

**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

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12th November, 2007

Dear Councillor,

**MEETING OF CABINET
THURSDAY, 15TH NOVEMBER, 2007 AT 2.00 P.M.
THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD**

AGENDA (07/14)

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

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

3. ANNUAL GOVERNANCE REPORT 2007 - MANAGEMENT ACTION PLAN

To approve a draft management action plan in response to the recommendations made by the Audit Commission in their Annual Governance Report 2007. *(Pages 1 - 34)*

4. INTEGRATED PERFORMANCE AND FINANCE REPORT

To report performance for the first half of 2007-08 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 35 - 112)*



5. REPORT OF THE INDEPENDENT REVIEW

To consider the report and the recommendations of the Head of Legal and Democratic Services regarding the outcome of the independent review undertaken by Mr Ian Crookall. *(Report to follow)*.

INDEPENDENT REVIEW OF ICT AND THE COUNCIL'S FINANCIAL AND CONTRACTUAL ARRANGEMENTS

The purpose of this report is to outline to Cabinet the content and to consider the outcomes and recommendations of the Independent Review into ICT Services carried out by Mr Ian Crookall, who was nominated by the Chief Executive of the Local Government Association.

EXCLUSION OF THE PUBLIC AND PRESS

In the opinion of the Proper Officer, the next item will not be, or is likely not to be, open to the public and press at the time it is considered.

RECOMMENDATION:

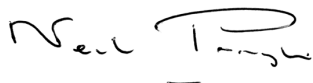
That the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act as indicated below.

6. REPORT OF THE INDEPENDENT REVIEW

To consider the report and the recommendations of the Independent Review undertaken by Mr Ian Crookall. *(Report to follow)*.

This item discloses information relating to any individual.

Yours sincerely,



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

**N.M. PRINGLE
CHIEF EXECUTIVE**



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- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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ANNUAL GOVERNANCE REPORT 2007 – MANAGEMENT ACTION PLAN

PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY & FINANCE AND RESOURCES

CABINET

15TH NOVEMBER, 2007

Wards Affected

None.

Purpose

To approve a draft management action plan in response to the recommendations made by the Audit Commission in their Annual Governance Report 2007.

Key Decision

This is not a Key Decision.

Recommendation

THAT the draft management action plan appended to this report be approved.

Reasons

Cabinet has executive responsibility for responding to the recommendations contained in external audit reports.

Considerations

1. The Audit Commission presented their Annual Governance Report to the Audit & Corporate Governance Committee meeting on 21st September, 2007.
2. The Audit Commission gave an unqualified opinion on the Council's Statement of Accounts for 2006/07 and an adverse opinion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources due to weak systems of internal control in ICT & Customer Services.
3. The Audit Commission made six recommendations in their report:
 - a) Three relate to suggested improvements to final account procedures for asset accounting (all assessed by the Audit Commission as **medium** risk).
 - b) One relates to a suggested review of the pooled budgeting arrangements with the Primary Care Trust (assessed by the Audit Commission as a **medium** risk).
 - c) One relates to suggested improvements to accounting policies for fixed assets (assessed by the Audit Commission as **low** risk).

Further information on the subject of this report is available from
Sonia Rees, Director of Resources on (01432) 383519

- d) One relates to the need for an independent review of the financial governance issues within ICT & Customer Services given there are weak arrangements for internal control (assessed by the Audit Commission as **high** risk).
4. The full Annual Governance Report 2007 is attached as the appendix to this report and includes the draft management action plan. The Audit & Corporate Governance Committee considered the draft management action plan on 19th October 2007 and had no further advice to offer Cabinet.

Financial Implications

There are no financial implications arising directly from this report. The management action plan will however give greater certainty that the annual accounts represent as accurate a reflection as is possible to achieve of the value of the Council's assets in the balance sheet. A review of pooled budgets arrangements for Section 75 services will improve systems for ensuring that value for money for health and social care services delivered in partnership with the Primary Care Trust is obtained. Improvements to systems of internal control in ICT & Customer Services will ensure that the use of resources in this area of Council activity is maximised.

Risk Management

A robust response to the recommendations contained in the Annual Governance Report 2007 will demonstrate the Council's commitment to strong corporate governance as the fundamental way of managing business and reputational risk. It will also mitigate against the risk that failures to comply with agreed systems of internal control has a prolonged effect on the Council's annual Use of Resources assessment.

Alternative Options

There are no alternative options requiring technical or financial appraisal.

Consultees

Chief Executive.

Monitoring Officer.

The Audit & Corporate Governance Committee.

Appendices

Annual Governance Report 2007 including draft management action plan.

Background Papers

See appendix to the report.

Annual Governance Report

Herefordshire Council

Audit 2006/07

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles.

- Auditors are appointed independently from the bodies being audited.
- The scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business.
- Auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Copies of this report

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

www.audit-commission.gov.uk

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Purpose of this document

- 1 In accordance with the Audit Commission's Code of Audit Practice (the Code), this report provides a summary of the work we have carried out during our 2006/07 audit of accounts, the conclusions we have reached and the recommendations we have made to discharge our statutory audit responsibilities to those charged with governance, (in this case the Audit & Corporate Governance Committee) at the time they are considering the financial statements.
- 2 In preparing our report, the Code requires us to comply with the requirements of International Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 'Communication of Audit Matters to Those Charged With Governance', by reporting to you matters relating to the audit of the financial statements. Other auditing standards require us to communicate with you in other specific circumstances including:
 - where we suspect or detect fraud;
 - where there is an inconsistency between the financial statements and other information in documents containing the financial statements; and
 - non-compliance with legislative or regulatory requirements and related authorities.
- 3 We are also required to communicate to you the Audit Commission's requirements in respect of independence and objectivity, and these are set out at Appendix 2.
- 4 This report has been prepared for presentation to the Audit and Corporate Governance Committee on 21 September 2007. Members are invited to:
 - consider the matters raised in the report before the financial statements are approved;
 - approve the representation letter on behalf of the Authority and those charged with governance before we issue our opinion; and
 - consider amending the financial statements for unadjusted misstatements, significant qualitative aspects of financial reporting and any recommendations for improvement in the action plan.
- 5 Our work during the year was performed in line with the plan that we presented to you in May 2006. We have issued separate reports during the year having completed specific aspects of our programme, which are listed in Appendix 3.

Key messages

- 6 Our work on the financial statements is substantially complete. Should any further matters arise in concluding the outstanding work that need to be reported, we will raise them with the Audit & Corporate Governance Committee. We propose issuing an unqualified audit opinion on 27 September 2007. The audit went very smoothly and the working papers received were of a better quality this year particularly in relation to working papers supporting revenue accounts. We will be issuing a memorandum which will contain more detail on our findings to assist officers.
- 7 In our view, the Statement on Internal Control (SIC), once amended, has been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from our audit.
- 8 Our work on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources is now complete. We propose issuing an adverse conclusion on the use of resources on 27 September 2007. The qualification relates to failings within the Council's arrangements for internal control, probity and propriety and value for money as highlighted in the recent ICT governance report. We have attached a copy of our report at Appendix 7.

Audit status

- 9 At the date of issue of this report our detailed audit is substantially complete.
- 10 The Authority has taken a positive and constructive approach to our audit and we would like to take this opportunity to express our appreciation for the Authority's assistance and co-operation.

Accounts and Statement on Internal Control

- 11 Our work on the financial statements is substantially complete.
- 12 Auditors are required to obtain written confirmation of certain representations from management and those charged with governance before an audit report is issued, such as acknowledgement of responsibility for the fair presentation of the financial statements in accordance with the applicable financial reporting framework and responsibility for the design and implementation of internal control to prevent and detect error.
- 13 The auditor should also obtain written representations from management on matters material to the financial statements when other sufficient appropriate audit evidence cannot reasonably be expected to exist.
- 14 The final draft of the letter of representation has been attached at Appendix 4.

Unadjusted misstatements

- 15 We are required to report to you all unadjusted misstatements that we have identified during the course of our audit, other than those that are clearly trivial. There are no unadjusted misstatements for us to bring to the attention of members.

Adjustments to the financial statements

- 16 We are also required to bring to your attention misstatements that have already been corrected by management where we consider them relevant to your wider governance responsibilities. These are recorded in full at Appendix 5 but we provide an analysis of the most significant items below for your attention.

Table 1 Adjusted misstatements in the financial statements

Details of significant adjustments made to the financial statements

Issue	Value of misstatement £	Impact on surplus/ (deficit)
Balance Sheet (Fixed Assets)	+£1.2m	None
Balance Sheet (Reserves)	-£1.2m	None
Balance Sheet (Fixed assets)	-£1.2m	None

Issue	Value of misstatement £	Impact on surplus/ (deficit)
Income & Expenditure Account	+£1.2m	Increase deficit
Income & Expenditure Account	+£1.8m	None
Income & Expenditure Account	- £1.8m	None
Intangible Assets	-£264k	None
Tangible Assets	+£264k	None

Recommendations

- R1 Allocation of assets into the right category is the responsibility of the Chief Finance Officer. All valuations should be reviewed prior to audit to ensure the valuer has categorised the asset correctly and has provided a reasonable valuation.*
- R2 Assets registers should be reviewed prior to audit to ensure that values attached to disposals, additions and revaluations are reasonable.*
- R3 Care should be taken when coding expenditure to ensure that tangible and intangible expenditure is coded correctly.*

Other financial matters of interest

- 17 We are required to report any other matters that we believe to be of governance interest. As last year we found issues with the operation of pooled budgets with the Primary Care Trust (PCT).
- The Section 31 agreement has still not been updated for the learning disabilities pooled budget agreement. This has not been updated since 2002.
 - There were protracted delays in the PCT settling invoices.
 - Governance arrangements should be put in place to ensure that all expenditure is correctly authorised.
 - The Section 31 agreement in place with the PCT in relation to Free Nursing Care should be re-visited as this does not appear to be a pooled budget arrangement.
 - Year end reconciliations of amounts owed to/from the PCT were only carried out after we requested them.

Recommendation

R4 Review pooled budget arrangements with the PCT in particular ensure that:

- *governance agreements are updated;*
- *reconciliation processes are tightened;*
- *outstanding debtors are paid promptly; and*
- *all current agreements are reviewed to ensure that they are in fact pooled budget agreements.*

Accounting practices

18 We are also required to report to you our view on the qualitative aspects of the Authority's accounting practices and financial reporting and have set out below our observations on key issues affecting the Authority.

- The Council receive valuations from the valuer, in some cases suggesting that a building of the Council has a life expectancy in excess of 50 years. When received, the Council change the life expectancy to 50 years if the valuer has offered a greater life expectancy on the building. Our understanding is that this is Council policy, however there is no documentation to support this assertion.
- Working papers are of a good quality and in particular there has been noticeable improvements in the papers received to support income and expenditure in the accounts. We will be discussing this in more detail along with opportunities for improvement with the relevant officers of the Council.

Recommendation

R5 Fixed Asset policies in relation to life expectancy of assets will need to be considered to ensure that the valuer and asset register holder within finance have similar information. Any policy decided upon in relation to the life expectancy of assets maintained within the asset register should conform with the requirements of the SORP.

Systems of internal control

19 As part of our audit, we consider the systems of accounting and financial control and report to you any material weaknesses identified. There are weak arrangements in ICT & Customer Services. Internal Audit carried out a review in 2006/07 which highlighted a number of system and budgeting issues. Further work has been carried out and a number of other serious issues have been reported including:

- abuse of travel and subsistence expense claims; and
- issues surrounding the procurement and management of ICT projects.

Recommendation

R6 The Council independently investigate issues within the ICT section and consider any action required in accordance with their own constitution.

- 20 We have not provided a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made, but have addressed only those matters which have come to our attention as a result of the audit procedures we have performed.
- 21 We have also reviewed whether the Statement of Internal Control (SIC) has been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from our audit. We have asked the Council to make amendments to the SIC based upon the issues raised in relation to the ICT & Customer Service section which the Council has agreed to. We have asked the Council to include:
- issues with regards to abuse of travel and subsistence claims within ICT;
 - issues in relation to the procurement of contractors; and
 - issues in relation to the reliability of the ICT & Customer Service section financial system.

Use of resources

Work performed

- 22 The Code requires us to reach a conclusion on whether we are satisfied that the Council has proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources – the value for money conclusion. In meeting this responsibility, we review evidence that is relevant to the Council’s corporate performance management and financial management arrangements across a range of criteria specified by the Audit Commission. Our work to support our conclusion comprised the following elements:
- use of resources assessment;
 - data quality work; and
 - the best value performance plan.
- 23 Details of our conclusion for each of the criteria specified by the Audit Commission are set out in Appendix 6. As discussed earlier we propose to issue an adverse value for money conclusion opinion in relation to the following three criteria:
- the body has put in place arrangements to maintain a sound system of internal control;
 - the body has put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of its business; and
 - the body has put in place arrangements to manage and improve value for money.
- 24 This relates to the failings identified in the recent ICT governance report.

Use of resources assessment

- 25 We are currently finalising our work arising on the use of resources assessment. When finalised, we will discuss this with the relevant officers.

Data quality work

- 26 We are currently finalising our data quality review and will report our findings to the relevant officers.

Best value performance plan

- 27 Our work in respect of the Authority's Best Value performance Plan (BVPP) was reported in the 2006 annual audit and inspection letter. No recommendations were made to the Audit Commission or the Secretary of State.

Audit fee update

- 28 We reported our fee proposals as part of the Audit Plan for 2006/07. The table below reports the outturn fee against that plan.

	Plan 2006/07	Actual 2006/07
Financial statements and Statement on Internal Control	£130,067	£130,067
Use of Resources	£82,161	£82,161
Total Audit Fees	£212,228	£212,228

- 29 The analysis above shows that our audit fee has been contained within the totals you have already agreed.
- 30 The outturn on inspection fees will be reported in the annual audit and inspection letter.

Appendix 1 – Action plan

Ref	Recommendation	Priority 1 = Low 2 = Medium 3 = High	Responsibility	Agreed	Comments	Anticipated implementation date
R1	Allocation of assets into the right category is the responsibility of the Chief Finance Officer. All valuations should be reviewed prior to audit to ensure the valuer has categorised the asset correctly and has provided a reasonable valuation.	2	Director of Resources	Yes	The Head of Financial Services and Head of Asset Management and Property Services will jointly review the asset register held for accounting purposes to confirm that assets have been allocated to the correct category. This will be established as a new task on the final accounts work programme for 2007/08.	May 2008 and annually thereafter.

Ref	Recommendation	Priority 1 = Low 2 = Medium 3 = High	Responsibility	Agreed	Comments	Anticipated implementation date
R2	Asset registers should be reviewed prior to audit to ensure that values attached to disposals, additions and revaluations are reasonable.	2	Director of Resources	Yes	The Head of Financial Services and Head of Asset Management & Property Services will jointly review the asset register held for accounting purposes to ensure that the values attached to additions, disposals and revaluations are reasonable. This will be established as a new task on the final accounts work programme for 2007/08.	May 2008 and annually thereafter.
R3	Care should be taken when coding expenditure to ensure that tangible and intangible expenditure is coded correctly.	2	Director of Resources	Yes	The Head of Financial Services will ensure that expenditure coded to capital is tested as part of routine capital monitoring procedures and test checked as part of the final accounts process for 2007/08.	Ongoing monitoring procedures. Further test checks as part of the final accounts process in May 2008 and annually thereafter.

16 Annual Governance Report | Appendix 1 – Action plan

Ref	Recommendation	Priority 1 = Low 2 = Medium 3 = High	Responsibility	Agreed	Comments	Anticipated implementation date
R4	<p>Review pooled budget arrangements with the PCT in particular ensure that:</p> <ul style="list-style-type: none"> • governance arrangements and agreements are updated; • reconciliation processes are tightened; • outstanding debtors are paid promptly; and • all current agreements are reviewed to ensure that they are in fact pooled budget agreements. 	2	<p>Director of Adult & Community Services</p> <p>Director of Resources</p>	Yes	<p>The PST Steering Group has asked the Corporate Strategy and Resourcing Working Group (CSRWG) to review the existing Section 75 arrangements by 31st January 2008 with a view to implementing improvements from the start of next financial year. The Director of Resources chairs the CSRWG.</p> <p>A sub group has been established to carry out the review of existing Section 75 arrangements. The Interim Head of Adult Social Care chairs this sub-group.</p>	1 April 2008

Ref	Recommendation	Priority 1 = Low 2 = Medium 3 = High	Responsibility	Agreed	Comments	Anticipated implementation date
R5	Fixed Asset policies in relation to life expectancy of assets will need to be considered to ensure that the valuer and asset register holder within finance have similar information. Any policy decided upon in relation to the life expectancy of assets maintained within the asset register should conform with the requirements of the SORP.	1	Director of Resources	Yes	The Head of Financial Services will review the fixed asset accounting policy prior to financial year-end 2007/08.	February 2008.

18 Annual Governance Report | Appendix 1 – Action plan

Ref	Recommendation	Priority 1 = Low 2 = Medium 3 = High	Responsibility	Agreed	Comments	Anticipated implementation date
R6	The Council independently investigate issues within the ICT section and consider any action required in accordance with their own constitution.	3	Chief Executive/ Leader	Yes	Mr Ian Crookall, former Chief Executive of Buckinghamshire County Council, has been appointed to carry out the independent review. Mr Crookall started his review on 3 October and has had some preliminary meetings with officers and Members. Further meetings have been arranged, and Mr Crookall aims to complete his report by the end of October. The Monitoring Officer will agree the terms of reference for the review.	November 2007.

Appendix 2 – The Audit Commission’s requirements in respect of independence and objectivity

- 1 We are required to communicate the following matters to those charged with governance:
 - the principal threats, if any, to objectivity and independence identified by the auditor, including consideration of all relationships between the Authority, directors and the auditor;
 - any safeguards adopted and the reasons why they are considered to be effective;
 - any independent partner review;
 - the overall assessment of threats and safeguards; and
 - information about the general policies and processes for maintaining objectivity and independence.
- 2 We are not aware of any relationships that may affect the independence and objectivity of the audit team and which are required to be disclosed under auditing and ethical standards.

Appendix 3 – Audit reports issued

Planned output	Planned date of issue	Actual date of issue	Addressee
Audit plan	May 2006	May 2006	Audit and Corporate Governance Committee
Annual governance report	14 September 2007	14 September 2007	Audit and Corporate Governance Committee
Opinion on financial statements	27 September 2007	27 September 2007	Audit and Corporate Governance Committee
Opinion on Value for Money	27 September 2007	27 September 2007	Audit and Corporate Governance Committee
Use of resources conclusion	December 2007	December 2007	Audit and Corporate Governance Committee
Final accounts memorandum	27 September 2007	27 September 2007	Management
Performance management	November 2006	November 2006	Audit and Corporate Governance Committee
Local Area Agreements	November 2006	November 2006	Audit and Corporate Governance Committee
Annual audit letter	December 2006	December 2006	Council

Appendix 4 – Management representation letter

Resources

Director: Mrs Sonia Rees CPFA

Mrs L Cave

District Auditor

Rooms 13-18 and 24

The Business Centre

Blackpole Road

Worcester

WR3 8SQ

13 September 2007

Your Ref:

Our Ref:

Please ask for: Sonia Rees

Direct Line / 01432 383519

Extension: 01432 261869

Fax: srees@herefordshire.gov.uk

E-mail:

Dear Liz

LETTER OF REPRESENTATION

AUDIT FOR THE YEAR ENDED 31 MARCH 2007

I confirm to the best of my knowledge and belief, and having made appropriate enquiries of other officers of the Authority, the following representations given to you in connection with your audit for the year ended 31 March 2007.

Related party transactions

There are no other material transactions with related parties, other than those which have been properly recorded and disclosed in the financial statements.

Contingent liabilities

There are no other contingent liabilities, other than those which have been properly recorded and disclosed in the financial statements. In particular:

There are no significant pending or threatened litigation, other than those already disclosed in the financial statements.

There are no material commitments or contractual issues, other than those already disclosed in the financial statements.

Law, regulations and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finance or operation of the Authority.

Post balance sheet events

Amey PLC

Amey PLC have purchased shares from Somerford in HJS (Jarvis). This represented 80% of the shares in HJS and the Council continues to hold the other 20%. The arrangement does not have any impact on the Council. The former parent company guarantee has been replaced in identical terms by a guarantee from Amey PLC. This guarantee covers performance of work under the HJS contract with the Council.

Specific representations

I draw your attention to the Private Finance initiative contracts that the Council has entered into jointly with Worcestershire. I would make the following points:

Waste Management

As you are aware, this contract is currently subject to renegotiation. I have reviewed the disclosure included in the accounts on Page 8 of the Statement of Accounts and I am satisfied that this sufficiently reflects the position as at the date of this letter. Further to the outcome of these negotiations it may be necessary to review the accounting and balance sheet treatment of the renegotiated PFI deal.

I am satisfied that the Council has earmarked sufficient reserves to meet potential liabilities under the existing contractual arrangements as at 31 March 2007 and has appropriate plans in place to ensure sufficient budgetary provision in its financial strategy for the future.

Yours sincerely

SONIA REES (MRS)
DIRECTOR OF RESOURCES

Appendix 5 – Summary of adjusted misstatements

- 1 The following misstatements were identified during the course of our audit and the financial statements have been adjusted by management. We bring them to your attention to assist you in fulfilling your governance responsibilities.

Adjusted misstatements	Nature of Adjustment	Income and Expenditure Account		Balance Sheet	
		Dr £000s	Cr £000s	Dr £000s	Cr £000s
Description of Misstatement					
Goodrich School incorrectly disposed of. Goodrich School is a Voluntary Controlled (VC) School administered by the LEA.	Adjustment to fixed assets and reserves			£1.2m	£1.2m
Maintenance Charges for the Golden Thread Project which should have been charged to revenue.	Adjustment to fixed assets and the revenue account	£1.2m			£1.2m
BVACOP - Property management costs incorrectly allocated across BVACOP headings	Adjustments in the top half of the income and expenditure.	£1.8m	£1.8m		
Tangible assets	Incorrectly classified as intangible instead of tangible.			£0.264m	
Intangible assets					£0.264m
Net Effect		£3m	£1.8m	£1.464m	£2.664m

Appendix 6 – Value for money conclusion

- 1 The Audit Commission has published, in accordance with the Code of Audit Practice, 12 criteria on which auditors are required to reach a conclusion on the adequacy of an audited body’s arrangements for economy, efficiency and effectiveness in its use of resources.
- 2 The Code criteria are linked to the use of resources assessment (UoR) key lines of enquiry (KLoEs). A score of Level 2 or higher under the KLoEs will result in an assessment that the Authority has adequate arrangements in place for the purposes of the Code criteria. The Code criteria and the linked KLoEs are show in the table below.

Code Criteria	Description	Associated UoR KLoE	VFM conclusion
1	The body has put in place arrangements for setting, reviewing and implementing its strategic and operational objectives.	N/A	Adequate
2	The body has put in place channels of communication with service users and other stakeholders including partners, and there are monitoring arrangements to ensure that key messages about services are taken into account.	N/A	Adequate
3	The body has put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary, and reporting to members.	N/A	Adequate
4	The body has put in place arrangements to monitor the quality of its published performance information, and to report the results to members.	LG DQ KLoEs	Adequate
5	The body has put in place arrangements to maintain a sound system of internal control.	4.2	Not adequate

Code Criteria	Description	Associated UoR KLoE	VFM conclusion
6	The body has put in place arrangements to manage its significant business risks.	4.1	Adequate
7	The body has put in place arrangements to manage and improve value for money.	5.2	Not adequate
8	The body has put in place a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities.	2.1	Adequate
9	The body has put in place arrangements to ensure that its spending matches its available resources.	3.1	Adequate
10	The body has put in place arrangements for managing performance against budgets.	2.2	Adequate
11	The body has put in place arrangements for the management of its asset base.	2.3	Adequate
12	The body has put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of its business.	4.3	Not adequate

Appendix 7 – Independent auditor’s report to Members of Herefordshire County Council

Independent auditor’s report to the Members of Herefordshire County Council

Opinion on the financial statements

I have audited the financial statements of Herefordshire County Council for the year ended 31 March 2007 under the Audit Commission Act 1998, which comprise the Explanatory Foreword, Income and Expenditure Account, Statement of the Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, the Collection Fund and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to Herefordshire County Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Chief Finance Officer and auditors

The Chief Finance Officer’s responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 are set out in the Statement of Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements present fairly the financial position of the Authority in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006.

I review whether the statement on internal control reflects compliance with CIPFA's guidance 'The statement on internal control in local government: meeting the requirements of the Accounts and Audit Regulations 2003' issued in April 2004. I report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial position of the authority as at 31 March 2007 and its income and expenditure for the year then ended.

Elizabeth Cave
District Auditor

Audit Commission
The Business Centre
Blackpole Road
Worcester
WR3 8SQ

28th September 2007

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's responsibilities

The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the authority is required to prepare and publish a best value performance plan summarising the authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Auditor's responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the authority's best value performance plan and issue a report:

- certifying that I have done so;
- stating whether I believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act 1999.

Adverse conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in December 2006, I am not satisfied that, in all significant respects, Herefordshire County Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2007, in that it did not put in place:

- arrangements to maintain a sound system of internal control;
- arrangements that are designed to promote and ensure probity and propriety in the conduct of its business; and
- arrangements to manage and improve value for money.

Best Value Performance Plan

I issued my statutory report on the audit of the authority's best value performance plan for the financial year 2006/2007. I did not identify any matters to be reported to the authority and did not make any recommendations on procedures in relation to the plan.

Elizabeth Cave
District Auditor

Audit Commission
The Business Centre
Blackpole Road
Worcester
WR3 8SQ

28th September 2007

INTEGRATED PERFORMANCE AND FINANCE REPORT

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

CABINET

15TH NOVEMBER, 2007

Wards Affected

County-wide

Purpose

To report performance for the first half of 2007-08 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

- (a) performance to the end of September 2007, and the adequacy of the proposed remedial actions to address areas of under-performance, be considered; and
- (b) given the Council's community leadership responsibilities, Cabinet decide what, if any, advice it wishes to give the Herefordshire Partnership Performance Management Group on underperformance of any indicators lead by partners.

Reasons

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

Considerations

HIGHLIGHTS OF PERFORMANCE
<ul style="list-style-type: none"> • 17 of 111 council-lead indicators from the AOP are currently marked R, compared to 15 at the end-of-July. A large proportion of indicators remain A, many of which are measured through the council's Annual Satisfaction Survey. The results of the survey, against which an accurate judgement can be made, should be available for the end-of-January IPR.
<ul style="list-style-type: none"> • 63% of indicators used in external judgements, where data is available, are currently showing an improvement against last year's performance, compared to 53% at the end-of-July.
<ul style="list-style-type: none"> • The overall financial position shows a projected overspend of £3.25m compared with the projected overspend of £2.54m at the end-of-July.
<ul style="list-style-type: none"> • The revised capital budget forecast is £61.6m compared with the original forecast of £65.46m.
<ul style="list-style-type: none"> • At the end-of-July, 4 LPSA indicators (13%) and 15 LAA indicators (17%) were marked R.
<ul style="list-style-type: none"> • The Government has recently produced its new national dataset of 198 indicators upon which it will require local authorities, and their partners where applicable, to report. This substantially reduces the burden of performance reporting to Government by local authorities, which potentially could reduce the size of IPRs in future years, although in the case of Herefordshire this would be to a degree offset by the need to report additional health indicators under the Public Service Trust. However, there are signs that individual government departments and regulatory bodies are already seeking to add their preferred indicators back into the reporting process. Equally, the evidence required for Comprehensive Area Agreement means that the council will have to develop local indicators for performance with baselines, targets and reporting processes. These are areas where this IPR shows there is still room for improvement. Proposals for future reporting arrangements will be brought forward in the New Year.
<ul style="list-style-type: none"> • The council is entering the time of year when the various national inspectorates and regulatory bodies are beginning to reach their judgements about the council's performance. The remaining issue is the Audit Commission's annual assessment of the council's overall direction of travel, which will involve a series of interviews towards the end of November. Future IPRs will be used to explain the council's progress service-by-service and in total.

Progress against the Council's AOP Priorities (Appendix A)

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 against target by Council priority is detailed below:

Priority	No. of Indicators	Judgement			n/a ¹
		R	A	G	
Securing the essential infrastructure for a successful economy	3	0	2	0	1
Giving effective community leadership	1	0	0	0	1
Improving transport and the safety of roads	9	0	7	2	0
Maximising the health, safety, economic well-being, achievements and contribution of every child	30	14	9	4	3
Sustaining thriving communities	36	2	24	3	7
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	0
Protecting the environment	10	0	4	3	3
Understanding the needs and preferences of service users and Council Tax-payers, and tailoring services accordingly	2	0	1	0	1
Recruiting, retaining and motivating high quality staff	4	1	1	2	0
Embedding corporate planning, performance management and project management systems	3	0	3	0	0
Promoting diversity and community harmony	4	0	3	1	0

¹ 16 indicators have been considered as not suitable for awarding a judgement in this report, essentially because they are either tracker indicators or indicators that require a baseline to be set during the year. These indicators were all judged as **A** in the last report.

