

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday, 20 October 2008 at 9.30 a.m.

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

Councillors: PA Andrews, WU Attfield, TM James, RI Matthews,
PM Morgan, AT Oliver and SJ Robertson

In attendance: None

30. APOLOGIES FOR ABSENCE

Apologies were received from Councillors KG Grumbley and JK Swinburne. Apologies were also received from Councillor JP French (Deputy Leader of the Council) and RJ Phillips (Leader of the Council).

The Chairman expressed disappointment that no Member of the Executive had been able to attend the meeting. It was important that a representative of the Executive was present to respond to the Committee's questions.

31. DECLARATIONS OF INTEREST

Councillor PJ Edwards declared a personal interest as a former Cabinet Member in agenda item 5: Integrated Corporate Performance Report in relation to the discussion of waste disposal.

Councillor PM Morgan also declared a personal interest in agenda item 5 on the discussion of waste disposal because her husband had a potentially associated business interest.

32. MINUTES

RESOLVED: That the Minutes of the meeting held on 10 September 2008 be confirmed as a correct record and signed by the Chairman.

Chairman's Statement – Integrated Back Office Accommodation Strategy.

The Chairman referred to the fact that the Committee's agenda was shorter than had been expected in September, as recorded in the Minute of the discussion on the work programme, with no opportunity to discuss a report on the emerging proposals for an integrated back office accommodation strategy.

He reported that following recent developments it had been felt that a report coming forward at this stage could well prejudice commercial negotiations to the Council's detriment. He had been informed that a report would come forward in line with the Council's decision making procedures at the appropriate time.

The Chief Executive said that he would brief Group Leaders on the position.

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

There were no suggestions from members of the public.

34. INTEGRATED CORPORATE PERFORMANCE REPORT FOR APRIL TO JULY 2008

(Councillors PJ Edwards and PM Morgan declared personal interests.)

The Committee considered a report on the Council's performance for the first four months of 2008-09 against the Corporate Plan 2008-11 and national performance indicators used externally to measure the Council's performance, taking account of the separate but complementary financial performance report, the updated Council risk register and progress against the action plans produced following the Crookall review.

The report considered by Cabinet on 2 October was appended.

The Corporate Policy and Research Manager presented the report. He said that, taking note of comments by both the Committee and Cabinet, further efforts had been made to simplify the report to make it easier to use. Although the detailed budget monitoring report was now presented separately, the Integrated Corporate Performance Report (ICPR) continued to take it into account and to highlight significant financial issues, such as the level of overspend and action to mitigate this, so as to make the necessary connections between expenditure and performance.

Whilst early in the financial year, the initial indications were that the overall picture suggested performance was heading in broadly the right direction, although there were important areas in which this was not the case. He drew attention to the inclusion in the ICPR of commentaries by Directors which showed how performance issues were being addressed.

He highlighted the following points:

- Page 19 of the report showed mixed performance in Children's Services, with a number of indicators marked red (not on target), notably including core assessments for Children's care; the timeliness of placements of looked after children for adoption and referrals to children's social care going on to initial assessment. Steps were being taken aimed at remedying the position.
- It was too early to judge the position on Health and Social Care. The Direction of Travel indicators were positive but there were a few red indicators and a projected significant overspend in respect of which a recovery plan was being developed.
- Affordable housing was – and would remain - a challenging area, brought about by the credit-crunch and economic down-turn. This meant there was a number of red indicators but action was being taken both to improve performance and

reduce projected overspending. These had already brought the initially very high projected over-spend down to £300k, with measures being taken to bring that down further.

- In terms of corporate performance, the Audit Commission's Annual Governance Letter 2008 had given the Council a clean bill of health.
- Sickness absence figures were increasing, with measures being taken by Human Resources with managers across the Council.
- In terms of the revised Council risk register, three risks, all of which related to ICT, were scored as high, even after the mitigating measures had been taken into account.

