

MINUTES of the meeting of CABINET held at THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD on Thursday, 27 March 2008 at 2.00 p.m.

Present: Councillor RJ Phillips (Chairman)
Councillor (Vice Chairman)

Councillors: LO Barnett, AJM Blackshaw, H Bramer, JP French, JA Hyde and JG Jarvis

In attendance: Councillors PA Andrews, WU Attfield, ACR Chappell, GFM Dawe, PJ Edwards, JW Hope MBE, TM James, RI Matthews, SJ Robertson, J Stone, AM Toon and JD Woodward

45. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors WLS Bowen and DB Wilcox.

46. DECLARATIONS OF INTEREST

Councillor ACR Chappell declared a personal interest in Agenda Item 12 - Wyebriidge Academy - and remained in the meeting for the duration of this item.

47. MINUTES

RESOLVED: that the minutes of the meetings held on 21 February and 28 February 2008 be approved as a correct record and signed by the Chairman.

48. PERFORMANCE IMPROVEMENT FRAMEWORK AND CYCLE

Members considered the report of the Corporate Policy and Research Manager on the revised Council Performance Improvement Framework (PIF), and associated performance improvement cycle for the next two years. The PIF required updating to take account of changes in respect of:

- the intensive programme to assure data quality;
- tightening of performance management within the Herefordshire Partnership and the new Local Area Agreement (LAA);
- the emerging Public Service Trust (PST) arrangements.

He said that the PIF would continue to be refreshed over time as elements within it changed and developed, because it was imperative to keep it up-to-date. He drew Members' attention in particular to the following:

- The roles and responsibilities of members and officers in relation to the PIF (Pages 41-43 of the agenda refer);
- The Strategic Monitoring Committee (SMC) had welcomed the proposed PIF on 20 March 2008, and had been satisfied with its description of scrutiny's role at Paragraph 9.7 (Page 42 of the agenda);

- A two-year timetable for the performance improvement cycle (pages 55-56) had been proposed - in preference to the previous one-year cycle - to ensure that sufficient time was available to take into account significant developments in the public service arrangements, for a major public consultation with the public about future priorities, for the results of that and the new mandatory *Place Survey* to be reported, and for a full process of debate and challenge to take place before a fresh corporate plan was produced for 2010-13. In the meantime, the Corporate Plan 2008-11, which Council would be asked to approve in May 2008, would need to be refreshed in the light of developments over the coming year, to provide a sound basis for performance management in 2009-10.

Members made the following points:

- They welcomed the PIF as set out, commenting that it was very clear;
- The process would involve a significant culture change, and the process would need to be supported by evidence at every stage;
- In response to a question, in relation to Paragraph 4.2 on Page 33 of the agenda, the Chief Executive said that managers would be required to run systematic checks on the quality of the Staff Review and Development documentation for their areas, and members would be advised of the results of these;
- Members said that the most fundamental aspect of the PIF was to ensure that all of the proposed actions resulted in efficient and improving service delivery, and translated into benefits for the Council's customers. They thanked the Corporate Policy and Research Manager for providing such a detailed level of forward planning.

RESOLVED: that Cabinet approves:

- (i) **those elements of the updated Performance Improvement Framework at Appendix 1 of the report, which relate to Cabinet's own role and those of the Leader, lead Cabinet Members, and the scrutiny function; and**
- (ii) **the two-year performance improvement cycle at Appendix 2 of the report, including the public consultation in Autumn 2008, to inform future priorities, plans and budgets.**

49. PROPOSED CORPORATE PLAN 2008-11

Cabinet considered proposals for the Corporate Plan for 2008-11. The Corporate Policy and Research Manager said that some targets and actions were still being negotiated, including those in respect of the new LAA, which would be reflected in the Corporate Plan after it had been agreed with central Government in June 2008. This meant that the Plan was still provisional and would require updating before being submitted to Council for approval.

Some of the new mandatory national performance indicators had yet to be defined, while for some others baseline data did not currently exist. The Corporate Plan therefore took a precautionary approach to the selection of performance indicators by including a number that were tried and tested and would therefore provide a secure basis for in-year performance management.

