and relocating the present services to leased premises.

### **Key Decision**

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards and likely to result in the Council incurring expenditure above agreed budgets for the service or function (shown as a line in the budget book) to which the decision relates but allowing for virements between budget heads and savings within budget heads of up to £500,000.

It was not included in the Forward Plan however inclusion in the agenda gives the required notice in accordance with Section 15 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000.

### **Recommendations**

#### **THAT:**

- a) **the Widemarsh Workshops be used as a Children's Centre following conversion works;**
- b) **the conversion works be funded from the ring fenced funds in the General Investment allocation for Children's Centres at a cost of £975,000; and**
- c) **two units be leased on the Foley Industrial Estate to facilitate the relocation of the workshops currently located at Widemarsh.**

### **Reasons**

The existing Widemarsh premises are not fit for their current purpose.

Cabinet has previously agreed and endorsed the need to modernise the Council's services for people with learning disabilities based upon the principles of inclusion; this includes promoting employment as a viable option. This recommendation contributes to achieving this key objective along side meeting Government requirements to provide countywide Children's Centres.

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Further information on the subject of this report is available from  
Stephanie Canham, Head of Adult Social Care – Learning Disabilities on 01432 261552 and  
Anne Heath, Head of Integrated Services and Inclusion on 01432 260804

The financial allocation for children's centres must be spent by 31st March 2008, although slippage to 31st August 2008, because of the difficulty in identifying a suitable building, has been agreed.

## **Considerations**

### **Children and Young People**

1. Herefordshire Council is under an obligation to provide a Children's Centre in North Hereford City to meet its outcome duties under the current legislative Child Care Act.
2. The Council is required to develop a total of nine Children's Centres by March 2008 based in areas of need.
3. Children's Centres deliver front-line integrated services for the community for families with children under 5 years old.
4. Statistical analysis in 2005 identified the need for one Children's Centre in Phase 2 to be located in the north area of the city. After an extensive property search to identify a suitable property in the correct location, Widemarsh Workshops were identified as offering the best site with potential for conversion.
5. The property does require modification and upgrading to provide community rooms, cafe, lecture theatre area, training areas and a crèche. Other agencies will also work from the Centre including health workers and Job Centre Plus 6. The full cost of the works budgeted at £975,000 are to be funded from the Government's allocated Capital Sure Start programme. The funds have to be committed and used by 31<sup>st</sup> March 2008. However, we have actively processed application for slippage because of the problems of identifying a suitable property and have been told verbally that approval will be given up to deferral to August 2008.

### **Adult and Community Services**

6. The Widemarsh premises are not fit for their current purpose or suitable for creating the employment opportunities required for adults with learning disabilities through a range of social enterprises. As they are currently configured, the facilities have limited space, access for commercial purposes is difficult and the engineering services require upgrading. Adult and Community Services will declare them surplus once alternative accommodation is secured.
7. However two social enterprise organisations, which will provide paid work for disabled people, will be created within the Children's Centre. These organisations will provide a community café and garden maintenance and are compatible with, and support the activities within the Children's Centre
8. Leased premises have been identified which would be suitable for two additional social enterprise organisations to be established to provide existing Widemarsh Workshop services users with paid employment opportunities.
  - a. A wood-working organisation
  - b. Pack-IT, which is a highly profitable national social firm. Which can be established locally on franchise basis.
9. Council officers have worked with Pack-IT on the financial model which will be applied to these new units. An independent feasibility study by social enterprise experts has indicated that the market conditions in Herefordshire will sustain a profitable franchise

and has the potential to be financially self-sustaining within 3 to 5 years.

10. This new model of service delivery has been subject to extensive public consultation including press articles and the use of the Partnership web-site.
11. The Council's budget for Widemarsh Workshop is £271k pa with £50k on premises related costs. These costs will be released and made available towards the lease cost, however an additional £40k will be required from the Learning Disabilities modernisation fund for the initial 3 years until the social enterprises become self sustaining.
12. The lease agreement for the industrial units will initially be for a five year period, with a break clause in year two or three of the lease enabling the Council to mitigate any risk. A full review will be carried out after the first year to test the financial model.
13. In addition, one off capital set up costs -up to a maximum of £40k will be incurred. These costs will be offset by:
  - a. Grant funding of £17k from AWM (Advantage West Midlands) has been approved and a further £20k is available from Adaptations for the Disabled Funding.
  - b. A bid for lottery funding of £10k has been prepared and also for £50k from the Esme Fairbourne Trust. If unsuccessful contingency funding is available through the learning disabilities modernisation fund.
  - c. The café service and maintain the grounds enterprises will generate income and paid work opportunities for people with learning disabilities.

## **Financial Implications**

All initial capital costs of £975,000 and revenue funding will come from the Government Sure Start programme.

Costs of moving the existing workshop activity to Foley Industrial Estate as identified above:

Revenue: £40k pa to be met out of funding agreed for modernisation of services in the short term and subsequently from trading revenue

Capital: £40k year 1 to be funded from AWM grant £17k, £20k Adaptation for disabled funding. Shortfall £3k

## **Risk Management**

If the recommendations are not approved the Council will:

- Lose the £975,000 allocation for the-Children's Centre.
- Lose the opportunity to significantly progress two further strategic objectives – the promotion of employment opportunities for people with learning disabilities and modernising an out of date service, which is inconsistent with current policy.

What are the risks to the Council of supporting the development of Pack-IT?

- The optimum position is that the Pack-IT franchise develops in to a profitable company, ultimately having zero impact on the Council's budgets. In the longer term, this means that Social Care's financial commitments will be released back to the Council.

- Pack-IT achieved and sustained an annual position of £500,000 retained profit after eight years, but was self sustaining after five years.
- If the business does not generate the income anticipated, the financial risks lie only with the rental costs of the premises and this will be confined to the three year period for which funding has been identified.
- External funding will assist the business by providing resources, which the business can use flexibly across years two and three. This will also offset any negative financial impact on the Council

## **Alternative Options**

There are no alternative options identified.

## **Consultees**

### **Director of Adult and Community Services**

Head of Commissioning and Improvement – Schools and Services  
 Head of Adult Learning Disabilities – Social Care  
 Director of Resources

Service users and carers

Staff and UNISON

## **Appendices**

None

### **Background Papers**

1. Hereford Local Health Community Information, Management and Technology Plan 2007/08 to 2009/10.
2. Capital Project Options – North Hereford City possible location.

# PUBLIC SERVICE TRUST FOR HEREFORDSHIRE

## PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

20TH SEPTEMBER, 2007

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### Wards Affected

County-wide

### Purpose

To consider the outcome of the recent public consultation within the County concerning the proposal to establish Public Service Trust arrangements in Herefordshire.

To agree the next stages in the process which will culminate in the completion of a partnership document.

### Key Decision

This is not a Key Decision.

### Recommendations

- THAT (a) the outcome of the public consultation regarding the Council and Herefordshire Primary Care Trust proposal to establish a Public Service Trust arrangement in Herefordshire be noted;**
- (b) the Public Service Trust Steering Group's recommendation to support taking this forward within Option 3 be endorsed; and**
- (c) draft roadmap and timetable be approved.**

### Reasons

This report is in a slightly different format from the usual Cabinet report because it incorporates the attached report which will be reported in the same format to both the Primary Care Trust and the Council. The supporting information is therefore enclosed in the attached report and appendices. It is important to point out that the report takes forward the proposal to appoint a Chief Executive who will act both as Chief Executive of the Council and Chief Executive of the Primary Care Trust. The Council's involvement in that appointment is in accordance with the Council's constitution and in accordance with the constitution the appointment will have to be approved formally by Council.

### Financial Implications

The establishing of a Public Service Trust arrangement has been the subject of initial work by the respective chief financial officers of both the Council and Primary Care Trust. It demonstrates a net financial benefit to the parties from the arrangements but a much more

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Further information on the subject of this report is available from  
N.M. Pringle, Chief Executive, on (01432) 260044

detailed financial appraisal will have to be completed and incorporated within the partnership document on which the Public Service Trust arrangement will be based. There are no direct implications arising from this report other than those associated with the appointment of a Chief Executive. The Council and Primary Care Trust respective contributions to the post will be less than the current joint provision for those posts. Depending on future decisions there may be consequential costs arising from the joint running of those posts during the handover period and if they are not addressed through the current partnership funding they will have to be funded through the Primary Care Trust and Council.

## **Risk Management**

The Public Service Trust Steering Group has established a risk register for the Public Service Trust Project. The risk register is reported at each meeting and is kept under review as part of the project. The register contains a schedule of risks, proposed solutions and identifies the officer with lead responsibility for each item. The Steering Group is scheduled to review the register in detail at a forthcoming meeting. There is a separate paper at Appendix 1 (iv) which addresses the Chief Executive appointment.

## **Alternative Options**

The alternative options are set out in the report attached but include:

1. to maintain the status quo
2. to delay the timetable and devote further time to detailed preparation.

## **Consultees**

There has been a public consultation exercise. The details of which are included in the appendices.

## **Appendices**

Appendix 1 – Public Service Trust for Herefordshire – 20th September, 2007

- i) Perception Matters, Views Count – Statistical analysis: Results of the public consultation by Herefordshire Council and Herefordshire Primary Care Trust on the future of public services in Herefordshire - August 2007.
- ii) Health Scrutiny papers – 14th August 2007 (previously published\*)
- iii) Minutes of the Health Scrutiny meeting – 14th August, 2007.
- iv) Chief Executive appointment.
- v) Public Service Trust arrangements, Roadmap for Development
- vi) Project Plan/timetable.

\* Not attached but available.

## **Background Papers**

Background papers are identified on page 12 of the main report.

# PUBLIC SERVICE TRUST FOR HEREFORDSHIRE

## PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

20<sup>TH</sup> SEPTEMBER, 2007

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### Purpose

1. This report has been prepared following the recent public consultation and detailed consideration by the PST Steering Group. It is designed to aid the Council's Cabinet and Herefordshire's Primary Care Trust Board with their decision-making regarding the proposal to develop enhanced partnership working with a view to the formation of a Public Service Trust (PST) for Herefordshire for the benefit of people in the County.
2. The Cabinet is invited to consider the outcome of the public consultation and to consider and to agree the way forward.

### Background

3. This report has been prepared to aid the Council's Cabinet when considering its response to the consultation and the way forward. Whilst it is designed to focus on the consultation and the options for the future, it includes background information to help inform and assist the Cabinet in understanding the extensive process that has been undertaken by the Council and PCT since early 2006, as it is recognised that there have been a number of changes in Cabinet and Trust Board membership since that time. Much of the information contained in this report will be familiar as it draws on previously published information for the purpose of consistency.

### Summary

4. The Cabinet will be aware of the background to the proposal to develop a Public Service Trust for Herefordshire from previous reports. The impetus for this came early in 2006 after the Government proposed reorganising Primary Care Trusts in England. It was as a result of this and following local consideration of the options that a proposal was made by the PCT for Herefordshire to retain a Primary Care Trust that was coterminous with its Local Authority. This proposal was put forward with the full support of the Council, PCT and Health Scrutiny Committee on the understanding that they would work together to achieve a more integrated approach to public services within the County and to ensure that local responsibility and services were retained in the long-term. Indeed the PCT Board said in its formal response to the Strategic Health Authority in February 2006 "*The PCT supports the continuation of a Herefordshire PCT, on the basis of an integration of commissioning, planning and public health functions with Herefordshire Council, rather than remaining as currently configured*". The Council's Cabinet reinforced this view in February 2006 when it recommended:

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That

- *The proposals for a Public Service Trust for Herefordshire be endorsed as a basis for further discussion with the Primary Care Trust, if a Herefordshire Primary Care Trust continues as currently proposed in the consultation document.*
- *A joint project steering group be established to develop detailed proposals for further consideration by Cabinet in the event that the proposal for a Herefordshire Primary Care Trust is supported by the Secretary of State for Health.*

5. This resulted in a joint response to the Strategic Health Authority on behalf of Herefordshire Council and Herefordshire's Health Scrutiny Committee in support of retaining a PCT for Herefordshire and for the developing the concept of Public Service Trust arrangements for the County.

6. A key factor behind the Councils response related to its management of risk i.e. *"the comments on the consultation are aimed at minimising any negative impact of the proposed reconfigurations on the residents of Herefordshire"*. The paper to the Council in March 2006 explained, *"There are no Alternative Options"*.

7. The outcome following the public consultation held between 14<sup>th</sup> December 2005 and 22<sup>nd</sup> March 2006 was that the Government announced that there would continue to be a separate Primary Care Trust for Herefordshire recognising that the proposal to establish a Public Service Trust could be beneficial.

8. The vision behind this was to revolutionise local public services by building on the existing individual strengths of the Council and the Primary Care Trust to fulfil a vision for a single leading-edge organisation with three key aims:

- To deliver a wider range of excellent and integrated public services designed around the needs and expectations of individual patients and customers.
- To provide better value for money for local taxpayers, with savings on management costs as the Public Service Trust moved to a single management structure.
- To safeguard and enhance local health and public services in Herefordshire.

9. As a result of this and the successful case that was put forward for retaining a Primary Care Trust that was coterminous with the Local Authority boundary; the Council and Primary Care Trust were compelled to initiate the work required to develop the concept from a vision to reality.

10. An independent consultant was subsequently engaged to work with the Council and the Primary Care Trust to take this forward and to produce a scoping report. This report was published in August 2006 and was supplemented by a further report in September 2006. Following consideration the Cabinet and the Primary Care Trust Board endorsed the recommendations contained in the report as the basis for continuing work.

11. A Project Director and Project Officer were subsequently appointed in January 2007 with the terms of reference to work with the Council and the Primary Care Trust to build on the scoping exercise and take the proposals forward. The

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Further information on the subject of this report is available from  
Russell B. Hamilton, Project Director, Herefordshire Public Service Trust (01432) 383515



priorities were to establish the project structure needed to develop the detailed work, to facilitate a public consultation and to support the Council's Cabinet and the Primary Care Trust Board's decision-making process. The culmination of this was to enable a decision "in principle" to be taken based on the outcome of the combination of the wide-ranging work and feedback from stakeholders as a result the consultation exercise.

12. A project Steering Group was established on behalf of the Council's Cabinet and the Primary Care Trust Board at the beginning of February 2007 and the Project Initiation Document (PID) was agreed at its first meeting in February 2007.

13. The Steering Group has met monthly and is jointly chaired by Leader of the Council and the Primary Care Trust Chair. Its membership includes both Chief Executives, Cabinet Member, Non Executive Director (NED), Chair of the PCT's Professional Executive Committee (PEC), Representative of the Government Office West Midlands (also representing the Strategic Health Authority) and PST Project Director.

14. It was recognised that with local elections taking place in May 2007 it was imperative that the support previously given by the Council to the retention of a Herefordshire based PCT should not become a party political issue. To that end the Council has confirmed the support of the four political group leaders at each stage of the proposal.

15. Eight working Groups were established by the Steering Group at the beginning of February 2007 with the terms of reference required to address a wide range of issues designed to support the objective to move the Council and the Primary Care Trust from the scoping report to public consultation.

16. Working Group's were established to cover all key areas of business as follows:

- Change Management and Human Resources.  
Chaired by Julie Thornby, PCT's Director of Corporate Development.
- Communication, Consultation, Involvement and Clinical Engagement.  
Chaired by Robert Blower, Council's Head of Communications.
- Corporate Resources, Finance and ICT\*.  
Chaired by Sonia Rees, Council's Director of Resources.
- Environment Services.  
Chaired by Andy Tector, Council's Head of Environmental Services.
- Integrated Governance.  
Chaired by Dr Ian Tait, GP / PCT Professional Executive Committee (PEC) Chair.
- Planning, Commissioning and Performance Management\*.  
Chaired by Yvonne Clowsley, PCT's interim Director of Planning & Performance.
- Public Health and Health Improvement.  
Chaired by Frances Howie, OCT's Associate Director of Health Improvement.
- Service Users.  
Chaired by Jane Jones, Council's Director of Corporate and Customer Services.

\* Following review these groups were replaced by the Corporate Strategy & Resourcing Group with effect from the beginning of September. This recognises the interrelationship between these key areas of work. This group will be Chaired by Sonia Rees.

17. In addition to this other task specific groups have been or are in the process of being established including:

- Information Sharing Protocol development.  
Chaired by Marcia Pert, PCT's Acting Director of Finance and Performance.
- Shared Services Review.  
Chair to be agreed following consideration of the project brief.

18. The Working Groups are required to address the success criteria, key questions and to contribute to the ongoing development of a partnership agreement highlighted in the original scoping report and approved by the Council's Cabinet and the Primary Care Trust Board. The Working Groups include key people from within the Council and the Primary Care Trust along with other stakeholders including the Third (Voluntary) Sector, Staff Representatives and the Patient & Public Involvement Forum (PPIF). The Working Groups have produced regular reports to the Steering Group and have made good progress regarding the way forward.

19. The Steering Group has begun a review of the initial project structure as it enters the next phase of its development. It recognises that the structure needs to be dynamic if it is to be able to respond to the priorities set by the Council and the PCT and, if it is to harness the correct expertise and optimise the use of peoples time in pursuit of achieving its objectives. In doing so it is important to consider the further engagement of key strategic partners e.g. the Third (Voluntary) Sector, The Herefordshire Partnership, Local Medical Committee, Hereford Hospitals NHS Trust, Education and Head Teachers.

20. It is envisaged that Working Groups will be supported in the delivery of their strategic objectives through people / time limited groups that are more operationally based and task orientated.

## **Consultation**

20. The formal consultation "The Future of Public Services in Herefordshire" took place between 12<sup>th</sup> June and 31<sup>st</sup> July 2007. The consultation document was approved by the Council, PCT and the Strategic Health Authority with the support of the Government Office West Midlands.