In the ensuing discussion the following principal points were made (numbering cross refers to pages in the agenda papers and indicators):

- (p11) That, in addition to action to prevent homelessness, it was important that further action was taken to provide affordable housing, noting that a report by the Cabinet Member (Environment and Strategic Housing) had not been presented to Cabinet in September as had been expected.
- Members welcomed many of the features of the revised ICPR. A concern was expressed, however, as to whether there was consistency and full clarity in the use of the red, amber and green (RAG) performance ratings and that they could potentially be misleading. It was noted, for example, that 32 of the 111 indicators in the Corporate Plan had been given a green rating, which was defined as "on course to achieve target or establish baseline". It was suggested that establishing a baseline was not an achievement in terms of performance. A further example given was indicator 185 on p49, where a full inventory of the Council's vehicle fleet being underway contributed to a green rating against the indicator "CO2 reduction from Local Authority operations". It was important to get consistency to enable a clear judgment of performance to be formed.

It was therefore requested that further consideration be given to how to avoid any impression that performance was improving or deteriorating, where that was unknown and the only thing being judged was whether a baseline for measuring performance was being established; and to make clear in all cases why a particular red amber or green rating had been given.

The CPRM acknowledged these points. He explained that the RAG-ratings were given on the basis of whether or not the Council was achieving what it said it would do as set out in the Corporate Plan 2008-11. In some cases this was about meeting a target level of performance or carrying out a crucial action by a certain date; in others it was about establishing a baseline in the light of which a future target could be set. If, therefore, a key action was to establish a baseline and that had been achieved or was on track, in the context of the ICPR reporting system, performance would be rated green. The Chief Executive reinforced this point, drawing a distinction between measuring progress against stated objectives and processes, and measuring outcomes. The Deputy Chief Executive said that consideration would be given to the point to seek to avoid the potential for inadvertently confusing or misleading readers.

- The CPRM added that the reporting would be clarified to show, where information was not yet available, when Members could expect to see the relevant information reported. Referring to the definition of the red indicator (not

on target, no activity reported) he added that it was important that where information which should have been provided had not been forthcoming, performance against that indicator continued to be marked as red. Experience had shown that this approach had been effective in getting officers to respond and had helped to reduce the number of red indicators.

- In response to a question about the implications of rising energy costs and whether any action was being taken in response, the Director of Resources confirmed that action was being taken to manage use and costs, noting that the Council was GEM accredited. However, if costs could not be contained within the current Medium Term Financial Plan this would be reported.
- (p19) The capacity issues in teams undertaking core assessments for children's social care and steps to try to address this were noted.
- (p19) It was suggested that having percentages as targets without including the actual numbers of (say) assessments to be carried out made it hard to assess the scale of potential issues. It was recognised that a balance had to be struck as to the level of detail presented to the Committee, which had to be proportionate. Officers agreed that consideration would be given to this point, whilst seeking to avoid overcomplicating the ICPR which needed to be kept concise and readable. Where the need for a more detailed investigation of an indicator was needed it was agreed that the matter should be referred to the relevant Scrutiny Committee.
- (p70 (3) In response to a request the Chief Executive agreed to consider how best to update Members on the cost of establishing the new unified management structure.
- (p43) (99c) In response to a question about the increase in the number of people slightly injured in road accidents, the CPRM reported that the outturn figure for the previous year, which had provided an important part of the basis for assessing progress in the current year, was incorrect and that performance against the indicator was in fact green rather than red.
- (p44 (215 b) Asked about street light repair performance, the CPRM said that whilst performance against target was properly shown as red, the current level of performance was nonetheless reported to be better than most other authorities.
- Concern was expressed that the position statement given in the Council Risk Register on the Waste Disposal Contract, a joint agreement with Worcestershire County Council, did not suggest progress was being made swiftly enough. It was noted that waste was currently being transferred out of the County for disposal. The Chief Executive said that he shared Members' concerns. He was striving to make progress on the issue and was serving on the Joint Steering Group set up to deal with the matter. He suggested that if more detail were required the Environment Scrutiny Committee should be asked to consider a report on the Contract.