Based on best practice in a number of high-performing authorities, the Plan differed from previous ones in that it consisted primarily of bullet points of achievements, commitments, key actions and targets, and had less contextual information.

Appendix E provided a timetable for the key actions, which would further buttress in-year performance management , while Appendix F gave the details of the measurable targets against performance indicators.

He asked members to bear in mind that all diagrams in the Plan were not in their final format, and were currently being improved by the Council's Graphic Designer.

The Plan set out the Council's top priorities. Affordable housing had been added to those in the current plan, as had an explicit reference to the pursuit of value for money and better outcomes for people through the development of public service arrangements..

From its meeting on 20 March 2008, the SMC had forwarded a list of 19 points to Cabinet for consideration. This was tabled at the meeting, and is appended to these minutes. Members made the following points in relation to the list:

- A member in attendance asked that the third bullet point, on Page 67 of the agenda: "to protect and improve the welfare of rural areas", be made one of the Council's top priorities. Because this had already been identified as a cross-cutting theme, this was not agreed;
- Point 1. The word "decent" had been proposed for inclusion to describe affordable housing. SMC had referred to existing housing stock as well as new housing, and the Committee had felt that it should remain as a target, no matter how unachievable it was likely to be. The Corporate Policy and Research Manager advised that "decent", in social housing terms, had a specific technical meaning, and asked Cabinet to be aware that, in the view of the Council's Head of Strategic Housing, changes to Government grant arrangements would severely compromise the Council's ability to meet the technical definition of "decent" for all housing in the county. Cabinet agreed that no change should be made to the plan at this stage but that the matter would be re-visited by Cabinet after central Government had concluded its current review of social housing policies, including the definition of decent housing.
- Point 4. The Corporate Policy and Research Manager said that the historic sections of the Plan were there to enable people to see at a glance what progress that Council had made, and he suggested that there was merit in retaining them. This was agreed.
- Point 6. The Corporate Policy and Research Manager explained that the Plan reflected the fact that the Council had withdrawn the schools review draft proposals, and this is why it had not been mentioned. The Leader agreed and reminded members that the Council's Small Schools Policy still applied..
- Point 7. The Chief Executive and Leader would refer, in the as yet unwritten foreword to the Plan, to the Council's intention to work more closely with parish and town councils in shaping the future of communities.
- Point 12. The Corporate Policy and Research Manager confirmed that the key commitments had been agreed by the relevant directors and lead Cabinet members. Any significant changes to the Plan would also be subject to their agreement.
- Point 19. The Corporate Policy and Research Manager said that, following consultation with the Director of Resources, it would be appropriate to add

the proposals for the livestock market to the commitments in the economic development section of the Plan. Councillor PJ Edwards said that SMC had emphasised the importance of including the Council's aspirations, so that the public was fully informed.

- In response to a question from a member in attendance, Councillor Jarvis said that he would obtain information on how the Council measured its carbon dioxide emissions, and on its plans to reduce them, and would make the information available to the member.

RESOLVED: that Cabinet commends to Council for approval the proposed Corporate Plan for 2008-11, subject to the revisions agreed in the above minute, and subject to such revisions as may be necessary to:

(a) reflect the terms of the approved new Local Area Agreement; and

(b) finalise the detailed content, subject to this being approved by the Chief Executive and the Leader.

50. BUDGET MONITORING 2007/08

The Head of Financial Services reported on the Council's performance against revenue and capital budgets up to 29 February 2008, and provided information on the corporate risk register, and on actions taken to address areas of underperformance. The overall position showed an overspend of just under £600,000 across the Council. He drew members' attention to the following in particular:

- All monies relating to claims through the Bellwin Scheme following the July 2007 floods had now been received. The Government had announced a review of the Bellwin Scheme.
- In relation to expenditure arising from redundancy costs in schools, the figures had been estimated at the time of writing the report, and the final outcome would be known at the end of March 2008.