Priority	No. of Indicators	Judgement			n/a ¹
		R	A	G	
Ensuring that essential assets are in the right condition for the long-term cost-effective delivery of services, and ensure business continuity in the face of emergencies	1	0	1	0	0
Total number of indicators (with last report's judgements in brackets)²	111	17 (15)	57 (77)	21 (19)	16 (0)

3. Details of the indicators within each of the priorities above are in **Appendix A**. In addition, the indicators that are partner lead are included towards the end of the appendix and reported in paragraphs 5-9.

Exceptions – indicators judged R at the end-of-September and those that have changed from R since the end-of-July IPR

4. The IPR to the end-of-July reported 15 council lead indicators as R. 3 of these are now judged as A. These improving indicators are:

40 HCS % of 16-18 year olds NOT in education, employment or training

Further analysis of the data shows fluctuations throughout the year, suggesting that data available in June may still be on track to achieve target. Full year's figures will be available at quarter 3 with a full analysis of progress.

86 HCS % of people who feel that parents in their local area are made to take responsibility for the behaviour of their children

68 HC % of those who have contacted Herefordshire Council with a complaint who are satisfied with the way in which it was handled overall

Action plans have now been submitted. Future reports will measure progress in delivering them.

² There is a variance since the last report in the number of indicators within the priority area of 'Maximising the health, safety, economic well-being, achievements and contribution of every child', reducing from 31 at the end-of-July to 30 now. This is because HCS 23 'Measure of sexually transmitted infections for young people' was incorrectly reported as council lead rather than Primary Care Trust lead. However, the priority area 'Ensuring that essential assets are in the right condition for the long-term cost-effective delivery of services, and ensure business continuity in the face of emergencies' that has one indicator, HC 101 'Use of Resources score', was omitted from the last report, so the total number of indicators remains the same. The table above reflects the removal of HCS 23, which had been judged R, and the inclusion of HC 101 that would have been judged A, meaning a reduction from 16 to 15 in the number of indicators flagged as R in the last report.

12 remain **R** and are:

13 HCS Average length of stay in B&B accommodation for homeless households

As reported in the previous IPR, despite significant improvement in moving homeless households out of temporary accommodation, the target will not be achieved this year.

22a HCS Measure of healthy lifestyles for 11-15 year olds: Smoking rates

22b HCS Measure of healthy lifestyles for 11-15 year olds: participating in sport/physical activities

22c HCS Measure of healthy lifestyles for 11-15 year olds: eating 5-a-day

22d HCS Measure of healthy lifestyles for 11-15 year olds: obesity

22e HCS Measure of healthy lifestyles for 11-15 year olds: alcohol consumption

22f HCS Measure of healthy lifestyles for 11-15 year olds: drug use

22g HCS Measure of healthy lifestyles for 11-15 year olds: scores for mental health

A meeting has now been arranged with the PCT in November. This should result in an agreed set of defined indicators and targets.

26 HCS % of children on the child protection register that are re-registrations

Performance has fallen during the year and is not on track to achieve target. Action is in place for monthly monitoring so the recommendations regarding de-registration are reached through robust, multi-agency assessments.

89a HC No. of referrals for children in need

Performance has levelled off at slightly below target. The relationship with the percentage of referrals designated as "no further action" and percentage repeat referrals requires further examination. Earlier indications suggested that threshold criteria are better understood by other agencies but this is not borne out by current figures. The audit of initial assessments will improve our understanding and decision-making regarding threshold criteria.

89b HC Completion rate of initial assessments of children in need within 7 working days of referral

Performance continues to decline because of the increased workload and insufficient numbers of suitably qualified and experienced social workers able to undertake the work. Practice has been reviewed and revised to ensure that initial assessments are undertaken more quickly and is managed through monthly meetings with PCT and Education staff. Deloitte have been commissioned to audit the processes for initial assessments and to make recommendations for improving performance. This work begins 17/10/07 and will be completed by 26/10/07.

103 HC SRD completion rates

Although performance has improved target has not been achieved.

5 additional indicators are now judged as **R** since the end-of-July IPR. These are:

29 HCS Provision of family support and % increase in provision of family support

Expenditure is expected to mirror last year and therefore not achieve target.

30 HCS % of pupils achieving 5 or more GCSEs at grades A* - G or equiv. including Maths and English (LEA schools)

Provisional results show an improvement on last year but not enough to achieve target.

35b HCS No. of half day sessions missed by looked after children as % of total number of sessions in primary schools

Information from the Children and Young People's directorate suggests that when figures are available at the end of October, high numbers of absenteeism are expected.

94 HC Grade for the year-on-year reduction in the total number of incidents and increase in total number of enforcement actions taken to deal with 'fly-tipping'

The number of fly-tipping incidents has increased since May, following the introduction of permits at household waste amenity sites. Performance against this indicator has now levelled-off, but is not anticipated to improve above level 3 in the current financial year.

96 HC % of abandoned vehicles removed within 24 hours from the point where the Council is legally entitled to remove the vehicle

Performance fell during the summer. One team deals with both abandoned vehicles and fly-tipping; handling a significant, and initially unexpected, increase in fly-tipping incidents resulted in a reduction in the response times for abandoned vehicles. Arrangements have now been put in place to provide back-up for the team and performance has improved in recent months; however, as the target is 100% this will not be achieved this year.

Local Public Service Agreement (LPSA)

5. As reported to Cabinet in the last IPR to the end-of-July, the full set of indicators used in the LPSA and LAA is now presented to Cabinet following consideration by the partnership's performance management group (PMG), chaired by the Director of Environment.
6. In respect of the LPSA, using the data in **Appendix A** that includes that of the council's partners, at the **end-of-July** 4 indicators were judged **R**, 23 **A** and 4 **G**. Of these, judgement of the council lead indicators was 13 **A** and 4 **G**, which was reported to Cabinet in the end-of-July IPR.
7. The 4 LPSA indicators judged **R** at the end-of-July were all partner lead and considered by the PMG on 14th September. Their comments are contained in the following table:

Primary Care Trust lead

15 HCS No. of emergency unscheduled hospital bed days occupied by a person 75 and over

Discussions between the PCT and Government Office West Midlands appear to have started. PMG were concerned at the slow progress in evidencing the effects of a national definition change which appeared to have a detrimental effect on the ability of Herefordshire to reach the target. A report was required for PMG's next meeting in November.

21a HCS % of babies born to teenage mothers who are breastfeeding at 6 weeks

PMG were unclear on progress and if data indicated a problem or simply a time lag in reporting data, which would indicate we were approaching the target. A report was required for PMG's next meeting in November.

West Mercia Constabulary (WMC) lead

42b HCS No. of criminal damage incidents

45 HCS No. of violent crimes

PMG requested a report for its next meeting in November covering the actions being taken, regional comparisons, trends over recent months and annually. WMC indicated that monthly figures were reducing slightly and that the CDRP was linking with other high performing areas, e.g. Telford, to learn from best practice.

Local Area Agreement (LAA)

8. For the LAA, the position at the **end-of-July** was that 15 indicators were judged **R**, 60 **A** and 14 **G**. These include the LPSA indicators. Of these, judgement of the council lead indicators was 10 **R**, 38 **A** and 14 **G**.
9. In addition to those LPSA indicators listed in the table in paragraph 8, the other 11 LAA indicators judged as **R** at the **end-of-July**, were:

West Mercia Constabulary lead
50 HCS No. of Class A drug supply offences brought to justice <i>WMC are confident that this is being resourced effectively and that it will be judged as G by the end-of-March 2008.</i>
Council lead
13 HCS Average length of stay in B&B accommodation for homeless households <i>PMG accepted that the picture is improving but that the time-lag built into the indicator means this will continue to be R for some time. They requested detailed data to examine trends and forecasts for the next meeting. The number in B&B was expected to reach zero in 2009/09.</i>
22a HCS Measure of healthy lifestyles for 11-15 year olds: Smoking rates
22b HCS Measure of healthy lifestyles for 11-15 year olds: participating in sport/physical activities
22c HCS Measure of healthy lifestyles for 11-15 year olds: eating 5-a-day
22d HCS Measure of healthy lifestyles for 11-15 year olds: obesity
22e HCS Measure of healthy lifestyles for 11-15 year olds: alcohol consumption
22f HCS Measure of healthy lifestyles for 11-15 year olds: drug use
22g HCS Measure of healthy lifestyles for 11-15 year olds: scores for mental health

PMG expected an action plan on activities to date, those planned and the lead officers by the next meeting. The Chair of PMG would discuss with the Director of Children's Services where appropriate. If information is not fully available by the next meeting the matter will be referred to the Partnership Chief Executive's Group.

* 40 HCS % of 16-18 year olds NOT in education, employment or training

PMG requested the detailed data for review at the next meeting.

See paragraph 4 for the latest council position

* 86 HCS % of people who feel that parents in their local area are made to take responsibility for the behaviour of their children

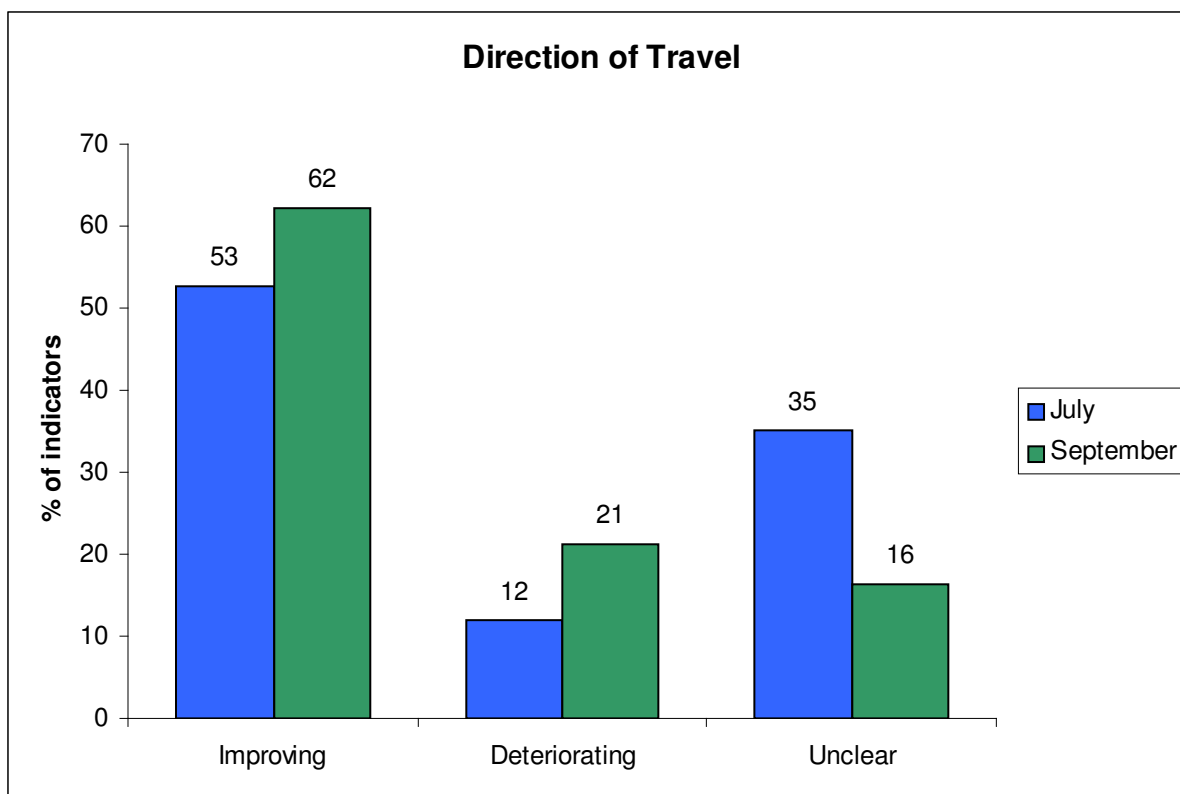
PMG expected an action plan on activities to date and those planned by the next meeting.

See paragraph 4 for the latest council position.

* Of the council lead LAA indicators included in the table above, as reported in paragraph 5, indicators 40 HCS and 86 HCS are now judged **A** at the end-of-September, as reported in paragraph 4, and will be reported to the next PMG meeting in November.

Direction of Travel and CPA (Appendix B)

10. 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 by the Audit Commission to inform the annual Direction of Travel Assessment in February 2009.
11. Of those indicators where in-year data is currently available, the current direction of travel shows that 62% of indicators are on course to improve on last year, compared to 53% at the end-of-July. However, 21% of indicators, compared to 12% at the end-of-July, are now predicted to be worse than last year. The focus of attention in the coming months will now be to at least maintain performance in those areas that are currently performing well against last year's outturn, and to address the current under-performance in those areas that are falling below last year's performance.



12. Many of the indicators that are used in the Direction of Travel Assessment are only available annually 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.

13. A forecast CPA service score for Culture, Environment and Strategic Housing is not available as part of this report. Much of the data on which a forecast can be made will be available in time for the next report (to end-of-November) allowing for a forecast to be made for the 2009 CPA service scores.

Revenue Monitoring

14. Details of the revenue budget position are at **Appendix C** in summary and then directorate-by-directorate.

15. The overall position shows a projected overspend of £3.25m. This is 2.7% 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 £1.3m Social Care contingency, an estimated £1.0m underspend on Spend to Save/Spend to Mitigate funding, additional Local Authority Business Growth Incentive (LABGI) grant of £600k and an additional £300k for cash transactions.

16. The key areas of concern in the 2007/08 financial year is the Adult and Community Services with a projected £4.1m projected overspend; Children and Young People's Directorate with a £783K projected overspend and Corporate &

Customer Services where a £1.345m overspend is projected. The remedial action being taken is described in Appendices C and E. Underspends of £375k and £180k are projected for the Environment Directorate and Resources Directorates respectively.

17. The Appendix includes a section on the July floods that caused significant damage to council assets. The estimated total of the damage is £3.75m.

Capital Monitoring

18. Details of the capital programme are at **Appendix D**.

19. As at the end of September the capital programme is £61.6m compared with the original forecast of £65.5m. The change arises because of revisions to the programmes, which are outlined in the report. Actual expenditure as of end-of - September was £13.39m representing 22% of the revised programme.

Corporate Risk monitoring

20. **Appendix E** contains the corporate risk log, which shows the current key risks facing the Council in terms of operations, reputation and external assessment.

21. 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.

22. The main issues arising from the register are as follows:

- The number of Corporate Risks has been reduced to 17 due to Corporate Management Board's assessment of multiple risk areas such as Herefordshire Connects and staff recruitment and retention.
- There are five risks that continue to score 'high' even after the mitigating actions have been taken into account. These risks are:
 - a. CR2 – 'Corporate Spending pressures outweigh the level of resources available to meet them. Particular pressures prevalent in Adult Social Care, Children's Social Care and ICT Services and Customer Services.' Budget management plans have been developed for Adult & Corporate Services and Children and Young People. Robust monthly monitoring of reports by Financial Services. Medium Term Financial Management Strategy under review.
 - b. 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. Actions identified and the timetable for delivery needs to be reviewed.
 - c. CR5 – 'The inability to provide critical services due to the failure of the

ICT networks'. Substantial resources have been mobilised over the last 12 to 18 months and ICT specific service continuity plans have been developed. These now need to be tested and evaluated.

- d. CR17 – 'Reduction in the Use of Resources overall assessment'. Adverse opinion due to the report from the Section 151 officer into the financial governance issues with ICT & Customer Services. Monthly review by directorate management teams arising from the internal audit report.
- e. New risk CR28 – 'Deliverable benefits from Herefordshire Connects not realised'. Benefits realisation framework in place and managed by the Benefits & Commercial Group, IPG and Programme Board.
- Previously listed risks in association with the Herefordshire Connects project such as those in relation to procurement, integration with the PST and management capacity have been transferred to the Herefordshire Connects project risk register to be managed at a more local level but with Director oversight.

21. The next review of the Corporate Risks will be undertaken in connection with the end-of-November 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 identified.

APPENDIX A - AOP INDICATORS
PERFORMANCE AGAINST TARGET

KEY											
G	On target/met target										
A	Some progress/data not yet available so not possible to determine trend										
R	Not on target										
Template	In-year data is not available so an action plan is used to monitor performance until data is available at year-end. This means that, even where actions are complete, they not move the indicator in the right direction.										
Tracker	Actions over a 12 month period will have little or no impact on this indicator, but data will be monitored annually to show the rate of progress towards a longer term objective										
n/a	Either there is no mechanism for measuring performance this year or no target is required										
Reference Number	Indicator	Performance Indicator	Plan indicator is from	Baseline as per AOP or the most recent year-end outturn	Performance to date	Target	Frequency of Reporting	Commentary (where relevant) for the current period	IPR judgement against target (Red, Green or Amber (see KEY above))	AOP target	
	Herefordshire Community Strategy (HCS)										
	Local Area Agreement (LAA)										
	Local Public Service Agreement - second generation (LPSA2G)										
					Baseline	May	July	September	April-July	April-September	
					92.80%	94.30%	=>96%	Annually (unvalidated in September; final results in January)			
30	HCS	% of pupils achieving 5 or more GCSEs at grades A* - G or equiv. including Maths and English (LEA schools)	✓	✓	✓						

The indicators are listed under each council priority in turn. Indicators lead by partners are listed at the end of the appendix, with judgements to the end-of-July.

APPENDIX A - AOP INDICATORS
PERFORMANCE AGAINST TARGET

Reference Number	Indicator	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (PSA2G)	Baseline	May	July	September	Target	Frequency of Reporting	Commentary (where relevant)	
Secure the essential infrastructure for a successful economy											
1	HCS Ratio of earnings compared to West Midlands Region	✓	✓	0.94:1	Tracker indicator, to be reported at year-end			A	n/a	As a tracker indicator no judgement should have been made in the last report	
2	HCS No. of VAT registered businesses	✓	✓	8,520	Templates			2% increase	A	Annually @ end-of-March	
3	HCS No. of people employed in technology and knowledge intensive industries	✓	✓	10,577 (2005)	Templates			=>10,286	A	Annually @ end-of-March	
Give effective community leadership											
12	HCS % of adults undertaking 30mins of moderate physical activity at least 5 days per week (adult healthy lifestyles)	✓		47%	Template			see commentary	A	n/a	Data for this indicator comes from the Healthy Lifestyle Survey. No date has been agreed for future surveys so future targets have not been set. Although a template is submitted showing progress against relevant actions, it would be wrong to make a judgement since there is currently no means of measurement.
Improve transport and the safety of roads											
52	HCS No. of people (all ages) killed or seriously injured on Herefordshire roads	✓	✓	119	43 (June)	84 (August)		<=134	G	Monthly	Performance relates to the calendar year so is currently on track to achieve target, albeit marginal.
99	HC No. of people slightly injured in road traffic collisions			732	194 (June)	464 (August)		<=788	G	Monthly	
6	HCS The percentage 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)	✓		61%				<=57%	A	Annually @ end-of-January	
7	HCS Index of annual average daily traffic (AADT) volumes into Hereford City	✓	✓	100.63	Templates			<=108	A	Annually @ end-of-March	Integrated transport projects included in the LTP are being implemented
7	HCS Index of annual average daily traffic (AADT) volumes on principle rural road networks	✓	✓	100.63				<=109	A	Annually @ end-of-March	
72	HC Indexed number of cycling trips			118.99				=>118	A	Annually @ end-of-March	
76	HC No. of passenger journeys per year on public buses in Herefordshire (thousands)			3,433,043				=>3,948,000	A	Annually @ end-of-March	
83a	HC Principle Roads condition			14%	Templates			<=5%	A	Bi-annually November & March	Survey work has been brought forward so more timely use can be made of the data. The results should be reported as part of the next IPR to end-of-November.
83b	HC Non Principle Roads condition			21%	Templates			<=19%	A	Bi-annually November & March	The current highway maintenance plan is being delivered, but was affected by the recent flooding. The impact of flooding on the network has been assessed and details submitted under the Bellwin scheme

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Reference Number	Indicator	Herefordshire Community Strategy (HCS)	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (LPSA2G)	Baseline	May	July	September	Target	April-July	April-September	Frequency of Reporting	Commentary (where relevant)
Maximise the health, safety, economic well-being, achievements and contribution of every child													
13	HCS Average length of stay in B&B accommodation for homeless households		✓		15		4 weeks (June)	7 weeks	0 weeks	R	R	Monthly	24 families with children (FWC) currently remain in temporary accommodation who will, once rehoused, be counted towards this indicator. This figures compares with 53 FWC in Q1 07/08 and 99 FWC in Q1 06/07. Continued pressure in homelessness presentations means that FWC are still placed in B&B at peak times. Those FWC to whom a duty is owed will continue to appear in this PI if rehoused.
24	HCS No. of schools with National Healthy Schools status		✓		51		65 (June)	70	=>78	G		Quarterly	
26	HCS % of children on the child protection register that are re-registrations	✓			14.50%	0%	15.8% (June)	18.80%	<=15%	R	R	Quarterly	Performance has fallen during the year and is not on track to achieve target. Action is in place for monthly monitoring so the recommendations regarding de-registration are reached through robust, multi-agency assessments.
29	HCS Expenditure on family support services per capita aged under 18		✓		£35			£36	£29	A	R	Quarterly	It is anticipated that the expenditure this year will mirror the outturn for 2006/07, given that there has been no increase in the budget and the current overall overspend position. The 2007/08 target is, therefore, unlikely to be achieved.
30	HCS % of pupils achieving 5 or more GCSEs at grades A* - G or equiv. including Maths and English (LEA schools)	✓	✓	✓	92.80%			94.30%	=>96%	A	R	Annually (unvalidated in September; final results in January)	Performance has improved against previous year but has not achieved target.
31	HCS % of pupils achieving 5 or more GCSEs at grades A* - C or equiv. including Maths & English (LEA schools)	✓	✓		48.20%			52.50%	=>51.6%	A	G	Annually (unvalidated in September; final results in January)	Significant improvement of 4.3% on the baseline of 2006. The gap between 5 A*-C and 5 A*-C including English and Maths reduced from 13.6% to 10.6%. Results in both English and Maths separately improved. At Wigmore, 93% of pupils achieved 5 A*-C and the gap between 5 A*-C and 5 A*-C including English and Maths reduced from 28% to 4%.
40	HCS % of 16-18 year olds NOT in education, employment or training		✓		7.20%		5.73% (June)		<=5.3%	R	A	Annually @ end-of-March	Providing data quarterly against this indicator does not provide an accurate depiction of progress due to fluctuations experienced throughout year (i.e. seasonality). Full years figures will be available at quarter 3 with a full analysis of progress.

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Reference Number	Indicator	Local Area Agreement (LAA)				Local Public Service Agreement - second generation (PSA2G)				Frequency of Reporting	Commentary (where relevant)
		Baseline	May	July	September	Target	April-July	April-September	Frequency of Reporting		
66	% of 3 year olds who have access to a good quality free early years education place	85%	85%	85%	85%	=>85%	G	G	Monthly	Predicted outcome is 85% although the final calculation will be made at the end of the financial year. The list of eligible children is obtained from the PCT and packs are sent to parents as direct contact. In addition, there is outreach across the County to advertise Nursery Education Funding places included at Children's Centres. Leaflets continue to be distributed via normal information outlets in line with the action plan.	
89	a No. of referrals for children in need	266	248 (June)	242	242	=>280	R	R	Quarterly	Performance on this indicator has levelled off at slightly below target. The relationship with the percentage of referrals designated as "no further action" and percentage repeat referrals requires further examination. Early indications suggested that threshold criteria are better understood by other agencies but this is not borne out by current figures. The audit of initial assessments will assist in assessing understanding and decision-making regarding threshold criteria.	
89	b Completion rate of initial assessments of children in need within 7 working days of referral	58.70%	56.9% (June)	54.70%	54.70%	=>68%	R	R	Quarterly	Performance continues to decline because of the increased workload and insufficient numbers of suitably qualified and experienced social workers able to undertake the work. Practice has been reviewed and revised to ensure that initial assessments are undertaken more quickly and is managed through monthly meetings with PCT and Education staff. Deloitte have been commissioned to audit the processes for initial assessments and to make recommendations for improving performance. This work begins 17/10/07 and will be completed by 26/10/07.	
89	c Completion of core assessments for children in need within 35 working days	61%	73% (June)	78%	78%	=>66%	G	G	Quarterly	Performance is continuing to improve and at second quarter is well ahead of target. This reflects the focus at team manager level on ensuring core assessment timescales are adhered to and review assessments are undertaken appropriately.	

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Reference Number	Indicator	Herefordshire Community Strategy (HCS)	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (LPSA2G)	Baseline	May	July	September	Target	April-July	April-September	Frequency of Reporting	Commentary (where relevant)
22	HCS a Measure of healthy lifestyles for 11-15 year olds: Smoking rates	✓	✓	Local Public Service Agreement - second generation (LPSA2G)	No baseline				To be set	R	R		A meeting has now been arranged with the PCT in November. This should result in an agreed set of defined indicators and targets
22	HCS b Measure of healthy lifestyles for 11-15 year olds: participating in sport/physical activities	✓	✓	Local Area Agreement (LAA)	No baseline				To be set	R	R		
22	HCS c Measure of healthy lifestyles for 11-15 year olds: eating 5-a-day	✓	✓		No baseline				To be set	R	R		
22	HCS d Measure of healthy lifestyles for 11-15 year olds: obesity	✓	✓		No baseline				To be set	R	R		
22	HCS e Measure of healthy lifestyles for 11-15 year olds: alcohol consumption	✓	✓		No baseline				To be set	R	R		
22	HCS f Measure of healthy lifestyles for 11-15 year olds: drug use	✓	✓		No baseline				To be set	R	R		
22	HCS g Measure of healthy lifestyles for 11-15 year olds: scores for mental health	✓	✓		No baseline				To be set	R	R		
28	HCS % of 11-15 year olds who stated they have been bullied in the last 12 months	✓			No baseline		Templates		Baseline to be established through Youth Survey	A	n/a	Annually @ end-of-January	Because of the need to establish a baseline this indicator should not have been judged in the last report. Online reporting system now in place with first data for period April-July available in second quarter. 2007 Youth Survey results will be available in September and a baseline should be established by November.
33	HCS % of half day sessions missed by children in primary schools		✓		5.67%				<=4%	A	A	Annually @ end-of-May 2008	Unaudited data for all Councils indicates that Herefordshire remains in the average band for performance compared nationally. Two schools are now designated as PA (Persistent Absenteeism) from the previous 3, and a range of work is being undertaken to address the specific areas where improvement is needed. Initiatives to promote awareness of the importance of regular attendance is under way in primary schools.
34	HCS % of half day sessions missed by children in secondary schools		✓		7.90%				<=6%	A	A	Annually @ end-of-May 2008	Unaudited data for all Councils indicates that Herefordshire remains in the average band for performance compared nationally. Two schools are now designated as PA (Persistent Absenteeism) from the previous 3, and a range of work is being undertaken to address the specific areas where improvement is needed. Initiatives to promote awareness of the importance of regular attendance is under way in primary schools.

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Reference Number	Indicator	Herefordshire Community Strategy (HCS)	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (PSA2G)	Baseline	Time Period			Target	Frequency of Reporting	Commentary (where relevant)	
						May	July	September				
35	a No. of looked after children who missed a total of 25 days or more schooling		✓	✓	10.50%				A	A	Annually @ end-of-October	
35	b No. of half day sessions missed by looked after children as % of total number of sessions in primary schools		✓	✓	3.49%				A	R	Annually @ end-of-October	The data for this indicator will be available at the end of October 2007 but the prognosis for this year's outcome is not good. Again around 12 children are currently in the missed more than 25 days cohort.
35	c No. of half day sessions missed by looked after children as % of total number of sessions in secondary schools		✓	✓	5%				A	A	Annually @ end-of-October	The data for this indicator will be available at the end of October 2007 but high numbers of absenteeism is expected.
37	No. of 11-15 year olds volunteering		✓		No baseline				A	n/a	Annually @ end-of-January	The data for this indicator will be available at the end of October 2007. Because of the need to establish a baseline this indicator should not have been judged in the last report.
38	% of young people that feel that they can influence decisions affecting important local services		✓		No baseline				A	n/a	Annually @ end-of-January	2007 Youth Survey results will be available in September and a baseline should be established by November. Because of the need to establish a baseline this indicator should not have been judged in the last report.
41	No. of young people looked after in 17th year in educ, training or employment at age 19		✓	✓	14/14				A	A	Annually @ end-of-March	2007 Youth Survey results will be available in September and a baseline should be established by November. Performance is good and the initiatives set in place will continue to support care leavers into suitable EET. Good liaison and data sharing between Connexions, Education of Looked After Children Service (ELSS) and After-care. Connexions targets client group and ensures young people are followed up and supported into EET. A framework of opportunities for young people has been developed which encompasses work experience through to apprenticeships and graduate employment. The offer to young people who are or have been looked after will be a priority and will include a guaranteed interview scheme. Connexions attend review meetings where invited.
84	The percentage annual increase in the number of schools with an approved school travel plan (STP)		✓		54%				A	A	Annually @ end-of-March	
85	Conception rate below age 18 (per 1,000 girls age 15-17)		✓		-15.70%				A	A	Annually @ end-of-March	
91	% of schools that have a functioning school council				No baseline				A	A	Annually @ end-of-March	
Sustain thriving communities, including by securing more efficient, effective and customer-focused services, clean streets, tackling homelessness and effective emergency planning												
14	No. of people accepted as homeless & towards whom the council has a full statutory duty	✓	✓	✓	149	16	35	81	G	A	Monthly	Figures are cumulative. Current performance suggests that achievement of target will be marginal.