Mixed views were expressed by Members about whether disposing of waste outside the County would necessarily prove to be the wrong approach having regard to the specialised nature of some disposal processes, which it was suggested might be uneconomic to provide solely for the County.

- (p50) (196) Attention was drawn to performance against the indicator on fly tipping with concern being expressed that the level of enforcement was insufficient. The CPRM agreed to draw this to the attention of the Head of Service, noting that the relevant commentary on performance was unclear.
- P67 (CR 40) Members questioned the entry in the register that a “normal” winter during 2008/09 would result in an overspend of £300k due to an historic under allocation to cover costs of winter maintenance”. The Director of Resources replied that there was an earmarked reserve for winter maintenance and the Director of Environment and Culture had to manage resources within that context.
- (p70 (2) In relation to the Crookall Review action plan, it was noted that no actions were shown as red. Members noted progress but singled out the action allocated to the Member Development Policy Group. A number of concerns were expressed about the Group’s current operation, suggesting this compared unfavourably with the operation of the former Member Development Working Group which backbench Members, in particular, felt had provided them with a greater voice. The Chief Executive offered to discuss the position with the Group Leaders in the first instance to consider these concerns.

RESOLVED:

- That (a) whilst welcoming many of the features of the new report style further work be undertaken on some aspects to see if the presentation of information and the content of the report could be improved, whilst being mindful of the need for the level of detail to be proportionate;**
- (b) the Environment Scrutiny Committee be asked to consider a report on the Waste Disposal Contract;**
- (c) the Chief Executive’s offer to discuss concerns about the operation of the Member Development Officer Group with Group Leaders be accepted; and**
- (d) a formal response by the Executive to matters highlighted by the Committee be made as part of the process of preparing future Integrated Corporate Performance Reports and other relevant reports to the Committee in November 2008.**

35. COMPREHENSIVE AREA ASSESSMENT - JOINT INSPECTORATE PROPOSALS AND THE IMPLICATIONS FOR HEREFORDSHIRE'S PREPARATIONS

The Committee was informed of the detailed proposals for the new system of Comprehensive Area Assessment (CAA) and how Cabinet had agreed Herefordshire’s preparations were to be taken forward.

The report considered by Cabinet on 2 October was appended.

The Corporate Policy and Research Manager presented the report. He said that revised proposals for the assessment had simplified the CAA arrangements so that

there would be two complementary assessments: an area assessment and an organisational assessment. He highlighted six key headings at paragraph 5 of the report performance on which it had been agreed it would be important to focus.

He added that in terms of the Committee's role the extent to which the Council's partners were meeting performance requirements in addition to the Council itself was important. He suggested that the Committee might wish to consider with relevant partners particular areas of performance.

Given the information now available about the proposed CAA assessments Cabinet had agreed to end the current CAA preparation programme and focus on the delivery of improvement programmes of the Council and the wider Herefordshire Partnership, tested against the proposed CAA key questions and lines of enquiry, rather than on processes.

He added that the CAA system was a very different type of system to the former Comprehensive Performance Assessment process and would not require new information to be provided specifically for the Inspectors. Instead it would use the information the Council itself and the Herefordshire Partnership and individual partner organisations used to monitor and manage performance. Likewise there would be no special period with inspectors on site.

In the ensuing discussion the following principal points were made:

- Members discussed the new statutory duty to involve people in local decision making. The role of Parish and Town Councils was highlighted.
- Members emphasised the importance of the Local Member and the need for the Council to keep them informed as the first point of local contact. It was noted that Local Members considered that the current Codes of Conduct restricted their ability to represent their communities. The Assistant Chief Executive (Legal and Democratic) advised that the Code, as revised, did afford Local Members more flexibility in this respect.
- In response to a question about the demands of the new system the CPRM emphasised that the CAA was likely to be a more demanding system of assessment because it expected the Council and its partners to be on top of understanding needs and to be delivering improved outcomes for people, rather than testing compliance with particular check-lists or processes. It was not a one-off inspection but should rather be considered as the core of planning and performance management and, therefore, of reporting for the Council, public service arrangements with the PCT and with the Herefordshire Partnership.

