

MINUTES of the meeting of Overview and Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday 27 September 2010 at 9.30 am

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

Councillors: PA Andrews, ME Cooper, KG Grumbley, TM James, PM Morgan and PJ Watts

In attendance: Councillors JP French (Cabinet Member – Corporate and Customer Services)

15. APOLOGIES FOR ABSENCE

Apologies were received from Councillors AS Gray and AT Oliver. Apologies were also received from Councillor H Bramer (Cabinet Member – Resources) and RJ Phillips (Leader of the Council).

16. DECLARATIONS OF INTEREST

Councillor PJ Edwards declared a personal interest in agenda item 5: Shared Services update report, because of a job held by a relative.

17. MINUTES

RESOLVED: That the Minutes of the meeting held on 2 July 2010 be confirmed as a correct record and signed by the Chairman.

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

The Chairman of Breinton Parish Council raised a number of questions relating to the preparation of the Local Development Framework.

The Interim Assistant Chief Executive – Legal and Democratic advised that the questions needed to be referred to officers in the first instance. She would, as Monitoring Officer consider the criticisms of the consultation process. The Committee could consider the matters raised about the robustness of the consultation process at the end of that process, if they remained unresolved.

19. SHARED SERVICES UPDATE REPORT

(Councillor PJ Edwards declared a personal interest.)

The Committee considered an update on the Shared Services programme (SSP) and was invited to submit its views on the proposals.

The Interim Assistant Chief Executive – Legal and Democratic gave a presentation. This covered the overall ambition for Herefordshire Public Services; the original statement of the drivers for the development of shared services and their most recent description; and the

objectives of the programme (cost savings, speedy benefit realisation; promotion and regeneration of Herefordshire; protecting employment in the County and presenting a cost-effective solution for the public sector). It outlined changes in terms of the national and local context, their bearing on the SSP; and the priority drivers suggested by the Business Transformation Board on 2 September in response to these changes. The savings identified in the business case for shared services were also reported, noting that these were under review.

A supplementary paper had been circulated on the 9 potential organisational models for delivery of shared services. The presentation commented on the criteria used to evaluate these models. The four models considered viable were described in the agenda papers. The Interim Assistant Chief Executive remarked on the emerging view that one model might not suit all services within the shared services programme and a range of models may therefore need to be developed. She also noted that establishing delivery models locally would be more likely to secure the objective of retaining employment within the County.

In discussion the following principal points were made:

- The challenge of building on the work by the Council and the Primary Care Trust (PCT) to integrate health and social care services to incorporate Hereford Hospitals NHS Trust (HHT) in the delivery of a shared services programme for the three organisations was discussed. The Interim Assistant Chief Executive commented that HHT had been involved in the programme from the outset. She noted that the PCT currently provided HHT with financial services and it would be more costly to HHT if it were not involved in the SSP.
- Concern was expressed about the time the shared services programme had taken to develop and that the changes now proposed in the recent Health White Paper, in particular GP Commissioning, would mean that the programme would be overtaken by events.

The Cabinet Member (Corporate and Customer Services and Human Resources) commented on the progress that had been made in integrating health and social care services. She emphasised the importance of delivering savings quickly, to protect service delivery in the face of demographic pressures on budgets locally allied to the imminent national budget reductions. She also expressed the wish to protect Hereford Hospital and to protect jobs within the County, recognising the difficulty, given communication routes and other factors, in finding alternative work compared with some other parts of the Country.

- The Chairman of the PCT Board commented that the PCT would not be able to prescribe what GP consortia chose to do. However, the PCT was working with GPs and believed there was a shared vision with support for coterminosity of commissioners and providers.
- Members supported the objective of protecting employment within the County. The Interim Assistant Chief Executive observed that there were a range of potential clients for services, for example Voluntary Sector organisations that did not have national support services.
- The consensus was that the proposed changes must lead to improved efficiency and cost savings, be simple, with no overlapping layers of bureaucracy and be easy to deliver.

The Interim Assistant Chief Executive commented that the importance of streamlining governance arrangements and keeping them simple was recognised.