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Reference Number	Indicator	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (PSA2G)	Herefordshire Community Strategy (HCS)	Baseline	May	July	September	Target	Frequency of Reporting	Commentary (where relevant)
54	% of streets and public areas falling below Grade B for cleanliness (litter)	✓	✓	✓	17%		21%	16%	<=15%	Monthly	Although performance has fallen compared with last year's outturn, performance is ahead of the same period last year.
92	Proportion of relevant land and highways from which unacceptable levels of graffiti are visible				2%		2%	1%	<=2%	Monthly	
93	Proportion of land and highways from which unacceptable levels of fly-posting are visible				1%		0%	0%	<=1%	Monthly	
94	Grade for the year-on-year reduction in the total number of incidents and increase in total number of enforcement actions taken to deal with 'fly-tipping' (Grading 1 - very effective; 2 - effective; 3 - good; 4 - poor)				Grading 1 (very effective)		1	3	1	Monthly	The number of fly-tipping incidents has increased since May, following the introduction of permits at household waste amenity sites. Performance against this indicator has now levelled-off, but is not anticipated to improve above level 3 in the current financial year.
96	% of abandoned vehicles removed within 24 hours from the point where the Council is legally entitled to remove the vehicle				99%			94.74%	100%	Monthly	Performance fell during the summer. One team deals with both abandoned vehicles and fly-tipping; handling a significant, and initially unexpected, increase in fly-tipping incidents resulted in a reduction in the response times for abandoned vehicles. Arrangements have now been put in place to provide back-up for the team and performance has improved in recent months; however, as the target is 100% this will not be achieved this year.
59	% of respondents finding it easy to access: Library	✓	✓	✓	69%				4% improvement by 2009	Annually at end-of-January	
59	% of respondents finding it easy to access: Sports/leisure centre	✓	✓	✓	64%				4% improvement by 2009	Annually at end-of-January	
59	% of respondents finding it easy to access: Cultural/recreational facility e.g. theatre, cinema	✓	✓	✓	47%				4% improvement by 2009	Annually at end-of-January	
60	Net perceived improvement rating over the last 3 years for CoL factors (adults): Activities for teenagers	✓	✓	✓	-32%				4% improvement by 2009	Annually at end-of-January	
60	Net perceived improvement rating over the last 3 years for CoL factors (adults): Affordable decent housing	✓	✓	✓	-50%				4% improvement by 2009	Annually at end-of-January	
60	Net perceived improvement rating over the last 3 years for CoL factors (adults): Job prospects	✓	✓	✓	-42%				4% improvement by 2009	Annually at end-of-January	
60	Net perceived improvement rating over the last 3 years for CoL factors (adults): Level of traffic congestion	✓	✓	✓	-77%				4% improvement by 2009	Annually at end-of-January	
60	Net perceived improvement rating over the last 3 years for CoL factors (adults): Wage levels and local cost of living	✓	✓	✓	-56%				4% improvement by 2009	Annually at end-of-January	

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Reference Number	Indicator	Baseline	May	July	September	Target	April-July	April-September	Frequency of Reporting	Commentary (where relevant)
61	HCS a % of adult residents who feel that they can influence decisions affecting their local community	35%				=>40% in 2008 survey	A	A	Annually at end-of-January	
61	HCS b % of adult residents who feel that they can influence decisions affecting their local area	29%				=>33% in 2009 survey	A	A	Annually at end-of-January	
62	HCS % of adult residents who engaged in formal volunteering for an average of 2 hrs a week or more over the previous year	17%				=>22% in 2008 survey	A	A	Annually at end-of-January	
63	HCS % of adult residents who feel that Herefordshire is a place where people from different backgrounds get on well together	73%				=>77% in 2009 survey	A	A	Annually at end-of-January	
64	HCS % of adult residents who are satisfied with their local community as a place to live	80%				=>87% in 2008 survey	A	A	Annually at end-of-January	
65	HCS a % of adults who use: Sports and Leisure facilities at least once a month	25%				=>30% in 2008 survey	A	A	Annually at end-of-January	
65	HCS b % of adults who use: Libraries at least once a month	32%				=>34% in 2008 survey	A	A	Annually at end-of-January	
65	HCS c % of adults who use: Museums or galleries at least once every 6 months	19%				=>21% in 2008 survey	A	A	Annually at end-of-January	
65	HCS d % of adults who use: Theatres or concert halls at least once every 6 months	32%				=>36% in 2008 survey	A	A	Annually at end-of-January	
65	HCS e % of adults who use: Parks, open play areas and other recreational facilities at least once a month	49%				maintain baseline	A	A	Annually at end-of-January	
70	HC % of adult residents that feel the Council does enough to give them opportunity to influence important decisions about local services.	23%				=>28% (in 2009 survey)	A	A	Annually at end-of-January	
79	HC Compliance with Civil Contingencies Act, Data Protection and Freedom of Information	Compliant				Compliant	A	A	Annually @ end-of-March	
86	HCS % of people who feel that parents in their local area are made to take responsibility for the behaviour of their children	35%				=>39% in 2009 survey	R	A	Annually at end-of-January	
87	HCS the percentage of people who feel that people in their area treat them with respect and consideration	45%				=>49% in 2009 survey	A	A	Annually at end-of-January	
95	HC % of people satisfied with the cleanliness standard in their area	66%				=>66%	A	A	Annually at end-of-January	
90	HC Adult perceptions of improvement in facilities for young children	-5%					n/a	n/a	Annually at end-of-January	
97	HC b Adult perceptions of improvement in CLEAN STREETS	-23%					n/a	n/a	Annually at end-of-January	

Tracker indicators, to be reported at year-end

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Reference Number	Indicator	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (PSA2G)	Baseline	May	July	September	Target	Frequency of Reporting	Commentary (where relevant)
97	HC e Adult perceptions of improvement in EDUCATION PROVISION			15%					Annually at end-of-January	
97	HC h Adult perceptions of improvement in PUBLIC TRANSPORT			-24%					Annually at end-of-January	
97	HC i Adult perceptions of improvement in RACE RELATIONS			-13%					Annually at end-of-January	
97	HC j Adult perceptions of improvement in ROAD AND PAVEMENT REPAIRS			-51%					Annually at end-of-January	
97	HC m Adult perceptions of improvement in THE LEVEL OF POLLUTION			-42%					Annually at end-of-January	
Reshape adult social care to enable vulnerable adults to live independently and to enable many more older people to continue to live in their own homes										
16	HCS No. of people aged 65+ helped to live at home (per 1,000 population)	✓		81.1			83 (forecast)	=>83	Monthly	Unverified figures, when compared to the same period last year, suggest that the target will be achieved.
74	HC a No. of adults with learning difficulties helped to live at home (per 1,000 population)			2.9			3 (forecast)	=>3	Monthly	Unverified figures, when compared to the same period last year, suggest that the target will be achieved.
74	HC b No. of adults with mental health difficulties helped to live at home (per 1,000 population)			4.1			4 (forecast)	=>4.4	Monthly	Unverified figures, when compared to the same period last year, suggest that the target will be achieved.
74	HC c No. of adults with physical difficulties helped to live at home (per 1,000 population)			6			6 (forecast)	=>6	Monthly	Unverified figures, when compared to the same period last year, suggest that the target will be achieved.
17	HCS Satisfaction with homecare services provided through Social Care via direct payments (65+)	✓	✓	58%	Templates			=>66% in 2009 survey	Next survey due in 2009	
18	HCS a No. of people in receipt of Pension Credit	✓	✓	7,596				=>8,138	Annually @ end-of-March	
18	HCS b No. of people in receipt of Attendance Allowance	✓	✓	5,874				=>6,702	Annually @ end-of-March	
18	HCS c No. of people in receipt of Council Tax Benefit aged 60 or over**	✓	✓	6,862				=>8,061	Annually @ end-of-March	
Protect the environment, producing much less waste, recycling much more of what remains and reducing carbon emissions										
56	HCS a Amount of household waste collected per person per annum	✓	✓	505.82kg	127,26kg (June) (cumulative)	219,33kg (August) (cumulative)		<=>505kg	Monthly	
56	HCS b % of household waste going to landfill	✓	✓	72.85%	73.68% (June) (cumulative)	70.85% (August) (cumulative)		<=>68.5%	Monthly	

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Reference Number	Indicator	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (PSA2G)	Baseline	May	July	September	Target	April-July	April-September	Frequency of Reporting	Commentary (where relevant)
56	HCS c % of municipal waste (excluding household waste) recycled	✓		0%		0% (June) (cumulative)	0% (August) (cumulative)	0%	G	G	Monthly	Although current performance is behind target, projections suggest year-end performance may achieve target
56	HCS d % of municipal waste (excluding household waste) landfilled	✓		100%		100% (June) (cumulative)	100% (August) (cumulative)	100%	G	G	Monthly	
56	HCS e % of household waste recycled	✓		18.71%		18.02% (June) (cumulative)	19.42% (August) (cumulative)	=-23.97%	A	A	Monthly	
55	HCS % of Sites of Special Scientific Interest (SSSIs) in favourable condition	✓		22%		Tracker indicators, to be reported at year-end			A	n/a	Annually @ end-of-March	As a tracker indicator no judgement should have been made in the last report
57	HCS No. of key species	✓		No baseline		Tracker indicators, to be reported at year-end			n/a	n/a	Annually @ end-of-March	Key species are still to be defined
58	HCS Environmental/Climate change measure (Carbon per head)	✓		No baseline		Tracker indicators, to be reported at year-end			n/a	n/a	Annually @ end-of-March	
67	HC % of Council-owned or managed land without a nature conservation designation, managed for biodiversity			13.42%		Templates		=>15%	A	A	Annually @ end-of-March	Data will be available at year-end
102	HC Council carbon dioxide equivalent emissions			To be set		Templates		10% reduction by 2010	A	A	Annually @ end-of-March	
Understand the needs and preferences of service users and Council-Tax payers												
68	HC % of those who have contacted Herefordshire Council with a complaint who are satisfied with the way in which it was handled overall			36%		Templates		=>50% (in 2009 survey)	R	A	Annually at end-of-January	This judgement has changed because a template has now been submitted.
69	HC % of young people that feel the Council does enough to give them opportunity to influence important decisions about local services			No baseline		Templates		Baseline to be established through Youth Survey	n/a	n/a	Annually at end-of-January	2007 Youth Survey results will be available in Sept 07 and will establish a baseline
Recruit, retain and motivate high quality staff												
71	HC Average number of working days lost due to sickness absence per member of council staff			8.41	7.88	8.17 (June)	7.63 (August)	<=8	A	G	Monthly	
77	HC Staff turnover			9%	6.66%	7.02% (June)	6.81% (August)	<=9%	G	G	Monthly	
103	HC SRD completion rates			94%	86.16%	97%		100.00%	R	R	Annually @ end-of-July	SRDs are planned for April/May. Performance has improved on last year but will not achieve target.
73	HC Investors in people accreditation			Not accredited		Template		Accreditation by October 2007	A	A	Data available @ end-of-November	

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Reference Number	Indicator	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (PSA2G)	Baseline	May	July	September	Target	Frequency of Reporting	Commentary (where relevant)	
Embed corporate planning, performance management and project management systems											
78	HC	Status of Best Value Performance Plan		Unqualified				Unqualified	A	Annually at end-of-January	Awaiting audit of plan and indicators by the Audit Commission. Feedback will not be available until year-end.
81	HC	Number of BVPs qualified		0	Templates	Templates	0	0	A	Annually at end-of-January	
82	HC	Outcome of key process audit		Compliant			Compliant	Compliant	A	Annually @ end-of-March	
Promote diversity and community harmony and strive for equal opportunities											
80	HC	Equality Standard		2	2	2	2	=>3	A	Monthly	A judgement of G was incorrectly applied in the July report. Current performance suggests that achievement of target is in doubt. Data is being analysed now and will be available for the end-of-October.
100	HC	a % of employees from black and ethnic minorities		0.64%	0.66%	0.66%	0.66% (August)	=>0.8%	G	Monthly	
100	HC	b % of employees from black and ethnic minorities who are amongst the top 5% of wage earners		2.14%				=>2.85%	A	Monthly	
100	HC	c % of employees declaring a disability		0.69%	0.77%	0.77%	0.88% (August)	=>0.75%	G	Monthly	
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 business continuity in the face of emergencies											
101	HC	Use of Resources score		3	Template	Template	3	3	A	Annually @ end-of-January	Annual assessment results due for end-of-January report

APPENDIX A - AOP INDICATORS
PERFORMANCE AGAINST TARGET

Reference Number	Indicator	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (LPSA2G)	Baseline	May	July	September	Target	April-July	April-September	Frequency of Reporting	Commentary (where relevant)
PARTNER LEAD												
Herefordshire Infrastructure Consortium												
51	HCS a No. of calls to the Herefordshire Women's Aid Helpline	✓		860 (2005-06)	104 (cumulative)	149 (June) (cumulative)		=>654	A		Monthly	
LEARNING & SKILLS COUNCIL												
4	HCS a % of working age population qualified to at least Level 4 (% of working age population with higher level qualifications)	✓		26% (2005)	Tracker indicator, to be reported at year-end				n/a		Annually @ end-of-March	
	HCS b % of working age population qualified to at least Level 3 (% of working age population with higher level qualifications)			44% (2005)							Annually @ end-of-March	
4	HCS b No. of residents (19+) achieving Level 2 qualification in manufacturing & engineering	✓		57 (2005-06)				=>57	A		Annually @ end-of-March	
4	HCS c No. of residents (19+) achieving Level 2 qualification (excl. manufacturing & engineering)	✓		2,247 (2005-06)				=>1,872	A		Annually @ end-of-March	
4	HCS d No. of residents (19+) achieving Level 3 qualification in manufacturing & engineering	✓		44 (2005-06)	Templates			=>44	A		Annually @ end-of-March	
4	HCS e No. of residents (19+) achieving Level 3 qualification (excl. manufacturing & engineering)	✓		855 (2005-06)				=>878	A		Annually @ end-of-March	
5	HCS Measure of basic skills (Train to Gain)	✓		No baseline					R		Annually @ end-of-March	No template completed
PRIMARY CARE TRUST												
10	HCS No. of deaths per annum from chronic diseases (per 100,000)	✓		169.6 (2003-05)	46 (cumulative)	183 (cumulative)		<=174.7 (2005-07)	A		Monthly	
15	HCS No. of emergency unscheduled hospital bed days occupied by a person 75 and over	✓		38,490 (2005-06)	5796 (cumulative)	10,303 (cumulative)		<=31,222	R		Monthly	A change in data reporting has adversely affected this target. Discussions are currently underway with Gov Office.
20	HCS % of babies born who are breastfed at 6 weeks	✓		48% (2005-06)		32.02%		=>48%	A		Monthly	
21	HCS a % of babies born to teenage mothers who are breastfeeding at 6 weeks	✓		13% (2005-06)		13.04%		=>30%	R		Monthly	

APPENDIX A - AOP INDICATORS
PERFORMANCE AGAINST TARGET

Reference Number	Indicator	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (PSA2G)	Baseline	May	July	September	Target	April-July	April-September	Frequency of Reporting	Commentary (where relevant)
21	HCS b % of babies born to mothers in S. Wye area who are breastfeeding at 6 weeks	✓	✓	41% (2005-06)	268 (cumulative)	29.19%		=>40%	A		Monthly	
23	HCS Measure of sexually transmitted infections for young people	✓		No baseline (2005-06)	487 (cumulative)			Reduction of 1% per annum	G		Monthly	
46	HCS No. of people in drug treatment	✓		632 (2005-06)	504 (June)			=>720	A		Monthly	
47	HCS Measure of Drugs Intervention Programme	✓		No baseline	(1) 96% (2) 100% (3) 92% (June)				G		Monthly	
53	HCS Mortality rate from accidents (per 100,000)	✓		21.26 (2003-05)				To be set	R		Annually @ end-of-March	
8	HCS Mortality rate from cancer for people aged under 75 (per 100,000)	✓		104.2 (2003-05)				<=83	A		Annually @ end-of-March	
9	HCS Mortality rate from circulatory diseases for people aged under 75 (per 100,000)	✓		81.4 (2003-05)				<=77	A		Annually @ end-of-March	
11	HCS Gap in all-age, all-cause mortality between deprived areas and Herefordshire as a whole	✓		23.7% (2003-05)				<=26% (3 year average)	A		Annually @ end-of-March	
12	HCS a % of adults who smoke (adult healthy lifestyles)	✓		No baseline				see commentary	n/a			Data for this indicator comes from the Healthy Lifestyle Survey. No date has been agreed for future surveys so future targets have not been set.
12	HCS b % of adults who consume more than the recommended intake of alcohol per week (adult healthy lifestyles)	✓		17%				see commentary	n/a			
12	HCS c % of adults eating less than 5 portions of fruit and vegetables on a typical day (adult healthy lifestyles)	✓		34%				see commentary	n/a			
59	HCS a % of respondents finding it easy to access: Doctor	✓		80%				4% improvement by 2009	A		Annually @ end-of-January	
59	HCS b % of respondents finding it easy to access: Local hospital	✓		57%				4% improvement by 2009	A		Annually @ end-of-January	
WEST MERCIA CONSTABULARY												
25	HCS No. of young people (under 25) who are victims of crime in Herefordshire	✓		6,338 (2005-06)	1,101 (cumulative)	1,896 (June) (cumulative)		<=6,173	R		Monthly	July 07: A breakdown of incidents for all categories under YP as victims of crime including grouped incidents/patterns of crime has been provided to appropriate HCSDP team who are in discussion with Crime Risk Manager.
42	HCS a BCS Comparator crimes	✓		6,002 (2005-06)	1,350 (cumulative)	1,964 (June) (cumulative)		<=5,872	A		Monthly	

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Reference Number	Indicator	Herefordshire Community Strategy (HCS)	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (PSA2G)	Baseline	May	July	September	Target		April-July	April-September	Frequency of Reporting	Commentary (where relevant)
42	HCS b No. of criminal damage incidents		✓	✓	2,690 (2005-06)	568 (cumulative)	785 (June) (cumulative)		<=2,101		R	R	Monthly	Criminal damage figures have started to reduce slightly during June and July 2007. Criminal damage awareness posters to be distributed and targeted at schools, and youth centres etc. work by the ASB Support Worker and Marketing Officer.
42	HCS c No. of all recorded crimes	✓			11,535 (2005-06)	2,152 (cumulative)	3,199 (June) (cumulative)		<=10,229		R		Monthly	As this comprises all crime, the increases in other areas has an impact on this target.
45	HCS No. of violent crimes	✓	✓	✓	2,589 (2005-06)	541 (cumulative)	847 (June) (cumulative)		<=2,553		R		Monthly	Violent crime incorporates wounding, harassment, assault on a constable and common assault. Common assaults are currently being analysed between data analysts to ascertain the volume of incidents reported by schools to the Police. There has also been an increase in wounding. An Acting Detective Inspector has been appointed to review all volume crime processes and management.
48	HCS a Measure of Priority and Prolific Offenders Scheme		✓		No baseline				15% reduction		A		Quarterly	Quarterly data not yet available
49	HCS a No. of domestic burglaries per 1,000 households		✓		372 (2005-06)	45 (cumulative)	72 (June) (cumulative)		<=600		G		Monthly	
49	HCS b No. of vehicle crimes per 1,000 population		✓		971 (2005-06)	152 (cumulative)	229 (June) (cumulative)		<=1086		G		Monthly	
50	HCS No. of Class A drug supply offences brought to justice		✓		33 (2005-06)	2 (cumulative)	3 (June) (cumulative)		=>28		R		Monthly	Trends over the past 3 years naturally peak and trough. The figures for Q1 2007/08 was 3, but are expected to increase.
51	HCS b No. of domestic violence incidents reported		✓		462 (2005-06)	176 (cumulative)	281 (June) (cumulative)		=>425		G		Monthly	
51	HCS c No. of arrests for domestic violence offences		✓		326 (2005-06)	88 (cumulative)	137 (June) (cumulative)		To be set		A		Monthly	

APPENDIX A - AOP INDICATORS
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Reference Number	Indicator	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (LPSA2G)	Baseline	May	July	September	Target	Frequency of Reporting	Commentary (where relevant)
51	HCS d % of sanction detections for domestic violence	✓		67% (2005-06)	49%	56% (June)		=>55%	Monthly	
36	HCS % of young offenders re-offending (recidivism rates of young offenders in Herefordshire)	✓		50%				<=45%	Annually @ end-of-March	
43	HCS a % of people thinking speeding traffic is a problem in their area	✓		70%				<=76% (2008)	Annually @ end-of-January	
43	HCS b % of people thinking vandalism, graffiti and other deliberate damage is a problem in their area	✓		52%				<=55% (2008)	Annually @ end-of-January	
43	HCS c % of people thinking people using drugs is a problem in their area	✓		60%				<=56.7%	Annually @ end-of-January	
43	HCS d % of people thinking people dealing drugs is a problem in their area	✓		53%				<=0.2%	Annually @ end-of-January	
43	HCS e % of people thinking people being drunk or rowdy in public places is a problem in their area	✓		51%				<=48% (2008)	Annually @ end-of-January	
43	HCS f Percentage of people with a high level of worry about anti-social behaviour	✓		No baseline				To be set	Annually @ end-of-January	
44	HCS a % of residents worried about house burglary	✓		30%				4% over 3 years	Annually @ end-of-January	
44	HCS b % of residents worried about vandalism or damage to property	✓		28%				4% over 3 years	Annually @ end-of-January	
44	HCS c % of residents worried about drunk people causing a problem	✓		21%				4% over 3 years	Annually @ end-of-January	
44	HCS d % of residents worried about their car being broken into	✓		18%				4% over 3 years	Annually @ end-of-January	
44	HCS e % of residents worried about having their car stolen	✓		12%				4% over 3 years	Annually @ end-of-January	
44	HCS f % of residents worried about being harassed whilst in a public place	✓		12%				4% over 3 years	Annually @ end-of-January	
44	HCS g % of residents worried about hate crime	✓		3%				4% over 3 years	Annually @ end-of-January	
44	HCS h % of residents worried about being assaulted in a public place	✓		9%				4% over 3 years	Annually @ end-of-January	
44	HCS i % of residents worried about being mugged or robbed	✓		11%				4% over 3 years	Annually @ end-of-January	
44	HCS j % of residents worried about crime (other than a-i above)	✓		3%				4% over 3 years	Annually @ end-of-January	
48	HCS b Number of adults re-offending			No baseline				To be set	Annually @ end-of-March	No template

APPENDIX A - AOP INDICATORS
PERFORMANCE AGAINST TARGET

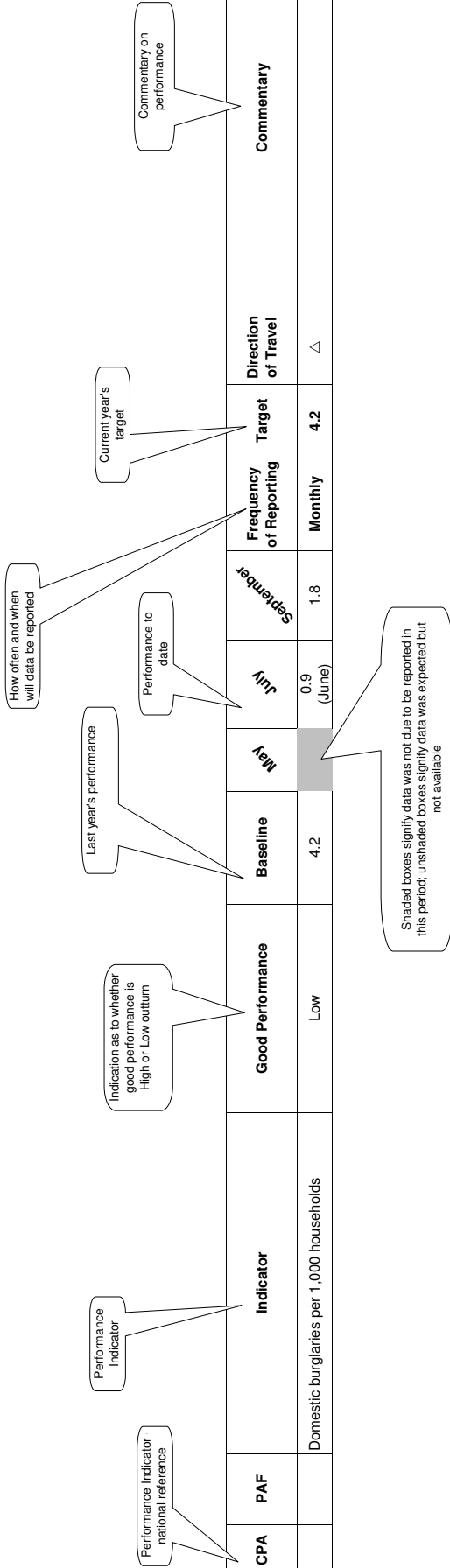
Reference Number	Indicator	Local Area Agreement (LAA)	Local Public Service Agreement - second generation (LPSA2G)	Baseline	May	July	September	Target	Frequency of Reporting	Commentary (where relevant)
60	Net perceived improvement rating over the last 3 years for CoL factors (adults): Level of crime the percentage of people who feel informed about what is being done to tackle anti-social behaviour in their local area.	✓	✓	-46%	Templates			4% improvement by 2009	April-July	
98		✓		No baseline				To be set	Annually @ end-of-January	

APPENDIX B - NATIONAL INDICATORS
DIRECTION OF TRAVEL AGAINST LAST YEAR'S PERFORMANCE

KEY

▲ Performance is better than last year
 ▼ Performance is either the same or likely to be the same as last year
 ◀▶ Performance is worse than last year
 n/a There is either no guidance to suggest whether high / low performance is good or bad, or, a direction of travel judgement does not apply to this indicator
 BVPI Best Value Performance Indicator
 CPA Comprehensive Performance Assessment - these indicators are used in CPA service assessments for Culture, Environment and Housing
 PAF Performance Assessment Framework - used by CSCI in Adult Social Care and Children's Services
 BLOB Used by Commission for Social Care Inspection (CSCI) to indicate performance thresholds, with 5 being the best and 1 the worst

BVPI	CPA	PAF	Indicator	Good Performance	Baseline	Performance to date		Frequency of Reporting	Target	Direction of Travel	Commentary
						May	July				
126			Domestic burglaries per 1,000 households	Low	4.2	0.9 (June)	1.8	Monthly	4.2	△	



A number of the national indicators also feature in Appendix A, primarily through inclusion in either the LPSA or LAA. Where this is the case, the target may be different between appendices. This is because the LPSA and LAA targets were set using historical outturn data.