Some members commented on the level of long-term borrowing for capital assets. They expressed concern that this might lead to a situation of ever-increasing levels of borrowing in order to meet service requirements. The Leader stated that current Government thinking encouraged prudential borrowing as a means for local authorities to deliver capital projects. In response to a question from a member, the Director of Resources commented that all projects should have a full options appraisal and financial assessment, as recommended by Mr Crookall in his report.

RESOLVED: that the report be noted.

51. ANNUAL GOVERNANCE STATEMENT

The Director of Resources reported on proposals for preparing an Annual Governance Statement (AGS). The AGS was essential to ensure that the Council complied with the latest regulations and guidance on the delivery of good governance within local authorities. The Annual Governance Statement would be produced alongside the annual statement of accounts, and would replace the Statement on Internal Control.

She outlined the criteria used to produce the AGS, and explained the three attached appendices, which depicted the six principles involved in delivering good governance, a diagrammatical representation, and a detailed table of sources of evidence and monitoring (which would be used to support the AGS). She added that the Council's Code of Corporate Governance would need to be reviewed to ensure that it was compatible with the AGS.

RESOLVED: that Cabinet:

- (i) agrees the proposed framework for preparing an Annual Governance Statement as set out in the appendices to the report; and**
- (ii) requests the Monitoring Officer to carry out a review of the Council's Code of Corporate Governance to ensure it meets the new regulations and guidance on the delivery of good governance in local government.**

52. SUPPORTING GOVERNANCE IMPROVEMENT

The Chief Executive apprised Cabinet on progress made in implementing the agreed actions, following the special reports by the Director of Resources, and the independent review of the financial and contractual arrangements in the Council's Information and Communications Technology Department (the Crookall Report). He referred to the appendices which presented an up-to-date picture of the actions carried out to date. He said that it was clear from this that the Council was doing everything that it had agreed to do.

Cabinet welcomed the actions, and expressed an opinion that the Council would be in a stronger position as a result, enabling it to move forward positively, and improve some of the outcomes even more in the near future.

RESOLVED:

- that**
- (i) the report be noted; and**
 - (ii) future monitoring and reporting be included within the Integrated Performance Report.**

53. ANNUAL AUDIT AND INSPECTION LETTER 2008

Cabinet considered the Audit Commission's Annual Audit and Inspection Letter for 2008, and the comments made by the Audit and Corporate Governance Committee in relation to it. The report listed the eight issues identified by the Audit Commission which required action to be taken by the Council, including amongst other things, resolution of the Waste Management contract, setting out a clear vision for joint working arrangements with the PCT, and developing a corporate approach to procurement.

The Chief Executive reported that the District Auditor had presented the report to the Audit and Corporate Governance Committee for the first time this year, and this was the reason why she had not presented the report to Cabinet. Members emphasised the importance of being able to discuss issues with her in person and requested that, in future years, the Audit Commission's representative would also attend a joint meeting of Cabinet and SMC.

The Director of Resources reported that the Council's overall star rating had decreased from 3 to 2, and this was largely due to the financial irregularities highlighted in the ICT Department, and a low score in respect of Housing Services. The latter score was anomalous because in reality, the performance in Housing Services had improved in relation to the number of people in temporary accommodation, but this had had a negative short-term affect on the performance indicators due to the way in which the scoring system worked.

The Audit Commission had been satisfied that the Crookall Report had been thorough and independent, and that the Council had addressed the suggested actions quickly and effectively. The Audit Commission would not conduct its own review, therefore, and would instead monitor progress.

The Audit Commission had completed a review of the emerging PST in September 2007, and had written a report to the Chief Executive, to which he had responded.

Councillor Jarvis stated that, in relation to the Waste Management Private Finance Initiative outlined on Page 248 of the agenda, the Audit Commission was aware of the significant progress that had been made in the past 10 months.