21. A wide-range of stakeholders were engaged in the process in accordance with the detailed Herefordshire Public Service Trust Communications and Consultation Strategy. The consultation was viewed as a two-way process and consultees were actively encouraged to comment on the proposal. This was done in a variety of ways including feedback forms at the back of the consultation and summary documents, via a FREEPOST address, online via [www.publicservicetrust.info](http://www.publicservicetrust.info), by email to [consultation@herefordpct.nhs.uk](mailto:consultation@herefordpct.nhs.uk) or in writing to the Project Officer.

22. Assistance was offered to anyone who needed help understanding the consultation document or needing it in other format or language.

23. Significant work was done as a result of Communications and Consultation Strategy to raise awareness of the project in advance of the public consultation. A wide-range of opportunities were created for staff and people in Herefordshire to engage and contribute to the consultation. This included publication of the full proposal and a summary document, access to a dedicated website ([www.publicservicetrust.info](http://www.publicservicetrust.info)) that included links from both the Council and the PCT's own websites, the publication of a series of FAQ's and a series of events that were held throughout Herefordshire where both staff and members of the community could hear more about the proposal and discuss it in more detail with those directly involved in the work. These events were led by the Leader of the Council, Chair of the Primary Care Trust and both Chief Executives with the support of a wide range of other senior colleagues all of whom played an active role. In addition to this were briefings for the local press, radio, key stakeholders and ad hoc publications or information e.g. members newsletter. The consultation also received regional television news and local radio coverage, was reported in the national press and local government journals.

24. In addition to this the Steering Group has paid particular recognition to the importance of developing a prospective Public Service Trust in partnership with the Third (voluntary) sector whom it recognises has a vital and significant role to play in public services for people in Herefordshire.

25. The public consultation made it clear that the proposal was to establish arrangements for a Public Service Trust under the existing umbrella for developing partnerships namely Section 75 of the National Health Service Act 2006 (previously Section 31 of the Health Act 1999). These arrangements have been specifically developed for the purpose of enabling NHS Bodies and Councils to have the flexibility to work together in developing co-ordinated services. It reinforced the fact that this provided the framework for the Public Service Trust and that whilst it would not be a legal entity it would be a novel and innovative partnership that made new and maximum use of existing legal powers for NHS Bodies and Councils to work together in designing and commissioning improved services for local people. This would help overcome organisational boundaries and achieve a fundamental shift in thinking from a National Health Service that has traditionally addressed ill-health first and promotes well-being to one that places health and well-being first and addresses ill-health to the highest possible standard when required.

## **Response to the Consultation**

26. The headline response was that there were 221 replies of which 57% of respondents confirmed their support for the proposal and 41% against it. Although disappointed by the overall number of replies the Steering Group recognised that those received provided a good insight into opinion regarding the proposals. The detailed statistical analysis (Issue 3) of the public consultation can be found in Appendix i to this report. Further details of the methodology used, public consultation events, response themes and consultees can be seen in Appendix ii of the detailed report to the Health Overview & Scrutiny Committee 14<sup>th</sup> August 2007. In this the Trust Board can see the replies grouped by themes and by those who supported the proposal and those who were against it, including where appropriate

any accompanying letters. This is in line with the Council and PCT's commitment to conducting an open, transparent and inclusive consultation process. A media and promotions record was also included as part of the overall report to provide an insight into the extensive efforts that were made to engage with stake-holder groups members of the local community. Indeed the Chair of the Health Scrutiny Committee praised the way in which the public consultation had been conducted. The Committee recognised that "it was through no lack of effort that public engagement had been limited" and that "a positive outcome from the process nonetheless was that those who had participated had recognised that the aim of the PST project was to deliver improved services". The draft minutes of the Health Scrutiny Committee are included in the report at Appendix iii.

## **The Way Forward**

27. The original timetable for the PST development set out a programme leading to the formation of shadow PST arrangements from October 2007 with the arrangements becoming fully functional from April 2008. However in the course of events there have been unavoidable delays against the original time frame including:

- Changes in the PCT Board (September/October 2006).
- Council elections (May, 2007).
- Changes in national policy and the additional time taken to incorporate the Strategic Health Authority's helpful feedback on the draft consultation document (June 2007).
- Changes in the PCT Chief Executive position (September 2006) and (June 2007); and changes to the senior management teams.
- Delay in appointment of Project Director.
- Uncertainty about the appointment of a new Chief Executive.

28. Despite this the project has progressed and the understanding between the Council and the Primary Care Trust has deepened. The key aims and objectives of the proposal for a PST remain the same.

They can be summarised as follows:

- To provide high quality seamless services.
- To enable the development of existing and new services that are efficient and demonstrate value for money.
- To retain decision-making on the geography of Herefordshire.

The Core Principles of Joint Working have also been agreed as follows:

- Both parties are equal.
- Building trust through openness and honesty and recognition of cultural differences.
- The need to appoint a single Chief Executive and other senior managers where appropriate.

- Maintaining the engagement of both the workforce and the community.
- Bias towards integrated provision through single assessment, single research system, and single communication systems.
- Securing financial stability and appropriate management of risk.
- Maintaining focus on the vision, ensuring activity is directed to the key aims.
- Respecting the reputation and credibility of both organisations and agreeing as part of the partnership document an exit strategy if required which respects the needs of both parties.
- Robust systems and processes to be in place.
- An acknowledgement and respect for differences as well as common interests.
- Integrated communication to public, stakeholders, media etc. wherever possible.

29. It is recognised that there is still a wide range of activity that needs to be progressed, either within or without the framework of the proposed Public Service Trust. There are key national drivers through the Local Government White Paper and the Local Government and Public Involvement in Health Bill, which will influence those activities. These activities include:

- Joint commissioning of public health services, services for older people and for children and young people.
- Development of Children's Trust arrangements by 2008.
- A joint modernisation programme for existing integrated services.
- Development of the agreed joint framework for the delivery of public health.
- Development of a programme, which builds on the national exemplars of the potential for shared services.
- In the interim, develop the local opportunities for immediate joint working across HR, training and development, communication, emergency planning, research and development wherever possible under single leadership and in the context of the emerging approach to shared services.
- Establish arrangements for supporting these essential steps through an organisation and cultural change programme which recognises the existing resistances to change and areas for further work which will be materially affected by the decision in relation to the PST.
- Development of key services exemplars of joint working within Herefordshire, not only to demonstrate impact but also in order to build confidence between the partners.

### 30. Areas for further work.

Most of the activity listed above will be materially affected by decisions in relation to the PST and/or the timing of its introduction. In addition to this it will be important to:

- Maintain the positive support of the Strategic Health Authority (SHA) and commitment of the Government Office West Midlands (GOWM).
  - Establish consistent buy-in from Council, Primary Care Trust and employees.
  - Develop clear governance structures and establishing an appropriate time scale for those. Attention will need to be given to the existing complex joint governance structures irrespective of the decision on the PST.
  - Provide a comprehensive analysis of the financial implications of the proposals, significant elements of which will be picked up through the work being undertaken jointly by our external auditors.
  - Examine the inter-relationship between pooled budgets under Section 75 of the NHS Acts and the Local Area Agreement (LAA).
31. Further work will need to be undertaken to support the activity listed above and as set out in the attached draft road map and timetable.
32. Prior to this however there is a need for the Council and the Primary Care Trust Board to give a clear steer regarding their preferred option for the way forward. This needs to be coupled with a realistic time scale that reflects the views expressed by the Council's Cabinet, Primary Care Trust Board the staff of both organisations, the views of the Health Scrutiny Committee and the outcome of public consultation.

### Options for Consideration

33. The following options were considered by the Steering Group.

- **Option 1: Status Quo** – This would imply remaining in current format but with more explicit efforts to improve existing integrated services. This has not driven success to date. Herefordshire has taken a very “safe approach” to joint working. Section 31/75 arrangements locally do not pool budgets in the strict sense. The integration of front line teams is under-developed in comparison to better performing neighbouring authorities. Being average is not an option for the future. The significant progress that has been made as a result of the PST project would be lost and the prospective gains would not be brought to fruition. It is likely that at some point in the future the viability of a relatively small Council and PCT would be called into question, with the risk of reconfiguration that could see Herefordshire becoming just one part of a much bigger organisation whose focus will not be dedicated to developing public services in Herefordshire. A decision to stay with the status quo will have reputational and credibility impact and will not match the expectations of the Local Government White Paper and the Local Government and Public Involvement in Health Bill.

- **Option 2: Delay timetable and devote further time to detailed preparation** – The call for more time and more consideration is always a component of change but does not always produce better quality working. Whilst it is important to set a realistic timetable, it is essential to maintain the momentum as both organisations are now beginning to suffer in terms of uncertainty and that is leading to loss of staff and loss of commitment. Both organisations will have to address the issue of their existing CEO positions. Many of the issues that may give rise to this option being given serious consideration would be overcome by acknowledging the unavoidable delays earlier in the project and the comments of the Health Overview & Scrutiny Committee. There will be reputational risks in seeking to pull away from what has been seen as an exciting model nationally.
- **Option 3: New CEO appointed (Appendix iv), with an agreed roadmap and timetable (Appendices v and vi); and with an agreed working framework for interim governance arrangements in place by the time the CEO takes up their appointment** - This would provide a detailed step by step guide to the key tasks and timetable required to satisfy the declared priorities of the Council and the PCT Trust Board. This would enable the clear managerial leadership that is needed to take forward the development and reinforce the Council and PCT's overall direction of travel. It would provide clarity regarding the key objectives and milestones that are required to achieve tangible progress, and provide the confidence needed to reaffirm the commitment to taking the proposal forward proactively and positively building on the successes to date. This option would enable the managerial model to be developed on a different timescale from the final governance arrangements to take on board the constructive feedback that has been provided by the public consultation, Health Overview & Scrutiny Committee and Workshops without detriment to either work stream. The emerging Children's Trust arrangements coupled with the appointments around Adult Services and Director of Public Health could act as pathfinders and enablers in the context of the overall framework for a PST.

34. Having considered the options the Steering Group recognised that there are a number of key issues on which it is agreed and that the Cabinet and the Primary Care Trust Board are being asked to support.

35. The Steering Group has reviewed progress to date, considered the outcome of the public consultation, the recommendations of the Health Scrutiny Committee and discussed the options in detail and has identified Option 3 as its preferred way forward for reasons described in the conclusion below.

## Conclusion

36. In essence whilst this proposal can be seen as innovative its uniqueness stems from the proposal to join the organisations at the top through the appointment of a single Chief Executive. Many models already exist whereby specific responsibilities are vested in a single post-holder e.g. Directors of Adult or Children's Services or as

in Herefordshire Director of Public Health. The proposed approach builds on this and affords the opportunity for much more effective integration of Public Services.

37. A truly integrated public service has the potential to achieve a step-change in local services. Beyond this it has the ability to enhance relationships between Public Service, the Third (Voluntary) sector and other providers who have a common interest in a healthy and prosperous community; and workforce.

38. The fact that this proposal is being driven by local people, their priorities and imperatives rather than national policy provides Herefordshire with a real opportunity to take control of its own destiny albeit within the framework already created by national policy.

39. The focus of the PST in the first instance will be the commissioning of children's services, adult services, public health, corporate and shared services. It is recognised that the full PST model can be delivered without change to legislation and there is most to be gained from a phased approach.

40. ***The Steering Group recommends that the Council's Cabinet and the Primary Care Trust Board support Option 3 and approves the draft roadmap and timetable as it offers the best opportunity to build on the original vision of the Council and PCT. This option would see the early appointment of a single Chief Executive and other senior appointments that would provide the overall managerial leadership necessary to take forward the development in accordance with the roadmap and timetable. The detailed project plan sets a phased process for implementing the PST arrangements with clear milestones against which progress can be measured. These milestones have been designed to address the key priorities of the Council and the PCT and to provide reassurance at each stage of the project before moving to the next phase.***

41. This plan takes on board the significant feedback that has been received from within the Council, the Primary Care Trust and stakeholders that the basic principle of a public service trust makes sense but the timing appeared to be overly optimistic.

## **RECOMMENDATION**

- THAT (a) the outcome of the public consultation regarding the Council and Primary Care Trust proposal to establish a Public Service Trust arrangement in Herefordshire be noted;**
- (b) the Public Service Trust Steering Group's recommendation to support taking this forward within Option 3 be endorsed; and**
- (c) draft roadmap and timetable are approved.**



## Appendices

- i)* **Perception Matters, Views Count** – A Statistical Analysis: Results of the survey by Herefordshire PCT and Herefordshire Council on the Future of Public Services in Herefordshire.
- ii)* **Health Scrutiny Committee Report** – A report to the Health Scrutiny Committee on Tuesday 14<sup>th</sup> August 2007 in response to the Public Consultation.
- iii)* **Minutes of the Health Scrutiny Committee** – Minutes including the conclusions of the meeting dated 14<sup>th</sup> August 2007.
- iv)* **Chief Executive Appointment** – A report regarding the CEO Appointment.
- v)* **Public Service Trust Arrangements** – A Roadmap for Development.
- vi)* **Draft roadmap and timetable** – A draft roadmap and timetable for developing the Public Service Trust arrangements in support of Option 3.

## Background Papers

1. **Department of Health (2005)** – *Commissioning a Patient Led NHS.*
2. **Department of Health (2006)** – *Our Health, Our Care, Our Say: A New Direction for Community Services.*
3. **Department for Communities and Local Government (2006)** – *Strong & Prosperous Communities.*
4. **National Audit Office and The Audit Commission (2006)** – *Delivering Efficiently: Strengthening the links in public service delivery.*
5. **Herefordshire Council & Herefordshire's Health Scrutiny Committee (March 2006)** - *Response to the Reconfiguration of NHS Services in the West Midlands.*
6. **Alan Curless & Associates Ltd (August 2006)** – *Public Service Trust for Herefordshire: A Scoping Report.*
7. **Alan Curless & Associates Ltd (September 2006)** – *Governance & Leadership Framework.*
8. **Herefordshire Council (October 2006)** - *Summary of the deliberations of Cabinet.*
9. **Inter Agency Group (February 2007)** – *Working Together for Well-being: From Vision to Reality.*
10. **Herefordshire Public Service Trust Project (February 2007)** - *Project Initiation Document.*
11. **Herefordshire Public Service Trust (February 2007)** - *Steering & Working Group Terms of Reference.*
12. **Herefordshire Public Service Trust (2007)** – *Communications and Consultation Strategy.*
13. **Herefordshire Public Service Trust (2007)** - *Risk Register.*
14. **Herefordshire Public Service Trust (2007)** - *Legal Advice.*
15. **Sir Michael Lyons (2007)** – *Lyons Inquiry into Local Government.*
16. **Department of Health (2007)** – *Commissioning Framework for Health and Well-being.*
17. **Herefordshire Council (2006-2007)** - *Previous reports to Cabinet. The most recent report was published on 12<sup>th</sup> April 2007.*
18. **Herefordshire Council (2006-2007)** - *Previous reports to the Health Overview and Scrutiny Committee. The most recent report was published on 28<sup>th</sup> June 2007.*
19. **Herefordshire Primary Care Trust (2006-2007)** - *Previous reports to the Trust Board. The most recent report was published on 19<sup>th</sup> July 2007.*
20. **Herefordshire Primary Care Trust and Herefordshire Council (June 2007)** – *The Future of Public Services in Herefordshire: Consultation Document and Summary Document.*

# **Statistical results of the survey by Herefordshire Primary Care Trust and Herefordshire Council on the future of public services in Herefordshire.**

## **Introduction**

This report describes part of the findings from the consultation on the future of public services in Herefordshire. It considers the responses to multi-choice questions in the paper and online questionnaires made available to the public from 12<sup>th</sup> June 2007 to 31<sup>st</sup> July 2007. These findings will be combined in another report with the free text comments from the questionnaires and the rest of the consultation feedback to provide a complete report.

Please see the full report for a description of the methodology and other information pertinent to the survey.

The questionnaire may be found in the appendix at the end of this report.

## **Change History**

Issue 2 – correction to the categories in the gender table to read Male and Female, previously Yes and No.

Issue 3 – Updated to include 26 further responses not included in Issue 2.

## **Results**

This report describes the results of the 202 paper questionnaires returned combined with the 19 online responses, making a total of 221 responses.

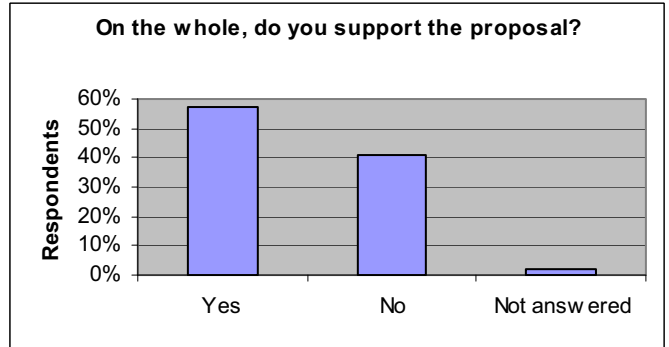
Whilst the report provides an accurate assessment of the views of the respondents, with a survey of this size and nature, it would not be appropriate to make assumptions that the results are necessarily representative of the population as a whole.

Unless otherwise specified, the percentages stated are calculated using the total number of respondents to the survey, i.e. 221.

**On the whole, do you support the proposal for the development of future public services in Herefordshire as outlined in this consultation document?**

	Number	% Respondents
Yes	126	57%
No	90	41%
Not answered	5	2%
Total	221	

The majority of the respondents (57%) were broadly supportive of the proposal compared with 41% who were not.



