

MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 22 July 2010 at 2.00 pm

Present: Councillor RJ Phillips (Chairman)

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

In attendance: Councillors PA Andrews, WLS Bowen, TM James, RI Matthews and WU Attfield

Cabinet stood in silence to mark the sudden death of Councillor DJ Benjamin.

The Leader stated that as was custom and practice, the Council's flags at Brockington and Shire Hall had been flying at half mast since the announcement of Councillor DJ Benjamin's death and would remain at half mast until the funeral had been held. Members were advised that information about the funeral arrangements would be sent to them when known.

43. APOLOGIES FOR ABSENCE

Apologies had been received from Councillors DB Wilcox, Cabinet Member Highways and Transportation and PJ Edwards, Chairman of Overview and Scrutiny Committee. The apologies of the Chief Executive Chris Bull were also noted.

44. DECLARATIONS OF INTEREST

There were none.

45. MINUTES

RESOLVED: That the Minutes of the meeting held on 17 June 2010 be approved as a correct record and signed by the Chairman.

46. NEW EXECUTIVE ARRANGEMENTS

Cabinet Members were advised of the models of the new Executive Arrangements as set out in the Local Government and Public Involvement in Health Act 2007 and their approval sought on the process for consultation and implementation of the new Arrangements which would come into effect after the Council elections in May 2011. Members were advised of recent correspondence received from the Minister for Housing and Local Government which encouraged authorities to meet the consultation requirements of Act at minimal cost.

In discussion it was agreed that Group Leaders be consulted by the Monitoring Officer in addition to the Leader of the Council on the options.

RESOLVED that:

- (a) the statutory duty placed on the Council to resolve to adopt Executive Arrangements in accordance with Local Government and Public**

Involvement in Health Act by 31, to come into effect in May 2011, be noted; and

- (b) the Monitoring Officer (in consultation with the Leader of the Council and Group Leaders) be authorised to consult on the options to ensure compliance with the statutory requirements.**

47. JOINT COMMERCIAL STRATEGY

The Cabinet Member Corporate and Customer Services and Human Resources introduced the report on a Joint Commercial Strategy for Herefordshire Public Services.

The Deputy Chief Executive informed Cabinet that the Joint Commercial Strategy had been produced to support commissioning and procurement across the Council, NHS Herefordshire and Herefordshire Hospital Trust. The strategy had been agreed by the NHS Herefordshire Board on 21 July 2010. The strategy sought to deliver better value during the whole life cycle of a contract and to improve the managing of contracts. By forming part of the HPS Transformation Programme, the strategy would support efficiency savings and deliver better services at better costs. The partner organisations also recognised the need to shape markets and ensure innovation, and the strategy provided a framework within which these opportunities could take place.

Responding to questions from Members, the Deputy Chief Executive stated that:

- an ongoing process of challenge would take place to ensure that commissioners received what had been paid for; this would be demonstrated in part by the provision to amend contracts within their agreed timeframe.
- Whilst there would be impact to the organisations on the proposed new government legislation, the full details were yet unknown. The principles of commercial best practice would be embedded through the strategy and would be flexible to meet the changing environments.

Responding to a question regarding the Amey contract, the Leader refuted claims that there had been no attempt to address issues within the contract and stated that the contract had been the subject of re-negotiation in totality.

RESOLVED: That Cabinet approved the Joint Commercial Strategy for Herefordshire Public Services.

48. SHARED SERVICES

The Cabinet Member Corporate and Customer Services and Human Resources introduced the report which provided an update on the Shared Services programme. Members were reminded that Cabinet agreed in March 2010 to their preferred option of a Joint Venture Company (JVCo) (representing a public public partnership). The Cabinet also at that time authorised the Deputy Chief Executive in consultation with the Leader, Deputy Leader of the Council and the Trust Boards to take all necessary steps to establish a JVCo. A further report would be considered by Cabinet in early Autumn which would seek a formal decision to agree the terms of the Council's participation in the JVCo.

Cabinet were advised of key progress areas, which included:

- Refinement of the business case to reflect changes to structures, benefits, savings and cost of delivery of a JVCo.

- The appointment of Mills and Reeve as legal advisors tasked with advising on the following areas; operating within a commercial environment, employment considerations, governance arrangements.
- The development of the Agresso system leading to implementation in April 2011.
- Working with Service Change Managers of 'in scope' services together with the transition team to analyse information and to review and professionally challenge the process.

The full report to be presented in September would include a recommendation on the most suitable governance and legal model for a JVCo arrangement and include an updated investment appraisal.

Responding to questions and comments from Members:

- The Assistant Chief Executive Legal and Democratic (Interim) advised Cabinet that whilst a JVCo arrangement was being considered, several variations to these arrangements were possible. Work was continuing on determining what would be proposed to Cabinet as the preferred arrangement method within these variations.
- The Director of Resources advised Members that the Council's current financial information system 'Cedar' was robust for current requirements. The Agresso system would further develop financial information and management processes.

RESOLVED that Cabinet:

(a) note progress made on the Shared Service Project since March 2010, and;

(b) Note the current challenges and risks, principally:

- i. Review of the Business Case;**
- ii. Partnership agreement for establishing the JVCo;**
- iii. Fundamental requirement for cultural and process change across the whole of HPS to deliver savings;**
- iv. Implementation of the Agresso system in April 2011;**

(c) Note the key role of all stakeholders in leading the organisational and cultural changes required to deliver transformed support services and savings;

(d) Note that a further report seeking formal decision to agree terms of the partners' participation in the JVCo will be presented to the Board and Cabinet in September 2010.

49. DATA QUALITY REPORT

The Cabinet Member ICT, Education and Achievement introduced the report which provided Cabinet with the annual report on progress against the data quality action plan. Of the seven actions which remained amber, three were ongoing whilst the completion of two was dependent on others, with the remaining two now underway. The need to maintain good systems and data was emphasised.

Responding to a question on what may replace the Comprehensive Area Assessment (CAA), the Deputy Chief Executive stated that apart from Peer Challenge processes, no information had been provided as to whether any other government inspired regime

would be established. The Council would wish to retain some element of the self evaluation process which had been developed through the CAA.

RESOLVED that Cabinet:

- a) endorsed the annual report, and**
- b) noted the revised policy**

The meeting ended at 2.30 pm

CHAIRMAN