RESOLVED: that Cabinet

- (i) notes the Audit Commission's Annual Audit and Inspection Letter for 2008, and the comments made by the Audit and Corporate Governance Committee;**
- (ii) approves the response to the action points in Paragraph 9 of the Annual Audit and Inspection Letter for 2008 in the light of the comments made by the Audit and Corporate Governance Committee; and**
- (iii) requests the Chief Executive to arrange for the District Auditor to present the Annual Audit and Inspection Letter to a joint meeting of Cabinet and Strategic Monitoring Committee in future years, and that the meeting also be open to all Members of the Council.**

54. USE OF RESOURCES REPORT 2008

The Director of Resources reported on the Audit Commission's Use of Resources Report for 2008, and the comments made by the Audit and Corporate Governance Committee. The Use of Resources assessment had evaluated how well the Council had managed and used its resources, and had focussed on the importance of strategic financial management, sound governance, and effective financial reporting arrangements.

Compared to the previous year, the Council's overall score for the Use of Resources had fallen from 3 to 2; Internal Control had fallen from 2 to 1, and Value for Money had fallen from 3 to 2. This was largely due to the issues covered by the Crookall Report. The Audit Commission had also commented, however, that the audit process had been smoother and more efficient this year, that the Council's summary of accounts had improved, and its medium-term financial strategy was now good. The District Auditor had also commented that the influence of the Audit and Corporate Governance Committee had been positive.

The report contained a series of opportunities for improvement identified by the Audit Commission, to which the Council had responded with a detailed action plan. The Leader commented that it was to the Council's credit that its officers had identified the issues which led to the Crookall Review, and not the Audit Commission.

RESOLVED: that Cabinet

- (i) **notes the Audit Commission's Use of Resources report for 2008 and the comments made by the Audit and Corporate Governance Committee; and**
- (ii) **approves the response to the opportunities for improvement identified in the Use of Resources report for 2008 and notes the comments made by the Audit and Corporate Governance Committee.**

55. RIGHTS OF WAY IMPROVEMENT PLAN

The Public Rights of Way Manager presented his report about the Rights of Way Improvement Plan. The Plan was a statutory obligation, and needed to take account of existing access to the countryside, and the needs of future users. Councillor Blackshaw said that the Plan contained details of how all the proposals would be implemented, and would provide immense benefits in respect of social and economic wellbeing, and for tourism. He drew Cabinet's attention to the fact that the Plan was also an integral part of the Council's Transport Plan.

Members made the following principal points:

- There was merit in Town and Parish Councils re-considering their precepts in order to accommodate Lengthsman Schemes, and the significant work that was sometimes undertaken by them in relation to footpaths;
- Resources were limited, and it would be beneficial for the Council to form partnerships as one method of delivering the requirements of the Plan;
- In response to a question, the Public Rights of Way Manager acknowledged that some local authorities measured their Performance Indicators in a different way to this Council, possible because some of them were open to interpretation. He added, however, that the Council's Performance Indicators gave a very realistic picture of the present situation;
- In response to a question, the Public Rights of Way Manager explained that the Council was obliged to offer a 25% grant to landowners for the replacement of stiles, which the Council delivered and the landowner installed;
- Councillor Blackshaw said that he would take up the issues of increasing bridleways with the new Chair of Visit Herefordshire;
- In response to a question, the Public Rights of Way Manager said that funding from the National Lottery had been received for Areas of Outstanding Natural Beauty, and although there were some elements which would be used to improve access, the funding was intended primarily for improvements to specific features along the River Wye.

RESOLVED: that the Rights of Way Improvement Plan for Herefordshire be approved and adopted.

56. WYEBRIDGE ACADEMY

[Note: To further the efficient transaction of business, the Chairman agreed to consider this Agenda Item (12), and Agenda Item 13 (Staunton on Wye Replacement Aided School Project) in between Agenda Items 6 and 7. The remainder of the agenda was conducted in order.]

The Head of Commissioning and Improvement presented the outline business case for the existing Wyebridge Sports College to become an Academy, and he asked Cabinet to authorise other necessary steps, including the appointment of consultants to implement the project. The creation of an Academy would involve new buildings, a post-16 education provision for 220, and a wider community use both for education and other purposes. He outlined the procurement process, the proposed governance and admissions policies, and the financial and risk implications of the project.