**Are you providing feedback to this consultation on behalf of an organisation?**

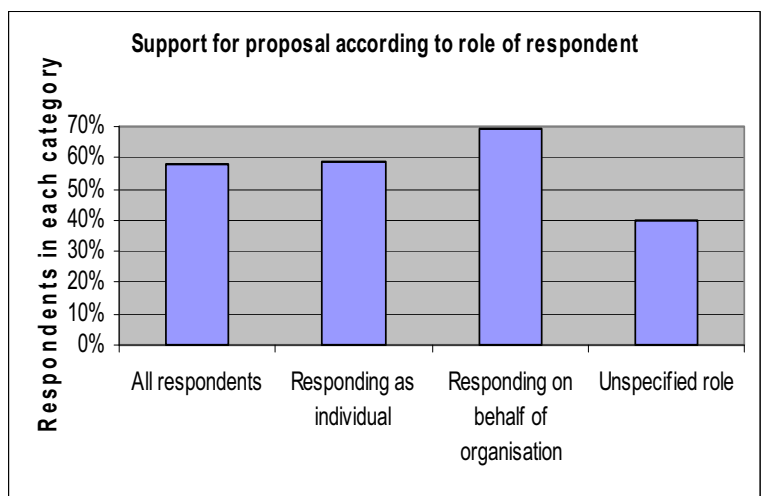
	Number	% Respondents
Yes	28	13%
No	173	78%
Not answered	20	9%
Total	221	

A large majority (78%) of respondents were responding as individuals, 13% on behalf of an organisation and 9% did not answer this question.

The organisations on whose behalf feedback was being provided included:

- |                                              |                                          |
|----------------------------------------------|------------------------------------------|
| Aconbury parish council                      | Monwell surgery, Bromyard                |
| Brampton Abbots parish council               | Ocle Pychard Group parish council        |
| Eardisland Parish Council                    | 3 unspecified Parish councils            |
| Hereford Hospitals NHS Trust                 | PCT PPI Forum                            |
| Hereford Stroke Club                         | Vowchurch Group Parish Council           |
| Herefordshire CFS/ME/FMS Group               | Weston Beggard parish council            |
| Herefordshire Local medical Committee of GPs | Worcestershire Acute Hospitals NHS Trust |
| Humber, Ford & Stoke Prior parish council    | Yarkhill Parish Council                  |
| Learning disability service                  |                                          |

There is a suggestion that the level of support for the proposal is higher amongst those responding on behalf of an organisation (69% of the 26 responses on behalf of an organisation support proposal) than those responding as individuals (59% of 170 responses from individuals support it). However, given the relative small number of those responding on behalf of an organisation, the evidence for a real difference is weak.



### Are you professionally involved in the issues covered in this consultation?

	Number	% Respondents
Yes	64	29%
No	127	57%
Not answered	30	14%
Total	221	

A little over a quarter of respondents were professionally involved with issues connected with the consultation – around twice as many, 57%, were not. The following tables summarises the nature of the involvement.

	Number	% survey respondents
Not professionally involved	127	57%
Member of Primary Care Trust Staff	15	7%
Member of Herefordshire Council	22	10%
Member of Voluntary (Third) Sector Organisation	11	5%
Other, please specify	10	5%
Not answered	36	16%
Total	221	

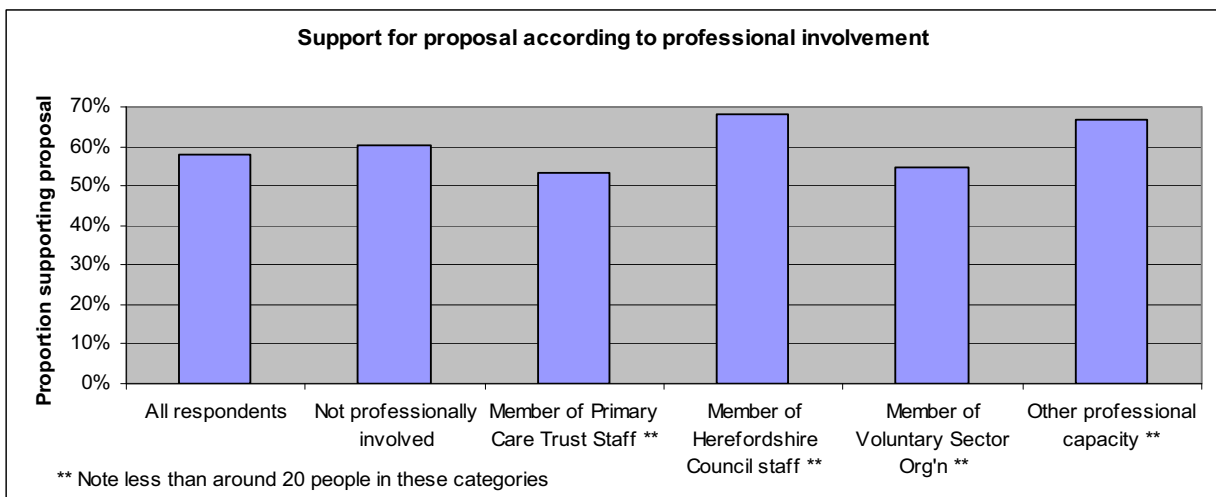
The following voluntary sector organisations were identified by a respondent as the nature of his/her professional involvement:

League of Friends, Aspire choices/living, Cancer Research UK, Clergy, League of friends of Bromyard community hospital and Hereford Stroke Club.

The “Other” forms of professional involvement specified included: GP (4 times), Head of school (2), Hereford Hospitals NHS Trust, Herefordshire Local medical Committee of GPs, Worcestershire Acute Hospitals NHS Trust, Medical, Parish Councillor (4), PFI forum member, employed by PCT, recently retired pharmacist and “represent stakeholders among the elderly and rural population on various organisations”.

The following chart shows that there is some suggestion of variation of support for the proposal according to the professional involvement of the respondent. However, the number of people in each category is small (less than around 20) and the evidence for this variation is therefore weak.

68% of the 22 members of Herefordshire Council staff answering the questions support the proposal, a little higher than the 53% of the 15 members of the Primary Care Trust Staff. Clearly, with these small samples no inferences can be made about the level of support for the proposal across the two organisations.



## About the Respondents

### Gender

	Number	% Respondents
Male	110	50%
Female	68	31%
Not answered	43	19%
Total	221	

Half the respondents were male, a little under a third were female and one in five chose not to answer this question.

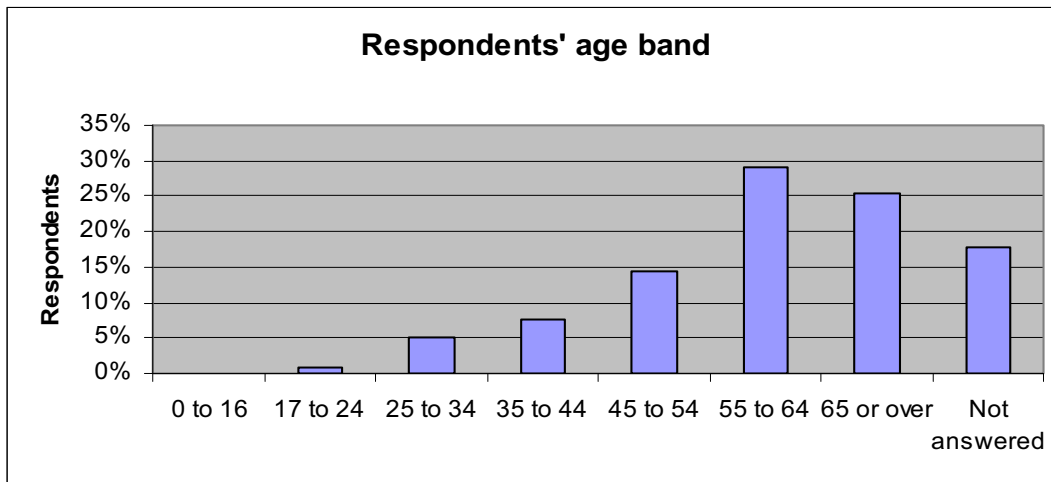
The support amongst the female respondents is higher than the support from the male respondents. 69% of the 68 female

respondents indicated their support, compared to 59% support from the 106 males who answered the support question.

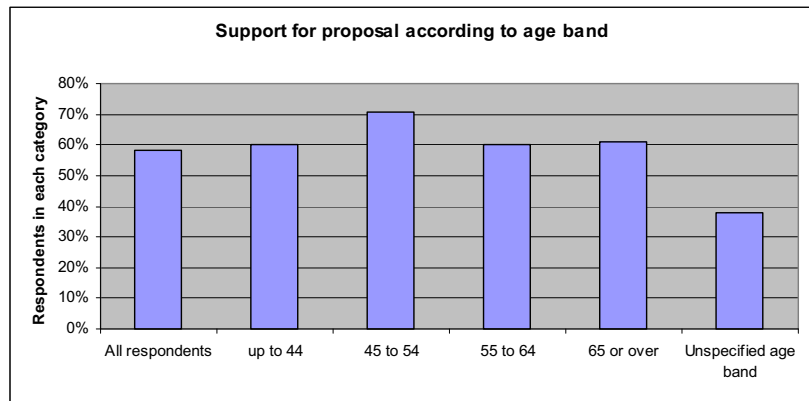
### Age-band

	Number	% Respondents
0 to 16	0	0%
17 to 24	2	1%
25 to 34	11	5%
35 to 44	17	8%
45 to 54	32	14%
55 to 64	64	29%
65 or over	56	25%
Not answered	39	18%
Total	221	

The majority (54%) of respondents were aged 55 years or over. Only 14% were under 45 years of age.



As the chart shows, there is a suggestion that the level of support for the proposal varies across the age band of the respondents. At 71%, the highest support level is seen with the 31 respondents in the 45 to 54 year band.



### Do you have a disability, long term illness or health problem (12 months or more) that limits daily activities or the work you can do?

	Number	% Respondents
Yes	32	14%
No	142	64%
Not answered	47	21%
Total	221	

One in 7 respondents had a disability or long term illness. No major difference was seen for the level of support between those with or without a disability or long-term illness.

### What is your national identity?

	Number	% Respondents
British	101	46%
Scottish	2	1%
Welsh	10	5%
English	59	27%
Irish	1	0%
Other	1	0%
Not answered	47	21%
Total	221	

Around three quarters of respondents specified British or English as their National Identity and a further one in five chose not to answer this question.

### Ethnicity

	Number	% Respondents
White - British	141	64%
Other white background	6	3%
Mixed - British	1	0%
All other backgrounds	1	0%
Not answered	72	33%
Total	221	

Two thirds of respondents considered their ethnicity to be White – British, while a third elected not to answer this question. 5 of the 6 people indicating other white background stated “English”. The single “Other” background specified was “Jewish”.

\*\*\* End of main report \*\*\*

## Appendix – The Questionnaire

# Questionnaire

The proposal is to develop enhanced partnership working arrangements between the Primary Care Trust and the Council in order to improve the way in which local public services are planned, purchased, designed and integrated around the needs and expectations of individual customers and patients, as well as providing better value for money for taxpayers and safeguarding services in Herefordshire for people in Herefordshire.

**Q1. On the whole, do you support the proposal for the development of future public services in Herefordshire as outlined in this consultation document?**

Yes  No

**If your answer is Yes, would you like to comment further:  
If your answer is No, could you please say why not:**

**Q2. Please describe any other ideas you have for how the Herefordshire Primary Care Trust and Herefordshire Council might better work together to improve public services? Please respond here or attach additional sheet:**

## About You

**Are you providing feedback to this consultation on behalf of an organisation?**

Yes  No

If Yes, please indicate which organisation

**Are you professionally involved in the issues covered in this consultation?**

Yes  No

If Yes, please indicate in what way

- Member of Primary Care Trust staff  Member of Herefordshire Council staff  
 Member of a Voluntary (Third) Sector Organisation, please specify in the box below  
 Other, please specify

**If you are providing feedback as an individual, whether professionally involved or not, please could you answer the following questions. These help us better understand what the survey is telling us about the views across the community.**

**Your gender:**

Male  Female

**Your age:**

- Up to 16  17 to 24  25 to 34  35 to 44  
 45 to 54  55 to 64  65 or over



**Do you have a disability, long term limiting illness or health problem (12 months or more) that limits daily activities or the work you can do?**

Yes  No

**Your national identity (please tick one box only):**

British  Scottish  Welsh  English  Irish  Other (please specify):

--

**Please tick one box only:**

WHITE	<input type="checkbox"/> British <input type="checkbox"/> Irish Traveller <input type="checkbox"/> Romany/Gypsy <input type="checkbox"/> Other White background (please write in): .....
BLACK	<input type="checkbox"/> British <input type="checkbox"/> African <input type="checkbox"/> Caribbean <input type="checkbox"/> Other Black background (please write in): .....
ASIAN	<input type="checkbox"/> British <input type="checkbox"/> Indian <input type="checkbox"/> Pakistani <input type="checkbox"/> Bangladeshi <input type="checkbox"/> Other Asian background (please write in): .....
CHINESE	<input type="checkbox"/> British <input type="checkbox"/> Chinese <input type="checkbox"/> Other Chinese background (please write in): .....
MIXED	<input type="checkbox"/> British <input type="checkbox"/> White & Black African <input type="checkbox"/> White & Black Caribbean <input type="checkbox"/> White & Asian <input type="checkbox"/> White & Chinese <input type="checkbox"/> Other Mixed background (please write in): .....
OTHER	<input type="checkbox"/> Any other background (please write in): .....

Thank you for taking the time to complete this questionnaire and letting us know your views. Please return the completed form to:

**Consultation**  
**FREEPOST NATW599**  
**PO Box 64**  
**Hereford**  
**HR4 0BR**

(there is no stamp needed) or:

Email: [consultation@herefordpct.nhs.uk](mailto:consultation@herefordpct.nhs.uk)



**MINUTES of the meeting of Health Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Tuesday, 14th August, 2007 at 10.00 a.m.**

**Present:** Councillor JK Swinburne (Chairman)  
Councillor SPA Daniels (Vice Chairman)

**Councillors:** PJ Edwards, MJ Fishley, KG Grumbley, P Jones CBE, G Lucas, GA Powell, AP Taylor and PJ Watts

**In attendance:** Councillors PA Andrews, WLS Bowen, JP French, AE Gray, RI Matthews, SJ Robertson and AM Toon. Mr J Wilkinson and Mrs A Stoakes, Chairman and Vice-Chairman of the Primary Care Trust Patient and Public Involvement Forum were also present.

**9. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors W.U. Attfield, A.E. Gray, and K.S. Guthrie.

**10. NAMED SUBSTITUTES (IF ANY)**

Councillor P.J. Edwards substituted for Councillor A.E. Gray and Councillor K.G. Grumbley for Councillor K.S. Guthrie.

**11. DECLARATIONS OF INTEREST**

<b>Councillor</b>	<b>Item</b>	<b>Interest</b>
WLS Bowen	Public Service Trust for Herefordshire	Personal – Non-Executive Director of Herefordshire Hospitals NHS Trust
SPA Daniels	Public Service Trust for Herefordshire	Personal – Employee of Herefordshire Hospitals NHS Trust
PJ Edwards	Public Service Trust for Herefordshire	Personal – Relative employed by Primary Care Trust

**12. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 28th June, 2007 be confirmed as a correct record and signed by the Chairman.

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

There were no suggestions from members of the public.

**14. PUBLIC SERVICE TRUST FOR HEREFORDSHIRE**

*(Councillors WLS Bowen, PJ Edwards and SPA Daniels declared personal interests in this item)*

The Committee considered the proposal to develop enhanced partnership working between Herefordshire Council and Herefordshire Primary Care Trust (PCT) leading to the formation of a Public Service Trust (PST) for Herefordshire for the benefit of people in the County.

The Chairman praised the way in which the public consultation had been conducted. It was through no lack of effort that public engagement had been limited. A positive outcome from the process nonetheless was that those who had participated had recognised that the aim of the PST project was to deliver improved services.

The Government's clear expectation was that, whatever form it took, there would be closer working between councils and primary care trusts and that further integration of service delivery was expected. She explained that the Committee intended to scrutinise the proposal as a whole, within this context, by focusing on the following aspects: leadership, governance, finance, communication and ICT, administration, the timetable for the project and the consultation exercise.

Mr Hamilton, Project Director for the Herefordshire Public Service Trust, presented the report. He traced moves towards closer integration between the Council and the PCT noting that these preceded the national consultation on the reconfiguration of Primary Care Trusts. However, it was in their formal response to that consultation in March 2006 that the Council and the PCT had argued that a PCT for Herefordshire should be retained on the clear understanding that this would involve greater collaborative working between the two organisations. He added that the actual idea of a Public Service Trust for Herefordshire had originated from the then West Midlands Strategic Health Authority (South).

The aims of the PST project as described in the report included the generation of efficiencies and savings. Mr Hamilton stressed that the intention was that any such savings would be reinvested in improving and developing services. Work was continuing on the detail of the proposal. It was planned to report to the Council's Cabinet and the PCT Board in September.

He updated the Committee on the response to the public consultation and commented on the process. Responses now totalled 221. Based on this 57% of respondents supported the proposal with 41% opposed. He considered the process had been rigorous although the level of response was disappointing. The report to the Committee set out the findings in an open and transparent way.

He emphasised that the proposal was not a result of central direction but reflected national guidance. In support of this point he quoted statements on the need for closer integration from a national inter-agency working group, the Lyons Inquiry into Local Government, the former Secretaries of State for Health and Communities and Local Government and the former Prime Minister.

He noted that it was expected that aspects of the closer working envisaged, for example aligning performance assessment and governance arrangements would develop over different timescales.

Referring to the appointment of a single Chief Executive for the Council and the PCT which would be a unique step, he sought to address concerns that had previously been expressed to him about the advertisement of this post whilst the consultation process was underway. He explained that the advertisement did not pre-empt any decisions but would enable the project to proceed in accordance with the project plan if that was what the Council and the PCT decided to do.

He concluded by saying that the project was challenging and involved a great deal of hard work but had the potential to gain Herefordshire national recognition.