APPENDIX B - NATIONAL INDICATORS
DIRECTION OF TRAVEL AGAINST LAST YEAR'S PERFORMANCE

BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
ADULT AND COMMUNITY SERVICES												
Economic & Community Development												
126			Domestic burglaries per 1,000 households	Low	4.2		0.9 (June)	1.8 (cumulative)	Monthly	4.2	△	
127a			Violent crime per 1,000 population	Low	15.1		4.7 (June)	8.7 (cumulative)	Monthly	14.7	▽	
127b			Robberies per 1,000 population	Low	0.4		0.1 (June)	0.1 (cumulative)	Monthly	0.4	△	
128			The number of vehicle crimes per 1,000 population.	Low	5.1		1.3 (June)	2.4 (cumulative)	Monthly	5.1	△	
225			Actions against domestic violence - The percentage of questions from a checklist to which a local authority can answer 'yes'	High	81.80%		81.8% (June)	72.70%	Monthly	81.80%	▽	
178	C1		The percentage of the total length of rights of way in the local authority area that are easy to use by the general public	High	48%	31%			Bi-annually @ end-of-May & November	50%	▽	The result for the year is collected annually through 2 surveys - one in May and the other in November. This is a random survey of 5% of the network, measured in the two parts of 2.5%, with the average result put together to create the annual return. We have a large network of public rights of ways and the random survey, which is computerised, will pick up a range of paths including the ones which are least used. If we survey our popular and promoted routes we will get a 100% return for access. The May result is 31%, and the November survey is unlikely to be able to pull the result up to our target of 50%. The service has been identified by Cultural Services in inspection conducted by the Audit Commission as a service that needs additional investment which was raised and acknowledged at the Challenge Sessions. Some remodelling of the service will improve the operation of the service, though the contract to conduct improvements to the PROW network can not be re-negotiated until the full contract comes to an end.
226a			The total amount spent by the Local Authority on advice and guidance services provided by external organisations	n/a	£195,232				Annually @ end-of-March	£195,232	n/a	
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	High	12%				Annually @ end-of-March	12%	No data	
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.	n/a	£756,997				Annually @ end-of-March	£756,997	n/a	
170a	C2c		The number of visits to usages of Local Authority funded or part-funded museums and galleries per 1,000 population	High	876				Annually @ end-of-March	880	No data	
170b			The number of those visits to Local Authority funded, or part-funded museums and galleries that were in person, per 1,000 population	High	689				Annually @ end-of-March	720	No data	
170c			The number of pupils visiting museums and galleries in organised school groups	High	6491				Annually @ end-of-March	6,500	No data	

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
220			Compliance against the Public Library Service Standards (PLSS)	High	1				Annually @ end-of-March	3	No data	
	C2a		Proportion of households living within a specified distance of a static library (PLSS 1)	High	44% (1 mile) 62% (2 miles)				Annually @ end-of-March	44% (1 mile) 62% (2 miles)	n/a	
	C2b		Aggregate scheduled opening hours per 1,000 population for all libraries (PLSS 2)	High	115				Annually @ end-of-March	115	n/a	
	C3a		Percentage of static libraries providing access to electronic information resources connected to the internet (PLSS 3)	High	100%				Annually @ end-of-March	100%	n/a	
	C3b		Total number of electronic workstations available to users per 10,000 population (PLSS 4)	High	7				Annually @ end-of-March	=>6	n/a	
	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	High	68.75%				Annually @ end-of-March	50%	n/a	
	C4		Active borrowers as a percentage of population	High	17.80%				Annually @ end-of-March	20.4%	n/a	
	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	High	88%				Annually @ end-of-March	85%	n/a	
	C17		Percentage of adults participating in at least 30 minutes moderate intensity sport and active recreation on three or more days a week	High	24.37%				Annually @ end-of-March	24%	n/a	
	C18		Percentage of population volunteering in sport and active recreation for at least one hour per week	High	6.12%				Annually @ end-of-March	5%	n/a	
	C11a		Requests supply time (PLSS 5) - 7 days 15 days 30 days	High	51% 70% 86%				Annually @ end-of-March	50% 70% 85%	n/a	
	C11b		Annual items added through purchase per 1,000 population	High	148				Annually @ end-of-March	183.6	n/a	
	C11c		Time taken to replenish the lending stock on open access or available on loan	Low	5.9				Annually @ end-of-March	<=6.7	n/a	
	C14a		Public library service standards on satisfaction – assessment of users 16 and over of their library service	High	90%				Annually @ end-of-March	87.42%	n/a	
	C15		Museums accreditation – where applicable (this applies to museums that fall under the definition for BVPI.170)	High	2				Annually @ end-of-March	2	n/a	

APPENDIX B - NATIONAL INDICATORS
 DIRECTION OF TRAVEL AGAINST LAST YEAR'S PERFORMANCE

BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
	C13		Cost per visit (libraries)	Low	£2.67				Annually @ end-of-March	<=£3.46	n/a	

APPENDIX B - NATIONAL INDICATORS
DIRECTION OF TRAVEL AGAINST LAST YEAR'S PERFORMANCE

BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
Adult Social Care												
53	AO / C28		Households receiving intensive home care per 1,000 population aged 65 or over	High	6.7		>6.7 (Forecast)	>6.7 (Forecast)	Monthly	8.1	△	
54	AO / C32		Older people helped to live at home per 1,000 population aged 65 or over	High	81.1		83 (Forecast)	83 (Forecast)	Monthly	83	△	
56	AO / D54		Percentage of items of equipment delivered and adaptations made within 7 working days	High	96%		>96% (Forecast)	>96% (Forecast)	Monthly	96%	△	
195	AO / D55		Acceptable waiting time for assessment - For new older clients (that is over 65 years of age), the average of: the percentage where the time from first contact to contact with client is less than or equal to 48 hours (that is, 2 calendar days), and the percentage where the time from first contact to completion of assessment is less than or equal to four weeks (that is, 28 calendar days).	High	83.60%		90% (Forecast)	90% (Forecast)	Monthly	90%	△	
196	AO / D56		For new older clients, the percentage for whom the time from completion of assessment to provision of all services in the care package is less than or equal to four weeks	High	76%		85% (Forecast)	85% (Forecast)	Monthly	85%	△	
201	AO / C51		Adults and older people receiving direct payments at 31st March per 100,000 population aged 18 or over (age standardised)	High	82		100 (Forecast)	100 (Forecast)	Monthly	100	△	
	AO / B11		The number of households receiving intensive home help/care as a percentage of all adults and older people in residential and nursing care and households receiving intensive home help/care.	High	18		>18 (Forecast)	>18 (Forecast)	Monthly	22	△	
	AO / B12		Average gross weekly expenditure per person on supporting adults and older people in residential and nursing care and providing intensive home care.	Low	£531.73		<£531.73 (Forecast)	<£531.73 (Forecast)	Monthly	<£500	△	
	AO / B17		Unit cost of home care for adults and older people - average gross hourly cost for home help/care.	Low	£17.80		<£17.80 (Forecast)	<£17.80 (Forecast)	Monthly	£15	△	
	AO / D37		The percentage of single adults and older people going into permanent residential and nursing care who were allocated single rooms.	High	90%		90% (Forecast)	90% (Forecast)	Monthly	90%	△	
	AO / D39		Percentage of people receiving a statement of their needs and how they will be met	High	95%		100% (Forecast)	100% (Forecast)	Monthly	100%	△	
	AO / D40		Adult and older clients receiving a review as a percentage of those receiving a service	High	76%		>78% (Forecast)	>78% (Forecast)	Monthly	78%	△	
	AO / E82		Assessments of adults and older people leading to provision of service	High	82%		77% (Forecast)	77% (Forecast)	Monthly	77%	▽	
	AO / C72		Older people aged 65 or over admitted on a permanent basis in the year to residential or nursing care	Low	73		<70 (Forecast)	<70 (Forecast)	Monthly	70	△	
	AO / C73		Adults aged 18-64 admitted on a permanent basis in the year to residential or nursing care	Low	1.9		>3 (Forecast)	>3 (Forecast)	Monthly	1.5	▽	
	AO / C29		Adults with physical disabilities helped to live at home per 1,000 population aged 18-64.	High	6		6 (Forecast)	6 (Forecast)	Monthly	6	△	
	AO / C30		Adults with learning disabilities helped to live at home per 1,000 population aged 18-64.	High	2.9		3 (Forecast)	3 (Forecast)	Monthly	3	△	
	AO / C31		Adults with mental health problems helped to live at home per 1,000 population aged 18-64.	High	4.1		4.4 (Forecast)	4.4 (Forecast)	Monthly	4.4	△	

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
		AO / C62	The number of carers receiving a 'carer's break' or a specific carers' service as a percentage of clients receiving community based services	High	10.20%		>10.5% (Forecast)	>10.5% (Forecast)	Monthly	12%	△	
Strategic Housing												
183b	H15		The average length of stay in hostel accommodation of households that are unintentionally homeless and in priority need	Low	26 weeks	23 weeks (June)	36 weeks	36 weeks	Monthly	6	▽	The year-end forecast is 47 weeks. Action is being taken to address the historical impact of this target. By the team taking action to secure settled accommodation for homeless people the outturn increases, because households are only counted towards this indicator at the point at which they are rehoused. It is not clear if the position will improve in 08/09 as economic / housing market conditions may impact on housing stress.
202			The number of people sleeping rough on a single night within the area of the authority	Low	0	Survey not scheduled to be undertaken this year				<3	△	The year-end forecast is 0. This survey is not scheduled to be undertaken this year so last year's outturn figure should be maintained
213			The number of households who considered themselves as homeless, who approached the local authority's housing advice service(s), and for whom housing advice casework intervention resolved their situation, per 1,000 households	High	3.12	0.87 (June)	1.45	1.45	Monthly	4	△	The year-end forecast is 4
64	H23		Number of non-local authority-owned vacant dwellings returned to occupation or demolished during the financial year as a direct result of action by the local authority	High	52	13 (June)	83	83	Monthly	55	△	The year-end forecast is 110
	H18		Percentage of total private sector homes vacant for more than 6 months	Low	0%				Annually @ end-of-March	0%	n/a	
CHILDREN'S SERVICES												
Be Healthy												
		1041YJ	The referral of juveniles manifesting mental health difficulties to Child and Adolescent Mental Health Services	High	91.2%	100% (June)			Quarterly	100%	△	Quarter 2 data available 6 weeks after period end
		1042YJ	Substance Misuse: the proportion of young people with identified substance misuse needs who receive specialist assessment within 5 working days and, following the assessment, access the early intervention and treatment services they require within 10 working days (Substance Misuse Assessment)	High	100%	100% (June)			Quarterly	100%	△	Quarter 2 outturn will not be available until early November although it looks likely that 100% will be achieved
		1040NT	Proportion of those in substance misuse treatment who are aged less than 18	n/a	24%	12% (June)			Quarterly	Not set	n/a	Quarter 2 data available 6 weeks after period end
197		1047SC	Percentage change in number of conceptions amongst 15-17 year olds	Low	-15.7%				Annually @ end-of-March	-19%	No data	The target is unlikely to be met because we began at a very low baseline, and still have one of the lowest rates in the West Midlands. Progress is monitored in identified hotspots, with the usual caution around small numbers. However, South Wye remains of concern and a number of initiatives are in place there, including the Infozone at the High school which has an evolved 4 us clinic. Overall, a county-wide action plan is nearing completion to be ratified by the Sexual Wellbeing and Health Network (SWAHN) in November.

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DIRECTION OF TRAVEL AGAINST LAST YEAR'S PERFORMANCE

BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
		1037SC / PAF CF / C19	The average of the percentages of children looked after who had been looked after continuously for at least 12 months, and who had their teeth checked by a dentist during the previous 12 months and had an annual health assessment during the previous 12 months	5 BLOB = 80<=100 4 BLOB = 70<80 3 BLOB = 60<70 2 BLOB = 50<60 1 BLOB = 0<50	90%				Annually @ end-of-October	93%	No data	This is a priority for Herefordshire children and with the appointment of the LAC Nurse this will ensure an up-turn in performance.
		1043SC / PAF CF / A70	Councils' self assessment of progress on four elements of the implementation of the CAMHS framework	5 BLOB = 15-16 4 BLOB = 12-14 3 BLOB = 9-11 2 BLOB = 6-8 1 BLOB = 4-5	15				Annually @ end-of-March	15	No data	Progress towards a comprehensive CAMHS is based on a self-assessment against 4 elements, each element is scored on a scale 1 to 4 (where 4 is best). This self-assessment is undertaken at the end of the financial year and data will be available in March 2008. A comprehensive CAMHS strategy is in place and is subject to review currently. Additional outreach worker posts are being recruited.
Staying Safe												
49		2043SC / PAF CF / A1	The percentage of Looked After Children at 31 March with three or more placements during the last financial year	5 BLOB = 0<=16.01 2 BLOB = 16.01<20 1 BLOB = 20<=100	8.90%		9% (June)	7%	Quarterly	8%	△	
		2028SC / PAF CF / A3	The percentage of children who became the subject of a child protection plan, or were registered, during the year, and were the subject of a child protection plan, or were registered, at 31 March, who had been previously registered.	4 BLOB = 8<10 or 15<17,21 3 BLOB = 6<8 or 17,21<20 2 BLOB = 3<6 or 20<24 1 BLOB = 0<3 or 24<=100	14.50%		15.8% (June)	18.80%	Quarterly	15%	▽	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
162		2034SC / PAF CF / C20	The percentage of child protection cases which were reviewed regularly as a percentage of those cases that should have been reviewed during the year	5 BLOB = 100 4 BLOB = 97.5<100 3 BLOB = 95<97.5 2 BLOB = 92.5<95 1 BLOB = 0<92.5	100%		100% (June)	100%	Quarterly	100%	△	
		2036SC / PAF CF / C21	The % of children de-registered from the Child Protection Register during the year who had been on the Register continuously for two years or more	4 BLOB = 0<10 3 BLOB = 10<15 2 BLOB = 15<20 1 BLOB = 20<=100	1.2%		1.1% (June)	0%	Quarterly	5%	△	
163		2059SC / PAF CF / C23	The number of children who ceased to be looked after during the year as a result of the granting of an adoption or special guardianship order, as a percentage of the number of children looked after at 31st March (excluding unaccompanied asylum seekers) who had been looked after for 6 months or more on that day	5 BLOB = 8<25 4 BLOB = 7<8 3 BLOB = 6<7 2 BLOB = 3<6 or 25<=100 1 BLOB = 0<3	4.1%		4.6% (June)	6.00%	Quarterly	8%	△	
		2022SC / PAF CF / C64	The % of core assessments that were completed within 35 working days of their commencement	5 BLOB = 80<=100 4 BLOB = 75<80 3 BLOB = 70<75 2 BLOB = 60<70 1 BLOB = 0<60	61%		73% (June)	78%	Quarterly	66%	△	Performance is continuing to improve and at second quarter is well ahead of target. This reflects the focus at team manager level on ensuring core assessment timescales are adhered to and review assessments are undertaken appropriately.
		2084SC / PAF CF / C68	The percentage of children looked after cases which should have been reviewed during the year which were reviewed during the year	5 BLOB = 95<=100 4 BLOB = 90<95 3 BLOB = 85<90 2 BLOB = 80<85 1 BLOB = 0<80	97%		98% (June)	99%	Quarterly	100%	△	We continue to have a "5 blob" rating which is the highest category possible. The direction of travel is to increase the current statistical performance through current monitoring by the Independent Reviewing Officers and the auditing system that is in place within the Planning Audit & Review Team.
		2087SC / PAF CF / D74 or D78	The percentage of children aged under 16 at March 31 who had been looked after continuously for at least 2.5 years, who were living in the same placement for at least 2 years, or are placed for adoption	5 BLOB = 70<80 4 BLOB = 60<70 3 BLOB = 50<60 2 BLOB = 40<50 or 80<=100 1 BLOB = 0<40	62.2%		65.8% (June)	67.60%	Quarterly	62%	△	

APPENDIX B - NATIONAL INDICATORS
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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	Key	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
		2068 / PAF CF / B79	Of children aged at least 10 and under 16 looked after at 31 March (excluding those placed with parents) the percentage who were in foster placements or placed for adoption	5 BLOB = 85<90 4 BLOB = 80<85 or 90<95 3 BLOB = 70<80 2 BLOB = 55<70 or 95<=100 1 BLOB = 0<=55	77.90%		78.4% (June)	80%	Quarterly	80%	△	
		2054SC / DIS 1111	Percentage of looked after children fostered by relatives or friends	High	19.5%		18.6% (June)	16.70%	Quarterly	20%	▽	This target is under pressure currently because of the shortage of experienced social work staff in post. The recruitment and retention strategy continues to address this, and the individual looked after young people receive a service from the teams, under interim arrangements managed by the team managers and kept under review through the Performance Improvement Group.
		2060SC / DIS 1114	Percentage of looked after children with a named social worker who is qualified as a social worker	High	100%		99% (June)	99%	Quarterly	100%	▽	
		2056SC / DIS 1115	The percentage of looked after children adopted during the year who were placed for adoption within 12 months of the agency deciding that the child should be placed for adoption	High	100%		100% (June)	100%	Quarterly	100%	△	
		2024SC / DIS 1219	Percentage of children and young people who are the subject of a child protection plan, or on the child protection register, who are not allocated to a social worker.	Low	0%		0% (June)	0%	Quarterly	0%	△	Performance is being maintained despite increasing pressure because of the reduction in availability of suitably qualified and experienced social workers. The recruitment and retention strategy continues to address this.
		2020SC / DIS 1704	Percentage of initial assessments within 7 working days of referral	High	58.7%		56.9% (June)	54.70%	Quarterly	68%	▽	Performance continues to decline because of the increased workload and insufficient numbers of suitably qualified and experienced social workers able to undertake the work. Practice has been reviewed and revised to ensure that initial assessments are undertaken more quickly and is managed through monthly meetings with PCT and Education staff. Deloitte have been commissioned to audit the processes for initial assessments and to make recommendations for improving performance. This work begins 17/10/07 and will be completed by 26/10/07.
		2023SC / KIGS CH01	Children and young people who are the subject of a child protection plan, or on the child protection register, per 10,000 population aged under 18.	n/a	14.8		13.7 (June)	15.1	Quarterly	17%	n/a	This is low in relation to the target and national comparative group. The indicator is addressed at a Performance Improvement Group to ensure the development of thresholds are identified and kept under review
		2019SC / KIGS CH02	Initial Child protection conferences per 10,000 population under 18	n/a	23.9		24.7 (June)	21	Quarterly	29	n/a	This is low in relation to the target and national comparative group. The indicator is addressed at a Performance Improvement Group to ensure the development of thresholds are identified and kept under review
		2027SC / KIGS CH03	Children who became the subject of a child protection plan, or were registered, per 10,000 population aged under 18.	n/a	20.4		20.4 (June)	17.2	Quarterly	21	n/a	This target is addressed in a performance clinic to ensure that we remain vigilant around the thresholds in relation to Section 47 investigation
		2035SC / KIGS CH10	Children whose child protection plans were discontinued, or were de-registered, per 10,000 population aged under 18.	Low	22.3		23.7 (June)	21.8	Quarterly	20	△	The plans for de-registration are agreed at a child protection case conference following the completion of a child protection plan and multi agency decision making.
		2042SC / KIGS CH39	Children looked after per 10,000 population aged under 18	n/a	45.4		44.9 (June)	45.4	Quarterly	45	n/a	

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary	
		2052SC/KIGS CH44	Percentage of children looked after in residential accommodation	Low	12.60%		13.5% (June)	12.90%	Quarterly	12%	▽	The growth of children in the residential sector represents a challenge to the Authority. As a Authority we must consider using family-base care as a serious option for these children.	
		2015SC / KIGS CH141	Numbers of referrals of children per 10,000 population	n/a	266		248 (June)	242	Quarterly	280	n/a	Performance on this indicator has levelled off at slightly below target. The relationship with the percentage of referrals designated as "no further action" and percentage repeat referrals requires further examination. Early indicators suggested that threshold criteria are better understood by other agencies but this is not borne out by current figures. The audit of initial assessments will assist in assessing understanding and decision-making regarding threshold criteria.	
		2016SC / KIGS CH142	Percentage of referrals that are repeat referrals within 12 months	Low	20.3%		19.5% (June)	20.90%	Quarterly	18%	▽	Performance on this indicator is closely related to CH141 (number of referrals) and CH143 (referrals leading to initial assessments). Further work will be decided following audit of initial assessments.	
		2017SC / KIGS CH143	Percentage of referrals of children in need that led to initial assessments	n/a	66%		64.5% (June)	59.60%	Quarterly	65%	n/a	There has been a dip in performance, the reasons for which are complex, and dependent on the inter-relationship of a number of factors, including the level of understanding of threshold criteria, impact of the CAF pilot and the ongoing work of the Child Concern Model. Further work to be decided after audit on initial assessments.	
		2021SC / KIGS CH145	Number of core assessments of children in need per 10,000 population aged under 18	n/a	51.6		56.7 (June)	59.4	Quarterly	50	n/a		
		2039SC	The ratio of the proportion of children subject to a child protection plan, or on the child protection register, that were from minority ethnic groups to the proportion of children in the local population that were from minority ethnic groups.	n/a	1.25		2.7 (June)	1.23	Quarterly	2	n/a		
		2029SC / KIGS CH04	First time registrations on the child protection register as a percentage of total registrations during the year ended 31st march	High	85.50%		84.2% (June)	81.30%	Quarterly	85%	▽	Action is in place for monthly monitoring through multi agency core groups so that recommendations regarding de-registrations are reached through robust assessments and a multi agency level in order to prevent re-registrations. This is monitored through the Herefordshire Safeguarding Children Board	
		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	High	18%		27.2% (June)	35.90%	Quarterly	>18%	△		
		Enjoy & Achieve											
38			Percentage of 15 year old pupils in schools maintained by the local education authority achieving five or more GCSEs at grades A* - C or equivalent	High	61.80%			63%	Annually (unvalidated in September; final results in January)	66%	△	Unvalidated results for 2007 exams now available. There has been an improvement by 1% in line with national figures. Particular success story was Wyebridge which saw a 19% improvement in 5 A*-C from 33% to 52%.	

APPENDIX B - NATIONAL INDICATORS
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BPVI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
39			Percentage of 15 year old pupils in schools maintained by the local education authority achieving 5 or more GCSEs or equivalent at grades A*-G including English and Maths	High	92.80%			94.30%	Annually (unvalidated in September; final results in January)	96%	△	Maths results have improved by 2% at Level 4+ overall and are now in line with the national performance at 77%, and broadly in line with slightly below statistical neighbours. Boys outperform girls at both levels in this subject. Girls' performance at level 4 and 5 will be a focus for 2007/8. Boys' performance below Level 3 has improved and is now in the upper quartile for year on year change, but the performance of all pupils taken together puts us in the lower quartile at this Level. (Please note that these are unvalidated results)
40			Percentage of pupils in schools maintained by the local education authority achieving Level 4 or above in the Key Stage 2 Mathematics test	High	75.50%			77%	Annually (unvalidated in September; final results in January)	82%	△	English has improved at Level 4+ to 81% and is above the national average (80%). Boys' English results have improved by 4% and are now above the national results; girls remain above the national. We are slightly above Statistical Neighbours this year at 81% compared to 80.7 for SN. Girls continue to outperform boys at both Level 4 and 5. Performance at below Level 3 is in the upper quartile for both boys and girls in reading and writing for year on year change. Reading has improved and is up by 2% and above the national figures. At Level 4+ boys are improving at a particularly fast rate and are up 5% on last year and girls' overall and is 1% above the national. Boys' writing performance has improved at Level 4+ by 7%. Girls' performance is slightly down on last year and has not improved at the rate of the boys' performance but is still above the national. (Please note that these are unvalidated results)
41			Percentage of pupils in schools maintained by the local education authority achieving Level 4 or above in the Key Stage 2 English test	High	80.60%			81%	Annually (unvalidated in September; final results in January)	83%	△	
43a			Percentage of proposed statements of special educational need issued by the authority in a financial year and prepared within 18 weeks excluding exceptions under the Education (Special Educational Needs) (England) (Consolidation) Regulations 2001 and set out in Annex A of the SEN Code of Practice	High	100.00%		100% (June)	100%	Quarterly	100%	△	
43b			Percentage of proposed statements of special educational need issued by the authority in a financial year and prepared within 18 weeks including 'exceptions' set out in the Education (Special Educational Needs) (England) (Consolidation) Regulations 2001 and reproduced in Annex A of the SEN Code of Practice	High	100.00%		100% (June)	100%	Quarterly	100%	△	

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	Key	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
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	High	76.50%			80.50%	Annually (unvalidated in September; final results in January)	83%	△	Significant improvement in results at Level 5+ (5%), now 7% above national. Big improvement in boys results, closing the gender gap.
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	High	79.80%			79.20%	Annually (unvalidated in September; final results in January)	83%	▽	There has been a 1% drop, mirroring the drop in this area nationally. Action is underway to drive improvement in this area.
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	High	77.50%			78.00%	Annually (unvalidated in September; final results in January)	84%	△	There has been a 1% increase, which is in line with national figures.
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	High	74.00%			76.50%	Annually (unvalidated in September; final results in January)	84%	△	
194a			The percentage of 11 year old pupils achieving Level 5 in Key Stage 2 test in English	High	31%			35%	Annually (unvalidated in September; final results in January)	33%	△	At Level 5, there is a 4% improvement overall: boys have improved by 1% and are now 2% above the national; girls have improved by 2% and are now 4% above the national. Level 5 performances have improved by 5% for boys and 2% for girls and are above the national figures, and in the upper quartile for year on year change. (Please note that these are unvalidated results)
194b			The percentage of 11 year old pupils achieving Level 5 in Key Stage 2 test in Mathematics	High	30.20%			34%	Annually (unvalidated in September; final results in January)	35%	△	Boys' performance at level 5 is 2% above the national and girls show a 4% improvement, both are above the national and in the upper quartile for year on year change. (Please note that these are unvalidated results)
		3085SC / PAF CF / C69	The percentage of children newly looked after in the year, and still looked after at 31 March, who were placed at 31 March more than 20 miles from their home address from which first placed	Low	14%		17% (June)	0%	Quarterly	12%	△	All children newly looked after are placed within 20 miles of their home.
		3080YJ	Education, Training and Employment – Proportion of supervised juveniles in full time ETE	High	62.4%		65.2% (June)		Quarterly	90%	△	Quarter 2 data available 6 weeks after period end

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
		3074SC / PAF CF / C24	Percentage of children looked after continuously for at least 12 months, of compulsory school age, who missed at least 25 days schooling for any reason during the previous school year	5 BLOB = 0<5 4 BLOB = 5<10 3 BLOB = 10<15 2 BLOB = 15<20 1 BLOB = 20+	10.5%				Annually @ end-of-October	9%	No data	The prognosis for this year's outcome is not good. Again around 12 children are currently in the missed more than 25 days cohort.
		3071SC / DIS 1406	The percentage of children looked after who were pupils in Year 11 who were eligible for GCSE (or equivalent) examinations who sat at least one GCSE or equivalent exam	High	84.6%				Annually @ end-of-October	85%	No data	This year we have an unusually high number of children whose statement of needs mean that they will not be able to sit for GCSE
45			Percentage of half days missed due to total absence in secondary schools maintained by the local education authority	Low	7.90%				Annually @ end-of-May 2008	6%	No data	Unaudited data for all Councils indicates that Herefordshire remains in the average band for performance compared nationally. Two schools are now designated as PA (Persistent Absenteeism) from the previous 3, and a range of work is being undertaken to address the specific areas where improvement is needed.
46			Percentage of half days missed due to total absence in primary schools maintained by the local education authority	Low	5.67%				Annually @ end-of-May 2008	4%	No data	
50		3072SC / PAF CF / A2	The percentage of young people leaving care aged 16 or over with at least one GCSE at Grade A* - G or a GNVQ	5 BLOB = 70<=100 4 BLOB = 50<70 3 BLOB = 45<50 2 BLOB = 25<45 1 BLOB = 0<25	76.50%				Annually @ end-of-March	90%	No data	The data for the indicator will be available in March 2008. This year we do not anticipate doing quite as well as last year. However, we do expect 4 young people to meet the 5 A*-C target. Regular school visits monitor progression and targeted support is deployed where needed.
		3073SC / DIS 1403	The percentage of young people leaving care aged 16 or over with 5 or more GCSEs at grade A*-C or a GNVQ	High	5.90%				Annually @ end-of-March	10%	No data	
Make a positive contribution												
		4016SC / PAF CF / C63	The number of children and young people who communicated their views specifically for each of their statutory reviews as a percentage of the number of children and young people who had been looked after at 31 March for more than four weeks	5 BLOB = 95<=100 4 BLOB = 90<95 3 BLOB = 80<90 2 BLOB = 70<80 1 BLOB = 0<70	95%	94% (June)	96%		Quarterly	97%	△	
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	High	58.2%	35.1% (June)	37.2% (August)		Quarterly	60%	▽	We are below both national and local targets although trend is up. Performance in this area has been delayed due to long delays by an external organisation in completing validation of students' work.
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	High	33.4%	20.8% (June)	25.6% (August)		Quarterly	30%	▽	We are below both national and local targets although trend is up. Performance in this area has been delayed due to long delays by an external organisation in completing validation of students' work.
		4015SC / PAF CF / C18	The percentage of children aged 10 or over who had been looked after continuously for at least 12 months, who were given a final warning/reprimand or convicted during the year for an offence committed whilst they were looked after, expressed as a ratio of the percentage of all children aged 10 or over given a final warning/reprimand or convicted for an offence in the police force area	3 BLOB = 1<3 2 BLOB = 0<1 or 3+	2.5				Annually @ end-of-October	2.5	No data	

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
Achieve economic well-being												
		5026SC	What percentage of children with disabilities aged 14+ had a transition plan to support their move from Children's Services to Adult Services?	High	up to 90%	66.67% up to 75% (June)	66.67% up to 75%	Quarterly	up to 90%	▽		Since the last round of reporting, 5 young people have moved on into adult services, all of which had transition plans in place. One transition plan is not in place for a 17 year old because, so far, the family has not given consent for other agencies to be contacted. All other 17 year olds have transition planning in place. Young people who are LAC and are under 17 years old have transition plans as part of the review process. We have no additional young people reaching the 14 + age group this quarter. Therefore, the figure has reduced.
161		5024SC / PAF CF / A4	The ratio of the percentage of those young people who were looked after on 1st April in their 17th year (aged 16), who were engaged in education, training or employment at the age of 19 to the percentage of young people in the population who were engaged in education, training or employment at the age of 19	5 BLOB = 0.6+ 3 BLOB = 0.5-0.6 2 BLOB = 0.4-0.5 1 BLOB = 0-0.4	1.25			Annually @ end-of-March 2008	0.99	No data		Performance is good and work is in train to sustain this performance. Work opportunities through the Council and local employers are being developed. Links to local colleges and prompt action to address individual cases, where necessary, is in place.
		5037SC	Percentage of care leavers at age 19 who are living in suitable accommodation (as judged by the council)	High	100%			Annually @ end-of-March 2008	100%	No data		Performance is good and work is continuing to develop the range of accommodation available further.
Service Management												
		6024SC / PAF CF / B8	Average gross weekly expenditure per looked after child in foster care or in a children's home.	Low	£735		£767	Quarterly	£619	▽		The cost of children looked after continues to rise given the increased numbers of children in residential and agency placements. As a result, it is unlikely that the target for 07/08 will be achieved.
		6010SC / PAF CF / E44	Gross expenditure on children in need but not looked after, as a percentage of gross expenditure on all children's services	4 BLOB = 32-43 3 BLOB = 27-32 or 43-48 2 BLOB = 0-27 or 48-100	29%		29%	Quarterly	35%	◁▷		There has been no increase in the budget for this area and expenditure is currently being limited to the 2006/2007 outturn figure.
		6044SC / PAF MR / D74	Practice learning: The number of assessed social work practice learning days per whole time equivalent social worker for employees working in children's services	5 BLOB = 17+ 4 BLOB = 11-17 3 BLOB = 5-11 2 BLOB = (>0)<5 1 BLOB = 0	17.2		10	Bi-annually @ end-of-September & end-of-March	14	▽		There has been a low demand from universities for placements in children's services in the County, and the unavailability of an appropriate placement in Safeguarding and Assessment for one student who went into private, independent or voluntary adult setting instead. We will direct the New Year requests into children's practice areas in order to reach the target. We are currently awaiting written approval for a project to establish placements for students in the Children's Centres to increase range and number of practice learning opportunities on offer.
		6011SC / DIS 3118	Percentage of SSD directly employed staff for children that left during the year	n/a	13.8%	16.19% (June)	11%	Quarterly	11%	▽		11 directly employee staff members left between 1st October 2006 and 30th September 2007: 7 Social Workers, 1 Team Manager, 1 Aftercare Worker, 2 Family Centre Workers. Reasons for leaving were associated to a variety of different reasons: 2 Social Workers left in Fostering, 1 by reason of retirement, the other to set up a private fostering business. 1 Social Worker left in Children with Disabilities Team, who left the profession altogether. 3 Social Workers left across the Children and Families Teams; 1 left to continue with studies, 2 relocated to other parts of the County. 1 Social Worker left in Referral & Assessment Team to take up a post in a neighbouring Authority. 1 Team Manager left by reason of retirement.