During the ensuing discussion, the following key points were made:

- Members felt that the Academy presented a rare and exciting opportunity, and they welcomed the project;
- Some concern was expressed about the size of the post-16 provision, which at 220, was considerably in excess of the 120 originally proposed by the Council. The Head of Commissioning and Improvement said that the risk of this would be borne by the Academy rather than the Council;
- Members sought assurance about what would happen if the cost of the project exceeded the DCSF Grant of £21,939.195, particularly about who would be liable to provide the additional funding. The Head of Commissioning and Improvement said that the Council was aware of the risk, and at this stage was satisfied with the proposed construction costs. Should costs start to escalate, there was built-in leeway for some building specifications to be lowered without the overall scheme being undermined. He added that a detailed planning application would be submitted before the tendering process began, to help secure the most realistic costings. The Chief Executive added that Cabinet was being asked to decide on the business plan supported by the DCSF grant alone, and not by any Council money. He clarified that Council funding was not a considered option for the project, and that cuts would be made if costs threatened to overrun the grant.
- Members queried the extent of consultation on the project to date. They were informed that there had been some public consultation, although at this early stage it was not statutory, and there would be greater merit in consulting at the design stage.
- In response to a question, the Head of Commissioning and Integration confirmed that Navigant would be asked to project manage not only the development of the Academy, but the associated risk as well.

RESOLVED: that

- (i) the draft Outline Business Case for the creation of an Academy at Wyebridge Sports College be approved for submission to the Secretary of State, on the strict understanding that all capital costs associated with the project are met from within DCSF grant (£21,939,195) and that the Academy will be funded after the initial start up period on the same basis of other schools in the county;**
- (ii) the relocation of a temporary unit on the Wyebridge site as an alternative provision for Redhill Residents Association be**

approved in principle, subject to a successful bid being made to the capital programme to secure the necessary funding, estimated at £80,000;

- (iii) the signing of the Memorandum of Understanding between the Council & Partnership for Schools be authorised, thereby agreeing the use of the National Academy Framework for the procurement of the construction of the buildings be approved; and
- (iv) the engagement of Navigant Consultants to implement the next stage of the project and associated risk, at the cost of £107,000 be approved.

57. STAUNTON ON WYE REPLACEMENT AIDED SCHOOL PROJECT

[Note: To further the efficient transaction of business, the Chairman agreed to consider this Agenda Item (13), and Agenda Item 12 (Wyebridge Academy – Outline Business Case) in between Agenda Items 6 and 7. The remainder of the agenda was conducted in order.]

Cabinet considered the Head of Commissioning and Improvement's report in respect of the provision of a new build replacement school for Staunton-on-Wye. The school's existing accommodation was substandard in terms of its physical condition and suitability of teaching spaces.

A grant had been awarded in 2000 by the then DfES, to meet 90% of the net costs of new accommodation, and was dependent on the Council explicitly supporting the scheme by the end of March 2008. The other 10% would be funded by the school. A delay in agreeing the project had been caused by difficulties surrounding the location of a suitable site, and by obtaining planning permission. During this time, pupil numbers also declined in the surrounding areas, and this called into question the merits of proceeding with the new build. The current position was that planning permission had lapsed, and the offer of the funding would be withdrawn if the Council did not support a new build scheme by the deadline.

The Chairman of Governors, Mr S. Grist, had been invited to the meeting, and spoke in support of the new build. He said that the case for a new build was clear, because the current buildings were old, expensive to maintain and did not accommodate disabled children. The School had recently received an "outstanding" award for sustainable education.

In response to a question from Cabinet, the Head of Commissioning and Improvement confirmed that there had been some concern in neighbouring schools about the impact on their rolls if the new building was approved. He reported that there were generally falling pupil numbers in the area, but that the new building would accommodate not more than the current capacity of 70 pupils. He added that if any school in the area had a situation where there was more than 25% pupil capacity unused, the Council would be obliged to address this and take appropriate action. Cabinet acknowledged that this was a realistic possibility in this and other areas of Herefordshire, and that it would have to be dealt with as and when necessary.

RESOLVED: that Cabinet supports the Governors' project to provide a new school building for 70 pupils in Staunton on Wye.