The Committee then asked a series of questions on the aspects of the proposal which the Chairman had highlighted in her opening remarks. The principal areas of questioning and the responses are summarised below.

The following people had specifically been invited to provide evidence to the Committee:

### **Herefordshire Council**

Mr NM Pringle - Chief Executive  
Mrs S Rees - Director of Resources

### **Herefordshire Primary Care Trust**

Mr P Ashurst – Non-executive Director and Deputy Chairman of the PCT Board  
Professor T Thompson – Interim Chief Executive  
**Leadership**

Questions were asked about the estimated financial saving associated with appointing a single Chief Executive, how the conflicting demands of two very different organisations could be reconciled, how the Chief Executive's time would be divided between the two organisations and who would be the postholder's employer.

Mr Pringle replied that single managerial leadership was crucial, although he could not say critical, to the project's success. Whilst the Council and the PCT were different there was a shared public ethos. Single managerial leadership was important to overcoming the cultural differences that did exist and achieving the desired integration. A new leader would become the focal point to whom all managers would look for direction. His experience of Local Government Reorganisation in Herefordshire supported the case for single managerial leadership.

In relation to accountability he said that the new Chief Executive would be responsible to the PCT Board for health matters and through the Board to the West Midlands Strategic Health Authority (SHA). There would be separate accountabilities to the various inspectorates.

Asked about the selection process for the new Chief Executive he said that this had yet to be agreed but would involve a joint Panel drawn from the PCT Board and the Council. He himself would have no part in the process.

Professor Tamar Thompson reported that the Chief Executive of the SHA would sit on the selection panel.

Asked about the approaches of other authorities Mr Pringle said that a variety of approaches were being pursued, for example the appointment to a single post of Director of Adult Services and Chief Executive of a PCT. The Isle of Wight was exploring a similar approach to Herefordshire but was some months behind (although there was a difference there in that there was no district general hospital on the Island). He noted that most of the examples of experimentation involved smaller unitary authorities where there was greater comparative benefit to be achieved through pooling resources.

In response to further questions about the appointment of a single Chief Executive it was reported that a significant number of high calibre applications for the post had been received. This suggested that the salary attached to the post was attractive although such matters were always subject to negotiation.

Concern was expressed that given the post's responsibilities the postholder would need a deputy and an office including other senior staff as support, casting doubt on the level of projected managerial savings. Mr Pringle answered that the post needed to be put in context, drawing a comparison with the scale of the responsibilities borne by Chief Executives of some of the larger shire counties. He also commented on the managerial capacity issue both the Council and the PCT faced in that they were required to undertake a broadly similar level of strategic planning to larger authorities but with less resource.

The difficulty of achieving cultural change was raised, giving the example of the time taken to establish the Council's Children's Services Directorate. The Cabinet Member (Corporate and Customer Services and Human Resources) acknowledged that there was often resistance to change. The Council and the PCT had to work together to improve performance. The evidence from the project's working groups was that closer working would deliver improved services for the County's residents.

Mr Pringle added that progress in achieving integration nationally would be tested in the future Comprehensive Area Assessment (CAA) 2009. The Audit Commission's Chief Executive had recently stated that organisations which were found during the CAA not to be working well together would be explicitly criticised because of the view that failure to do so was to the disbenefit of the public. It would be a failure if the Council could not derive economies from a model for joint working.

### **Governance**

A question was asked about the role of elected Councillors if the PST were established. Mr Pringle said that the role would potentially be wider. The role of executive Councillors would remain although the aspiration over the longer term was that the relationship with health colleagues would become closer. Statutory responsibilities for planning and regulatory matters and scrutiny would also remain. There would also be a continuing role for Members as advocates on behalf of their communities.

Professor Thompson said that the non-executive directors of the PCT would have an equal role to elected Councillors in the PST. They would also continue to have a role in relation to the PCT which would continue as a statutory body.

Mr Ashurst said that the key point would be for both non-executive Directors and Councillors to focus on benefits for the people of Herefordshire.

A question was asked about the split between the commissioning and provider roles of the PCT. Professor Thompson said that the Strategic Health Authority had required the provider services to be removed from the PST consultation document. This was because of a lack of clarity over Government policy. There had initially been a clear desire at national level for complete separation of the commissioning and provider roles but many models had been considered and there now appeared to be a move away from having a complete demarcation. There was currently no encouragement to PCTs to separate off the provider role. Whilst it would be wrong to say it would not happen it appeared less likely. It was expected that the position would become clearer in November 2007 when the NHS operating framework was due to be published.

Mr Pringle noted that the Council had reduced the amount of services it provided directly, making use instead of the private and voluntary sectors as providers. This had had benefits but lessons had also been learned. A strict separation of roles did not always lead to best value. The Compulsory Competitive Tendering regime, for example, had required a strict separation of roles when that had been introduced but had become more flexible. It may be that the NHS proposals would follow a similar course over time

In response to a further question about uncertainty over the national position and intervention by the SHA Professor Thompson said that the Chief Executive of the SHA was supportive of the direction of travel of the PCT and the Council.

Mr Hamilton commented that the SHA wanted a successful organisation to be in place delivering improved services. His experience was that organisations that were delivering services well were subject to less intervention.

Asked about the legal framework for establishing a PST Mr Pringle said that changes in primary legislation were not expected at this stage. The PCT and the Council could, however, make progress using existing legislation. The Council had previously pursued such a course when it had introduced a Leader and Cabinet model of governance in advance of new legislation. Once it had been demonstrated that a project was workable amending legislation might potentially follow.

### **Finance**

The proposal envisaged that any savings generated would be reinvested in services. It was asked what guarantee there was that the SHA would not claw back sums, noting that the budgets of all PCTs had been topsliced in 2006/07, to meet an overall shortfall in the NHS. Professor Thompson said that the advice to her at this time was that there would not be a clawback of any savings in the current financial year. The position in future years was unknown. Mr Pringle stated that the Council could similarly be subjected to a tougher financial regime and to that extent he considered the issue to be cost neutral to the proposal.

The flexibility available to the PCT to reallocate funds between services was discussed. It was noted in reply that a lot of the funds allocated to the PCT by Government under the Comprehensive Spending Review were for specific purposes. Mr Pringle said that the proposal did not envisage reallocating large sums of money between the budgets of the PCT and the Council for a number of years although it was hoped that freedom and flexibility might be granted over time. The aim at this stage was to generate savings within existing budgets for reinvestment. These financial risks to the Council and the PCT were unchanged by the proposal.

Clarification was sought on the projected savings in management costs envisaged in the proposal and the other savings projected.

The Director of Resources commented that the emerging financial case set out in appendix 4 to the report before the Committee was very outline and very illustrative. The report had been prepared in full consultation with PCT colleagues. It was, however, a model which was being developed and contained significant assumptions about the pace and degree of innovation. These assumptions would need to be reviewed as the proposal developed.

She compared the approach to that being followed by authorities currently engaged in bids for unitary status. They had found it challenging to develop proposals and where bids had been approved were now working to develop the detail. In considering the PST proposal consideration had been given to the areas of savings

identified in these bids.

Possible savings from applying the principles of the Council's Herefordshire Connects project had also been taken into account.

In relation to senior management costs broad assumptions had been made about the number of appointments and the salary levels. No attempt had been made to look at roles and responsibilities of senior managers under a new structure. Currently the PCT and the Council had 13 senior managers and 2 Chief Executives between them. The model assumed 1 Chief Executive and 6 senior managers. On this basis assuming a phased saving over three years savings of up to £450k per year were envisaged. In response to a question she acknowledged the need for caution and the need to control the establishment budget if savings were not to be offset by increased salaries and numbers of staff below the senior management level.

Efficiency savings in the PCT taking account of lessons from the Herefordshire Connects project were assumed to reach £1.9 million a year after three years.

Cash released from Council budgets was estimated at £1 million per year after 3 years.

The projected total saving per year in year 3 of some £3 million represented about 1% of the combined budgets of the Council and the PCT and she therefore considered the assumed savings to be cautious.

The additional investment needed to deliver the benefits of the proposal, including accommodation costs and staffing, had also been estimated. The conclusion was that the benefits should outweigh the transitional costs over the three year period considered.

The Director of Resources also commented on the Comprehensive Spending Review for 2007 the outcome of which was due to be announced in October. The expectation was that the settlement would be very challenging with increases for health and for education but a standstill for other services. It was not clear at this stage what efficiency savings Councils would be expected to make and how they were taken into account in the settlement.

Questioned further about the robustness of the assumptions in the financial case and in particular the projected savings the Director of Resources reiterated that the financial model was in its initial stages. Every effort had been made to avoid double counting of savings. She added that the Audit Commission would consider the soundness of the financial assessment.

A question was asked about the prospect of additional financial support being forthcoming from the Government to support the project. Mr Hamilton said that although there had been discussions with Government Office West Midlands, no financial support had been offered so far. He still remained hopeful that some support might materialise. Mr Pringle commented that at the recent Local Government Association Conference the Audit Commission and Government Ministers had referred to the interest in Herefordshire's proposed approach. His view was that the proposal would have to proceed further before any overt support would be considered. This was typically the case with proposals of this type.

*(The meeting adjourned between 11.35 am and 11.45 am)*



**Communication and Information Communication Technology (ICT)**

Concern was expressed about the ICT issues, noting the delay, which had befallen a number of NHS ICT projects and the numerous protocols needed to govern the sharing of information between the Council and the PST.

Mrs J Jones, the Council's Director of Corporate and Customer Services informed the Committee of work being undertaken to develop protocols and minimise risk to the PST proposal. In particular all those involved recognised the need to ensure public confidence in the way information was held and shared. She confirmed that consideration of links to the Herefordshire Connects project and how the PCT could benefit from that project had also started.

Professor Thompson confirmed in response to concern about the security of patient information that the ICT links to GPs were being taken into account and she was quite confident that a solution could be achieved.

In relation to accommodation Mr Pringle said that working in joint teams was one of the keys to the project's success. It was noted that the PCT had very little estate and the onus therefore was on the Council to find a solution. Mr Pringle said that this was an issue, which ultimately could only be resolved by Members. To date Members had lacked confidence to confront these admittedly difficult issues and they had therefore remained unresolved.

The Committee noted that a working group was considering accommodation issues. Concern was expressed that it appeared that no solution was yet in sight. Mr Hamilton commented that it had never been envisaged that solutions would be in place at this stage of the proposal regard being had to avoiding any impression that decisions were being taken which pre-empted a formal decision on whether or not to proceed with the project.

A Member emphasised the need for accommodation and ICT plans to proceed in concert.

The Cabinet Member (Corporate and Customer Services and Human Resources), whilst acknowledging some of the concerns expressed, stressed the benefits which could be derived from the Council and the PCT sharing services.

Further concern was expressed that across the Country a number of ICT projects had cost more than expected and taken longer than expected to implement. In response Surrey County Council was given as an example of an organisation that had implemented a similar project to Herefordshire Connects faster than projected and had achieved greater savings than projected. The key was to be determined to deliver change.

**Administration**

A question was asked about the different terms and conditions in place in the PCT and the Council and difficulties this might create in integrating teams.

Mr Pringle said that analysis had shown that the differences were quite small and related principally to conditions of service rather than salaries. He considered that these issues were far less significant than those encountered during Local Government Reorganisation and were capable of resolution over time. The Trades Unions had responded positively to the proposals. Continued communication to reassure staff would be important.

Professor Thompson said that there were currently some integrated teams in operation and she was not aware of difficulties over this subject. She would monitor the situation.

### **Timetable**

Appendix 5 to the report contained a project brief for a combined audit of the PST arrangements on behalf of the Council and the PCT by the Audit Commission. It was noted that the Commission had requested documentation by 3rd August 2007 and it was asked whether this deadline had been met, noting also that the Commission's timetable also indicated an interim report would be prepared by the end of August. It was suggested that this appeared to be a tight timetable.

Mr Hamilton said that the Commission's report was not now expected by the end of August. The report was needed to allow the proposal to proceed and it was expected that a draft would be available in time for meetings of the Council's Cabinet and the PCT Board in September. Mr Pringle commented that it had been agreed that the timescales included in the project brief had not been realistic. This was not seen as a hindrance.

Professor Thompson noted that Lord Darzi had been commissioned by the Government to produce a report marking 60 years of the creation of the NHS, reviewing the organisation and advising on how to meet future challenges. It was expected that the review would be published by October 2007 and would inform the Comprehensive Spending Review.

The Cabinet Member (Corporate and Customer Services and Human Resources) drew a distinction between taking steps to work more closely together and the creation of an integrated single organisation. This needed to be borne in mind when considering the stated intention to establish the PST by 1 April 2008.

Mr Pringle expressed concern that it could be difficult to maintain focus if timetables for change were elongated. It would also increase uncertainty and the risk that key staff would leave. Local Government Reorganisation in Herefordshire had been achieved to a tight timescale.

It was suggested that it might be better to await a clearer indication of the Government's thinking on the separation of commissioning and provider roles. Mr Pringle stated that greater freedoms and flexibilities could be gained by those who led the way, provided their approach was working well.

### **Consultation**

The Committee had nothing to add to the Chairman's opening remarks on the conduct of the public consultation exercise.

### **Summing Up**

A Member commented on the need to recognise the potential of the project to strengthen services in Herefordshire and local control over them and advocated a positive approach to the proposal.

The Chairman thanked those who had appeared before the Committee remarking that it was in the nature of scrutiny that it should focus on areas of concern. This did not, however, imply a negativity about the potential benefits of the proposal.

Mr Pringle thanked the Committee for the way in which it had conducted its questioning.

*(The meeting adjourned again between 12.30 pm and 1.20 pm.)*

On reconvening the Committee's conclusions were read to the meeting.

**RESOLVED that Cabinet and the Primary Care Trust Board be advised that:**

- (a) The Health Scrutiny Committee welcomes the principle of further exploration with regard to the establishment of a Public Service Trust in Herefordshire. It also endorses the current steps being taken towards further integration, to more effectively deliver better services to the citizens of the County.**
- (b) The Committee supports the proposed appointment of a single Chief Executive for both organisations, but stresses the need for a rigorous selection process to both attract and select the best available candidate. The Committee suggests that the primary task for the new Chief Executive will be to deliver integrated services as a matter of priority with a view to realising the ambition of a Public Service Trust being established.**
- (c) The Committee notes the embryonic governance structure proposed and looks forward to further reviewing this structure as it develops.**
- (d) The Committee recommends the obtaining of external financial due diligence expertise to more fully understand the financial implications of the proposal and the production of a more robust financial model.**
- (e) The Committee accepts the reassurances given with regard to information communication technology (ICT) and in particular those relating to compatibility of systems and the efficiencies which can be derived.**
- (f) The Committee further recommends the early preparation of a joint accommodation strategy which fully addresses organisational requirements.**
- (g) While noting the proposed timetable for transition, the Committee believe this to be both optimistic and over-ambitious having particular regard to:
  - changing legislation
  - the Darzi review;
  - accommodation issues;
  - impact of the comprehensive spending review;
  - the need for clarity in the provider and commissioning activities of the organisations.**
- (h) The Committee notes the extensive consultation exercise and the helpful comments made during the consultation by those who participated including the Hereford Hospitals NHS Trust. The Committee however regrets the lack of wider public engagement within the process.**

The meeting ended at 1.25 p.m.

**CHAIRMAN**



## HEREFORDSHIRE PUBLIC SERVICE TRUST

### **PUBLIC SERVICE TRUST ARRANGEMENTS CHIEF EXECUTIVE APPOINTMENT**

#### **Purpose**

1. This report is produced as an appendix to the main report to be considered by Cabinet and the Primary Care Trust to draw together the consideration that has been given to the proposed appointment of a Chief Executive who would serve as Chief Executive of the Primary Care Trust and Chief Executive of the Council.

#### **Scope of the Report**

2. This report covers the history of the consideration of such an appointment, the legal position, the alternatives and the risks and some of the questions that have been raised in the course of the consultation and scrutiny.

#### **History and Background**

3. The history of the proposals to form a Public Service Trust has been recorded previously. The salient point is that it has been supported by the Council, the Primary Care Trust, the Health Scrutiny Committee and following the Fitness for Purpose test, the then West Midlands South Strategic Health Authority. From the first presentation of the outline proposal to Cabinet and Council and to the Primary Care Trust in October and early November last year, the combining of the role of Chief Executive has been a key plank of those proposals. Establishing clear, single managerial leadership has been seen as one of the key criteria for success. Indeed, the Audit Commission in seeking to distinguish between successful and less successful public sector organisations identifies this as the single most important factor alongside an appropriate Member or non-Executive commitment. The Council and Primary Care Trust are currently engaged in recruiting to the post of Chief Executive.

#### **Legal Position**

4. The Council and the Primary Care Trust have sought independent legal advice and they advise as follows:
  - There is nothing in principle to stop a Primary Care Trust Chief Executive also working as a local authority Director/Chief Executive. Indeed, there are already examples of the Chief Executive of a Primary Care Trust operating as a Director of a local authority.
  - In regard to Primary Care Trusts, the make-up of their Boards are governed by the Primary Care Trust (Membership Procedure and Administration Arrangements) Regulations 2000 and the Primary Care Trust's own Standing Orders. The Chief Executive is classed as an Officer Member of the Board and along with the Director of Finance and Director of Public Health must be on the Primary Care Trust Board. The Chief Executive is responsible for overall

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Further information on the subject of this report is available from  
N.M. Pringle, Chief Executive, on (01432) 260044

performance of the Executive functions of the PCT and acts as Accountable Officer for the Primary Trust being responsible for ensuring the discharge of obligations under Financial Directions in line with the requirements of the Accountable Officer Memorandum for Primary Care Trust Chief Executives. The question of who should employ the Chief Executive is one which the parties would need to determine. One of the partners would have to act as host authority and be responsible for the accounts and audit of any pooled budgets and to monitor the working of that arrangement.