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
		6012SC / DIS 3119	Percentage of SSD directly employed posts for children and families vacant on 30 September	n/a	11.3%		7.85% (June)	7.43%	Quarterly	6.80%	◁▷	Total vacancies as at 30th September 2007 are 7.6. 1 x CAMHS Social Worker 1 x Fostering Social Worker, 1 x Referral & Assessment Social Worker, 1 Children and Families Social Worker, Children with Disabilities Team Social Worker, 1 x Assistant Team Manager Fostering, 1 x Assistant Team Manager - Referral & Assessment (Temporary Maternity Cover), 1 Family Support Worker. Recruitment continues for permanent Social Workers, interview taking place for Referral & Assessment Social Worker and Children and Families post. Fostering posts (ATM and SW) have been advertised, interviews to take place shortly. Discussions underway on how to fill the 0.6 vacancy in CWD Team. Temporary ATM post in R&A advertised.
		6013SC / DIS 3120	% of working days/shifts lost to sickness absence during the financial year for Social Services staff working with children & families	Low	3.75%		3.74% (June)	4.37%	Quarterly	4%	△	% of days/shifts lost equates to 1523.86 days lost across Children's Social Services. 931.35 (61%) days relates to long term absence, which is absence over 4 weeks or more. Of the 11 long-term cases 1 has left on ill-health retirement grounds, 1 is leaving shortly on ill-health retirement grounds, 3 have left the authority, 2 are on maternity leave, 2 cases relate to post op recovery, 1 has returned to work, and 1 is still currently absent. Of the 1523.86 days, 35% relates to Stress & anxiety, followed by Viral Infections (16.3%). Other reasons for absence include Headaches, back, Stomach, chest & respiratory, post op etc
		6015SC / DIS3121	Percentage 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	n/a	3.10%			4.11%	Quarterly	3.25%	n/a	Although we run NVQ courses throughout the year, we also run foundation degrees, scholarships and sponsored students. Because of this, we have to pay course fees and replacement time in September and October. Therefore, the expenditure by Learning and development was higher in the 6th and 7th month of the financial year
		6006SC / KIGS EX61	Gross expenditure on services to children per capita aged under 18	n/a	£356			£370	Quarterly	£319	n/a	This indicator will be affected by the increased expenditure on children looked after, particularly the rising numbers of children in residential and Agency placements. As a result, it is unlikely that the target for 07/08 will be achieved.
		6045SC / KIGS EX66	Gross expenditure on adoption service per capita aged under 18	n/a	£10.50			£10	Quarterly	£20	n/a	Placements of adoptive children have generated very little expenditure so far this year due to placements being made on an exchange basis or at a reduced consortium cost. There are a number of children waiting to be matched so costs could increase in the second half of year.
		6009SC / KIGS EX 77	Expenditure on family support services per capita aged under 18	n/a	£35			£36	Quarterly	£29	n/a	It is anticipated that the expenditure this year will mirror the outturn for 2006/07, given that there has been no increase in the budget and the current overall overspend position. The 2007/08 target is, therefore, unlikely to be achieved.
		6022SC / KIGS EX 62	Gross expenditure on children looked after per capita aged under 18	n/a	£164			£170	Quarterly	Not set	n/a	The increase in expenditure is due to the increased numbers of looked after children particularly in residential and agency placements
		6020SC / KIGS ST 03	Social Services Department (SSD) operational staff working specifically for children's services (WTEs) per 10,000 population aged 0-17	n/a	23.74		27.39 (June)	27.5	Quarterly	Not set	n/a	Increased numbers of Assistant Team Managers, Team Managers, Social Workers and Senior Prac post

APPENDIX B - NATIONAL INDICATORS
DIRECTION OF TRAVEL AGAINST LAST YEAR'S PERFORMANCE

BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
		6021SC / KIGS ST12	Social workers and care managers specifically for children (WTEs) per 10,000 population aged 0-17	n/a	15.4		16.89 (June)	18.12	Quarterly	Not set	n/a	Increase in Team Manager, 2 Assistant Team Managers and 1 Senior Prac
		6004SC / KIGS EX12	Percentage of (PSS) actual expenditure on provision for children and families	n/a	20.59%				Quarterly	22.70%	n/a	This indicator requires an adult component to be calculated which has not yet been completed. Data will be provided for inclusion in the next report.
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	High	29.24%				Annually @ end-of-March	34.90%	No data	Data will continue to be collected via annual audit of settings until we are able to put into practice a method of alternative collation (via Mentors/Dev Team etc.) All Early Years Leaders in the PV Sector continue to be offered support from EYES to include Information, Advice and Training opportunities which allow them to access courses leading to further relevant qualifications. The Foundation degree courses are continuing supported through EYES, and Transformation funding is available to support the employment of graduate level leaders
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	High	100%				Annually @ end-of-March	100%	No data	All early years leaders continue to have input from staff with graduate or post-graduate training in teaching or child development. Data will continue to be collected via annual audit of settings until we are able to put into practice a method of alternative collation (via Mentors/Dev Team etc.)
		6017SC / DIS 3124	The percentage of social workers and residential managers working with children who need to obtain the child care PQ who have achieved the PQ1 award in child care	n/a	58.10%				Annually @ end-of-March	Not set	n/a	PQ1 becomes the Consolidation Unit of the P.Q. Specialist Award. Intake to academic Programmes will begin in September. The new programme of development for Newly Qualified Social Workers will prepare them for entry to this in the future.
		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	High	100%				Annually @ end-of-March	100%	No data	All staff working with children will be recruited with the appropriate qualifications i.e. Social Work degree & GSCC registration. A number of social workers are also completing post qualifying awards. Data available March 2008
		6005SC / KIGS BU01PSS	PSS budget for children and families per population aged under 18	n/a	£321				Annually @ end-of-March	£313	n/a	
		6003SC / KIGS BU07	Total Personal Social Services (PSS) budget per capita	n/a	£280				Annually @ end-of-March	£287	n/a	
CORPORATE AND CUSTOMER SERVICES												
2a			The level of the Equality Standard for local government to which the Authority conforms in respect of gender, race and disability	High	2	2	2	2	Monthly	3	△	The year-end forecast is 3
2b			The quality of an Authority's Race Equality Scheme (RES) and the improvements resulting from its application	High	79%	79%	79%	79%	Monthly	79%	△	
174			The number of racial incidents reported to the local authority, and subsequently recorded, per 100,000 population	n/a	28.33			12.22	Monthly	57	n/a	
175		H19	The percentage of racial incidents reported to the local authority that resulted in further action	High	100%	100%	100%	100%	Monthly	100%	△	

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DIRECTION OF TRAVEL AGAINST LAST YEAR'S PERFORMANCE

BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
ENVIRONMENT												
82a i			The percentage of household waste arisings which have been sent by the Local Authority for recycling	High	18.71%		18.02% (June)	19.42% (August)	Monthly	23.97%	△	
82a ii			Tonnage of household waste arisings which have been sent by the Local Authority for recycling	High	16,921.66		4,100.41 (cumulative) (June)	7,617.45 (cumulative) (August)	Monthly	22,444.11	◁▷	
82b i			The percentage of household waste sent by the Local Authority for composting or treatment by anaerobic digestion	High	7.36%		8.3% (June)	9.73% (August)	Monthly	6.85%	△	
82b ii			The tonnage of household waste sent by the Local Authority for composting or treatment by anaerobic digestion	High	6,657.02		1,888.49 (cumulative) (June)	3,814.63 (cumulative) (August)	Monthly	6,413.94	△	
82c i			The percentage of the total tonnage of household waste arisings which have been used to recover heat, power and other energy sources	High	1.08%		0% (June)	0% (August)	Monthly	1.05%	▽	
82c ii			The tonnage of household waste arisings which have been used to recover heat, power and other energy sources	High	974.5		0 (June)	0 (August)	Monthly	983.16	▽	
82d i			The percentage of household waste arisings which have been landfilled	Low	72.85%		73.68% (June)	70.85% (August)	Monthly	68.50%	△	
82d ii			The tonnage of household waste arisings which have been landfilled	High	65,887.51		16,764.62 (cumulative) (June)	27,995.47 (cumulative) (August)	Monthly	63,792.96	◁▷	
	E6		Recycling and composting performance (BVPI 82a i + BVPI 82b i)	High	26.07%		26.32% (June)	29.15% (August)	Monthly	30.82%	n/a	
84a	E26		The number of kilograms of household waste collected per head of the population	Low	505.82		127.26 (June)	219.33 (August)	Monthly	505.00	◁▷	
84b			The percentage change from the previous financial year in the number of kilograms of household waste collected per head of the population	Low	-3.04%		-6.52% (June)	-1.42% (August)	Monthly	-0.15%	n/a	
91a			The percentage of households resident in the Local Authority's area served by a kerbside collection of recyclables	High	68%		70%		Quarterly	70%	△	
91b	E45		The percentage of households resident in the Local Authority's area served by a kerbside collection of at least 2 recyclables	High	68%		70%		Quarterly	70%	△	
99a i			The number of people killed or seriously injured (KSI) in road traffic collisions (in 2006)	Low	147					<134	△	This BVPI uses data from 2006. The number of KSIs in 2006 was 119.
99a ii			The percentage change in the number of people killed or seriously injured (KSI) in road traffic collisions since the previous year	Low	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 1994-98 average	Low	-41%					-46%	n/a	

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
	E12		The number of people killed or seriously injured (KSI) in road traffic collisions (in 2007)	Low	119 (2006)	43 (cumulative)	84 (cumulative) (August)		Monthly	<130	n/a	
99b i			The number of children (aged under 16 years) killed or seriously injured (KSI) in road traffic collisions (in 2006)	Low	13					<15	△	This BVPI uses data from 2006. The number of KSIs of children in 2006 was 10.
99b ii			The percentage change in the number of people killed or seriously injured (KSI) in road traffic collisions since the previous year.	Low	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	Low	-41%					-30%	n/a	
99c i			The number of people slightly injured in road traffic collisions (in 2006)	Low	732					<788	△	This BVPI uses data from 2006. The number of slight injuries in 2006 was 663.
99c ii			The percentage change in the number of people slightly injured in road traffic collisions since the previous year.	Low	-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	Low	2%					10%	n/a	
	E40		The number of people slightly injured in road traffic collisions (in 2007)	Low	663 (2006)	194 (cumulative)	464 (cumulative) (June)		Monthly	<772	n/a	
100			Number of days of temporary traffic controls, or road closure, on traffic sensitive roads, caused by road works, per km of traffic sensitive road	Low	0	0			Quarterly	0	△	
109a			The percentage of major applications determined within 13 weeks	High	75%	59%	61%		Monthly	76%	<△	Despite current performance falling below last year's outturn, expectations are that last year's performance may still be equalled
109b			The percentage of minor applications determined within 8 weeks	High	84%	78%	80%		Monthly	85%	<△	
109c			The percentage of 'other' applications determined within 8 weeks	High	92%	91%	91%		Monthly	93%	<△	
	E2		The percentage of major applications determined within 13 weeks (to-end-of-June)	High	63.89% (June 2006)				Annually @end-of-June 2008	60%	n/a	
	E2		The percentage of minor applications determined within 8 weeks (to-end-of-June)	High	77.11% (June 2006)				Annually @end-of-June 2008	65%	n/a	
	E2		The percentage of 'other' applications determined within 8 weeks (to-end-of-June)	High	85.84% (June 2006)				Annually @end-of-June 2008	80%	n/a	
165	E16		The percentage of pedestrian crossings with facilities for disabled people, as a proportion of all crossings in the Local Authority area	High	92%	92%	92%		Monthly	100%	<△	
166a	E21		Score against a checklist of best practice for Environmental Health	High	98.75%				Annually @end-of-March	100%	No data	

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
166b	E27		Score against a checklist of best practice for Trading Standards	High	100%				Annually @end-of-March	100%	No data	

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
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	Low	17%	21%	21%	16%	Monthly	15%	△	The year-end forecast is 15%
				Low	5%		0%		Quarterly	<=20%		This relates to primary retail / commercial land use
				Low	12%		8%		Quarterly	<=20%		This relates to secondary retail / commercial land use
				Low	17%		18%		Quarterly	<=20%		This relates to high density housing
				Low	21%		35%		Quarterly	<=30%		This relates to low density social housing
				Low	10%		17%		Quarterly	<=20%	n/a	This relates to low density private housing
				Low	23%		20%		Quarterly	<=30%		This relates to industry / warehouse / retail sheds
				Low	20%		14%		Quarterly	<=20%		This relates to main roads
				Low	21%		14%		Quarterly	<=30%		This relates to rural roads
				Low	29%		29%		Quarterly	<=30%		This relates to other highways
				Low	14%		0%		Quarterly	<=20%		This relates to recreation areas
199b			The proportion of relevant land and highways (expressed as a percentage) from which unacceptable levels of graffiti are visible	Low	2%	2%	2%	1%	Monthly	2%	△	
199c			The proportion of relevant land and highways (expressed as a percentage) from which unacceptable levels of fly-posting are visible	Low	1%	0%	0%	0%	Monthly	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'	Low	Grading 1 (Very Effective)	1	1	3	Monthly	1	△	Following the introduction of the permit scheme at household waste sites there has been a significant increase in the number of incidents of fly-tipping. The score of 3 is predicted to remain for the year.
204	E42		The number of planning appeal decisions allowed against the authority's decision to refuse on planning applications, as a percentage of the total number of planning appeals against refusals of planning applications	Low	22%	30%	30%	32%	Monthly	21%	▽	
205	E43		The local authority's score against a 'quality of planning services' checklist	High	94%	94%	94%	94%	Monthly	94%	△	
215a			The average number of days taken to repair a street lighting fault, which is under the control of the Local Authority	Low	8.78	2.79	2.79	8.43	Monthly	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)	Low	57.16	0	0	22	Monthly	30	△	
218a			The percentage of new reports of abandoned vehicles investigated within 24 hours of notification	High	98%			89.16%	Monthly	100%	▽	Performance fell during the summer. One team deals with both abandoned vehicles and fly-tipping; handling a significant, and initially unexpected, increase in fly-tipping incidents resulted in a reduction in the response times for abandoned vehicles. Arrangements have now been put in place to provide back-up for the team and performance has improved in recent months; however, as the target is 100% this will not be achieved this year.
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	High	99%			94.74%	Monthly	100%	▽	
219b			Percentage of conservation areas in the local authority area with an up-to-date character appraisal	High	12.50%	20%	20%	20%	Monthly	26.56%	△	
223			Percentage of the local authority principal road network where structural maintenance should be considered	Low	14%				Bi-annually November & March	5%	No data	Survey work has been brought forward to September / October

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
224a			Percentage of the non-principal classified road network where maintenance should be considered	Low	21%				Bi-annually November & March	19%	No data	October so that more timely use can be made of the data. The current highway maintenance plan is being delivered, but was affected by the recent flooding. The impact of flooding on the network has been assessed and details submitted under the Bellwin Scheme.
224b	E11		Percentage of the unclassified road network where structural maintenance should be considered	Low	24.28%				Bi-annually November & March	19%	No data	
	E32		Trading standards, visits to high risk premises	High	85.7			17	Monthly	95	n/a	Performance is typical for this period of the year.
	E33		Trading standards, levels of business compliance, high-medium and low-risk premises	High	83.5% 85.3% 87.7%			98% 83% 100%	Monthly	92% 93% 90%	n/a	Performance is typical for this period of the year.
86			Cost of household waste collection per household	Low	£47.03				Annually @ end-of-March	£52.13	No data	
87			Cost of waste disposal per tonne of municipal waste	Low	£79.09				Annually @ end-of-March	£82.33	No data	
102			Number of local bus passenger journeys originating in the authority area undertaken each year	High	3,433,043				Annually @ end-of-March	3,948,000	No data	
106	E23		Percentage of new homes built on previously developed land	High	76.70%				Annually @ end-of-March	60%	No data	
187	E18		Percentage of the category 1, 1a and 2 footway network where structural maintenance should be considered	Low	31%				Annually @ end-of-March	27.50%	No data	
200a			Did the Local Planning Authority submit the Local Development Scheme (LDS) by 28 March 2006 and thereafter maintain a 3-year rolling programme?	n/a	Yes				Annually @ end-of-March	Yes	△	The year-end forecast is Yes
200b	E44		Has the Local Planning Authority met the milestones that the current Local Development Scheme (LDS) sets out?	n/a	Yes				Annually @ end-of-March	Yes	△	The year-end forecast is Yes
216a			The number of 'sites of potential concern' [within the Local Authority area], with respect to land contamination	n/a	2,896				Annually @ end-of-March	5,841	n/a	
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'	Low	0.2				Annually @ end-of-March	2	No data	
217			Percentage of pollution control improvements to existing installations completed on time	High	96.80%				Annually @ end-of-March	96.80%	No data	
	E19		Intervention by the Secretary of State under Traffic Management Act powers	n/a	No				Annually @ end-of-March	No	n/a	
	E30		Consumer satisfaction with trading standards service	High	82.9				Annually @ end-of-March	80	n/a	Surveys are now being conducted quarterly. The first survey has been undertaken, but results are not yet available.

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BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
	E31		Business satisfaction with trading standards service	High	89.6				Annually @ end-of-March	90	n/a	Surveys are now being conducted quarterly. The first survey has been undertaken, but results are not yet available.

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BPVI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary	
89	E38		% of people satisfied with the cleanliness standard in their area	High	66%				Not measured in 2007-08		n/a		
90a	E8A		The percentage of people satisfied with household waste collection	High	82%				Not measured in 2007-08		n/a		
90b	E8B		The percentage of people satisfied with waste recycling	High	70%				Not measured in 2007-08		n/a		
90c	E8C		The percentage of people satisfied with waste disposal	High	86%				Not measured in 2007-08		n/a		
103			Satisfaction with passenger transport information	High	48%				Not measured in 2007-08		n/a	These indicators are included in this report because the outcome from 2006 (the baseline) will be used in the CPA results announced in February 2008 and 2009	
E14			Satisfaction with passenger transport information (that have seen information)	High	70%				Not measured in 2007-08		n/a		
104			Satisfaction with bus services	High	49%				Not measured in 2007-08		n/a		
E15			Satisfaction with bus services (users)	High	62%				Not measured in 2007-08		n/a		
111	E3		Satisfaction with Planning Service	High	76%				Not measured in 2007-08		n/a		
E1			Progress with local transport plan	n/a	Good				Not measured in 2007-08		n/a		
HUMAN RESOURCES													
12			The number of working days/shifts lost to the Authority due to sickness absence	Low	8.41	7.88	8.17 (June)	7.63 (August)	Monthly	8.00	△		
16			The percentage of local authority employees with a disability	High	0.69%	0.77%	0.77%	0.88% (August)	Monthly	0.75%	△		
17a			The percentage of local authority employees from ethnic minority communities	High	0.64%	0.66%	0.66%	0.66% (August)	Monthly	0.80%	△		
11a			Percentage of top-paid 5% of staff who are women	High	38.57%				Monthly	42%	No data	Data will be available for the next report to end-of-November	
11b			The percentage of the top 5% of local authority staff who are from an ethnic minority	High	2.14%				Monthly	2.85%	No data	Data will be available for the next report to end-of-November	
11c			Percentage of the top paid 5% of staff who have a disability (excluding those in maintained schools)	High	0.71%				Monthly	1.40%	No data	Data will be available for the next report to end-of-November	
14			The percentage of employees retiring early (excluding ill-health retirements) as a percentage of the total work force	Low	0.16%				Monthly	0.14%	No data	Data will be available for the next report to end-of-November	
15			The percentage of local authority employees retiring on grounds of ill health as a percentage of the total workforce	Low	0.14%				Monthly	0.13%	No data	Data will be available for the next report to end-of-November	
RESOURCES													
8			Percentage of invoices for commercial goods & services paid by the Authority within 30 days of receipt or within the agreed payment terms	High	92.67%	92.97%	93.80%	92.66% (August)	Monthly	92.67%	<△		
9			The percentage of council tax collected by the Authority in the Year	High	98.34%	21.31%	40.40%	49.5% (August)	Monthly	98.34%	<△		
10			The percentage of national non-domestic rates collected in-year	High	98.90%	21.89%	39.45%	54.18% (August)	Monthly	98.90%	<△		
76b			The number of fraud investigators employed by the Local Authority, per 1,000 caseload	n/a	0.29	0.26	0.26	0.26 (August)	Monthly	0.28	n/a		

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DIRECTION OF TRAVEL AGAINST LAST YEAR'S PERFORMANCE

BVPI	CPA	PAF	Indicator	Good Performance	Baseline	May	July	September	Frequency of Reporting	Target	Direction of Travel	Commentary
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	n/a	40.00	48	43	43 (August)	Monthly	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	n/a	7.50	14	13	15 (August)	Monthly	8.00	n/a	
78a			The average processing time taken across all new Housing and Council Tax Benefit (HB/CTB) claims submitted to the Local Authority, for which the date of decision is within the financial year being reported	Low	29.80	28	27.8	27.45 (August)	Monthly	26	△	
78b			The average processing time taken for all written notifications to the Local Authority of changes to a claimant's circumstance that require a new decision on behalf of the Authority	Low	15.60	15	15	14.65 (August)	Monthly	15.00	△	
79a			The percentage of cases within a random sample for which the Authority's calculation of Housing and Council Tax Benefit (HB/CTB) is found to be correct	High	98.40%	96%	96%	96% (August)	Monthly	98.80%	▽	
79b i			The amount of Housing Benefit overpayments (HB) recovered as a percentage of all HB overpayments	High	66.58%	66%	69%	69% (August)	Monthly	66%	△	
79b ii			HB overpayments recovered as a percentage of the total amount of HB overpayment debt outstanding at the start of the year, plus amount of HB overpayments identified during the year	High	51.24%	13.50%	13.50%	13.5% (August)	Monthly	55%	△	
79b iii			Housing Benefit (HB) overpayments written off as a percentage of the total amount of HB overpayment debt outstanding at the start of the year, plus amount of HB overpayments identified during the year	n/a	4.78%	1.36%	1.36%	1.36% (August)	Monthly	9%	n/a	
156			The percentage of authority buildings open to the public in which all public areas are suitable for, and accessible to, disabled people	High	63.80%				Annually @ end-of-March	70%	No data	

2007/08 REVENUE BUDGET MONITORING**Contents**

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Summary

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

	2007/08 Budget £000	July 2007 Net over or (-) Underspending £000	September 2007 Net over or (-) Underspending £000
Adult & Community	44,492	+3,900	+4,070
Children & Young People's	23,211	+776	+783
Corporate & Customer	7,907	+940	+1,345
Environment	24,742	-500	-357
Central Services	3,419	0	-120
Resources	6,227	-278	-60
Human Resources	1,401	0	0
<i>Directorate Position</i>	<u>11,399</u>	<u>4,838</u>	<u>5,661</u>
Flood Damage Repairs	0	0	800
Financing Transactions and Invest to Save	<u>10,972</u>	<u>-2,302</u>	<u>-3,202</u>
Net Position	<u>122,371</u>	<u>2,536</u>	<u>3,259</u>

2. The overall position at the end of September shows a projected £3.26 million overspend. This is 2.7% 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 position includes an estimated £1.0m underspend against the Spend to Save/Spend to Mitigate allocations in the 2007/08 budget. The majority of the total relates to the £2.7m to modernise social care and community services. Work is ongoing to determine the overall level of underspend but as a short term measure £500k is being used to support existing care packages in 2007/08.

5. The summary position also includes an additional £600k for the prior year Local Authority Business Growth Incentive Scheme (LABGI). This is 'windfall' income following a further allocation of 2006/07 funding.
6. The above table includes an estimate for costs not covered by Central Government for the damage caused by the July floods.
7. At this stage of the financial year the projected outturn includes estimated expenditure and the overall projected outturn is of concern given the potential implications for 2008/09 and the poor CSR 07 settlement for local government.

Revenue Reserves Position as at 31st July 2007

General Reserves

8. As of 1st April 2007 the General Reserve was £8.1 million. This includes releasing £100k contribution to the Partnership Fund with the PCT for developing the proposed PST arrangements. The level is above the Council's "policy" of £3.0m in general reserves but the pressures faced in 2007/08 and the impact of the potential overspend will considerably reduce this position.
9. The Council's Medium Term Financial Management Strategy sets out the 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

10. 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

11. 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.
12. 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 eligible 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. Further support is available from the Department of Transport.
13. The overall estimate of damage as of the end of September is approximately £3.75m. The largest single category covers Highways and Transportation at £2.06m. Within this total is work to repair roads and signs as well as checking and cleansing drainage systems.
14. 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 even allowing for central government grants specifically for schools related damage.

15. Other funding sources include the European Union Solidarity Fund (EUSF) but as with the Bellwin scheme it does not cover insurable items.

ADULT AND COMMUNITY SERVICES DIRECTORATE

Directorate Summary as at 30th September 2007

	July 2007 Net over or (-) Underspending £000	September 2007 Net over or (-) Underspending £000
Adult Services	+3,788	+4,614
Strategic Housing	+71	+19
Community Services	+70	+40
Commissioning and Improvement	-30	-103
Total	<u>3,900</u>	<u>4,570</u>
Less: Needs analysis monies	0	500
Total	<u>3,900</u>	<u>4,070</u>

Adult Services

16. The projected outturn for Adult Social Care is an overspend of £4.07million on a budget of £44.49m. This represents 9.1%. These figures are based on updated information from August. Details of the major projected overspends are as follows:
- Learning Disabilities - £2.501million overspend
 - Older People – £0.030 million overspend
 - Physical Disabilities - £0.751 million overspend
 - Mental Health - £1.403 million overspend
 - Service Strategy - £0.018 million overspend
17. In line with national trends, the major budget pressure across all service groups within Adult Social Care is residential and nursing care placements and domiciliary care costs. Since 1st April there has been a net increase of 37 nursing and residential packages.
18. The movement between July and September is largely caused by increased projections for the block contract on older people and the net increase in social care packages in learning disabilities and mental health. In August there was a net increase of nine mental health placements, costing £213k in the current year. The movement in the projection for older people is significant as underspends in this area in 2006/07 helped offset overspends on mental health, learning and physical

disability services.