The Committee noted that further reporting relevant to the CAA would be included as part of the Integrated Corporate Performance Report.

36. BUDGET MONITORING

The Committee was informed of the position on the revenue and capital budgets and the estimated outturn for the 2008/09 financial year.

The report to Cabinet on 2 October was appended.

The Head of Financial Services presented the report. He said that the current projected overspend on the revenue budget at £1.671 million was a lower forecast of overspend at this point in the year than in previous years. This was attributed to a

more vigorous approach to financial management at Directorate level. He added that the Chief Executive had set an expectation that Directorates produce management proposals to bring expenditure back to balance at the end of the financial year.

This was particularly important because the level of interest on investments achieved in previous years, which in the past had been used to offset directorate overspends, could not be guaranteed in the present financial climate. This had an implication for the level of the general reserves, which based on current projections could see the level at the year end being close to the recommended level of minimum general reserves of £4.5 million if the projected overspend of £1.671m was not managed.

He drew the Committee's particular attention to the assumption that the Primary Care Trust would meet the costs of individuals meeting the continuing health criteria; the position on the winter maintenance budget; and the overspend on the HALO job evaluation payment issue and the drop in income for Planning Services.

In relation to the Capital Programme the Head of Financial Services reported some slippage on the Capital Programme. He also drew attention to an overspend on the Ross flood alleviation scheme which he advised would be met by the Government as it was their scheme.

He informed the Committee that the opportunity had been taken to provide additional scope in the Capital Programme by taking out a loan of £5 million (for 50 years) at what was considered a very favourable rate (4.36%).

In the ensuing discussion the following principal points were made:

- It was proposed that the Executive should review the level of contributions developers were required to make in accordance with the Planning Obligations Supplementary Planning Document adopted by Council in February 2008. This proposal was not agreed on the understanding that the Executive had already agreed to review this issue after one year.
- Asked about the management of the projected overspend the Head of Financial Services reiterated that the current projection was lower than in previous years and the Chief Executive had issued a clear instruction that a balanced budget must be achieved.
- In reply to a question about payment of overspend on the HALO job evaluation payment issue the Chief Executive confirmed that the overspend would be dealt with in accordance with the agreed policy. He understood this to mean that it would be met centrally rather than from the Service budget.
- In response to questions the Head of Financial Services agreed to write to Members with information on whether the Wyebridge Academy Scheme was wholly grant funded; the extent of the cost to the Council of compensation events still to be agreed relating to the Rotherwas Access Road and clarification of the reference in the report to a whole scheme cost of £5 million for the Cattle Market.
- An assurance was sought that the Council's level of borrowing was prudent. The Head of Financial Services replied that he had written to Members showing that the level of borrowing was near the median level for authorities and was not near the upper limits.
- Members registered concern at the reduction in income from car parking, noting

that this was contrary to expectation, charges having been increased.

- In response to a question the Head of Financial Services explained the process by which the Masters House, Ledbury had been included in the Capital Programme.
- It was suggested that the presentation of the level of capital expenditure for individual schemes did not provide sufficient clarity. In reply the Head of Financial Services acknowledged that the presentation of the figures assumed slippage and agreed to consider revising the presentation.

RESOLVED: that the Executive be asked to confirm that it was intended to review the Planning Obligations Supplementary Planning Document by February 2009.

37. SCRUTINY ACTIVITY REPORT

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

38. WORK PROGRAMMES

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

Members expressed some concerns about the administration of aspects of recent Parish Council elections. The Assistant Chief Executive (Legal and Democratic) said that a report on progress against the elections action plan, previously presented to the Committee, could be made to the Committee in November, the report of a healthcheck by the Society of Local Authority Chief Executives having recently been received. It was noted that the Committee had previously requested the attendance of a representative of the electoral commission when it next considered a report on election matters.

RESOLVED:

- That**
- (a) the current work programmes as amended serve as a basis for further development; and**
 - (b) the time of the Committee's meeting on 19 January 2009 be changed to 2.00pm.**

The meeting ended at 12.07 p.m.

CHAIRMAN