- The Section 75 Board will deal with the governance arrangements in regard to the Partnership normally made up of officers and non-officer members of the partners with the partners agreeing who will act as Chairman.
- In the NHS Act 2006, there is a new Schedule 18 which deals with transfers of staff under Section 75 arrangements and states that the Secretary of State can make an order to transfer staff or an Order to divide the contract of employment between the local authority and Primary Care Trust to allow an employee to be employed by both parties. What is being proposed locally is that the Chief Executive be employed by Herefordshire Council as the host authority and that is entirely consistent with the independent legal advice received.

## **Alternatives and Risks**

5. The alternative would be to join up the organisations at a level beneath that of the respective Chief Executives. It is not unique because there have been a number of dual appointments of Primary Care Chief Executives to local authority posts, generally as a joint post around Adult Services and the Chief Executive of the Primary Care Trust. The commissioning of health services for children and young people is then seen as primarily an adjunct to the children's services functions of the local authority. That would be further reinforced with the formation of a Children's Trust. There is an argument that appointing the Chief Executive of the Primary Care Trust at Director level within the local authority diminishes from the role of the Primary Care Trust within the partnership. The Steering Group has recognised that a decision on the appointment of a CEO is one of the single most important decisions. If the CEO decision is not resolved quickly both the Council and the Primary Care Trust will be under pressure to appoint individual CEOs. As has already previously been mentioned, establishing single managerial leadership at Chief Executive level is seen as an essential component of success.
6. It has been recognised that it is not necessary for the managerial and governance models to be developed on the same timetable – but the governance structures do need to be advanced and will need to be approved before final integration.
7. There is a balance between setting a timetable that is achievable but the longer the timetable the greater the uncertainty for both organisations.
8. There is a reputational risk to both the Council and the Primary Care Trust Board having led with the Public Service Trust proposal if they are seen to revert to the status quo. Neither Chief Executive believes that the status quo is an option for their organisation.
9. There is an agreed statement on the way forward which forms part of the papers elsewhere.
10. The parties also address the possibility that the proposals do not progress to the completion of a Partnership Document with the implication that the organisations

might, in that eventuality, wish to revert to securing the appointment of their own Chief Executive. The post currently advertised is advertised at a modest premium as against the recruitment for a Council Chief Executive and in those circumstances it would be possible to avoid the costs of a potential redundancy. The advice received is that the offer of a post as Chief Executive of one of the organisations is likely to constitute suitable alternative employment. The risk therefore would be that the individual appointed would successfully seek a post elsewhere rather than one of significant cost to either organisation.

## Commonly Asked Questions

11. ***Is the job do-able?*** – The question has been asked both through the consultation process and through scrutiny as to whether the job scope is too large for one person to undertake.

There is no question that the role will be a demanding one. There are, however, equally demanding roles in both the public and private sector. In terms of spend and number of employees, the scope would be significantly less than that of the largest English Counties and largest English Metropolitan authorities. The largest of those authorities have populations of over 1 million and budgets of over £1 billion. The span of activity would, however, be greater than those organisations. There are many very similar roles within the private sector.

12. ***Would it be possible for the Chief Executive to resolve conflicts of interest which might arise between the Council and the Primary Care Trust?*** –Chief Executives are already required to advise on the resolution of those conflicts of interest both within the Council and within the Primary Care Trust. The Local Government White Paper and the Local Government and Public Health Involvement Bill once enacted will both require the Council and Primary Care Trust to resolve those difficulties locally. The new Comprehensive Area Assessment will be a measure for both organisations and it will be essential that those difficult issues are resolved locally. The Audit Commission has been clear in developing the Comprehensive Area Assessment that they would not fail to make public their criticism of organisations that cannot resolve those issues. The governance arrangements that are developed will need to recognise and provide sufficient flexibility for the resolution of those differences.
13. ***What happens if either organisation wishes to achieve an Exit Strategy?*** - Any Exit Strategy will still have to make provision for the closer partnership working which both organisations are expected to achieve under the Local Government White Paper and the Local Government and Public Health Involvement Bill. The practical achievement of that exit prior to the signing of the Partnership Document has been discussed at paragraph 10 above and the Partnership Document would itself have to make such provision if such a re-separation was felt to be desirable after completion of the Partnership Document.

## Conclusion

14. The overall conclusion therefore is that there is no legal impediment to such an appointment. The practical problems that have been raised during the course of consultation and scrutiny are capable of being resolved. The appointment can be made in a way that enables the parties to achieve the flexibilities in the time table that they feel are desirable and the practical issue of the break up of the partnership can also be addressed.





# Herefordshire Public Service Trust

## Project Steering Group

### Public Service Trust Arrangements Roadmap for Development

#### Introduction

1. This paper has been prepared as an appendix to the main report to the Council's Cabinet and Primary Care Trust Board on 20<sup>th</sup> September 2007. It follows consideration and approval by the PST Project Steering Group on 14<sup>th</sup> September and is designed to facilitate consideration of the way forward. It should be read in conjunction with the project plan/timetable at Appendix vi.

2. The roadmap pays due regard to the constructive feedback that was been received from delegates at the Governance Workshop 19<sup>th</sup> July, Finance Workshop 20<sup>th</sup> July, the public consultation, the recommendations of the Health Scrutiny meeting on 14<sup>th</sup> August and discussion at the Steering Group on 20<sup>th</sup> August and 14<sup>th</sup> September.

3. This should be viewed as a working document that provides a summary of the key milestones to be achieved if the project is to proceed in accordance with the more detailed project plan.

4. The first part of the paper summarises the key milestones.

5. The second part of the paper provides a more detailed overview.

- The exploratory stage (a historic overview).
- Phase one the successful achievement of the priorities that were set in January 2007 to establish the project structure, conduct the work necessary to enable the public consultation and facilitate a proposal regarding the way forward;
- Phases three and four the key milestones that provide essential elements to taking the project forward in accordance with the Steering Group's recommendation.

6. As part of this process for agreeing the roadmap and project plan/timetable the Steering Group was invited to ensure that the roadmap and the project plan/timetable:

- Captured the priorities previously discussed.
- Identified the essential elements.
- Established a sequence of events that is appropriate.
- Set out the key milestones.
- Included the key elements for success.

7. Steering Group envisages the project plan will evolve as more detailed operational plans are developed and agreed. This will be done in the context of the overall timetable following discussion with Working Groups and stakeholders subject to the outcome of the Council's Cabinet and the Primary Care Trust Board meetings.

8. The roadmap and project plan/timetable will provide the performance management framework for the PST project.

### **Summary Key Milestones**

9. Looking forward the key milestones can be summarised as follows:

10. **Phase 1 – September 2007.**

- The Council's Cabinet and the Primary Care Trust Board agrees the preferred option and approves the project plan/timetable and roadmap – 20<sup>th</sup> September 2007.

11. **Phase 2 – October 2007 to August 2008.**

- A single Chief Executive is appointed September / October – 2007.
- Single senior management appointments are made where appropriate - October 2007 – August 2008.
- Interim Governance arrangements established – January 2008.
- A PST Interim Board (Strategic) is established – January 2008.
  
- A PST executive / officer group (Operational) is established – January 2008.
- A Health & Well-being Partnership is established – January 2008.
- Children's Trust arrangements are established – April 2008.
- A Partnership Agreement signed – August 2008.

12. **Phase 3 - September 2008 to March 2009.**

- PST arrangements are established.
- Full governance arrangements established – September 2008.

13. **Phase 4 – April 2009.**

- PST arrangements will be subject to review – April 2009.

### **The Way Forward**

14. Whilst the above summary sets out the key milestones a more detailed overview is provided below.

15. **Summary of Exploratory Stage - February to December 2006.**

- The Council and the Primary Care Trust (PCT) considered the options for Herefordshire with regard to the proposed reconfiguration of Primary Care Trusts.
- The Council's Cabinet and the Primary Care Trust Board endorsed the proposals for a Public Service Trust (PST) in Herefordshire as a basis for further discussion.

- A Steering Group was formed to develop detailed proposals for further consideration.
  - The Council, the Primary Care Trust and the Health Scrutiny Committee responded to the public consultation on reconfiguration by proposing that a PCT be retained for Herefordshire on the basis of support for an independent Herefordshire and the benefits to be gained from co-terminosity; on the understanding that they would work together to achieve a more integrated approach to public services in the county.
  - The Government announced that there would continue to be a separate Primary Care Trust for Herefordshire recognising that the proposal to establish a Public Service Trust could be beneficial.
  - All party group leaders' support was given to the concept.
- The Strategic Health Authority (SHA) supported the concept and proposal to take the project forward.
  - The Council and Primary Care Trust commissioned an independent consultant to take the proposal forward and to produce a scoping report.
  - A detailed Scoping Report was published and considered by the Council's Cabinet and Primary Care Trust Board.
  - The Council's Cabinet and The Primary Care Trust Board endorsed the recommendations of the Scoping Report as the basis for continuing work.

#### 16. **Summary of Phase 1 - January 2007 to September 2007.**

- The Public Service Trust project structure was established to build on the work of the scoping exercise and to develop the detailed work needed to facilitate a public consultation and to support the Council's Cabinet and Primary Care Trust Boards decision making process i.e. to enable a decision "in principle" regarding the next steps.
- A Project Initiation Document was agreed.
- The project structure was established.
- A single definition of Commissioning was agreed.
- A communication and consultation strategy was agreed.
- A public consultation process and document was agreed with key stakeholders.
- All party group leaders' support was reaffirmed prior to commencing the public consultation.
- A Public Consultation was undertaken.
- The Health Overview and Scrutiny Committee considered the proposal and public consultation process.
- The Audit Commission was commissioned to review the process.
- The Steering Group considered the outcome of the consultation and options for the way forward.
- The Council and Primary Care Trust Board are to consider the outcome of the public consultation, recommendation of the Steering Group and agree the way forward including the roadmap and timetable.

#### 17. **Phase 2 - October 2007 to August 2008**

- A single Chief Executive will be appointed.
- A joint Director of Public Health will be appointed.
- A joint Director of Commissioning will be appointed.

- Other single senior management appointments will be made where appropriate.
- A single code of conduct for staff and PST organisational values will be agreed.
- Interim accommodation will be identified and secured for the CEO and senior team.
  
- A PST Interim Board will be established.
- A readiness for change audit will be conducted and action plan flowing this developed and implemented.
- The Communication strategy will be reviewed and updated.
- A single communications and PR service will be established.
- The corporate identity for the Public Service Trust development will be agreed.
- A workshop for Councillors and Non-Executive Directors will take place.
- The project structure will be reviewed to ensure that it is fit for purpose.
- The project structure and processes will reviewed to engage other key stakeholders in an effective and meaningful way e.g. The Herefordshire Partnership, Third (Voluntary) Sector, Local Medical Committee, Hereford Hospitals NHS Trust, Education and Head Teachers.
- The existing arrangements will be supplemented by a separate work stream that will develop the Shared Services review and by enhanced arrangements to support the formulation and agreement of the governance framework.
- A review of shared services incorporating Hereford Hospitals Trust will be conducted, options produced and next steps agreed.
- A review of existing Section 75 arrangements will be undertaken, any recommendations arising from this considered and implemented.
- The Audit Commission will provide its report and recommendations on the review of the process.
- Existing Council and Primary Care Trust plans and strategies will be rationalised.
- An information sharing agreement will be agreed and implemented.
- An integrated complaints a complaints process will be agreed and single team for handling them established.
- An integrated risk management process will be agreed and established.
- A joint commissioning unit will be established.
- The interim governance arrangements will be defined and agreed with all key stakeholders.
- Interim governance arrangements will be implemented.
- Full governance arrangements will be defined and agreed with all key stakeholders.
- A Financial Resource Management Strategy will be agreed and published.
- A Benefits Realisation paper will be agreed, externally audited and published.
- A Performance Management Framework will be developed, agreed and implemented.
- A Corporate Strategy (Strategic Plan) will be developed and agreed.
- An Annual Operating (Business) Plan will be developed and agreed in accordance with the Corporate Strategy.
- Children's Trust arrangements will be established.
- A Partnership Agreement will be signed.
- The Council and Primary Care Trust Board will receive a further report from the Steering Group based on progress and achievement against the detailed project plan.

**18. Phase 3 - September 2008 to March 2009.**

- Public Service Trust arrangements would be developed on the basis of the satisfactory achievement of the key objectives defined within the detailed project plan.
- The full governance arrangements will be implemented.
- The PST Board would be established within the framework established by the full governance arrangements.
- The Council and Primary Care Trust Board would receive a further report from the Shadow Board based on progress and achievement against the detailed project plan.

**19. Phase 4 - April 2009 to May 2011.**

- A detailed review of the PST arrangements will be undertaken.

**Conclusion**

20. The paper seeks the Council's Cabinet and the Primary Care Trust Board endorsement through the main report to proceed in accordance with the roadmap and project plan/timetable.



## Herefordshire Public Service Trust Project Plan

ID	Task Name	Duration	Start	Finish
1	Working Groups	291 days	Tue 21/08/07	Mon 29/09/08
2	Short listing for CEO post	1 day	Wed 22/08/07	Wed 22/08/07
3	Agree joint "alternative" option	4 days	Tue 21/08/07	Fri 24/08/07
4	Meetings with Audit Commission	13 days	Wed 15/08/07	Fri 31/08/07
5	Steering Group members to give feedback on Success Criteria, Key Questions, Partnership Agreement	32 days	Fri 20/07/07	Mon 03/09/07
6	New Corporate Strategy & Resourcing Working Group begins to meet	1 day	Wed 03/09/08	Wed 03/09/08
7	Prepare roadmap and timetable	14 days	Tue 21/08/07	Fri 07/09/07
8	Interim Report from Audit Commission	1 day	Fri 07/09/07	Fri 07/09/07
9	Relaunch - PST website	12 days	Fri 24/08/07	Mon 10/09/07
10	Meeting between Leader of Council / CEO Council / PCT Chair / CEO and SHA Chair / CEO	1 day	Wed 12/09/07	Wed 12/09/07
11	Scoping Report on support "shared" services	41 days	Fri 20/07/07	Fri 14/09/07
12	Steering Group No.8 - Steering Group to consider the way forward	1 day	Fri 14/09/07	Fri 14/09/07
13	Up to date and accurate stakeholder communications lists	15 days	Thu 30/08/07	Wed 19/09/07
14	Health Scrutiny Committee Meeting	1 day	Thu 20/09/07	Thu 20/09/07
15	<b>Council - Cabinet Meeting</b>	1 day	Thu 20/09/07	<b>Thu 20/09/07</b>
16	<b>Trust Board Meeting</b>	1 day	Thu 20/09/07	<b>Thu 20/09/07</b>
17	Draft Contract of employment for CEO in place	8 days	Fri 14/09/07	Tue 25/09/07
18	CEO's meeting with Full Time TU Officers	1 day	Wed 26/09/07	Wed 26/09/07
19	<b>Appointment of CEO (subject to the decision of the Cabinet &amp; PCT Board on 20th September 2007)</b>	2 days	Wed 26/09/07	<b>Thu 27/09/07</b>
20	Paper to Herefordshire Partnership Board - Re: Establishment of a Health and Well-Being Partnership	1 day	Fri 28/09/07	Fri 28/09/07
21	Special PST News update for Members / NEDS	1 day	Fri 28/09/07	Sun 30/09/07
22	Interim Director of HR commences	1 day	Mon 08/10/07	Mon 08/10/07
23	First cut of LAA priorities known	1 day	Mon 01/10/07	Mon 01/10/07
24	Issue Contract of employment to CEO	11 days	Thu 27/09/07	Thu 11/10/07
25	Advertisement placed for single Director of Public Health	1 day	Mon 15/10/07	Mon 15/10/07
26	Advertisement placed for single commissioning post	1 day	Mon 15/10/07	Mon 15/10/07
27	Steering Group No.9	1 day	Fri 19/10/07	Fri 19/10/07
28	Establish a basis for performance management of the PST in 2008/09	46 days	Fri 24/08/07	Fri 26/10/07
29	Final Report from Audit Commission	38 days	Fri 07/09/07	Tue 30/10/07
30	Identify interim base for CEO and Senior Team	49 days	Fri 24/08/07	Wed 31/10/07
31	Map clinical and non-clinical training services and training services	45 days	Thu 30/08/07	Wed 31/10/07
32	Produce Integrated Communications Strategy	45 days	Thu 30/08/07	Wed 31/10/07