19. Invest to save monies covering older people and learning disabilities of £2.7m have been ring-fenced to address issues highlighted in the Needs Analysis completed in the autumn of 2006. As this funding will be underspent at the year end, £500k has been used to fund specific short term packages, pending redesign of service provision. Once these packages have ceased, the funding will not be used for further residential care but will revert to its original purpose of supporting the operational change agenda.
20. Considerable effort is being made to bring expenditure back in line with budget, but the directorate indicates changing the model of service delivery will take time. An Adult and Community Services Transformation Programme Board is involved in a range of projects designed to change the way in which services are provided. This centres on moving away from residential care towards more cost effective community based solutions. In addition to focusing on reducing costs, income generation schemes including 'fairer charging' are being implemented and a more stringent assessment process introduced. Supporting People funding has been agreed in principle to identify cases where such funding would be appropriate. A review of all existing clients is being carried out to ensure that income from the PCT is optimised and the appropriate level of care provided.

Strategic Housing

21. The projected outturn for Strategic Housing has reduced to £19k to reflect lower than anticipated payments for out of hours service, use of grant funding (previously earmarked for the provision of debt-related advice) and delayed recruitment to a strategy post. The shortage of affordable accommodation remains a key pressure and there is some risk that bed and breakfast costs may rise later in the year.

Community Services

22. The projected overspend has been reduced to £40k as a result of a review to address the financial position. The figures assume that the base budget will be adjusted for the effect of Hereford City Council's notcontributing towards parks and countryside services (£138k).

Commissioning & Improvement

23. This area is expected to underspend by £103k because of delayed recruitment following a restructuring and economies derived from carrying out a data review exercise in-house rather than using external resources.

Efficiency Savings

24. All the Adult Services efficiency savings have been allocated out to client groups.
25. The Community Services efficiency savings were all implemented into the base budget at the start of the year and the required savings are being achieved on an on-going basis.

CHILDREN AND YOUNG PEOPLE'S DIRECTORATE

Directorate Summary as at 30th September 2007

	July 2007 Net over or (-) underspending £000	September 2007 Net over or (-) Underspending £000
Directorate Central Budgets	-142	-85
Children's Social Care/Safeguarding and Assessment Services	+918	+878
Total	+776	+783

26. The projected position as at the end of September is an overspend of £783k on a budget of £23.211m. This represents 3.4% 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 some extent the lack of compensating savings in other central directorate budgets.

Dedicated Schools Grant (DSG)

27. 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.
28. In the previous financial year DSG underspent by £223k and this was carried forward to the current year. Additionally £416k extra DSG has been received in 2007/08 from government due to extra pupils and DSG is now expected to underspend in total by £211k. This is offset by a projected overspend of £441k on Nursery Education Funding to private, voluntary and independent providers arising from an additional week's payment in this financial year (+2.7%) and a temporary rise in numbers (+3.5%). This is offset by a possible underspend in the out county placements budgets of £328k although one additional placement could reduce this underspend. Schools Forum has considered and agreed an additional distribution to schools of £139k. DSG is ring fenced to be spent on schools and specific services to schools and any under or over spend must be carried forward.

Directorate Central Budgets

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

Children's Social Care/ Safeguarding and Assessment Services

30. The Safeguarding and Assessment budgets are projected to overspend by £878K in total largely due to the full year effect of the increase in the number of external agency placements (£529k) and increased fostering placements (£313k). External agency placements rose from 24 in April 06 to 37 in July 07, however there has been a small reduction to 35 at the end of September. Fostering placements rose from 102 in April 07 to 105 in June before reducing to 103 at the end of September. The Council has a statutory responsibility to meet the needs of individual children. As each new external placement typically costs in excess of £150k per annum, there will be a continuing cost pressure in 2008/09 unless placements can be reduced.

Summary

31. Overall, the Children and Young People's budget is expected to overspend by £776k. This will continue to be monitored closely throughout the rest of the financial year and steps are being taken to reduce the projected overspend.
32. Redundancy commitments will not be known under February/March 2008 when schools consider their detailed budget plans however the budget was overspent by £285k last year. Continuing pressures arising from falling pupil rolls in schools mean an overspend of a similar order may occur in 2007/08.
33. School Transport route reviews continue to deliver savings with £166k projected this financial year. In addition one off savings of £166k in School Improvement arising from the transfer from academic year funding through standards fund to the LAA which is on a financial year also provide a contribution.

Efficiency Savings

34. 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.

CORPORATE AND CUSTOMER SERVICES DIRECTORATE

Directorate Summary as at 30 September 2007

	July 2007 Net over or (-) underspend £000	September 2007 Net over or (-) underspend £000
Herefordshire Partnership	0	0
Communications	0	0
Director and Administration	0	0
Emergency Planning	0	0
Legal and Democratic Services	100	100
Info. By Phone	200	100
Policy & Performance	0	0
Information Services	0	0
Corporate ICT Projects	-200	-427
ICT Trading Account	600	217
Corporate Programmes	240	205
Community Network Costs	0	1,100
Total	940	1,345

35. The overall projected overspend of £1.345m on the £7.91m budget represents 17%.
36. Recent work on the ICT Trading Account has identified further savings through the removal of a number of vacant posts, posts being combined and a number of external contractors having their contracts ended. Income assumptions have been revised to reflect staff and contractors supporting the existing SAP system being recharged to the Herefordshire Connects programme where appropriate. The revised position for ICT assumes that all existing contractual commitments for software and other operating costs have been identified.
37. A zero-based budget approach has allocated costs only to those areas with planned and contractual expenditure (such as Knowledge and Web Management), resulting in budget flexibility of almost £600k being identified within this total. Of this total £160k has been earmarked for the one-off purchase of the LANdesk system. This was identified as part of the ICT strategy and is essential for the on-going operation of ICT services across the council. The balance of the £600k will be used to mitigate overspends in Corporate Programmes and ICT.

38. This approach leaves little revenue contingency for hardware replacement should faults occur so a more planned, long-term approach to hardware replenishment is being developed and will need to reflect “whole life” cycle costs.
39. Further work on the Corporate Programmes budget has identified additional savings and where appropriate the re-allocation of SAP support staff to Herefordshire Connects has reduced the cost of this overhead. The Director and Corporate Programme Manager are working on a new model for delivery of the service.
40. Work continues on phase 2 of the Customer Services project. A requirement is that pro rata budget is transferred over from Directorates as customer-facing responsibilities are migrated to the project. There are still a number of staff vacancies, however an overspend in this financial year is currently forecast due to delays in the implementation of the Info by Phone capital scheme.
41. The final outturn position for Customer Services in 2007/08 will depend on the timescale for migrating services and transferring budgets from directorates. Customer Services has until the end of 2008/09 to gather £500k of customer-facing functions from directorates. The Medium Term Financial Plan (MTFMS) is based on the original and agreed profile for migrating services.
42. Legal and Democratic Services has a shortfall in staff budget within Members Services. Over a full year this is in the region of £100k but the service is currently carrying vacancies which will reduce the shortfall. Members Services operating costs continue to rise to support the increasing level of activity in terms of meetings. The Legal Services budget includes some unachievable income targets, however the projected overspend is likely to come down as work on establishing robust SLAs is developed. As part of the 2008/09 budget setting process the Directorate will need to “cover” the income target.
43. As indicated in the previous IPR the Community Network Upgrade (CNU) was unfunded in 2007/08. This expenditure on this project affecting the whole authority is now included in the projections. The review of budgets has established that the CNU has an annual revenue cost of £1.6m. However, work is in progress to challenge elements of the contract in order to reduce the cost. However, £500k of the revenue cost will be funded from the Standards Fund within Children’s Services but the remainder is still unfunded and represents a significant projected overspend. Assumptions around savings in the old network to offset the cost have yet to be realised because of delays in decommissioning some buildings and connecting to the network. The cost of the CNU is included in the draft MTFMS for 2008/09 onwards.

ENVIRONMENT DIRECTORATE**Directorate Summary as at 30th September 2007**

	July 2007 Net over or (-) underspending £000	Sept 2007 Net over or (-) underspending £000
Environmental Health and Trading Standards	-500	-600
Planning	0	143
Highways and Transportation	0	100
Directorate Management & Support	0	0
Total	-500	-357

44. The projected underspend of £357k on a £24.74m budget is 1.4% of the overall budget.

Environmental Health and Trading Standards

45. The current projected underspend of £600k 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 against the contract will need to be earmarked for reserves to meet future waste management pressures.

Planning

46. There is likely to be an overspend in relation to IT SLA charges in Planning of £100k. In the previous year, on a one-off basis, this pressure was met by Planning Delivery Grant however there is no capacity to do this in the current year.
47. There is also an additional projected overspend of £43k in relation to a revenue contribution to capital for the purchase of land at Belmont.
48. Although planning fee income is on target for the Period to 30th September 2007, current forecasts based on income patterns in the previous two years, which take seasonal fluctuations into account, indicate a potential shortfall of income of £30-60k for the year. As fee income levels are difficult to predict, income will be closely monitored.

Highways & Transportation

49. Concessionary travel is expected to overspend by £100k. This projection is based on inflationary increases during the year on fares of 10% and an increase in use of 5%. This assessment is based on increases already seen so far this year.

Efficiency Savings

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

RESOURCES DIRECTORATE**Directorate Summary as at 30th September 2007**

	July 2007 Net over or (-) underspending £000	September 2007 Net over or (-) underspending £000
Central Services	-158	-120
Asset Mgmt & Property Services	0	0
Audit Services, Benefit and Exchequer Services and Financial Services	-120	-60
Total	-278	-180

51. Under the Resources Directorate the various Central Services budgets are shown. These have a budget of £3.419m and are underspending by £120k (3.5%). The £60k underspend on Resources Directorate budgets represents 1.5% of the £6.227m budget.

Corporate Budgets

52. A net underspending of £120k is expected on Corporate budgets due to the anticipated savings on corporate subscriptions, insurance, audit commission fees and Environment Agency levies.

Asset Management & Property Services

53. At this stage of the year there is an estimated break even financial position for the Division.

Audit Services, Benefit and Exchequer Services and Financial Services

54. There is a projected underspend of £60k, with savings from rent rebates. The overall position includes an assessment of the likely need to use agency staff until key vacancies have been filled.

Efficiency Savings

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

HUMAN RESOURCES**Directorate Summary as at 30th September 2007**

	July 2007 Net over or (-) underspending £000	September 2007 Net over or (-) underspending £000
Total	0	0

Human Resources

56. At this stage of the year there is an estimated break even on the £1.401m budget.

Efficiency Savings

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

2007/08 CAPITAL PROGRAMME BUDGET MONITORING

Summary

1. The capital programme forecast for 2007/08 as at 30th September totals £61,602,000, which is a decrease of £832,000 from the original capital programme forecast. The decrease represents a reduction in the North Hereford children's centre and Ledbury library capital schemes forecast spend for the year. A summary of the overall position is provided in table D1 with details of schemes with a revised forecast spend for the year exceeding £500,000 provided in table D3.
2. Spend to date represents 22% of the revised forecast partly explained by flood scheme works delaying other programmed capital works. 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.

2007/08 Original Prudential Borrowing Allocation		£16,995,000
Add: Subsequent Allocation		£90,000
Add: Slippage from 2006/07		£16,288,000
Less: Slippage into future years	(£15,667,000)	
No longer required	(£1,078,000)	
Funded by available SCE(R)	(£125,000)	(£16,870,000)
Forecast use of Prudential Borrowing in 2007/08		<u>£16,503,000</u>

Capital Receipts Reserves Position as at 30th September 2007

4. The capital receipts reserve currently totals £22,426,000, which will be used to fund £9,791,000 of expected capital expenditure in 2007/08. The remaining balance will be used to fund future years' capital programme including affordable housing, Rotherwas Futures and the cattle market project.

CHILDREN AND YOUNG PEOPLE'S DIRECTORATE

5. The North Hereford Children's Centre funding has partly been carried forward into 2008/09 (£500,000); the grant funding has also been carried forward.

CORPORATE AND CUSTOMER SERVICES DIRECTORATE

6. Prudential borrowing previously identified as required to fund network enhancement costs has been removed because capital work was completed in September. The prudential borrowing allocation (£691,000) has been returned to the corporate pot.
7. Herefordshire Connects forecast represents the allocations in the revised financial model but this is subject to further revision as the project progresses.

ENVIRONMENT DIRECTORATE

8. Included in this year's projection is an expenditure forecast of £7,372,000 towards the cost of the Rotherwas Access Road. This is being funded through AWM grant (£5,000,000), LTP funding allocation (£500,000), with the balance being funded through a combination of prudential borrowing (£876,000) and capital receipts from land sales prior to investment (£996,000).

9. Other increases from the original forecast to date represent the Hereford flood defence works funded through a S106 contribution and an increase in LTP funding allocation of £338,000.

ADULT AND COMMUNITY SERVICES DIRECTORATE

10. Ledbury library failed to attract lottery funding for the original project to develop the Ledbury Youth centre as a combined library/info/youth centre. The associated prudential borrowing funding allocation of £375,000 has therefore been removed. A bid for locating the library into the Master's House is expected. Under current financial rules the £375,000 cannot be transferred to another project hence its removal.

TABLE D1

FUNDING OF REVISED 2007/08 CAPITAL PROGRAMME

Capital Programme Area	2007/08 Revised Forecast 30/09/07	SCE(R)	Prudential Borrowing	Grant	Revenue Contribution	Capital Receipts Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Children & Young People's Services	11,485	2,163	2,275	4,052	-	2,995
Resources	1,856	-	265	1,541	-	50
Corporate and Customer Services	8,997	-	8,997	-	-	-
Environment Services	28,931	7,582	3,461	15,914	54	1,921
Adult and Community Services	10,333	218	1,505	3,784	-	4,826
Total Revised Forecast	61,602	9,963	16,503	25,291	54	9,791
<i>July Forecast</i>	<i>62,433</i>	<i>9,963</i>	<i>15,926</i>	<i>25,781</i>	<i>54</i>	<i>10,709</i>
<i>Change from July</i>	<i>(831)</i>	<i>-</i>	<i>577</i>	<i>(490)</i>	<i>-</i>	<i>(918)</i>

<u>Reported to date</u>						
<i>Original Budget</i>	<i>65,462</i>	<i>9,963</i>	<i>28,256</i>	<i>18,358</i>	<i>170</i>	<i>8,715</i>
<i>July 2007 Forecast</i>	<i>62,433</i>	<i>9,963</i>	<i>15,926</i>	<i>25,781</i>	<i>54</i>	<i>10,709</i>
<i>Sept 2007 Forecast</i>	<i>61,602</i>	<i>9,963</i>	<i>16,503</i>	<i>25,291</i>	<i>54</i>	<i>9,791</i>

TABLE D2

CAPITAL EXPENDITURE BY PROGRAMME AREA

	Outturn	Original Budget	Revised 2007/08 Forecast as at 30/09/07	Actual spend at 30/09/07	Actual spend as a % of the revised forecast	Committed Spend as a % of the revised forecast
Programme area	2006/07	2007/08	2007/08	2007/08	2007/08	2007/08
	£'000	£'000	£'000	£'000	%	%
Children & Young People's Services	9,008	11,420	11,485	3,129	22%	27%
Resources	2,369	2,334	1,856	285	15%	12%
Corporate & Customer Services	2,584	20,406	8,997	468	5%	5%
Environment Services	13,197	19,206	28,931	7,008	24%	98%
Adult & Community Services	12,567	12,096	10,333	2,499	24%	35%
Total	39,725	65,462	61,602	13,389	22%	30%

TABLE D3

Schemes with a forecast spend exceeding £500k in 2007-08

Scheme Detail By Directorate	Original 2007/08 Forecast	Revised 2007/08 Forecast as at 31/07/07	Revised 2007/08 Forecast as at 30/09/07	Comments
<i>Children & Young People's Services</i>				
Sutton Primary Replacement School	2,144	2,144	2,144	Scheme running six weeks behind schedule however no funding issues reported to date
Riverside Amalgamation	4,540	4,540	4,540	Scheme in progress
<i>Resources</i>				
Property Purchase	-	1,389	1,389	Grant funded purchase under Edgar St Grid development
<i>Corporate & Customer Services</i>				
Herefordshire Connects	6,674	6,674	8,419	Scheme still in development stages
<i>Environment Services</i>				
Rotherwas Access Road	500	7,372	7,372	Scheme in progress
Crematorium	2,000	2,158	2,158	Contract has not been placed
Road Maintenance	4,979	5,417	5,417	Schemes in progress
Hereford Flood Defences	-	2,306	2,306	Pending completion of legal agreement
Footways	1,065	1,065	1,065	Schemes in progress
Park & Ride Permanent Site Dev.	700	500	500	Discussions on going re location
Ross on Wye Flood Alleviation	5,000	5,000	5,000	Scheme in progress
Assessment Strength of Bridges	700	700	700	Programme of works underway
<i>Adult & Community Services</i>				
Cattle Market	1,650	1,150	1,150	In design phase
Affordable Housing Grants	3,500	2,000	2,000	Programme of works awaiting approval
Friar St Museum and Resource Centre	1,323	1,364	1,364	Expected to complete shortly
Rotherwas Futures Est. Dev. Work	-	900	900	Scheme to be funding by anticipated receipts
Disabled Facilities Grant	525	712	712	82% of the budget committed
Aylestone Hill Park	96	507	507	Scheme complete
Total	35,396	45,898	48,543	
Schemes less than £500,000	30,066	16,535	13,059	
Total	65,462	62,433	61,602	

Managing Risk - Corporate Risks



Stage One		Assessment of Risk (Assume NO controls in place) using risk matrix			Assessment of Residual Risk (With control Measures implemented)			Stage Three			
Identified Risk Area	Risk Reference Number	Impact (Severity)	Likelihood (Probability)	Priority Rating	Responsible Directors	Impact (Severity)	Likelihood (Probability)	Residual Priority Rating	Action Description	Action Owner	Target Date
Ensuring the Council secures the completion of the formal engagement with the DCSF 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 prevalent in Adult Social Care, Children's Social Care and ICT & Customer Service.	CR2	4	4	High	ALL/SR	4	3	High	1. Budget management plan for A&CS agreed.	GH	
									2. Budget management plan for C&YP agreed.	SM	
									3. ICT base budget issues being examined by DC&CS with support from Financial Services.	J&EJ	
									4. Robust challenge of monthly budget monitoring reports from Directorates by Financial Services.	DP	Ongoing
									4. Robust challenge of Directorate budget management plans for the future through the Performance Improvement Cycle process.	DP	Complete
									5. Medium Term Financial Strategy being reviewed	DP	Dec-07
Failure to maintain CPA "3 star" rating and move from improving adequately to improving strongly	CR4	4	3	High	ALL/NP	3	3	High	a) continue to respond positively to all corporate audits e.g. performance indicators and data quality, b) develop and implement robust improvement plans where audit results are poor c) Prepare for ARM meeting, d) Develop a good direction of travel self assessment, e) getting agreement for a standard approach prior to all future audits/inspections, f) redirect PIMs to the areas that need most support, g) Herefordshire connects provides corporate performance management solution - interim solution to be investigated.	a) TF b) relevant H&S Director c) GH d) TG e) TG f) TG g) Herefordshire Connects Board/TG	c) September 07 d-g) October 07
					SR				Use of Resources self assessment for 2007 prepared by Audit Services/Financial Services	SR	Done
					NP/JJ				Action plans resulting from internal audit reviews implemented to agreed timescales	ALL	Ongoing

Managing Risk - Corporate Risks



Stage One		Assessment of Risk (Assume NO controls in place) using risk matrix				Assessment of Residual Risk (With control Measures Implemented)				Stage Three		
Identified Risk Area	Risk Reference Number	Impact (Severity)	Likelihood (Probability)	Priority Rating	Potential Mitigation Strategy Summary	Responsible Directors	Impact (Severity)	Likelihood (Probability)	Residual Priority Rating	Action Description	Action Owner	Target Date
The inability to provide critical services due to the failure of the ICT networks	CR5	3	4	High	Substantial capital investment has been made in ICT network and disaster recovery arrangements. Extensive ICT specific service continuity plans have been developed and are exercised. 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. The Council is reviewing the Community Network Contract with Siemens to ensure it provides value for money.	ALLNP	3	3	High			
Corporate Capacity to deliver a range of changes the Council has embarked upon.	CR7	4	3	High	Programme Management, Clear Leadership and Senior Management Restructuring. Capacity issues identified within CPA inspection and were part of Improvement Plan. A minimum of 20% of corporate director time will be spent on corporate issues. Discussed by CMB as part of 2007/08 PIC and adjustments proposed for the budget. New CMB/ SMT joint working has also been launched.	NP	4	2	Medium			
Achievement of LPSA2 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 initiatives in services.	CR8	3	3	High	Herefordshire 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 reviewed every 2 months, in line with the Council's performance management arrangements, enabling proactive management through this management group.	JEJ	3	2	Medium	a) redistribution of some LPSA2 funding undertaken (b) Challenge meetings held with all LPSA2 lead officers	JW/TG	a) BCG convened in August, thereafter meeting at least monthly (b) HCPB convened and meeting monthly
Delivery of Local Area Agreement	CR9	3	2	Medium	Financial and performance management process in place and working. Herefordshire Partnership Performance Management Group (PMG) to monitor PIs and LAA Single Pot and agree detailed actions.	JJ	3	2	Medium	a) PMG in place (b) Action undertaken on basis of performance reviews	JW	Ongoing - PMG to meet at least 6 times/year
Failure to recruit and retain staff where there are national skills shortages and including the impact of Job Evaluation. Ensuring consistent treatment of Equal Pay Claims.	CR11	3	3	High	Succession planning as part of management development provision	ALLDJ	2	2	Low			
					Utilise SRDs / implement career development posts and conclude job evaluation. 94% SRDs completed by the end of May. HR to support Directorates deliver to identified training needs, to work to investor in People standard.							
					Focused recruitment activity to support identified shortages e.g. Social Work (Children's) and more recently difficulties in recruiting to Asset Management & Property Services posts, plus development of a workforce plan, and work to implement national data sets. Actions to address ICT shortages are in place, and progressing in Building Control.					Looking at traineeships in building control, overseas recruitment for social workers. Council's establishment to be reviewed quarterly.	Amanda Atfield	Mar-08
					Promote professional development support through training agreements and payment of professional fees. Develop secondment opportunities internally and with partners. Implement Market Forces Supplement. Improving leadership and management through revised management development provision.							
					Implement software to review new pay structure to ensure that it is equally proofed.							
					Pride in Herefordshire approach to be implemented.					Awards ceremony arranged	David Johnson	Sep-07
Lack of development in the Adults Workforce Strategy					Adult Strategy being developed first phase focusing on Learning Disabilities	GH				Initial focus on learning disability	DJ	

Managing Risk - Corporate Risks



Managing Risk - Corporate Risks												
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Potential Mitigation Strategy Summary	Responsible Directors	Assessment of Residual Risk (With control Measures Implemented)			Action Description	Action Owner	Target Date
		Impact (Severity)	Likelihood (Probability)	Priority Rating			Impact (Severity)	Likelihood (Probability)	Residual Priority Rating			
		3	2	Medium			3	2	Medium			
Lack of development in the Children's Workforce Strategy				Children's draft workforce strategy agreed in principle and implementation plans being developed	SM					Action plans lead officer in place	Shaun McLurg	Sep-07
Approach to Diversity. Risk of not achieving level and not improving Standard	CR12	3	2	Medium	JJ	3	2	Medium	a) increased/improved training provision focussed on critical services. B) improved service planning guidance and adherence to this. c) corporate focus in contracts and consultation requirements. D) external assessment during 2007/08	a) CT b)TG/ail HoS c) CT / DH / MHR d) CT		a) from June 2007 b) October 07 - March 08 c) July 07 - March 08 d) March 08
Failure of Accommodation Strategy.	CR13	4	4	High	SR	3	2	Medium	An Accommodation Strategy Group has been established to review future options for the new Council to consider in Autumn 2007. The Accommodation Board & project team have temporarily been stood down. Key risks to meeting the timetable are lack of accurate establishment data and outcomes from the Work smart project.		SR	Dec-07
Review of Accommodation Strategy.				An emerging risk is the move towards flexible working. An initial observation/data analysis study has been commissioned to identify potential flexible working solutions.	DJ/JH	3	3	High				
Timetable for the establishment of a Public Services Trust for Herefordshire	CR15	3	2	Medium	NP	3	2	Medium	A Project Manager appointed. Steering group and work streams established.			
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	MH	4	2	Medium	"Ongoing commitment from Herefordshire and Worcestershire (H&W) 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).		MH	
									The H&W 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 MWM identifying and introducing a new sub-contractor will need to be monitored to ensure early warning can be given of likely imescalates for the negotiations and implementation of a varied contract. Because of the imescalates 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. In addition the two authorities are now also negotiating a contract to secure capacity at an Energy from Waste Plant to ensure we collectively meet our diversion targets.			
									The Contracts are both "out of County", and are designed to deliver the minimum quantity of waste to meet or LATS target and to minimise the amount of waste being transported out of the Counties. In addition further work is being undertaken to secure appropriate diversion technology to secure the longer term viability of the Contract.			
Reduction in the Use of Resources overall assessment	CR17	4	2	Medium	SR	3	4	High	Adverse opinion on Value for Money in Annual Governance letter, due to the financial governance issues in ICT & Customer Services highlighted in the Section 151 Officer report dated 20.09.07. will impact on the 2007 Use of Resources score for Internal Control and Value for Money.		ALL	Ongoing
Benefits CPA Score 2007	CR18	2	2	Low	SR	2	1	Low	The BFI Performance Measures have been monitored closely. We are on track to regain a 3 score based on 2006/07 performance.		SR	Completed for 2007

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	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	
The inability of the Council to provide critical services and an effective emergency response due to non-IT related failures. (Loss of accommodation, staff or resources)	CR19	4	3	High	Service continuity plans are in place to mitigate the effects of major incidents on the delivery of essential services. A monthly review of Service Impact assessments and continuity plans ensures the plans meet the changing requirements of the Council. Annual update 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 and environment following an emergency. Bi-annual exercising of the Emergency Response Team. Annual exercising of emergency response plans.	ALL/NP	2	2	Low	A major review of service continuity plans to be undertaken in 07/08 to ensure compliance with BS 25993.	ALL	Ongoing
CRB process not carried out to an appropriate and reliable level	CR27	4	3	High	Officers agreed areas of concern and an action plan to be drawn up to redress the issues as quickly as possible.	SM	4	2	Medium	Action plan to be developed that will address the 7 areas of concern as raised by the Director of C&YP. Appropriate financial support to be allocated so that the recommendations of the plan can be actioned speedily and readily. Report to Members.	SM	
Deliverable benefits from Herefordshire Connects not realised	CR28	4	3	High	The MTFs highlights the investment and expected savings in the short and long term whilst minimising service cuts to balance the budget. Benefit realisation framework in place and being managed through Benefits and Commercial Group (BCG), JFG and Programme Board. Following a report from the Councils Section 151 officer dated 20.09.07 the programme is on hold pending an independent investigation into the irregularities within ICT division.	JEU	3	3	High	a) BCG in place and meeting regularly, benefits envisaged to be assessed at each meeting; (b) Programme Board receive regular exception reports; c) Actual investment and savings monitored against the MTFs.	a) DP b) AK c) DP	Monthly, next review December 2007
Signed: _____		Position: _____										
Date: _____												
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.										

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	Assessment of Residual Risk (With control Measures Implemented)														
		Impact (Severity)	Likelihood (Probability)		Priority Rating	Responsible Directors	Impact (Severity)	Likelihood (Probability)	Residual Priority Rating										
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% chance of occurrence.																	

INDEPENDENT REVIEW OF ICT AND THE COUNCIL'S FINANCIAL AND CONTRACTUAL ARRANGEMENTS

PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY & FINANCE

CABINET

15TH NOVEMBER 2007

Wards Affected

County-wide

Purpose

The purpose of this report is to outline to Cabinet the content and to consider the outcomes and recommendations of the Independent Review into ICT Services carried out by Mr Ian Crookall, who was nominated by the Chief Executive of the Local Government Association.