APPENDIX TO THE MINUTES OF THE CABINET MEETING HELD ON 27 MARCH 2008

These observations were considered by Cabinet in connection with Minute 49 - Proposed Corporate Plan 2008-11

Strategic Monitoring Committee's observations – Made on 20 March 2008

- 1) One Council Priority read: "Affordable housing to meet the needs of local people". It was suggested that, reflecting the approach at national level, the priority should read to provide "**decent**" affordable housing.
- 2) That in addition to the Plan referring to closer working with the Primary Care Trust the importance of the Police delivering its targets in partnership with the Council needed to be highlighted.
- 3) Noting the priority of achieving value for money concern was expressed about the Extra Care Housing Scheme at Rose Gardens Hereford. It was suggested that the amount of public money, from various sources, expended on the Scheme did not represent value for money when compared with what might have been provided by the private sector for the same level of investment. It was proposed that the Committee should receive a report on the Scheme and review its value for money and whether there were any lessons to be learned for future schemes.
- 4) That sections of the report that looked back rather than forward (for example p23-27, 32-34 and 38-56) and appeared rather to be seeking to promote and publicise achievements in the previous year sat uneasily within the Plan. Noting the HPP's comment that the Plan had to report back on what had been achieved as well as looking forward it was suggested that backward looking sections might be set out as an appendix to the Plan.
- 5) That there were a number of places where the Plan was unclear. Examples given were the diagram on p 7, the box on the left hand corner of p29, and the presentation of p40 (appendix D) where the fact that further data was awaited in a number of cases made the information unusable.
- 6) That no reference was made to the Schools Review at pages 9, 24 and 58 where it seemed appropriate to do so.
- 7) That the document paid insufficient attention to the role of Parish and Town Councils (p6, 12 and 16 were cited.)
- 8) That appendix c (how satisfied are our residents with what we do and what we provide) overall showed a significant decline in satisfaction and this needed to be commented on and addressed.
- 9) It was questioned why one of the key actions alongside the key commitment in 2008/09 and 2009-11: "the number of adults killed or seriously injured in road accidents to be reduced" referred to working in partnership with the Highways Agency to take action on trunk roads, but made no reference to work on A and B roads.

- 10) It was suggested that indicator NI 21 which read: "dealing with local concerns about anti-social behaviour and crime by the local council and police" needed to be rephrased.
- 11) That it would present a truer picture if Appendix b to the Plan, the Council budget, set out the total spend available to the Council, rather than the net revenue budget and the capital programme.
- 12) That it was essential that the key commitments listed for 2008/09, p8-21 of the Plan, were deliverable. Confirmation was sought that Directors had approved the relevant commitments. The HPP said that the Corporate Management Board had approved the commitments. Some work remained to be done to reflect the final draft of the Local Area Agreement. Members proposed that further work should be undertaken to make certain that the commitments were achievable.
- 13) It was asked whether it was appropriate on p8 of the Plan to portray key Stage 4 results in 2007/08 as an achievement, given that the target had not been met. The HPP said that whilst the Council had not met the ambitious target set by the Government performance was good and had improved.
- 14) It was suggested that pages of the Plan listing key performance indicators for each of the Corporate Plan Themes might be removed to make the document more succinct. The HPP acknowledged that there would be some duplication with the Local Area Agreement (LAA).
- 15) That there was insufficient reference in the Plan to the urgent need to address the issue of waste collection and disposal.
- 16) The validity of the reference on p8 of the Plan that 31% of young people felt that Herefordshire Council gives them the opportunity to influence decision making was questioned. The HPP said that this finding was from a statutory survey and was statistically valid.
- 17) The HPP acknowledged that some of the actions in the Plan were not the Council's direct responsibility but reflected the Council's wider community leadership role and its relationship with its partners.
- 18) That under each of the Corporate Themes consideration should be given to providing some analysis, explanation and context.
- 19) It was suggested there were gaps in the Plan, citing the absence of any reference on p14 in the theme relating to economic development and enterprise, to the new livestock Market, and need for a new river crossing and outer relief road. The HPP replied that the Plan was consistent with the Medium Term Financial Strategy. Some items were therefore not included because they were not currently affordable within the current financial plans.

The meeting ended at 4.50 p.m.

CHAIRMAN