**Herefordshire Public Service Trust  
Project Plan**

ID	Task Name	Duration	Start	Finish
33	Produce revised PST Implementation Communication Strategy	45 days	Thu 30/08/07	Wed 31/10/07
34	Conduct Readiness for Change survey	43 days	Mon 03/09/07	Wed 31/10/07
35	Identify accommodation for senior officers (from 01:01:08)	49 days	Fri 24/08/07	Wed 31/10/07
36	Political Awareness training	38 days	Mon 10/09/07	Wed 31/10/07
37	Agree the Corporate identity and timetable for implementation	49 days	Fri 24/08/07	Wed 31/10/07
38	Establish a single Communications and PR Service	49 days	Fri 24/08/07	Wed 31/10/07
39	Map and link commissioning expertise	43 days	Mon 03/09/07	Wed 31/10/07
40	Establish single emergency planning team based within the Council	45 days	Thu 30/08/07	Wed 31/10/07
41	First draft paper on governance issues	49 days	Fri 24/08/07	Wed 31/10/07
42	Steering Group No.10	1 day	Fri 16/11/07	Fri 16/11/07
43	First members / NEDS "news" communication - to be published quarterly	35 days	Mon 01/10/07	Fri 16/11/07
44	First draft benefits realisation paper	69 days	Fri 24/08/07	Wed 28/11/07
45	Single systems for speedy and accurate communications to all employees and key stakeholders e.g. G.P.s, Schools, Parish Councils	22 days	Thu 01/11/07	Fri 30/11/07
46	Produce Readiness for Change - Action Plan	22 days	Thu 01/11/07	Fri 30/11/07
47	Develop proposals for organisational KPI's within the context of harmonising processes with those of Herefordshire Partnership and the LA	65 days	Mon 03/09/07	Fri 30/11/07
48	Develop proposals for unified procurement arrangements	65 days	Mon 03/09/07	Fri 30/11/07
49	Agree a single Staff Code of Conduct	71 days	Fri 24/08/07	Fri 30/11/07
50	Integrated Risk Management Structure in place	71 days	Fri 24/08/07	Fri 30/11/07
51	Information Sharing Agreement agreed	71 days	Fri 24/08/07	Fri 30/11/07
52	Second cut of LAA priorities	1 day	Fri 30/11/07	Fri 30/11/07
53	Second draft on governance issues	22 days	Thu 01/11/07	Fri 30/11/07
54	Health Overview & Scrutiny Committee Meeting	1 day	Thu 06/12/07	Thu 06/12/07
55	External audit of benefits realisation proposals (see emerging financial analysis paper)	11 days	Fri 30/11/07	Thu 13/12/07
56	Draft paper on governance issues cleared by legal advisors	12 days	Fri 30/11/07	Fri 14/12/07
57	Key priorities identified and published - to be contained in LAA	81 days	Mon 27/08/07	Fri 14/12/07
58	Financial Resource Management Strategy - agreed and published (see Group minutes 160407)	81 days	Mon 27/08/07	Fri 14/12/07
59	Benefits realisation paper incorporating detailed action plan - agreed and published	81 days	Mon 27/08/07	Fri 14/12/07
60	Agree Terms of Reference for Shadow PST Board	1 day?	Fri 14/12/07	Fri 14/12/07
61	Steering Group No.11	1 day	Fri 14/12/07	Fri 14/12/07
62	Agree an integrated compliments and complaints process	92 days	Fri 24/08/07	Fri 28/12/07
63	Develop an outline performance management framework	92 days	Fri 24/08/07	Fri 28/12/07
64	Interim Governance issues finalised	46 days	Mon 29/10/07	Fri 28/12/07



**Herefordshire Public Service Trust  
Project Plan**

ID	Task Name	Duration	Start	Finish
65	Single, interactive and responsive web portal	88 days	Thu 30/08/07	Fri 28/12/07
66	Interim Governance arrangements implemented	1 day	Tue 01/01/08	Tue 01/01/08
67	<b>CEO takes up post</b>	69 days	Fri 28/09/07	<b>Tue 01/01/08</b>
68	Training and awareness raising in readiness for implementation of Information Sharing Agreement	23 days	Sat 01/12/07	Tue 01/01/08
69	Information Sharing Agreement implemented	1 day	Tue 01/01/08	Tue 01/01/08
70	Establish a joint Commissioning Unit	45 days	Thu 01/11/07	Tue 01/01/08
71	Develop a Corporate (Strategic) Plan 2008/11	96 days	Fri 24/08/07	Thu 03/01/08
72	Review of existing Section 75 arrangements concluded.	116 days	Fri 24/08/07	Thu 31/01/08
73	<b>PST Interim Board meeting (Strategic) meeting</b>	306 days	Fri 11/01/08	<b>Fri 13/03/09</b>
89	<b>PST Project Operational Group meeting</b>	306 days	Fri 18/01/08	<b>Fri 20/03/09</b>
105	<b>Establish Herefordshire Health &amp; Well-being Partnership Board</b>	1 day	Mon 21/01/08	<b>Mon 21/01/08</b>
106	Develop an Annual Operating (Business) Plan 2008/09	116 days	Fri 24/08/07	Thu 31/01/08
107	Council approves Council Tax budget	1 day	Thu 27/03/08	Thu 27/03/08
108	Council approves PST Corporate (Strategic) 2008/11 and Operating (Business) 2008/09 Plans	1 day	Thu 27/03/08	Thu 27/03/08
109	PCT Board approves PST Corporate (Strategic) 2008/11 and Operating (Business) 2008/09 Plans	1 day	Thu 27/03/08	Thu 27/03/08
110	Establish a single team for handling compliments and complaints	65 days	Mon 31/12/07	Fri 28/03/08
111	Rationalisation of Council and PCT plans and Strategies - Phase 1	156 days	Fri 24/08/07	Thu 27/03/08
112	<b>Children's Trust arrangements in place</b>	157 days	Fri 24/08/07	<b>Fri 28/03/08</b>
113	Establish integrated training services (?Non-clinical = single / Clinical = integrated)	110 days	Thu 01/11/07	Tue 01/04/08
114	Performance management framework becomes operational	1 day	Tue 01/04/08	Tue 01/04/08
115	Health Overview & Scrutiny Committee Meeting	1 day	Thu 03/04/08	Thu 03/04/08
116	First bi-monthly performance report against the Annual Operating (Business) Plan 2008/09	1 day	Thu 22/05/08	Thu 22/05/08
117	LAA Published including KPI's	202 days	Mon 27/08/07	Mon 02/06/08
118	Due diligence completed	78 days	Tue 01/04/08	Thu 17/07/08
119	Full governance arrangements agreed	1 day	Thu 17/07/08	Thu 17/07/08
120	<b>Partnership Agreement Signed</b>	246 days	Fri 24/08/07	<b>Thu 31/07/08</b>
121	Rationalisation of Council and PCT plans and Strategies - Phase 2	266 days	Fri 24/08/07	Thu 28/08/08
122	Unified occupational health services	262 days	Thu 30/08/07	Thu 28/08/08
123	Shared Services arrangements in place	267 days	Tue 25/09/07	Tue 30/09/08
124	<b>PST arrangements in place (in line with appropriate governance arrangements)</b>	267 days	Mon 27/08/07	<b>Mon 01/09/08</b>
125	Full governance arrangements implemented	1 day?	Mon 01/09/08	Mon 01/09/08
126	<b>PST arrangements to be subject to review</b>	419 days	Mon 27/08/07	<b>Wed 01/04/09</b>



# HEREFORDSHIRE PUBLIC SERVICE TRUST

## FRAMEWORK FOR GOVERNANCE

### SUPPLEMENTARY REPORT FROM THE PST STEERING GROUP

#### Purpose

This supplementary report has been prepared at the request of the Steering Group to provide further detail in relation to the governance framework which is to be prepared to cover the period through to the completion of the Partnership Agreement. This paper will support the timetable for Interim Governance from January 2008 to the completion of the Partnership Agreement in September 2008. It is the Partnership Agreement that will set out the arrangements for governance for the longer term. It is important to emphasise that governance arrangements will need to continue to develop throughout the interim period but even beyond the Partnership Agreement there will be revisions from time to time as with any effective Constitution for Governance.

#### Main Principles

In the continuing development stage, the Steering Group recognised the need for the governance arrangements to make provision for two basic areas of activity. These are:

- (i) the responsibility for the continued development of the proposal through to the completion of the Partnership Agreement; and
  - (ii) to provide initial, appropriate governance arrangements for operational matters.
- (i) **The responsibility for the continued development of the proposal through to the completion of the Partnership Agreement**

The PST Steering Group recognised that this is an essential part of continuing the development of the PST arrangement. The existing Steering Group arrangement would provide an effective model for this element of work. Consideration would need to be given to the benefits and disbenefits of expanding the membership of the PST Steering Group. Consideration also needs to be given to the best method of engaging stakeholders in the work and deliberations of the Steering Group. The need for such a review is recognised in the main papers.

- (ii) **To provide initial, appropriate governance arrangements for operational matters**

It is clear that in legal terms, the ultimate responsibility for operational matters will continue to lie with the Primary Care Trust and Council as appropriate. Section 75 arrangements provide a model however for the joint delivery of agreed elements of operational work on behalf of the parties. The responsibilities of the PCT and the Council are therefore discharged through those Section 75 arrangements.

That does not, however, obviate the need for operational governance. The Steering Group examined the model through which that operational governance could be achieved solely in respect of joint commissioning but felt that even if that became a workable model in the longer term, it would prove inadequate for the period through

to the completion of the Partnership Agreement. It was felt that the bulk of the initial activity would centre on the following four areas.

- (a) Services to Children
- (b) Services to Adults
- (c) Public Health
- (d) Shared Corporate Support Services

It was agreed that a model be developed which secured appropriate arrangements for each of those operational areas. It was felt that the Shadow Children's Trust arrangements would adequately deal with the Services to Children. Similar arrangements needed to be developed in relation to Adults, Public Health and Shared and Corporate Support Services. It was essential that both non-Executive Directors and Cabinet Members were able to effectively participate in those arrangements, as had been the case in the development of the Children's Trust arrangement model.

It was agreed that this further paper be used to illustrate the commitment of the PST Steering Group to the development of that framework for governance.

**HEREFORDSHIRE PUBLIC SERVICE TRUST**  
**SUPPLEMENTARY REPORT TO APPENDIX IV**  
**PUBLIC SERVICE TRUST ARRANGEMENTS**  
**CHIEF EXECUTIVE APPOINTMENT**

**Purpose**

1. The purpose of this report is to provide supplementary information in relation to the report on the Chief Executive appointment contained at Appendix iv. This follows a meeting with the external auditors of the PCT and the Council, together with the legal advisers to the Audit Commission which was held on Tuesday, 18th September, 2007. There were two principal issues in relation to which the Audit Commission felt that the Council and PCT should receive further and continued advice.

**The Issues**

2. The legal advisers to the Audit Commission pressed the need for clarity in relation to the accountability where a Chief Executive is the accountable officer in respect of the PCT and as Head of Paid Service (Chief Executive) of the Council. The Chief Executive would be employed by the Council until the completion of the initial Partnership Agreement, although there would be the opportunity in the development of that Agreement to ascertain the advantages and disadvantages of seeking to engage the Chief Executive under the provisions of Schedule 18 of the NHS Act 2006 which is referred to at the fourth bullet point of paragraph 4 of the principal report. This is supported by the Job Description and Person Specification which have been approved by the Appointments and Contracts Review Panel of the Council and the Remuneration Committee of the PCT, being the bodies responsible respectively within the Council and the PCT. The Strategic Health Authority (SHA) has been directly involved in the appointment. The legal advisers to the Audit Commission have indicated the need to establish a means of resolving the potential situation that might arise if there was a different view of the performance of the Chief Executive between the PCT and Council. This had been highlighted as one of the issues that would need to be covered in the Partnership Agreement but the legal advisers to the Audit Commission are concerned that the parties should be clear as to the potential resolution of such a difficulty should it arise before the completion of the Partnership Agreement. There are a number of ways in which such an issue could be addressed in the short term, and this will need to be resolved in the context of the appointments process.
3. The second issue on which the legal advisers to the Audit Commission made enquiry was in relation to paragraph 12 and the issue of conflicts of interest. It is an issue which they felt had only been partly covered in the course of paragraph 12. Again, this is an issue which would need to be covered in the Partnership Agreement and in a way that involved having a conflict resolution process in relation to the much wider area of activity which it is envisaged would be developed between the parties. The period of risk is therefore only the period which follows the appointment until the completion of the Partnership Agreement. The Audit Commission was unable to evidence any practical examples of conflicts of interest, either constructed or drawn

from the examples elsewhere nationally where senior posts within the local authority and the PCT had been combined. The reality is that if conflict of this nature was to arise then the likelihood is that the parties would be unwilling to conclude a Partnership Agreement.

Nevertheless, it is advised that we do carry out some additional work to establish a process for resolving such conflicts on a precautionary basis should they arise.

# Herefordshire Public Service Trust

## Project Steering Group

### Public Service Trust Arrangements Roadmap for Development

#### Introduction

1. This paper has been prepared as an appendix to the main report to the Council's Cabinet and Primary Care Trust Board on 20<sup>th</sup> September 2007. It follows consideration and approval by the PST Project Steering Group on 14<sup>th</sup> September and is designed to facilitate consideration of the way forward. It should be read in conjunction with the project plan/timetable at Appendix vi.

2. The roadmap pays due regard to the constructive feedback that was been received from delegates at the Governance Workshop 19<sup>th</sup> July, Finance Workshop 20<sup>th</sup> July, the public consultation, the recommendations of the Health Scrutiny meeting on 14<sup>th</sup> August and discussion at the Steering Group on 20<sup>th</sup> August and 14<sup>th</sup> September.

3. This should be viewed as a working document that provides a summary of the key milestones to be achieved if the project is to proceed in accordance with the more detailed project plan.

4. The first part of the paper summarises the key milestones.

5. The second part of the paper provides a more detailed overview.

- The exploratory stage (a historic overview).
- Phase one the successful achievement of the priorities that were set in January 2007 to establish the project structure, conduct the work necessary to enable the public consultation and facilitate a proposal regarding the way forward;
- Phases three and four the key milestones that provide essential elements to taking the project forward in accordance with the Steering Group's recommendation.

6. As part of this process for agreeing the roadmap and project plan/timetable the Steering Group was invited to ensure that the roadmap and the project plan/timetable:

- Captured the priorities previously discussed.
- Identified the essential elements.
- Established a sequence of events that is appropriate.
- Set out the key milestones.
- Included the key elements for success.

7. Steering Group envisages the project plan will evolve as more detailed operational plans are developed and agreed. This will be done in the context of the overall timetable following discussion with Working Groups and stakeholders subject to the outcome of the Council's Cabinet and the Primary Care Trust Board meetings.

8. The roadmap and project plan/timetable will provide the performance management framework for the PST project.

### **Summary Key Milestones**

9. Looking forward the key milestones can be summarised as follows:

10. **Phase 1 – September 2007.**

- The Council's Cabinet and the Primary Care Trust Board agrees the preferred option and approves the project plan/timetable and roadmap – 20<sup>th</sup> September 2007.

11. **Phase 2 – October 2007 to August 2008.**

- A single Chief Executive is appointed September / October – 2007.
- Single senior management appointments are made where appropriate - October 2007 – August 2008.
- Interim Governance arrangements established – January 2008.
- A PST Interim Board (Strategic) is established – January 2008.
  
- A PST executive / officer group (Operational) is established – January 2008.
- A Health & Well-being Partnership is established – January 2008.
- Children's Trust arrangements are established – April 2008.
- A Partnership Agreement signed – August 2008.

12. **Phase 3 - September 2008 to March 2009.**

- Initial PST arrangements are established.
- Shared governance arrangements established to reflect the above – September 2008.

13. **Phase 4 – April 2009.**

- PST arrangements will be subject to historical review – April 2009.

14. **Phase 5 – 2011 Onwards.**

- To consider options to further develop the model either with or without amending statutory legislation in 2011.

### **The Way Forward**



15. Whilst the above summary sets out the key milestones a more detailed overview is provided below.

**16. Summary of Exploratory Stage - February to December 2006.**

- The Council and the Primary Care Trust (PCT) considered the options for Herefordshire with regard to the proposed reconfiguration of Primary Care Trusts.
- The Council's Cabinet and the Primary Care Trust Board endorsed the proposals for a Public Service Trust (PST) in Herefordshire as a basis for further discussion.
- A Steering Group was formed to develop detailed proposals for further consideration.
  
- The Council, the Primary Care Trust and the Health Scrutiny Committee responded to the public consultation on reconfiguration by proposing that a PCT be retained for Herefordshire on the basis of support for an independent Herefordshire and the benefits to be gained from co-terminosity; on the understanding that they would work together to achieve a more integrated approach to public services in the county.
- The Government announced that there would continue to be a separate Primary Care Trust for Herefordshire recognising that the proposal to establish a Public Service Trust could be beneficial.
- All party group leaders' support was given to the concept.
  
- The Strategic Health Authority (SHA) supported the concept and proposal to take the project forward.
- The Council and Primary Care Trust commissioned an independent consultant to take the proposal forward and to produce a scoping report.
- A detailed Scoping Report was published and considered by the Council's Cabinet and Primary Care Trust Board.
- The Council's Cabinet and The Primary Care Trust Board endorsed the recommendations of the Scoping Report as the basis for continuing work.

**17. Summary of Phase 1 - January 2007 to September 2007.**

- The Public Service Trust project structure was established to build on the work of the scoping exercise and to develop the detailed work needed to facilitate a public consultation and to support the Council's Cabinet and Primary Care Trust Boards decision making process i.e. to enable a decision "in principle" regarding the next steps.
- A Project Initiation Document was agreed.
- The project structure was established.
- A single definition of Commissioning was agreed.
- A communication and consultation strategy was agreed.
- A public consultation process and document was agreed with key stakeholders.
- All party group leaders' support was reaffirmed prior to commencing the public consultation.
- A Public Consultation was undertaken.
- The Health Overview and Scrutiny Committee considered the proposal and public consultation process.
- The Audit Commission was commissioned to review the process.
- The Steering Group considered the outcome of the consultation and options for the way forward.

- The Council and Primary Care Trust Board are to consider the outcome of the public consultation, recommendation of the Steering Group and agree the way forward including the roadmap and timetable.