Key Decision

This is not a Key Decision

Recommendations

- THAT (a) the Independent Review report is accepted and the recommendations endorsed; and**
- (b) the action plan in response to the Independent Review report be endorsed as set out in Appendix 2;**

Reasons

The Cabinet at its meeting of the 20th September 2007 received the Special Investigation Report dated 20th September 2007 from the Director of Resources in respect of the Financial Governance in ICT and Customer Services. The Cabinet resolved to commission an independent review to be carried out by a person nominated by the Local Government Association and for the Head of Legal and Democratic Services to agree the Terms of Reference together with the Leader of the Council.

Considerations

1. Mr Ian Crookall, previously Chief Executive of Buckinghamshire County Council, was nominated by the Local Government Association and he agreed his Terms of Reference with the Head of Legal and Democratic Services which were finalised on the 15th October 2007 with the Leader of the Council and the Chair of Audit and Corporate Governance Committee
2. The Terms of Reference allowed for Mr Crookall to review and request any additional support to carry out the independent review. Mr Crookall was supported

during part of the review by a former Section 151 Officer in relation to some aspects of the review as well as officers of the Council

3. The Report is attached at Appendix 1.

Financial Considerations

The full cost of the independent review is likely to be in the region of £10,000.00

There will be ongoing costs in respect of the recommendations from the report in commissioning further work from other providers and additional reports from officers as set out in the action plan at Appendix 2.

Risk Management

There are legal and probity risks for the Council in not endorsing the recommendations of the review report. If the Council does not have robust and workable processes in place to support officers and members then future contractual arrangements will be called into doubt and may be subject to legal challenge.

Alternative Options

Not to accept the recommendations of the review report is an option but would place the Council at significant risk as set out above.

There is no alternative option but to accept and endorse the review report.

Appendices

Appendix 1 Independent review report of Mr Ian Crookall dated 9th November 2007.

Appendix 2 Action Plan responding to the recommendations set out in the review report.

Background Papers

None identified

**INDEPENDENT REVIEW OF
HEREFORDSHIRE COUNCIL'S ICT FINANCIAL AND
CONTRACTUAL GOVERNANCE ARRANGEMENTS**

Ian Crookall

9th November 2007

Preface

This report attempts to give an overview of events which have taken place from 2003 to date as the Council has updated its Information and Communication Technology (ICT). The areas I have been asked to cover are extensive;

1. The events cover a period of some 4 years.
2. Specialist areas such as technological procurement and the financing of major projects have been considered.
3. This report gives a broad overview describing and placing important events in context focussing on key issues but not neglecting important detail.
4. Where appropriate individual behaviour and conduct has been assessed and evaluated.

I have been working to a tight timescale to deliver an early report.

In particular, I have acted both as an external reviewer and through the eyes of someone with considerable experience in and knowledge of local government management and culture. I have attempted to ignore the benefits of hindsight and concentrated on viewing events as they were at the time through the experience of those involved.

I have not attempted to re-write or repeat previous reports. I have drawn on them and the notes which have been taken of my interviews with those closely involved. I have presented events and data in a slightly different way to try to make events clearer for those who read this report and undertaken some further research and analysis to understand some complex issues

My report is in four parts. The first part sets the scene and describes the events which have taken place. The second section addresses directly and specifically each of the issues which I have been asked to consider. The third section contains some suggestions as to the way forward for the Council, and the final section is an executive summary with a schedule which summarises my conclusions.

This report addresses disciplinary and personnel issues which are exempt business. I have addressed these issues, but I have included them in a supplementary report to preserve confidentiality in view of the Council's duty of care to past and present employees, and to protect the Council's legal position.

I am indebted to all those whom I have interviewed for their co-operation in what for them has been a very difficult time. I am also grateful and wish to place on record my appreciation to many officers of the Council who have sought out papers for me and who have assisted me to understand the issues.

I hope that the report will provide the means whereby Herefordshire Council can resolve issues of accountability and responsibility and be able to move the Council forward in the knowledge that the recommendations I make will provide a realistic foundation on which to avoid future difficulties of this nature.

I have been greatly assisted by the advice of Mr Martin Shefferd, a former Section 151 Officer, in respect of financial best practice. Needless to say the responsibility for the analysis and opinions set out in this report are mine.

Part 1 - Introduction, Context and History of Events

1. The issues which I have been asked to consider relate to a period of nearly four years. They relate to contractual, managerial and financial matters so I think it is helpful to give a brief overview of events.

2. In 2002/3 the Council recognised that its Information and Communications (ICT) infrastructure required significant improvement. There was a wide range of issues which caused concern and they can be summarised as follows:
 - a) Poor service delivery to the departments of the Council
 - b) Separate IT networks and sections within the Council
 - c) Poor security and back up arrangements with a high level of risk
 - d) A period of interim management and temporary contracts
 - e) Skills shortages amongst ICT staff
 - f) Low morale amongst staff
 - g) A lack of vision as to future role of ICT in delivering improved services
 - h) High cost of service when benchmarked with a view to making financial savings

3. In August 2003, following a recruitment process involving external consultants, a Head of ICT (later designated Head of Information, Technology and Customer Services) was appointed, accountable managerially to the Director of Policy & Community (now Director of Corporate & Customer services). The new appointee's experience had been with ICT companies and she had no previous experience in Local Government.

4. The Head of ICT embarked on a programme of change. The ICT management team was revamped, clients were more effectively engaged, programmes of training and staff development focussed on the ICT business needs were introduced, and disaster recovery and security of data were improved.

5. As part of this process, the ICT unit entered into eleven major contracts with external ICT suppliers and many individual contractors, some on a long-term

basis, were employed to implement new systems. The issues with which this report is concerned relate primarily to two major contracts which are:

- a) The contract for a back office system (BOP) for the ICT department at an approved cost of £464k
- b) A Council wide contract for a voice and data network system at an evaluated cost of £5.94 million known as the Community Network Upgrade (CNU).

FINANCIAL AND CONTRACTUAL ARRANGEMENTS

6. It may be helpful to set out briefly the main rules which the Council has adopted when entering into contractual commitments with financial consequences. It is the responsibility of Directors to operate within the approved budget and inform the Director of Resources if there are likely to be significant changes impacting on the Council's finances. In particular, any report for a capital project shall contain specific details about its cost and impact. All projects in excess of £250K must be reported to and approved by the relevant Cabinet Member and projects in excess of £500K must be approved by Cabinet.
7. The process for awarding contracts has two objectives, namely:
 - (a) to secure the best possible value for money; and
 - (b) to show that the procurement is demonstrably free from impropriety.
8. Each Director is authorised and required to manage their Directorate's contracting arrangements. The approved Contracting Code of Practice envisages a Tender Invitation Panel to conduct the tendering exercise; a Tender Opening Panel whose purpose is self-explanatory; and a Tender Evaluation Panel to bring appropriate expertise and experience to bear in deciding which tender to accept. The Code deals with such matters as not accepting the lowest tenderer and the need to maintain records, which is the responsibility of the Contracts Monitoring Officer in each Directorate. The Council aims to use a specific methodology (PRINCE 2) for managing projects.

9. The Code of Practice also provides for the appointment of a corporate Contracts Panel, on which each Directorate is represented and which is expected to report annually to the Directors on the operation of the Code of Practice and maintain a procedures exception register in which variations from the Code are reported. These requirements, supplemented by any further guidance, provide the framework for letting contracts.

THE BACK OFFICE PROJECT (BOP)

10. The Head of ICT proposed the acquisition of a system which would improve the management of the division. The project was designed to focus on better performance information such as the speed of response to Help Desk queries, improved knowledge of ICT assets like desktops, better procurement of goods, managing employee issues such as training, and being the Division's financial information system. This is known as the Back Office Project (BOP).
11. The project started in summer 2004. An external evaluator was appointed; a project definition and business case was prepared which envisaged expenditure of £500K to be funded by ICT Service efficiencies; an invitation to tender and statutory advertisements were issued; the Information Policy Group, (responsible for assessing and evaluating ICT proposals), was informed and agreed the proposal, although with some concerns; two compliant tenders were received; the Head of ICT registered previous employment with both potential contractors; and a process of assessment scoring and evaluation took place.
12. On 23rd December 2004, in a memorandum to the Cabinet Member for Human Resources and Corporate Support Services (now Cabinet Member, Corporate & Customer Services and Human Resources), the Chief Executive and the Director of Policy & Community recommended that a contract be awarded at a cost of £464K over five years. The Head of ICT referred to the fact that the system could displace existing Council-wide systems over time. She also repeated her earlier statement that she had been previously employed by the preferred contractor.

13. The Cabinet Member, following a discussion with the Director, approved the proposal and the contract was signed immediately. The system was due to begin implementation in 2005 and it appeared from contemporaneous reports that the project in ICT was likely to be used as a pilot with a view to assessing whether the extended use of the system could be applied more widely within the Council.
14. The system was reported as being successfully implemented in August 2005 with specific examples of improved performance being identified. A project report in December 2005 set out the areas of achievement and issues still to be addressed, identifying the cost at £860K plus hardware costs.
15. The BOP system managed the ICT Division's financial information and it was a critical requirement that there should be successful integration with the Council's main financial system managed by the then County Treasurer. The Audit Services Manager assessed the interface between the two systems in July 2005 and advised that the specifications and procedures were available to transfer data and recommended a number of steps to make sure that this was done.
16. There have been ongoing problems in seeking to ensure the compatibility of the two financial systems. These have been the issues:
 - a) In October 2006 the Audit Services Manager reported that the BOP system was considered unsatisfactory because no budgets had been set, payment control was inadequate and the reconciliation between the central system and the BOP was poor.
 - b) Considerable resources, both in terms of external consultancy advice and from the accountancy staff within the Resources Directorate have been focused on achieving compatibility and accuracy for the two systems.
 - c) There is no accurate information of the exact cost involved in implementation but it is substantially more than the initial reported cost of the system (£464k).

17. However in August 2007 the interface is considered to be generally satisfactory, although a fresh assessment is planned.

THE AWARD OF THE CONTRACT FOR THE COMMUNITY NETWORK UPGRADE (CNU)

18. The Council recognised in 2003 that significant investment in its ICT infrastructure was needed. The aim was to upgrade the corporate electronic voice and data network, reduce risk by providing better business continuity and disaster recovery and improve corporate document management. These steps were designed to underpin better access to services by users, leading to improved customer satisfaction. A total cost of £7.65M over four years was identified and the Council made initial provisions in its budget for 2004/5.

19. The contracting process was commenced in the summer/autumn 2004 with a project team being established, led by Head of ICT. Legal and audit representatives were involved. A specialist ICT external evaluator was appointed to provide advice on procurement. Statutory notices were issued; expressions of interest were invited; a shortlist from which tenders were invited was created and an evaluation took place. Following discussions with the external evaluator and internal audit, three tenderers went forward for final evaluation. There was a detailed evaluation exercise scoring all three tenders and a contractor was recommended as the preferred contractor for further negotiation by both the internal evaluation team and by the external evaluator at an evaluated cost of £5.94M. The external evaluator expressed concerns about the clarity of the Council's intentions and this is referred to in more detail in the next section of this report.

20. A report was made to the then Chief Executive's Management Team on the 1st March 2005, with a schedule of funding requirements, a presentation was made to the Leader's Briefing on 3rd March 2005 and further financial data was presented to the County Treasurer on the 13th March 2005 by the Head of ICT. Two reports were approved at the Cabinet Meeting on the 24th March 2005, one seeking approval to the proposed direction for the new network and

the second by the County Treasurer seeking approval to a further £500K being provided for the ICT network. The contract was signed on 31st March 2005.

21. The project was started and a report in August 2005 reported that there had been:

- a) Significant planning.
- b) A challenging programme of change with clearly defined targets.
- c) Implementation was supported by the experience of the contractor.
- d) The system was substantially implemented.

22. However, one of the features of both the BOP and CNU projects is that there have been substantial costs incurred for consultancy advice and assistance. In some cases this has been by engaging individual contractors on long-term placements into the ICT division. They have been regarded as the equivalent to employees but are not on the payroll of the Council; they are remunerated as contractors. Some of the costs have been substantial and there are personnel issues arising from this form of engagement. Many of the costs of these contractors have not been allocated specifically to the implementation of either of the two main contracts so it has proved difficult to assess the cost of implementation of each contract. There is a current audit report in preparation on the use of contractors in these circumstances and the process by which they are engaged.

THE SCRUTINY OF ICT SERVICES

23. The Strategic Monitoring Committee commissioned a scrutiny review of ICT services. A wide range of staff, service users and external representatives were interviewed to contribute to this review. The Committee reported in November 2006. The Committee reported favourably on the network strategy and progress that had been made in reducing security incidents. The Council was pursuing ISO standards, disaster recovery had improved, staff were knowledgeable and competent and improvement in performance was occurring. In particular, benchmark data commissioned from independent consultants suggested value for money was being obtained. There were

however causes of concern about services to schools, the clarity of the costs and the level of service which ICT provided to other Directorates.

24. The financial data supporting the review demonstrated the considerable investment which had been made in ICT. Between 2004/5 and 2005/6 capital expenditure had increased from £10.79M to £13.45M and the expenditure on the ICT trading account had increased from £4.85M to £6.75M. This latter increase in expenditure may have been a contributory factor to the £849K deficit on the trading account.

THE HEAD OF INFORMATION, TECHNOLOGY & CUSTOMER SERVICES (ITCS)

25. The Head of ITCS was employed from the 26th August 2003 until the 31st July 2007. She was appointed following a recruitment exercise undertaken by an external recruitment consultant. The Head of ICT had considerable private sector experience in implementing ICT systems. She reported to the Director of Policy & Community.

26. The Head of ITCS led the process of addressing the Council's ICT weaknesses. She led the contracting processes in relation to both the BOP and CNU projects.

27. In June 2006, the Chief Executive decided to second the Head of ITCS into the role of Change Manager in relation to the Herefordshire Connects Programme. The Chief Executive set out the purpose of this secondment in a letter to the Head of ITCS in which he highlighted the purpose of and approach to be taken to developing the change management initiative. He copied that letter to the Director of Corporate & Customer Services indicating that the latter would continue to have managerial responsibility, although some aspects of the reporting lines were acknowledged to be ambiguous.

28. Shortly after the start of the secondment, as a result of external advice, the Chief Executive decided to remove her from the role of Change Manager,

reverting to her former role of Head of ITCS. I set out more details of this in the confidential section of my report.

THE SPECIAL REPORT BY THE DIRECTOR OF RESOURCES (SECTION 151 OFFICER)

29. The Cabinet received a special report by the Director of Resources in her capacity as Section 151 Officer on the 20th September 2007 in relation to financial governance issues in ICT and Customer Services which had given cause for concern for some time. The Section 151 Officer has specific responsibility to provide for the proper financial administration of the Council and has been given extensive powers by the Council to obtain documents and to investigate issues of concern.

30. The concerns can be summarised as follows:

- (a) the difficulty encountered in transferring a service based accountant within the ICT Division to the Resources Directorate in line with a senior management decision
- (b) an overspend on the ICT trading account for the year 2005/6 of £849K
- (c) the difficulty in establishing a correct financial position for the ICT Division for the year 2005/6
- (d) payments which had been treated as capital items which were revenue expenditure, necessitating adjustments to the Council's accounts before they could be approved by the external auditor
- (e) concerns about the BOP system and the use being made of external contractors where documentary evidence of compliance with Council procedures was missing or proving difficult to obtain
- (f) concerns about how the advice from the external evaluator had been applied in the CN contract evaluation.

31. The Director of Resources drew attention to the implications for the Council; it was likely to affect the Audit Commission's view about the Council's use of resources and had implications for the reputation of the Council. An Action

Plan attached to the report has been agreed by both the Corporate Management Board and the Cabinet.

32. The brief which has been given to me is set out in the Terms of Reference at Appendix A which were finalised by the Council's Monitoring Officer in consultation with me. I have taken the advice of the Monitoring Officer on the manner in which this report is presented, to take account of legal issues which may affect the council or individuals. In normal circumstances the Chief Executive would report on these matters directly to the Council. However, in view of the fact that these matters relate to the Corporate & Customer Services Directorate, of which his wife is the Director, the Chief Executive and the Leader considered that it was appropriate for an externally appointed person to provide advice to the Council. I was requested by the Chief Executive of the Local Government Association to undertake that role and the next section of my report sets out my findings and advice in relation to the matters which I have been asked to consider.

Part 2 Response to each Term of Reference of the Review

33. In this section of the report, I propose to address each of the Terms of Reference. Before doing so, it may be helpful to understand what happened if I describe some features of how the Council appears to work and which are significant in the events which have occurred. These features are:

- a) **Culture and Values** – Members and officers placed trust in each other and had confidence in what was being done – it led to a consensual style of working which limits the degree of challenge.
- b) **Procedures and Protocols** – The Council has an impressive range of procedures which are not followed by everyone, partly because they are not easily accessible or understandable. There appears to be little or no sanction for those who do not comply. This is reflected by the approach to performance management.
- c) **Organisation** – A high level of freedom and responsibility is given to Directors and this is reflected in central/corporate services being devolved and reactive rather than influential and pro-active, especially when issues which presented risks to the Council are concerned.
- d) **Communication** – These events have demonstrated that robust and open debate about important issues has not occurred leading to inappropriate channels of communication being adopted.

34. These factors can lead to a situation where poor performance in not following accepted standards was permitted because individual officers who may have had reservations did not challenge colleagues. These observations may help to create an understanding of some of the events which have occurred.

35. I propose to deal with each Term of Reference in turn.

36.(i) To examine the evidential base on which the conclusions set out in the Section 151 Officer's report are based to enable the Council to reach a conclusion as to what, if any, further action needs to be taken in relation to the report beyond the remedial steps contained in the reports

themselves, which steps have been endorsed by the Corporate Management Board and set out any additional remedial action, if any, or additional recommendations for consideration by the Corporate Management Board and/or the Cabinet.

37. I have examined the evidence on which the Section 151 Officer's report was based and there is clear and sufficient evidence to indicate significant problems in the financial and contractual management within ICT. Some of these related to organisational and managerial issues such as the transfer of the service based accountant, which had already been effected. At the time of the Section 151 report, significant steps had been taken to address these issues and the Director of Corporate & Customer Services had already facilitated the necessary changes. The most significant concern relates to contract management and budgeting, where there were serious shortcomings.

38. A special report from the Section 151 Officer is reserved for the most serious breaches of financial governance where the Section 151 Officer considers that remedial action will not be forthcoming without this step. In my discussions with the Section 151 Officer, she clearly believes that, in her professional opinion, the seriousness of the issues and the response she believed would be forthcoming from within the Council were such that it was the necessary and only step which she decided upon after the most careful consideration. There were significant risks relating to the confidential nature of a compromise agreement, and implications for the reputation of the Council.

39. I discussed with the Leader and the Chief Executive their response to the concerns which the Section 151 Officer had expressed. Both indicated to me that they were always open to addressing these issues without the need for the issue of a Section 151 special report. The Chief Executive reminded me that he had previously reorganised the senior management structure to raise the status and profile of the Section 151 Officer because of his desire and support for a more corporate approach to financial management

40. It was clear to me that there was a breakdown of communication in that the Section 151 Officer was not sufficiently assured that the necessary steps would be taken. If there had been a better working relationship between senior officers and members, an alternative approach could have achieved real progress in addressing concerns. The officers whom I have interviewed have stated that there are significant signs of improvement since early April 2007. This was a time when it was clearly possible to direct resources at addressing the financial issues in ICT by both the Director of Resources and the Director of Corporate & Customer Services.

41. I make these comments to set out the context in which a Section 151 Officer special report is issued.

42. The report contains an action plan including twenty-one recommendations. If they are fully implemented and bought into effect by the Council as a whole and acted on, then they will address and provide a robust platform for the future. In particular they will provide assurance to members for the future.

43. However I have identified a number of further steps which the Council may wish to consider. The Section 151 Officer's report has focussed on financial and contractual/procurement issues. However there are other important corporate resources, principally people, property and information, where in the past the focus has been on Directorate management of this resource. My view is that, like financial resources, these resources should be managed more corporately within a council wide strategy and to professional standards, whilst retaining service flexibility to meet local circumstances. These are my additional recommendations for you to consider:

Actions for Consideration	Rationale
1. Consider bringing all corporate resources, including ICT and HR, together within a single Directorate.	Enable the key resources of people, property, finance and information to be managed in a more integrated and consistent manner.
2. Establish a consistent strategic approach to the management and	Facilitate a more corporate approach to the use of these resources; also potential

Actions for Consideration	Rationale
deployment of corporate resources so that common standards are applied throughout the Council.	for efficiencies provided prompt access to advice for front line staff from dedicated staff aware of service needs.
3. Strengthen the role and improve the performance of the Information Policy Group by revitalising its membership with pro-active participants. (Consider making the chair a Director not the line manager of ICT).	IPG should act as the key forum for all ICT investment to ensure it is consistent with the Council's policies and rigorously appraised.
4. Enhance the Audit ICT capacity.	Given the Council's ICT programme, demands on specialist ICT audit skills could stretch existing resources.
5. Develop the role of the Audit and Corporate Governance Committee by further training for members and officers.	It is important that the members of this committee have the skills to appreciate and discharge their important responsibilities. This Committee is an essential part of the checks and balances on the member and officer functions; important markers and trends need to be picked up, especially when repeated concerns are reported.
6. Ensure that all corporate rules, standards and processes are embedded, owned and followed by members and officers throughout the organisation, having first made sure that they are workable.	They need to be widely communicated, accessible and regularly refreshed. Senior managers need to address non-compliance immediately.
7. Develop senior management team-building with the new Chief Executive giving priority to rebuilding the senior management teams.	To develop further open, trusting and corporate working and leadership.
8. Create a better resourced and more pro-active procurement function which might both anticipate important developments and encourage better compliance with the revised contract regulations.	The Council spends a significant proportion of its budget on external contracts and arrangements and these require specialist input from users and technical staff, and as a minimum to include finance and legal staff.

<p>9. To review whether the Service Level mechanisms are the appropriate way for managing corporate resources.</p>	<p>The ICT experience suggests that SLA's did not improve services or control cost. Having different mechanisms for ICT spending meant that there was lack of clarity and transparency in budgeting and in using resources.</p>
<p>10. The Council to revive and refresh the performance management process so that it is effective in highlighting issues to be addressed.</p>	<p>The financial/contracting problems in ICT were not highlighted in normal performance management processes</p>

44. Many of these proposals will require to be viewed in the light of the management approach which the new Chief Executive will bring to the Council

45. (ii) To examine both historically and currently the management capacity to exercise the necessary supervision of contracting processes and, if there is historic evidence which could provide a basis for disciplinary action, to set that out in the report for the Council to consider

46. The management of the Contractual Process need not be too complex. The existing Contract and Financial Standing Orders whilst complex, if implemented and developed, form a framework for Directors to use. There is a requirement to appoint a Contract Monitoring Officer for each Directorate, and they should report to the Director regularly on the contracts which are being let. Directors are also able to specify in what circumstances matters need to be referred to them for approval – for example a Director might wish to approve any contract above a certain figure. Directors can further manage the contracting process by their responsibility to appoint the Tender Invitation Panels and Tender Evaluation Panels.

47. The Contract Standing Orders also provide that there should be a Corporate Contracts Panel which maintains registers of contracts and details when exceptions are permitted e.g. when a tender is accepted other than the lowest or a contract is let without quotations or tenders in the special circumstances permitted. The duty of the Contracts Panel to report annually to the Corporate

Management Board is a means whereby the Board can obtain performance information on which it can act.

48. The evidence suggests that the Contracts Panel has not met for a long time, does not maintain its registers and it is unclear who are the Contract Monitoring Officers. If these arrangements had been in place and operative, they provide a vetting process involving others so that appropriate checks and balances are incorporated into the contracting process. However there is now an opportunity to refresh the system. The recently appointed Strategic Procurement and Efficiency Review Manager and the Head of Legal and Democratic Services, with the support of the Audit Services Manager, might implement a means of recording and monitoring all contractual arrangements, including those about to be entered into. This would enable the Council to identify those areas where high levels of risk are involved so that a project team of appropriate disciplines could be involved. It will also enable patterns of spending and opportunities for better value for money to be identified.

49. My terms of reference ask me to comment on whether there is historic evidence which could provide a basis for disciplinary action. I have considered these matters in the confidential part of my report as they refer to specific individuals. I do consider that there are issues where senior managers of the Council could have acted to exercise a greater degree of control over events. I suggest a course of action which might lead to a disciplinary investigation.

50.(iii) To examine the corporate support, advice and direction offered to Directors, in particular financial and audit support, and legal and contractual support received. To examine in particular the support offered in relation to those matters identified in terms (iv) and (v) below

51. The process for approving ICT projects required:

- a) A business case for a particular project to be presented to the IPG panel for approval. This is a corporate officer group with representatives from Directorates led by the Director of Corporate & Community Services.
- b) Budget approval being obtained by provision being agreed to that item by the Budget panels and then in the Council budget. Any Capital provision was approved by the Cabinet following an officer report about the annual capital programme
- c) Specific approval for projects by the Cabinet member, the Cabinet or a Director depending on the level of cost

52. Financial, legal and audit advice and support were always available to Directors on request. Legal staff issued statutory notices and assisted with contractual provisions; audit staff were consulted on who to include in the final list of tenderers; and audit and legal staff are recorded as being members of the project board for the CNU contract. However corporate support appeared to be dependant on being invited to give it and on being informed.

53. There are circumstances in which officers representing corporate/central services such as finance, personnel and legal have to make it clear to service colleagues that actions need to be undertaken in a particular way or not taken at all. For example, I would expect legal staff to require that the drafting and vetting of major contracts with high levels of expenditure should be undertaken by them; I would expect the County Treasurer's representative at evaluation meetings to state that when a critical financial information system is being installed, there was a requirement that accountancy and audit staff should be involved in its purchase and implementation. The adequacy of the financial content of reports is a subject on which the County Treasurer might insist on certain specific information being set out in order to satisfy himself that the Council's regulations had been complied with so that both he and members have a clear understanding of the spending profile.

54. In the case of both the County Treasurer and the County Secretary & Solicitor, they were not Directors, but were members of the CXMT; perhaps they and their staff did not consider that they had the status, influence or capacity to

express sufficiently and robustly some of the concerns which they clearly had at the time.

55. However there is clear evidence that in a number of matters key corporate areas, staff were excluded or prevented from exercising their role, in some cases by officers who did not feel empowered to respond to their legitimate requests.

56.(iv) To examine the strength the external moderation of contracts and in particular the contracts highlighted in the S151 Officers Special Investigation Report

57. For both contracts, the Head of ITCS employed experienced external moderators whose task was to provide validation of the procurement process and assist in the process of evaluating tenders. This was most important for an ICT acquisition where technical and performance evaluation was critical. I have focussed my assessment on the CNU contract where a specialist firm from Manchester was appointed in November 2004. They made a formal offer setting out their terms and what they would do.

58. The nominated external moderator assisted in setting up the process of evaluation and the method of scoring each proposal. The Council accepted many of his suggestions. As the list of suitable potential tenderers was refined the external moderator drew attention to four key features which he believed needed to figure in the negotiations which were to take place with the final three preferred tenderers. They related to preparing a financial model to test the proposed contract, a detailed implementation plan, a service level agreement about ongoing management and a careful check on the terms of the contract, especially in relation to exit strategies if the contract were to be ended for whatever reason.

59. By late February 2005, it was clear who the Council regarded as the preferred tenderer. The external moderator compared the services which each of the three final tenderers offered and agreed that further negotiations should be

entered into with the Council's preferred supplier. The moderator stated that the Council could take the preferred supplier forward under an accelerated negotiated procurement but re-emphasised the essential need for the negotiations to secure an agreement about the issues previously highlighted. The Council was recommended to be clear with the successful tenderer about its requirements for a managed service, the scope and boundaries of the service, (i.e. who does what), the services to be supplied, and how a managed service might operate. The main reason for these recommendations was to enable the Council to negotiate and clarify these issues whilst there was still a competitive environment i.e. the preferred tenderer did not know whether it would be successful.

60. A particular issue arose with the external moderator following a meeting on the 7th March 2005. He wrote a letter suggesting the postponement of the procurement exercise and that a meeting, including legal advisers, should take place to clarify precisely the Council's intentions and pointing out that the level of risk would not usually be considered acceptable. Some notes setting out concerns were attached to the letter.

61. This elicited a reply signed by an officer reporting to the Head of ITCS dealing specifically with the issues raised on a point by point basis, but containing a statement to the effect that the payment of invoices was being withheld pending the clarification of the matters which had been raised. A meeting held on 18th March 2005 led to the external moderator retracting the letter in full, although repeating his belief that key contractual clarifications were required.

62. I have reviewed the correspondence and the comments made by the auditor. My conclusion is that the external moderator made a professional contribution to the procurement process. This is evidenced in his advice. The fact that he expressed reservations in a manner which led to a critical and challenging response suggests that the firm was prepared to express its view clearly and robustly. The retraction of the letter related to client issues about budgetary and legal matters; but the external moderator repeated his view about the essential need to address the issues which he had previously raised and this remained

on the record for future reference. In my view it is unlikely that a professional firm would risk its reputation, even if the withholding of fees was raised. The issue which is most regrettable is that the concerns set out in the letter appear not to have been raised with or referred to either legal or financial staff within the Council. This would appear to be the obvious course of action, rather than a response which dismissed the concerns.

63. (v) To examine the formal decision making in relation to those contracts and the extent of the information made available to the relevant Cabinet Member.

64. There is concern that the reports which authorised the two acquisitions were inadequate. The Council requires reports about capital projects to contain:

- a) The estimated cost of the proposal.
- b) The phasing of capital expenditure.
- c) The proposed method of financing.
- d) The effect on the revenue estimates in subsequent years.
- e) Any additional staffing requirements.
- f) An assessment of the need for the scheme and its benefits.
- g) Alternative approaches to meeting the need.

65. The BOP was approved by the relevant Cabinet Member following a meeting with the Director of Policy & Community at which the proposal was described as having “greater functionality of more corporate value”. The meeting was informed by the memorandum, rather than a formal report, to the Cabinet Member, Chief Executive and Director outlining the benefits in terms of support for ICT services. The cost was stated to be £464k over a 5 year period based on use for ICT services only. The price was described as competitive since discounts were offered.

66. However, it was also clear from the tender that further potential implementation costs of up to £900k, or maybe less, was envisaged and as later events proved, the cost of implementation and reconciliation was substantial, and substantially exceeded the stated cost.

67. Because the cost of the project was substantial, in my view there is a greater onus on officers to provide justification for their proposals. I would expect a full report with a clear statement identifying how the project was to be financed, the potential cost in later years and the alternatives which might be available. This was missing. In my view the manner of obtaining approval was deficient.

68. The CNU was a substantial commitment involving expenditure in excess of £6m over a period of years. It is not clear from the documents exactly what the cost was. Initial provision had been made in the capital programme for 2004/5 and details of commitments for future years were outlined. By February 2005 the preferred supplier had been identified. A briefing of the Cabinet Member took place on 23rd February 2005, a Leader's Briefing note set out the issues for the 3rd March 2005, but without costings. Internal correspondence at the time identifies a revenue shortfall in 2005/6 and 2006/7 with a need for additional capital funds in later years. The Head of ITCS on 13th March 2005 gave a detailed breakdown of projected costs to the County Treasurer and on the 24th March 2005, two reports were presented to the Cabinet. One was a four page report and schedule from the Director of Policy & Community seeking approval as follows: "investment highlighted in the ongoing budget deliberations be considered for approval". This was, in practice, a commitment to entering into a contract for substantial expenditure. The second report was from the County Treasurer, seeking approval to allocate a further £500k in 2005/6 to the ongoing revenue costs required to support the investment in ICT.

69. I have reviewed the report to assess the adequacy of the information available to the Cabinet. The report itself contains no costings although there is a schedule attached to the report, setting out "Funding Requirements". I have endeavoured to place this schedule in context with the Council's previous allocations for ICT upgrades. I have not been able to reconcile the figures.

70. In summary, important information is omitted; at the very least, I would expect to see the overall contract price specified and alternative approaches more clearly spelt out, especially as there was a substantially lower tender. The reasons for

accepting a higher tender might have been spelt out, although they are recorded elsewhere. The nature of the recommendation could be much clearer in stating precisely that a contract for expenditure amounting to over £6million over several years was being authorised.

71. However it is clear that the number of discussions which had taken place, together with the accompanying report of the County Treasurer, would have reassured members that, even though the report was unclear, adequate financial provision had been made. Whilst the main responsibility for providing appropriate information falls upon professional officers, there is an onus on members to challenge officers about reports that do not provide all the necessary information to support the decision they are being asked to make. Key decisions are a matter public record and accountability. Members should be able to demonstrate that they have made a reasonable decision based on adequate information. I make some further recommendations about this later in my report; however members are not experts in technical fields such as this and I am satisfied that they relied on officer advice.

72. Therefore the report on which this commitment was entered into was not satisfactory.

73. (vi) To examine the wider support to the formal decision-making processes offered through Corporate Management Board (previously Chief Executive's Management Team) and the Information Policy Group (IPG).

74. I will deal firstly with the IPG. The group was chaired by the Director of Policy and Community and had representatives of Directorates on it. Its terms of reference were revised from time to time and its task was to assess projects and decide whether they should be undertaken, to identify risks and opportunities and to provide an oversight of proposed ICT developments, subject to the responsibility of the Head of ITCS for professional management of the service. The Chief Executive informed me that he relied on the IPG to assess and approve projects because of their specialist and technical nature.

75. The discussion on the BOP contract highlighted some of the problems faced by the group, namely late notification and inadequate information. There were clearly reservations about the project and the possible conflict with other Council wide systems, a concern which was justified by later events. However the group authorised the project to proceed.
76. The IPG was also a forum where information could be considered on ICT proposals. Members of the IPG group could report to their Directors on areas of concern, which they may have, about any developments. Given the critical nature of ICT systems which handled financial and personnel information, the representatives might have been able to alert their senior officers to concerns which they had about activity which could adversely affect corporate systems. Whether any members of the IPG did this is not clear but there is no evidence of any impact.
77. A group of this nature is important, provided it operates effectively. There is no problem about the need for such a group; the issue is how it operates and in particular how it evaluates and decides on proposals.
78. I have read the minutes and deliberations of the CXMT (now the CMB). It appears that the meetings addressed the usual range of corporate issues such as the revenue and capital budgets, the Corporate Assessment process, Performance Management systems and service impact as well as corporate issues such as ICT, property and Human Resource issues. The agenda and actions are about coordinating and informing. As a result of discussions, the Chief Executive or Board Members would work with elected members to raise matters for decision.
79. As a result of my interviews, it does appear that the CMB worked reasonably well from its formation in September 2005. It has recently changed its membership and a further change is soon to take place with the appointment of a new Chief Executive. At some point about six to eight months ago, it seems that CMB ceased to be effective and it has been described by some of its

members and observers as “fractured” or “dysfunctional”. There have been disagreements about “Herefordshire Connects” and it seems that some of these have not been resolved. It is clear to me that elected members have not been receiving consistent advice. This has led to the trust and confidence of some board members in their colleagues breaking down and inappropriate conversations taking place outside proper channels.

80. At present it would appear that Directors are concentrating on delivering the agenda in their own service area. This means that the broader implications for the council as a whole are not always recognised. That is not likely to lead to the consistent corporate leadership which is required of a Council in the 21st century. There is a pressing need for the Corporate Management Board to support the Cabinet and Council, to model the behaviour which sets the style and values for the Council and to lead the Paid Service. I make some specific suggestions about how the new Chief Executive might re-build the Corporate Management Board so that it can set the vision and priorities for the Council.

81. (vii) To advise on the merits of seeking to establish whether value for money has been obtained in respect of the contracts referred to and how this might best be achieved

82. I will deal with each of the contracts in turn. The BOP system is well respected and used by many Councils on an authority wide basis. It undoubtedly significantly improved the management information for the ICT division in a number of areas, such as procurement and the management of ICT staff.

83. However the BOP system duplicates other Council systems and required a great deal of effort to reconcile the differences. Its cost (probably around £1.4 million) is high for a small division. I do consider that the acquisition of this system was not a cost effective use of resources, mainly because it duplicated existing systems. It seems likely that there was a long term intention to utilise this system Council-wide, but this was never realized nor was the concept subjected to corporate analysis and agreement.

84. The CNU system is different. The benefits have been substantial and are well documented. Whilst there may have been some deficiencies in the process of acquisition, there appears to have been extensive evaluation utilising external moderation. It was neither the cheapest nor the most expensive option of the tenders which were evaluated. The supplier is a major and respected provider of ICT services in the public sector and during the scrutiny review of ICT in October 2006, an external evaluation by HEDRA made favourable comments about the progress which ICT has made, although there were still some challenges to be addressed.

85. However, the question that arises in relation to value for money focuses on the following issues:

- a) It is not clear whether the invitation to tender (and later the contract) was sufficiently explicit about the respective responsibilities of the Council and the contractor in view of the external moderator's comments – and thus were substantial extra costs levied?
- b) The level of external consultancy costs commissioned by ICT to assist in implementation.
- c) Unexpected events which have delayed implementation and caused delay and cost.
- d) The impact of changes in the financial profile as the contract is implemented.
- e) The fact that one tender was significantly lower than the successful tender.

86. It is not possible to say with any clarity whether the current provision represents value for money. However, there is a clear need to establish whether it is. The way forward for the Council is to carry out a benchmark exercise and to reference test the current provision. Such an exercise will specify what the Council is paying for and how much it costs compared to others. If this demonstrates poor performance or excessive cost, then the Council has the option to negotiate with the present contractor with a view to making changes in the contract, or if necessary, negotiating an exit strategy. This is an area where a fruitful dialogue with the Audit Commission, working with the Council to

support an exercise of this nature, would provide a basis for future negotiation and reassurance about the level of cost.

Part 3 – Next Steps

87. My terms of reference invite me to make any further recommendations. I have outlined earlier in this report features which I believe have contributed to the current situation. I would like in this section to draw the threads of this report together into a sensible set of actions for you to take.

88. I have already set out some important features of the way the Council has worked, namely:

- a) A high level of freedom given to directors in such matters as the use of support services and managing contracts.
- b) Trust and confidence by members and amongst senior colleagues that officers will perform to a high level.
- c) A culture of consensus to achieve results with which all can agree.
- d) A reactive approach and style amongst corporate services such as Finance, Legal and Personnel.
- e) A strong policy and procedural base but one which is not fully followed or understood.
- f) A performance management system which is not universally applied or insisted upon.
- g) A lack of discipline in respecting and abiding by the Council's values.

89. Some of these features have served you well in the past, but others have not assisted when a different style of working has been brought to the Council. For example, because performance management is not fully embedded and Directorates operate with considerable freedom, there is not always the full awareness that is desirable when important decisions are being taken which affect the Council as a whole. This was compounded by a willingness at both member and officer level to trust a senior manager to perform to the standards which they would follow themselves.

90. However, these events provide an opportunity for the Council to address and change its approach for the future. Firstly, it is imperative for the Council to deal

with any issues of poor performance and to change any procedures to eliminate weaknesses as quickly as possible. Ongoing investigations and slowness to resolve outstanding concerns will be debilitating and unhelpful to the vast majority of staff whose sole purpose is to provide efficient services to their users. There is little value in constantly raking over the coals with no sense of where it is leading to.

91. If the Council proceeds with a piecemeal approach to tackle the issues arising from this experience, the Council will not have learnt or benefited to the fullest extent. The Council has made considerable progress since its formation 10 years ago. That progress was being maintained until the setback caused by recent events; the people of Herefordshire and the staff of the Council deserve to have strong leadership in order to meet the needs of the community into the future.

92. Members of the Council will need to provide strong leadership, especially from the executive and group leaders. The newly appointed Chief Executive and the members of the Corporate Management Board will need time to re-form and set the direction and priorities for the Council in the future. There are a number of ways in which the Council can regain the momentum at both member and officer level; I have set them out in the body of the report and would summarise them as follows, namely:

- (a) To take the steps set out in the Section 151 Officer's report and the additional recommendations contained in this report within 6 months to address any deficiencies and to conclude any outstanding matters.
- (b) To give clear and unequivocal support to the new Chief Executive at member and senior officer level so that he can assess what needs to be done now and for the future and put in hand a coordinated programme to do it.
- (c) To rebuild the corporate management board so that it can reflect on how it came to be fractured and dysfunctional and decide how best to become an integrated team which provides the leadership for and earns the

respect of the officers of Herefordshire Council so that the values to which Herefordshire aspires are reflected in its actions.

- (d) To re-establish the trust and confidence between members and officers and officers and officers based on a different approach which encourages appropriate challenge, resolves issues with a way forward which is supported by all and creates the discipline to follow through and abide by decisions which are taken.
- (e) To review and change if appropriate, the Council's procedures and protocols with a 12 month programme so that they are realistic and understood by all officers of the Council and then embed them. If some procedures are no longer relevant then they can be abandoned.
- (f) To create a robust performance management culture, underpinned by agreed procedures of what staff are expected to do and if they do not do them there is a discipline which holds them to account.
- (g) To request the new Chief Executive to review the role of the corporate resource provision, namely, finance, people, property, ICT and Legal & Democratic Services to decide how professional requirements and standards should be met, how standards should be maintained throughout the Council and how flexibility and immediate access by Directorates and front line staff can be available so that early decisions can be made for the benefit of service delivery.

93. However there is one further proposal which I would make. You are also a newly elected Council with a recent change in political control. Because of the political nature of the Council, you have a past history of good cross-party co-operation. These are new and different times for councillors; new members have taken Cabinet office; opposition members have a new role in challenging the Executive; the role in policy formulation and performance management for members is more significant; members are expected to provide strong leadership and to know how well the Council is performing.

94. There is a need for members to reflect on whether they have the support and skills which they need for the new agenda; it may be appropriate to commission further work on member support and development from one of the Local Government Association bodies.
95. Finally, it is important for the Council to bear in mind that these difficulties represent a problem in one part of the Council. It is important to maintain a sense of proportion and not to allow events in one division of one Directorate, however serious, to be reflective of a situation throughout the Council. My perception is that the Council is performing well in most of its activities, although this is not consistent. A measured co-ordinated and thoughtful response, without over-reaction, is the appropriate way forward e.g. changing the rules without any buy in will merely replicate the situation of three years ago.
96. The work which was undertaken in modernising the voice and data networks was essential and recognised as such by the Council if it was to achieve its aspiration of being an efficient and responsive modern authority. That drive to modernise, to become more efficient and to change working practices to align with best practice nationally, is not an agenda which you should avoid. When problems arise such as those you have encountered, it is easy to back away from actions which carry inherent risk. The Council would be wise not to become overly cautious by setting up stifling procedures which will inhibit innovation, or reduce the flexibility of Heads of Service, middle managers or front line staff from being able to make quick and effective decisions in line with approved policy. The task is to be risk aware, not risk averse. That is about people skills, not manuals of procedures which gather dust on shelves.
97. I hope this report will provide a foundation on which you are able to build. It is easy to forget in the concerns and reverberations which have led to this report that the task is to make sure that users of services receive an excellent quality response at an economic cost. For that to happen it will be important to re-establish the respect and reputation for your leading managers by demonstrating that you are able to move out of these difficulties strengthened by the way you have addressed them.

Ian Crookall

9 November 2007

Part 4 Executive Summary

I was commissioned to review the financial/contractual governance arrangements within the ICT division, particularly in relation to the entering into of contracts for a major Council wide computer system and system for supporting ICT management.

The report deals with a specific area of service and I saw no evidence that some of the problems described were generic to the Council.

These are my principal findings:-

- There was poor financial governance in ICT
- There were major deficiencies in the contracting process
- There was poor management of both organisational and individual performance
- There was a lack of challenge in relation to major proposals
- There was extensive delegation to Directorates when tighter controls in some corporate areas were needed
- The Council's procedures and policies are not embedded

The result was that there were inadequate checks and balance in place when a different style and approach was introduced into the Council. This led to a breakdown in communications and strained personal relationships.

My recommendations are:-

- Procedures and practices should be developed, and most importantly, embedded throughout the Council
- The Council should consider organisational changes in relation to corporate services and the way they are delivered
- An exercise should be undertaken to establish whether the community network contract represents value for money
- Support for Members' roles should be developed by an external facilitator
- There is an urgent need for the CMB to become more effective and fit for purpose.
- The new Chief Executive should be supported and given time to re-build the management teams, re-establish trust and confidence and deliver on these recommendations.

In addition, in the confidential report I have made a recommendation that a disciplinary investigation should be instigated in relation to the performance issues raised within the confidential report.

For ease of reference I attach a schedule which deals with each term of reference summarises the key findings and contains actions for consideration.

The most important consideration is for the Council to address promptly the immediate issues arising from this report. Slowness in resolving outstanding concerns will be

debilitating and unhelpful. A piecemeal approach without a sense of direction to where it is leading will not be productive. Then as quickly as possible all the Council should work with the new Chief Executive to make the Council at Senior Management level fit for purpose in order to re-establish the momentum to maintain and improve services for the people of Herefordshire

Ian Crookall

9 November 2007

	Term of Reference	Summary Key Findings	Actions for Consideration
i.	<p>To examine the evidential base on which the conclusions set out in the Section 151 Officer's report are based to enable the Council to reach a conclusion as to what, if any, further action needs to be taken in relation to the report beyond the remedial steps contained in the reports themselves, which steps have been endorsed by the Corporate Management Board and set out any remedial action, if any, or additional recommendations for consideration by the Corporate Management Board and/or the Cabinet.</p>	<ul style="list-style-type: none"> • There were serious shortcomings in the financial and contractual management that then existed within ICT. • There are signs of significant improvements being made in respect of these shortcomings since actions to address them began in April 2007. • There was a breakdown in communication resulting in the Section 151 Officer not feeling sufficiently assured that the necessary steps would be taken. • Important corporate resources need to be corporately managed within a council wide strategy, and to professional standards, whilst retaining service flexibility to meet local circumstances. 	<ul style="list-style-type: none"> a) Consider bringing together the key resources of people, property, finance and information into a single directorate. b) Enhance the Audit specialist ICT capacity. c) Develop the role of Audit & Corporate Governance Committee through further member training. d) Commission a report (from one of the local government bodies) on how elected members' support and development needs can be more adequately met. e) Ensure all corporate rules, standards and processes are embedded, owned and followed by members and officers throughout the organisation, having first made sure they are workable. f) Create a better resourced and more proactive procurement function which might both anticipate important developments and encourage better compliance with the revised contract regulations. g) Review whether the service level mechanisms are the appropriate way for managing corporate resources. h) Revive and refresh the performance management process so that it is effective in highlighting issues to be

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ii.	To examine both historically and currently the management capacity to exercise the necessary supervision of contracting processes and, if there is historic evidence which could provide a basis for disciplinary action, to set that out in the report for the Council to consider.	<ul style="list-style-type: none"> • The existing contract standing orders, if implemented after amendment, provide a framework for Directors to use. • There is evidence to suggest that the corporate checks and balances are not operational. • There is evidence to suggest some errors (of omission rather than commission) took place. 	<p>addressed.</p> <p>a) The Head of Legal & Democratic Services and the Strategic Procurement and Efficiency Review Manager review and refresh the system to ensure it is understood and adhered to, and a framework is in place to ensure appropriate disciplines are involved.</p> <p>b) The Head of Legal & Democratic Services, with the Interim Head of Human Resources institute a disciplinary investigation to address the performance issues to which reference is made in the confidential section of this report.</p>
iii.	To examine the corporate support, advice and direction offered to the Directors, in particular financial and audit support, and legal and contractual support received. To examine in particular the support offered in relation to those matters identified in paragraphs (iv) and (v) below.	<ul style="list-style-type: none"> • Corporate support appeared to be dependent on being invited to give it, and on being informed. • Concerns were not always expressed sufficiently and robustly. 	<p>a) Request the new Chief Executive to review the role of corporate resource provision to decide how professional standards and requirements should be met, how standards should be maintained throughout the Council, and how flexibility and immediate access by directorates and front line staff can be available so that early decisions can be made for the benefit of service delivery.</p> <p>b) Review and change, if appropriate, the Council's procedures and protocols</p>

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iv.	To examine the strength and independence of the external moderation of contracts and in particular the contracts highlighted in the S151 Officer's Special Investigation Report.	<p>CNU</p> <ul style="list-style-type: none"> • The external moderator for the CNU project made a professional contribution to the procurement process. • Advice in respect of the concerns raised by the external moderator did not appear to be sought from the relevant corporate support staff within the council. 	<p>within a 12 month programme so that they are realistic and understood by all officers of the Council, and then embed them. If some procedures are no longer relevant they can be abandoned.</p> <p>The value of external moderation is recognised and appropriate advice should be sought at all times.</p>
v.	To examine the formal decision making in relation to those contracts and the extent of the information made available to the relevant Cabinet Member.	<p>BOP</p> <ul style="list-style-type: none"> • The manner of obtaining approval was deficient. • Insufficient financial information was provided – in particular in respect of future financing and costs. • Insufficient assessment of alternative options was provided. 	See recommendation (ii) b above.

Term of Reference	Summary Key Findings	Actions for Consideration
	<p>CNU</p> <ul style="list-style-type: none"> • The report on which this commitment was entered into was not satisfactory. • Insufficient information was provided about costs and funding requirements. • Insufficient information on tender options appraisals was provided in the report, although the reasons for rejecting the lowest tender are recorded elsewhere. • Members would have been reassured by the number of discussions that had taken place and the accompanying report by the County Treasurer that adequate financial provision had been made. 	<p>Key decisions are a matter of public record and accountability. Members should be able to demonstrate that they have made a reasonable decision based on adequate information and if this is not forthcoming, to be empowered to ask for it, even if this means delay.</p>

	Term of Reference	Summary Key Findings	Actions for Consideration
vi.	To examine the wider support to the formal decision-making processes offered through the Corporate Management Board -previously Chief Executive's Management Team (CMB) and the Information Policy Group (IPG).	<p>CMB</p> <ul style="list-style-type: none"> • Worked reasonably well from formation in September 2005. • During the past year it has ceased to be effective. • Members have not been receiving consistent advice. • Trust and confidence between some CMB members has broken down. • Inappropriate conversations are taking place outside proper channels. • Directors are concentrating on delivering the agenda in their own service areas. 	<ul style="list-style-type: none"> a) Give clear and unequivocal support to the new Chief Executive at elected member and senior officer level, so that he can assess what needs to be done now and for the future, and put in hand a co-ordinated programme to do it. b) Develop senior management team-building with the new Chief Executive giving priority to rebuilding the senior management teams. c) Rebuild the CMB following reflection on how it came to be fractured and dysfunctional, and decide how best to become an integrated team which provides the leadership for and earns the respect of the officers of Herefordshire Council. d) Re-establish the trust and confidence between members and officers, and between officers and officers, based on a different approach which encourages appropriate challenge, resolves issues with a way forward that is supported by all, and creates the discipline to follow through and abide by decisions taken. e) Create a robust performance management culture underpinned by agreed procedures of what staff are expected to do; and if they do not do them there is a discipline which holds them to account. f) Ensure there is no over-reaction; that a sense of proportion is maintained and the Council becomes risk aware rather than risk averse.

	Term of Reference	Summary Key Findings	Actions for Consideration
		<p>IPG</p> <ul style="list-style-type: none"> • The role of the group is necessary. • There is an issue about how it operates and in particular how it evaluates and decides on proposals. 	<ul style="list-style-type: none"> a) Ensure IPG is chaired by a service Director. b) Review the membership of the IPG. c) Have clear guidelines for the evaluation and decision-making processes within the group.
vii.	<p>To advise on the merits of seeking to establish whether value for money has been obtained in respect of the contracts referred to and how this might best be achieved.</p>	<p>Back Office Project</p> <ul style="list-style-type: none"> • Duplication with other council systems • Degree of effort required to reconcile with other key systems • High cost for size of service area covered • Inadequate degree of corporate analysis re extension of utilisation across the Council • The BOP was not a cost effective use of resources. 	<p>To note the findings.</p>

	Term of Reference	Summary Key Findings	Actions for Consideration
		<p>Community Network Upgrade</p> <ul style="list-style-type: none"> • Substantial and well documented benefits. • External evaluation acknowledges progress made. • Some questions arise in relation to value for money namely: the clarity of the ITT and contract regarding respective responsibilities, the selection of a tender other than the lowest, external consultancy costs incurred for implementation, unexpected events and changes to requirements and the impact of changes in the financial profile. 	<p>The Council should establish whether current provision represents value for money. This should be achieved, in liaison with the Audit Commission, through the completion of a further benchmarking exercise and reference testing current provision.</p>

FINANCIAL GOVERNANCE REPORT TERMS OF REFERENCE FOR REVIEW REPORT AND ADVICE

These Terms of Reference are drawn up by the Monitoring Officer of Herefordshire Council to enable the Council to secure independent advice in relation to matters raised in a report issued by the Director of Resources as Section 151 Officer dated 13th September, 2007 and a Special Investigation Report dated 3rd September, 2007 (copies of both documents enclosed herewith).

The Council seeks advice on the following matters to enable the Council to move forward and to identify any potential areas of concern:

- (i) To examine the evidential base (report enclosed) on which the conclusions set out in the Section 151 Officer 's report are based to enable the Council to reach a conclusion as to what, if any, further action needs to be taken in relation to the report beyond the remedial steps contained in the reports themselves, which steps have been endorsed by the Corporate Management Board and set out any additional remedial action, if any, or additional recommendations for consideration by the Corporate Management Board and/or the Cabinet.
- (ii) To examine both historically and currently the management capacity to exercise the necessary supervision of contracting processes and, if there is historic evidence which would provide a basis for potential disciplinary action to set that out in the report for the Council to consider.
- (iii) To examine the corporate support, advice and direction offered to Directors, in particular financial and audit support, and legal and contractual support received. To examine In particular the support offered in relation to those matters identified in paragraphs (iv) and (v) below.
- (iv) To examine the strength and independence of the external moderation of contracts and in particular the contracts highlighted in the S151 Officers Special Investigation Report.
- (v) To examine the formal decision making in relation to those contracts and the extent of the information made available to the relevant Cabinet Member.
- (vi) To examine the wider support to the formal decision-making processes offered through Corporate Management Board (previously Chief Executive's Management Team) and the Information Policy Group (IPG).

- (vii) To advise on the merits of seeking to establish whether value for money has been obtained in respect of the contracts referred to and how this might best be achieved.

To that end you are asked within the scope of these Terms of Reference

- (a) To examine relevant documentary evidence held by the Council.
- (b) To interview relevant members of staff and Members of the Council.
- (c) To contact outside parties who advised on the processes as may be appropriate.

- (d) In consultation with the Head of Legal and Democratic Services and within financial limits to be agreed by the Head of Legal and Democratic Services to engage specialist finance or ICT expertise if that is required.

To review and keep under review the terms of reference and if any amendments or additions are required to refer to Head of Legal and Democratic Services and the Leader of the Council

Alan McLaughlin,
Head of Legal and Democratic Services

APPENDIX 2

It is essential that a short period of time is allowed for reflection on the cultural issues identified during the investigation to enable a shared understanding of those issues and to establish collective support for the way forward. This is particularly so given the recent appointment of the new Chief Executive. However it is also vital that prompt action is taken to address the immediate issues arising from the investigation report. The following action plan has been developed taking both of these requirements into consideration.

Action	Lead	By When
1. The disciplinary investigation by instituted.	Head of Legal & Democratic Services/Interim Head of Human Resources	Immediate
2. Member Development Policy Group be asked to give consideration to the suggested actions in respect of member training, support and development, and bring forward an action plan to Cabinet.	Head of Legal & Democratic Services	End February 2008
3. Consideration be given to the suggested actions in respect of: <ul style="list-style-type: none"> • The structure for management and effective deployment of the key corporate resources. • The development and team building of the senior management teams of the council. 	The new Chief Executive	End February 2008
4. Consideration be given to how best to re-establish trust and confidence between members and officers, and between officers and officers, based on an approach which encourages appropriate challenge, resolves issues with a way forward that is supported by all, and creates the discipline to follow through and abide by decisions taken.	The new Chief Executive	End January 2008
5. Consideration be given to the suggested actions in respect of: <ul style="list-style-type: none"> • The need for additional specialist audit ICT resource • Proposals for strengthening the strategic procurement function • Proposals for appropriate financing models for corporate services and bring forward an action plan to CMB.	Director of Resources	End February 2008

APPENDIX 2

	Action	Lead	By When
6.	The relevant professional officers (Monitoring Officer, Section 151 Officer, Interim Head of Human Resources) be asked to lead reviews of the Council's procedures and protocols, and the corporate rules, standards and processes to ensure they are fit for purpose, proportionate and workable. Review programmes to be reported to CMB.	The new Chief Executive	End December 2007
7.	Consideration be given to the suggested actions in respect of refreshing and embedding an effective performance management culture, and an action plan brought forward to CMB.	Interim Head of Human Resources	End February 2008
8.	CMB be asked to review the membership/chairmanship of the Information Policy Group (IPG).	The new Chief Executive	December 2007
9.	The refreshed IPG be asked to consider the suggested actions in respect of group governance arrangements and to report back on action taken to CMB.	The new Chief Executive	End February 2008
10.	Consideration be given to the suggested action in respect of establishing value for money in relation to the community network, and an action plan taken to CMB. (NB Action to progress a value for money study to be undertaken by SOCITM has now been agreed with the Director of Resources)	Interim Head of Information, Technology and Customer Services.	End November 2007
11.	Clear guidelines be established and embedded in respect of close personal line management relationships.	Interim Head of Human Resources	End December 2007
12.	Consideration be given to the suggested actions in relation to officer training and development needs, and an action plan be brought to CMB.	Interim Head of Human Resources	End February 2008