#### 18. **Phase 2 - October 2007 to August 2008.**

- A single Chief Executive will be appointed.
  - A joint Director of Public Health will be appointed.
  - A joint Director of Commissioning will be appointed.
  - Other single senior management appointments will be made where appropriate.
  - A single code of conduct for staff and PST organisational values will be agreed.
  - Interim accommodation will be identified and secured for the CEO and senior team.
- 
- A PST Interim Board will be established.
  - A readiness for change audit will be conducted and action plan flowing this developed and implemented.
  - The Communication strategy will be reviewed and updated.
  - A single communications and PR service will be established.
  - The corporate identity for the Public Service Trust development will be agreed.
  - A workshop for Councillors and Non-Executive Directors will take place.
  - The project structure will be reviewed to ensure that it is fit for purpose.
  - The project structure and processes will reviewed to engage other key stakeholders in an effective and meaningful way e.g. The Herefordshire Partnership, Third (Voluntary) Sector, Local Medical Committee, Hereford Hospitals NHS Trust, Education and Head Teachers.
  - The existing arrangements will be supplemented by a separate work stream that will develop the Shared Services review and by enhanced arrangements to support the formulation and agreement of the governance framework.
  - A review of shared services incorporating Hereford Hospitals Trust will be conducted, options produced and next steps agreed.
  - A review of existing Section 75 arrangements will be undertaken, any recommendations arising from this considered and implemented.
  - The Audit Commission will provide its report and recommendations on the review of the process.
  - Existing Council and Primary Care Trust plans and strategies will be rationalised.
  - An information sharing agreement will be agreed and implemented.
  - An integrated compliments a complaints process will be agreed and single team for handling them established.
  - An integrated risk management process will be agreed and established.
  - A joint commissioning unit will be established.
  - The interim governance arrangements will be defined and agreed with all key stakeholders.
  - Interim governance arrangements will be implemented.
  - Full governance arrangements will be defined and agreed with all key stakeholders.
  - A Financial Resource Management Strategy will be agreed and published.
  - A Benefits Realisation paper will be agreed, externally audited and published.
  - A Performance Management Framework will be developed, agreed and implemented.
  - A Corporate Strategy (Strategic Plan) will be developed and agreed.

- An Annual Operating (Business) Plan will be developed and agreed in accordance with the Corporate Strategy.
- Children's Trust arrangements will be established.
- A Partnership Agreement will be signed.
- The Council and Primary Care Trust Board will receive a further report from the Steering Group based on progress and achievement against the detailed project plan.

19. **Phase 3 - September 2008 to March 2009.**

- Public Service Trust arrangements would be developed on the basis of the satisfactory achievement of the key objectives defined within the detailed project plan.
- The full governance arrangements will be implemented.
- The PST Board would be established within the framework established by the full governance arrangements.
- The Council and Primary Care Trust Board would receive a further report from the Shadow Board based on progress and achievement against the detailed project plan.

20. **Phase 4 - April 2009 to May 2011.**

- A detailed review of the PST arrangements will be undertaken.

**Conclusion**

21. The paper seeks the Council's Cabinet and the Primary Care Trust Board endorsement through the main report to proceed in accordance with the roadmap and project plan/timetable.



It was agreed at the Primary Care Trust Board meeting this morning, 20th September, 2007 that the following changes would be made in relation to the roadmap for development (Appendix 5)

Item 12 – it was proposed to insert in the first bullet point the word **‘initial’** PST arrangements are established.

To change the wording from ‘matching governance arrangements’ to **‘shared governance arrangements established to reflect the above – Sept 2008’**

Item 13 – insert the word **‘historical’** in front of review – that is, **‘subject to historical review April 2009’**.

To replace Item 14 with the wording **‘Phase 5 – 2011 Onwards - to consider options to further develop the model either with or without amending statutory legislation in 2011’**.



## SPECIAL REPORT

**BY: DIRECTOR OF RESOURCES**

**TO: CABINET**

**SUBJECT: FINANCIAL GOVERNANCE IN ICT & CUSTOMER SERVICES**

**DATE: 20<sup>TH</sup> SEPTEMBER 2007**

### BACKGROUND

1. The financial governance arrangements within ICT & Customer Services have given cause for concern for some time. The risks identified by both Audit Services and Financial Services have been reported on an ongoing basis in line with the Council's agreed audit and financial management reporting arrangements.
2. A recent special audit investigation into travel and subsistence expenses within ICT & Customer Services concluded there were serious weaknesses in compliance with agreed internal control arrangements (see attached). An audit review on the use of contractors within ICT & Customer Services has recently been drawn to a close. The audit conclusion is that systems and procedures as evidenced were **unsound** (major risks identified; fundamental improvements required).
3. These latest findings, coupled with those previously reported, now makes the financial governance arrangements within ICT & Customer Services a serious concern. A special report from the Director of Resources to senior management, Cabinet and the Audit & Corporate Governance Committee is the appropriate course of action given the circumstances. This approach has been discussed fully with senior management colleagues and is supported by them. It has also been discussed with the Audit Commission.
4. The purpose of this report is therefore to:
  - Summarise the key issues of concern in relation to the financial governance arrangements within ICT & Customer Services;
  - Outline the actions taken and planned by senior management to address the issues identified;
  - Describe the potential implications for the Council's corporate financial standing and reputation; and
  - Recommend an action plan to demonstrate a strong corporate response to the issues identified in this report.

5. The scope of this report is to disclose significant non-compliance issues within the ICT & Customer Services division revealed as a result of recent audit activity. Offering an opinion on whether the contractual arrangements entered into represent best value or not, or whether a different procurement decision would have resulted had the correct procedures been followed, is beyond the scope of this report. A further technical and financial appraisal would be required to assess these issues.

## **FINANCIAL GOVERNANCE ARRANGEMENTS IN ICT & CUSTOMER SERVICES**

### **Context**

6. The ICT & Customer Services division was the only service division to have dedicated financial management support when the Council's senior management arrangements were re-organised in May 2005. The service-based accountant managed a small finance team reporting directly to the service manager.
7. The key risks with this type of arrangement are that the accountant 'goes native' or is unable / unwilling to access appropriate professional support. This can result in poor quality financial advice to the Council as a corporate body. These risks, if realised, can be exacerbated if the service maintains its own financial ledger system and as a result manages the prime accounting records.
8. Senior management has recognised the risks that can be associated with devolved financial management support arrangements. Adult & Community Services transferred their finance team to the Resources Directorate in November 2005. Senior management agreed restructuring proposals to consolidate financial administration and financial management support activities in the Resources Directorate in early 2006.
9. Senior management decided to transfer the service-based finance team in the ICT & Customer Services division to the Resources Directorate when the service-based accountant resigned their position in early 2006. This decision was in line with the strategy senior management had agreed to consolidate financial support activities as outlined in the preceding paragraph and was fully supported by the Director of Corporate & Customer Services. Despite clear instructions from senior management, the transfer proved difficult and time consuming to achieve. Interim arrangements were largely unsuccessful despite significant support from senior management. A satisfactory arrangement has recently been established.
10. A very sensitive and confidential HR issue emerged in August 2006 that was not resolved until November 2006. Serious allegations relating to compliance with contracting procedures within ICT & Customer Services were made in March 2007. It is not within the scope of this report to comment on the HR aspects of either of these issues. It is however



important to recognise that these events made it very difficult for senior management to address the issues highlighted in formal audit and financial management reports in as timely a fashion as might otherwise have been reasonable to expect.

11. The next two sub-sections of this report deal with the financial management and financial governance concerns within ICT & Customer Services in turn.

### **Financial management concerns**

12. Financial year-end processes for 2005/06 revealed a significant over spend on the ICT Trading Account that was mitigated by use of accumulated surpluses.
13. Cabinet approved the Council's first comprehensive financial strategy in July 2006 as a working document setting out the financial parameters for detailed service and budget planning for 2007/08 and beyond. Concerns about ICT & Customer Services budgets were noted in the draft strategy as an ICT strategy was in development.
14. Significant improvements in the quality of routine financial management reports were delivered in 2006/07. It was still proving difficult however to establish an accurate financial picture of the whole ICT & Customer Services operation and thus the forecast outturn for the year. These concerns were highlighted in the routine Integrated Performance Reports (IPRs) during the latter half of 2006/07.
15. Greater clarity on the financial implications of the Customer Services strategy was established as part of the detailed service and budget planning work for 2007/08. Council agreed an additional £500k investment in March 2007 for 2007/08 and 2008/09 as the financial model developed by Financial Services indicated that cashable benefits would cover the temporary additional base budget provision in following years.
16. It was not possible to replicate this progress for the ICT budgets – either in terms of the budget for day-to-day operations or future investment requirements. The financial risks were noted in supporting papers as the Council set the budget for 2007/08 in March 2007.
17. Financial year-end processes for 2006/07 highlighted an over spend position on the revenue budget for ICT & Customer Services. By this stage, Acting Head of ICT & Customer Services arrangements were in place and progress in relation to both the financial management and governance issues began to gather momentum.
18. A further concern for 2006/07 is that the external auditor has queried the accounting treatment of payments made to the Community Network Upgrade (CNU) project contractor. These transactions have fed through automatically from the subsidiary financial system in ICT to the corporate

financial system with capital cost codes attached. The Statement of Accounts for 2006/07 approved by the Audit & Corporate Governance Committee in June 2007 reflected the information available.

19. The external auditor challenged some £1.4m of these payments as part of his work reviewing the Statement of Accounts for 2006/07 on the basis he believed they were revenue items. Financial Services reviewed the challenge and as a result the figure has reduced to £1.224m.
20. Further work carried out by Financial Services has identified £509k of capital expenditure funded by revenue contribution that will now be capitalised to mitigate the impact on the closing balance on the General Fund for 2006/07. The net effect is a reduction in the General Fund balance of £715k, compounding the financial pressures that are emerging during the course of the current Performance Improvement Cycle. Work is ongoing to check that the allocation of project expenditure between the revenue and capital accounts is in line with expectations at the time a decision to proceed with the CNU was made.
21. Moving on to the current financial year, Cabinet will consider the month 4 IPR for 2007/08 on 20<sup>th</sup> September 2007. It notes the recent progress in establishing a forecast outturn for 2007/08 for ICT & Customer Services. An over spend is currently anticipated but work is in hand to reduce it further. The IPR also highlights the potentially significant budget issue in respect of the CNU project referred to in the preceding paragraph.

### **Financial governance concerns**

22. The Back Office Project for ICT & Customer Services led to the introduction of a separate financial management and procurement system for the ICT division. A new technology platform was chosen and interfaced to the Council's corporate financial management system.
23. The value of transactions passing from the ICT back office system to the corporate financial management system was assessed as material in the context of the Council's overall financial accounts. The ICT back office system was therefore classified as a fundamental system requiring annual audit review to provide assurance to management and the external auditor that the information used to prepare the Statement of Accounts was complete and accurate.
24. Audit Services reviewed the ICT back office system as part of their planned audit work for 2005/06. A **satisfactory** (minimal risk; a few areas identified where changes would be beneficial) audit opinion was issued on the following basis:
  - The system was still being implemented and an action plan was in place to bring it up to the expected standard;

- A number of technical problems prevented full testing of system controls but temporary manual controls were satisfactory; and
  - The ICT back office system came with good controls and there was no reason to assume that the full implementation would not be successful.
25. The next planned audit of the ICT back office system began in mid 2006/07. Audit Services noted little progress with the action plan agreed following the first review. Further audit testing highlighted significant concerns relating to budget management and payment processes within the ICT back office system and reconciliations to the corporate financial management system. The audit opinion for this review was **unsatisfactory** (unacceptable risk identified; changes should be made) with three critical recommendations. A further action plan was agreed with management. Follow-up work has been carried out to check progress and address queries raised by the external auditor. Progress was again found wanting and Financial Services needed to provide urgent support to resolve the issues impeding year-end procedures.
26. The Audit & Corporate Governance Committee approved the internal audit plan for 2006/07 in April 2006. An audit review of the use of contractors in ICT was agreed as part of an overall plan to assess financial governance arrangements across the Council.
27. The audit team followed agreed protocols in discussing the details of the audit with management. A start in April 2007 was eventually agreed. The police investigation into the anonymous allegations made about contracting arrangements within ICT & Customer Services in March 2007 led to a further delay in starting this audit review. The audit team was unable to access the necessary documentation until late May / early June. The scope of the planned audit was extended by the Director of Resources to encompass the anonymous allegations. The audit review took longer than planned because the audit trail was not complete or easy to follow.
28. The audit review of the use of contractors in ICT has been drawn to a close. The audit opinion accompanying the draft report is **unsound** (major risks identified; fundamental improvements are required). The key findings, based on the information available at the time the audit review was drawn to a close, are summarised as follows:
- The reports supporting the formal decisions in early 2005 on the ICT back office and Community Network Upgrade projects did not contain a robust options and financial appraisal;
  - There was insufficient evidence to demonstrate that the procurement process in respect of these two projects was robust;

- There was insufficient evidence to confirm that the project management and reporting arrangements for these two projects complied with the PRINCE 2 framework and standards;
  - There was insufficient evidence to confirm that financial management arrangements for these two projects complied with the Council's agreed policies and procedures;
  - There was insufficient evidence to confirm that formal approval was sought to award the contracts for the ICT back office and CNU projects to a contractor other than the one supplying the lowest tender;
  - There was limited evidence to suggest that procedures were in place to ensure that all contracts with an estimated value under £50k were let in accordance with the Council's agreed procedures; and
  - There was evidence to show that the external consultant employed to advise on the CNU project procurement process had concerns that the approach adopted was robust.
29. The evidence currently available to Audit Services shows that the ICT division refuted the concerns noted by the consultant employed to advise on the CNU procurement. The consultant modified some of their comments and withdrew the remainder accepting they were raising concerns outside the scope of their contract with the Council. Audit Services has interviewed the consultant as part of their review work. The consultant has confirmed their concerns about the way in which the CNU procurement process was managed.
30. It is important to note that the audit findings summarised above have been drawn from the information currently available. Audit Services has encountered difficulties in piecing together the evidence for this review as the information that is available is not of the standard expected and there are gaps (e.g. lack of returned tenders for the CNU project). There does need to be a clear audit trail in place for all Council activities that is readily accessible when needed.
31. Audit Services have found it difficult to establish the exact cost of the ICT back office project from the records available. A detailed analysis of source documents plus reconstruction of time sheets would be needed to produce an accurate statement of costs. It is thought that the cost is significantly more than that indicated at the outset. The ongoing annual cost of the ICT back office system is one of the budget pressures being highlighted in formal budget monitoring reports for the current financial year, along with budget issues relating to the contract that supports the CNU project.
32. The audit opinion covering the ICT back office and CNU projects is **unsound** (major risks identified; fundamental improvements are required). The Director of Corporate & Customer Services has already initiated a

review of the CNU contract and has asked for support from Financial Services and Legal Services with this.

33. The accompanying report on the findings of an audit review highlighting internal control weaknesses relating to travel and subsistence claims within ICT & Customer Services is another important piece of context in preparing proposals for a corporate response to the issues identified in this report.
34. Putting the findings of both reviews together, based on the audit evidence available at the present time, the procurement processes for the ICT back office project and the CNU project were flawed.
35. Senior management's attention has also been drawn to the fact that audit fieldwork on other planned audits to test the Council's financial governance arrangements is under way. Senior management has been strongly advised to check their arrangements for complying with financial and non-financial delegations outlined in the Council's constitution in advance of that review reaching their area.

#### **ACTIONS TAKEN / PLANNED BY SENIOR MANAGEMENT**

36. It is worth stressing again that the circumstances surrounding ICT and Customer Services have been extremely challenging for senior management.
37. The Director of Corporate and Customer Services has sought to ensure appropriate responses to internal audit reviews and has assisted in agreeing arrangements for follow-up work.
38. The Director of Corporate and Customer Services will be preparing an action plan in response to the audit review on the use of contractors within ICT & Customer Services.
39. Work on clarifying the gross expenditure budget for the ICT & Customer Services division and appropriate recharging methodologies continues.
40. The Corporate Management Board has unanimously agreed to implement the action plan in the attached travel and expenses report with immediate effect.
41. The Corporate Management Board has discussed and unanimously supports the approach set out in this report and the action plan attached to it.

#### **IMPLICATIONS FOR THE COUNCIL'S FINANCIAL STANDING AND REPUTATION**

42. The Audit Commission will shortly be sending their draft Annual Governance report to senior management for comment prior to presenting it to the Audit & Corporate Governance Committee on 21<sup>st</sup> September 2007. This routine report covers two main issues:
- the external audit opinion on the Statement of Accounts; and
  - the external audit opinion on the Council's arrangements for securing economy, efficiency and effectiveness.
43. The Audit Commission has to report their audit opinion by the 30<sup>th</sup> September of each year.
44. Given the issues identified in this report, it is unlikely that this year's Annual Governance report will be as positive in overall terms as in previous years. There may be adverse comment on the need to alter the Statement of Accounts for 2006/07 and the Council's arrangements for securing economy, efficiency and effectiveness.
45. The issues identified in this report may also be reflected in the external auditors' Use of Resources judgement for 2007. The financial management concerns may reflect in comments under the Financial Management, Financial Reporting and Financial Standing headings. The financial governance issues may reflect in the external auditor's comments on Internal Control. An adverse opinion on the arrangements for securing economy, efficiency and effectiveness could feature in the Value for Money assessment.
46. The ability to maintain the current 3 out of 4 score overall for Use of Resources hangs in the balance. This could have significant reputational impact for the Council in terms of the Comprehensive Performance Assessment / Comprehensive Area Assessment process, especially given the outcome of recent service inspections and our Direction of Travel assessment. It is difficult to convince auditors and inspectors that services are good or better still excellent if the corporate governance arrangements that support them are found or are felt to be wanting. Perceptions matter and senior management will need to work hard to limit the damage.

## **CORPORATE RESPONSE**

47. The Director of Corporate & Customer services will be responding to the audit recommendations contained in the audit reviews referred to in this report in line with agreed protocols. The key findings of the audit reviews and action plans will be reported to Audit & Corporate Governance Committee, also in line with agreed reporting arrangements.
48. Given the seriousness of the issues identified in this report, a corporate response is needed to supplement that within the Corporate & Customer Services Directorate. It is imperative that senior management and Cabinet

works as one to secure and enhance the integrity of the Council's financial governance arrangements, and that the corporate action plan is supported by the Audit & Corporate Governance Committee, Cabinet, and the Strategic Monitoring Committee.

49. The reputational implications with the Audit Commission of failing to agree and implement a robust corporate action plan are set out above. The attached table sets out the issues that need to be addressed and recommends appropriate action to enable positive assurance to be given in respect of the Director of Resources' responsibilities as Chief Financial Officer for the administration of the Council's financial affairs and providing advice (Appendix 17 of the Council's Constitution refers).

## **CONCLUSIONS**

50. The scope of this report is to disclose significant non-compliance issues within the ICT & Customer Services division revealed as a result of recent audit activity and make recommendations on remedial action. Offering an opinion on whether the contractual arrangements entered into represent best value or not, or whether a different procurement decision would have resulted had the correct procedures been followed, is not within the scope of this report. A further technical and financial appraisal would be required to assess these issues.
51. The financial governance issues summarised in this report are serious and significant in both financial and reputational terms. The Council has ambitious plans for improvements in service delivery and value for money. It needs to demonstrate that its corporate governance framework is effective and that it provides a sound basis for such service improvement. It needs to take clear and decisive action where those arrangements are found wanting.
52. As Chief Financial Officer, it is the Director of Resources' responsibility to ensure that the issues highlighted in this report are reported in an appropriate manner to the Audit & Corporate Governance Committee, Cabinet and the Strategic Monitoring Committee if necessary. It is pleasing to be able to confirm senior management's support for this approach and commitment to prioritise the recommendations in this report. My report also incorporates comments made by the Council's Monitoring Officer.

## **RECOMMENDATIONS**

- 53. The Chief Financial Officer's advice, as supported by senior management colleagues, is that:**
- The Director of Corporate & Customer Services should urgently complete the re-assessment of the CNU contract she has initiated;**

- **Financial governance compliance testing is prioritised in line with the timetable indicated in the attached action plan; and**
- **Implementation of the attached recovery plan is prioritised in line with the timetable indicated within it.**

**SONIA REES  
DIRECTOR OF RESOURCES  
13<sup>TH</sup> SEPTEMBER 2007**



	<b>Issue to address</b>	<b>Comments</b>	<b>Suggested corporate response</b>	<b>Responsible officer(s)</b>	<b>Date</b>
1.	Regular review on the progress implementing this corporate response.	The plan needs to be implemented effectively and to timetable.	CMB to monitor on a monthly basis and report to Cabinet. Report to each Audit & Corporate Governance Committee meeting.	CMB DoR	Ongoing
2.	Ensure the corporate response to the travel and expenses audit review is implemented effectively and to timescale.	Recommendations on the corporate response to the travel and subsistence audit review are relevant to this action plan, e.g. reviewing induction training.	CMB to consolidate the corporate responses to the travel and subsistence review and the corporate response to this report into one action plan.	DoR MO	Following discussion at CMB on 7.9.07
3.	Work to establish the cost of existing ICT and Customer Services operations and future investment needs to be urgently concluded to inform the Performance Improvement Cycle.	The audit and financial management reports have been highlighting the budget issues, quantifying them where possible to do so.	Director of C&CS to lead with support from Financial Services.	DC&CS HoFS	30.09.07
4.	Permanent managerial arrangements for ICT and Customer Services need to be established.	Much progress has been made by the Acting Head of Service.	CMB to discuss and agree proposals from DC&CS.	DC&CS CMB	October 2007

	<b>Issue to address</b>	<b>Comments</b>	<b>Suggested corporate response</b>	<b>Responsible officer(s)</b>	<b>Date</b>
5.	Review approach to and arrangements for the delivery of project management services. All post implementation reviews must include a technical and financial appraisal.	CMB has discussed this issue on a number of occasions. Need to conclude as part of the Performance Improvement Cycle.	CMB to discuss and agree proposals from DC&CS.	DC&CS CMB	October 2007
6.	Review of the financial and legal elements of the Council's constitution to ensure clarity and consistency.	The Council's Constitution is not as clear as it could be, nor as robust as it could be in support of the Section 151 Officer's and Monitoring Officers' statutory roles compared to exemplar authorities.	Working group to carry out a review and make recommendations in the first instance to CMB. Need to report to Audit and Corporate Governance Committee and other appropriate decision-making and scrutiny functions prior to being agreed at Council.	DoR HoLDS HoFS CIA HoBES HoHT	Council in November 2007
7.	Council's Constitution and Financial Regulations to be reviewed to ensure the requirement to secure financial and legal advice on all formal reports is explicit.	CMB needs to rigorously police the reports produced in their areas to ensure Financial Services has completed and signed off the financial implications and Legal Services has signed off the legal implications. This will ensure financial and legal advice is available to support all decisions.	CMB to insist on the highest standard in all aspects of report writing, including financial and legal implications. CMB to ensure there are no exceptions to the policy of all formal reports being cleared by the Head of Paid Services, the Monitoring Officer and the Section 151 Officer.	All report authors	Council in November 2007
8.	Audit Services and the Monitoring Officer need to be granted access to staff, records and feeder systems if required to fulfil their statutory obligations.	Key Managers responsible for feeder systems must ensure appropriate licence arrangements are in place in the event access is requested. Key Managers must assist with training if needed.	Incorporate into the review of the Constitution.  Re-affirm current provision in the Council's Constitution on audit access.	DoR HoLDS HoFS CIA HoBES HoHT	Council in November 2007

	<b>Issue to address</b>	<b>Comments</b>	<b>Suggested corporate response</b>	<b>Responsible officer(s)</b>	<b>Date</b>
9.	Improve the quality of working papers/files recording business activity.	Important in terms of: <ul style="list-style-type: none"> <li>• new data quality standards;</li> <li>• service continuity planning; and</li> <li>• ability to demonstrate a clear audit trail.</li> </ul>	Guidance on the standards of record keeping needs to be devised.	Information Manager CIA	December 2007
10.	Improve standards of internal control for fundamental systems.	Demonstrates a rigorous approach to improving financial and legal governance.	Minimum acceptable standard is satisfactory – this is a non-negotiable.	CMB HoHR CIA	Allow 3 months' notice for improvement
11.	Improving financial governance in ICT and Customer Services.	A top priority – needs to achieve the minimum standard of satisfactory for the fundamental systems and sign-off that action plans have been implemented for other reviews.	DC&CS to implement agreed action plans for the FMS system in ICT, travel and expenses and use of contractors audit reviews.	DC&CS DoR	January 2008
12.	Complete work in progress on internal recharging mechanisms to the agreed timetable.	This is important to ensure compliance with the Best Value Accounting Code of Practice (BVACOP) and to promote clarity and transparency in the recharging process.	Actions identified and agreed in a report to CMB on 16th August from the SMT SLA working group.	Anne Heath, Chair of SMT SLA Working Group, reporting to CMB.	March 2008
13.	All financial administration and financial management resources transfer to the Resources Directorate as soon as practical.	This principle has been previously agreed by CMB. Further progress will be demanded by the Herefordshire Connects programme. The main opportunities for minimising risk and maximising efficiencies lie within the Children and Young People's Directorate.	Identification and planning for transfer of resources to be considered by the ISS Board with exceptions reported to the Herefordshire Connects Programme Board for decision.	Mike Toney, Chair of ISS Board, reporting to Herefordshire Connects Partnership Board.	March 2008

	<b>Issue to address</b>	<b>Comments</b>	<b>Suggested corporate response</b>	<b>Responsible officer(s)</b>	<b>Date</b>
14.	Ensuring members receive complete advice from the Monitoring Officer and S.151 Officer on the legal implications and financial implications of all policy proposals.	Need to ensure the Leader and his Cabinet is fully supported by the three statutory officers identified, plus other officers as appropriate. This approach will also help improve the quality of reports, as advice to the executive is complete.	Liaison meetings with the Leader to include the Monitoring Officer and S.151 Officer to be diarised at no more than quarterly intervals.	Chief Executive DoR MO / HoLDS	Immediate effect
15.	Promote compliance with corporate financial governance arrangements by reviewing management practices and accountabilities.	Need to reinforce the importance of robust financial governance arrangements – responsibilities to stakeholders, personal protection for individual employees and organisational reputation.	Make compliance with corporate financial arrangements a non-negotiable. CMB to carry out immediate checks on contracting arrangements and authorised signatory lists.	CMB DoR	Immediate effect
16.	Enhance Key Manager's financial skills and knowledge of the Council's approved corporate governance framework, ensuring the message is constantly reinforced through effective training.	Better understanding of financial management and governance issues will improve compliance with corporate financial governance arrangements.	Make attendance on training courses a pre-requisite to getting a "licence to practise" as a manager. Attendance at refresher training courses will also be mandatory.	HoHR HoFS MO CIA	Immediate effect
17.	Ensure all capital and revenue budget proposals are identified through agreed service and financial planning processes.	Ensures resources allocated in line with longer-term priorities and encourages corporacy and effective forward planning. Also encourages service managers to prepare a robust business and financial case in support of their proposals that is evidence based.	Ensure in-year budget proposals are only brought forward in exceptional circumstances.	CMB	Immediate effect

	<b>Issue to address</b>	<b>Comments</b>	<b>Suggested corporate response</b>	<b>Responsible officer(s)</b>	<b>Date</b>
18.	Enhance Audit Services' capacity.	Early action to enhance the capacity of the Audit Services team will demonstrate commitment to strengthening corporate governance.	CMB to agree restructure proposals identified during the PIC process costing £45k. This can be met from the existing base budget for the Resources Directorate.	CMB DoR	Immediate effect
19.	Enhance strategic procurement capacity to ensure compliance with the Council's contracting policies and procedures.	Early action to enhance strategic procurement capacity will demonstrate commitment to strengthening corporate governance.	CMB to agree additional resources to centralise monitoring of contract procedures within Resources. This can be met from the existing base budget for the Resources Directorate.	CMB DoR	Immediate effect
20.	Check that issues highlighted in ICT and Customer Services are not repeated elsewhere.	Audit Services to re-focus planned activity to provide early assurance that this set of circumstances is not prevalent.	CMB needs to be prepared to respond quickly to Audit Services.	CMB	Immediate effect
21.	Ensure budget is in place before committing expenditure.	Financial Services will continue to reflect the financial implications of formal decisions in the Council's budgets – a further reason for ensuring that the financial implications section of all reports is complete and detailed. This does not absolve Key Managers from ensuring the budget is in place before entering into a financial commitment.	CMB to re-inforce the message that Key Managers need to work closely with Financial Services colleagues to ensure all appropriate permissions to spend are in place before letting a contract.	All	Immediate effect

CIA = Chief Internal Auditor  
DoR = Director of Resources  
HoLDS = Head of Legal and Democratic Services  
HoHR = Head of Human Resources  
HoPS = Head of Paid Services  
MO = Monitoring Officer

DC&CS = Director of Corporate & Customer Services  
HoFS = Head of Financial Services  
HoBES = Head of Benefit and Exchequer Services  
HoHT = Head of Highways & Transportation



# REPORT

**BY: DIRECTOR OF RESOURCES**  
**TO: CORPORATE MANAGEMENT BOARD**  
**SUBJECT: SPECIAL AUDIT INVESTIGATION**  
**DATE: 7<sup>TH</sup> SEPTEMBER 2007**

## BACKGROUND

1. A special audit investigation is one that falls outside the planned programme of audit work, usually to assist an investigating officer establish the facts of a matter before deciding what if any course of action needs to be taken.
2. A protocol has been established for making sure any weaknesses in the internal control environment identified as a result of special audit investigations are reported to:
  - CMB for action as appropriate; and
  - the Audit & Corporate Governance Committee.
3. This report has been prepared in line with the agreed reporting protocol.

## DETAILS

4. Audit Services recently carried out a review of a senior officer's travelling and subsistence claims. The review was requested by the Director of Resources in order to inform the overall investigation into serious allegations made about the senior officer. The review was subsequently extended to include travelling and subsistence claims made by the senior officer's direct reports.
5. The review identified non-compliance with the Council's existing policies for:
  - claiming and reimbursement of travelling and subsistence expenses;
  - employee conduct;
  - declaration of gifts and hospitality.
6. The attached table sets out the key audit findings and the actions necessary to ensure the integrity of the Council's internal control environment across all Directorates.

7. The actions outlined in the attached table will strengthen the existing internal control arrangements for travel and subsistence claims and employee conduct. Whilst it is important that our policies and codes are as clear and as concise as possible, it is just as important employees are aware of and are reminded of the standard of behaviour expected of them and what is an allowable expenses claim. This process begins with employee induction and continues through effective supervision and management. To this end, Corporate Management Board should also ensure that:
- the induction process is effective [**ACTION: Head of HR**];
  - the communications process continually reinforces the message about standards in public office in an appropriate way (e.g. building on the Values work) [**ACTION: Head of Communications**];
  - access to the Council's policies and codes via the Intranet is easy; [**ACTION: Acting Head of ICT**]; and
  - compliance with the Council's code of conduct and financial regulations is a non-negotiable [**ALL**].
8. It is worth noting that the functionality required from the IT platform supporting Herefordshire Connects will assist in managing compliance with these and many other Council policies. This in turn points to the fact that most if not all our existing policies and procedures will need an overhaul as part of that programme.
9. Finding non-compliance with internal controls in one part of the Council raises the concern about compliance elsewhere. Routine audit activity planned for this year will be prioritised to provide the Director of Resources (and the Audit Commission) with speedy assurance that similar problems do not exist in other areas. The audit sample will be drawn from travel and subsistence claims paid to employees on the Key Managers list since 1 April 2006. The audit fieldwork will be completed by early September.
10. CMB are advised that the external auditor may wish to comment on the non-compliance issues highlighted by this special audit as part of the Annual Governance Report for 2006/07 and the 2007 Use of Resources assessment.

**SONIA REES**  
**DIRECTOR OF RESOURCES**  
**10<sup>TH</sup> AUGUST 2007**



<b>Audit finding</b>	<b>Internal control mechanism</b>	<b>Suggested action</b>	<b>Responsible officer(s)</b>	<b>Date</b>
Claims paid and pending for entertaining suppliers, Council employees and Council contractors.	Code of Conduct for Employees	Review the Code of Conduct for Employees to ensure the Council's expectations on the required standard of conduct on giving hospitality are clear.	Head of HR	Sept 2007
Claims paid and pending for alcoholic beverages for meetings with suppliers, employees and contractors during office hours.	Code of Conduct for Employees	Review the Code of Conduct for Employees to ensure the Council's expectations on the required standard of behaviour in relation to consumption of alcohol during office hours and whilst representing the Council after office hours is clear.	Head of HR	Sept 2007
Claims paid for mileage following business meetings at which significant amounts of alcohol were purchased.	Code of Conduct for Employees	Review the Code of Conduct for Employees to ensure the Council's expectations on the standard of behaviour regarding working under the influence of alcohol is clear.	Head of HR	Sept 2007
Claims paid and pending for overnight accommodation costs within the Council's area without prior authorisation or clear business need.	Travel & Subsistence Policy Terms and Conditions of Employment	Revise guidance on travelling claims to require separate confirmation by attaching a signed memorandum that the line manager certifies overnight stays within the Council's area.  Payroll to reject all claims for overnight stays in the Council's areas that are not accompanied by separate written authorisation by Head of Service and Director.	Head of HR	Sept 2007
Failure to supply VAT receipts for over half of the claims made.	Terms and Conditions of Employment	Payroll to reject all claims that do not have the correct supporting documentation.	Payroll Manager	Immediate

Audit finding	Internal control mechanism	Suggested action	Responsible officer(s)	Date
Failure to submit claims in a timely manner.	Travel & Subsistence Policy	<p>Revise guidance on travelling claims to require monthly submission of travel and expenses claims within a month of the period they relate to.</p> <p>Payroll to reject claims that are received after the deadline indicated in the Councils' Travel &amp; Subsistence Policy.</p>	Head of HR	Sept 2007
Claims authorised for payment although incomplete and in contravention of the Council's policies.	<p>Travel &amp; Subsistence Policy</p> <p>Travel &amp; Subsistence Claim Form</p>	<p>Payroll to reject claims that are incomplete and in contravention of the Council's policies unless all exceptions are individually certified by the relevant Head of Service and Director in writing.</p> <p>Travel &amp; Subsistence Claim Form to be reviewed to ensure the disclaimer the claimant and authorising officer make on signing the form is clear that failure to comply with the Council's policies on travel &amp; subsistence could lead to disciplinary action.</p>	<p>Head of HR</p> <p>Head of Benefit &amp; Exchequer Services</p>	Sept 2007

Audit finding	Internal control mechanism	Suggested action	Responsible officer(s)	Date
Failure to declare hospitality received in line with the Council's policies.	Code of Conduct for Employees	Reminders from the Head of Legal & Democratic Services to all Key Managers to be issued biannually. Head of Legal & Democratic Services to confirm 100% return rate to include nil returns.  Biannual assurance statements to be extended to all Key Managers and to include confirmation that systems are in place to promote compliance with the Council's policies on the declaration of gifts and hospitality offered whether accepted or not.	Head of Legal & Democratic Services  Audit Services Manager	Sept 2007  Sept 2007
Discrepancies between claims for overnight stays and subsequent declarations of hospitality.	Travel & Subsistence Policy  Code of Conduct for Employees	Audit Services Manager to ensure test checks are carried out as part of planned audit work on travel & subsistence.	Audit Services Manager	Sept 2007
Questionable value to the Council of a three-day conference attended by an agency & contracted member of staff in Paris that was run by a Council supplier. Costs reimbursed included travel, accommodation and entertaining expenses.	Travel & Subsistence Policy	Travel & Subsistence policy to be revised to so that all overseas trips are authorised at Director level.	Head of HR.	Sept 2007
Claims for travel and subsistence expenses made by Council contractors not itemised in detail in their invoices.	Contract arrangements.	Contractors should support charges for travel and subsistence included in their invoices with a completed travel and subsistence claim form where the contract allows for reimbursement of costs as incurred.	Key Managers.	Sept 2007