- Members emphasised the importance of the contract with the eventual service provider(s) being robust and ensuring that as commissioners of services the Council and its partners had control of costs to avoid the possibility that new arrangements ended up being more expensive than the current ones.
- There was support for the idea that, to maintain flexibility, different models might be appropriate for different services within the SSP. It was suggested that for the Committee to be able to express a firm view on the proposals a matrix needed to be produced setting out the pros and cons of each model for each service within the scope of the SSP. Further detail was also required on the costs of each option, recognising that one of the key objectives was to deliver savings. The Committee received assurance that this would be done as part of the appraisal process and reported fully in due course.
- Asked to comment on the timescale for delivering the SSP the Assistant Chief Executive said that agreements would need to be negotiated and signed by the Partners. However, in her experience these processes could be completed more swiftly when the groundwork had been done in advance, which she believed to be the case in Herefordshire. The aim was to have a shadow company in place by the end of December, becoming operational by April 2011.

RESOLVED:

- That (a) it be noted that the business case for Shared Services is being reviewed;**
- (b) it be noted that a number of options were being considered as models for delivering shared services in Herefordshire and that Cabinet would be deciding in October on the options available; and**
- (c) a further report be made to the Committee in advance of the report to Cabinet in October, taking into account the comments made by the Committee as outlined above.**

20. EQUITY AND EXCELLENCE: LIBERATING THE NHS - HEREFORDSHIRE'S RESPONSE

The Committee was invited to note the arrangements in place in Herefordshire for responding to the Health White Paper and associated consultation documents, and to comment on the proposed response.

A supplementary paper had been circulated setting out a draft response and the notes of a partnership consultation event hosted by the Committee.

The Deputy Chief Executive commented that the intention was that the final response would seek to focus on the strategic working of health and social care services, based on the integration work done within the County and seek to urge that a national framework should accommodate the needs of Herefordshire as a rural County.

In discussion the following principal points were made:

- The Chairman of the PCT Board commented on the significance of the changes proposed within the White Paper. However, she stated that these reflected the direction of travel already being taken within the County and she was keen to hold up

the integration work in the County to Government as an example of what could be achieved.

A lot of the detail behind the White Paper was still unknown but the PCT Board wished to emphasise the benefits of co-terminosity between commissioners and the local authority, the importance of flexibility to facilitate solutions that were appropriate locally having regard to the rural nature of the County, and the need for clarity on the role of the proposed Health and Wellbeing Boards to ensure that they were effective. She also highlighted the importance of ensuring that there was accountability, noting the GP consortia were to be accountable to one national board.

- Members emphasised the importance of ensuring that the specific needs of the County were emphasised.
- It was recognised that the reduction in central targets would be likely to lead to an increase the diversity of service provision and to a degree therefore increase the postcode lottery of access to health services. The need to consider targeted provision was discussed. It was also acknowledged that there needed to be Centres of Excellence and that Herefordshire could not provide all services locally. The key was to seek to ensure that decision making power over service provision was retained locally even if the service itself had to be delivered elsewhere.

RESOLVED:

That (a) the arrangements in place to respond to the White Paper and associated consultation documents be noted; and

(b) it be requested that account be taken of the Committee's discussion in finalising the response, noting in particular the wish that the specific needs of the County are emphasised within the response.

(The Committee adjourned between 11 am and 11.05 am.)

21. INTEGRATED CORPORATE PERFORMANCE REPORT - QUARTER 1 2010-11

The Committee considered an overview of performance against the Joint Corporate Plan 2010-13 for the first quarter of 2010-11.

The Policy Officer presented the report stating that the report on performance for the second quarter of 2010/11 was imminent and the data in the report before the Committee was therefore somewhat dated. Because a large number of indicators were reported annually, in-year judgements could only be made on a selection of indicators. Performance for the first quarter showed that of those indicators where data was available performance against 24 was on or ahead of target and 13 behind target. This was comparable to the position for the first quarter in the previous year.

In discussion the following principal points were made:

- A briefing note was requested on the eight risks in the Corporate Risk Register which required the appropriate Director to review and update the entry.
- It was suggested that organisational changes would have a bearing on staffing levels. The Cabinet Member (Corporate and Customer Services and Human Resources) reported that a report was due to be produced by the end of October detailing the pattern of staffing variations since the authority's formation in 1998.
- The changes to the format of the performance report were noted and the need to

ensure that performance reporting was meaningful was emphasised.

- It was noted that a report was shortly expected on scope for the Council to use its own land and buildings to provide affordable housing and it was requested that confirmation be provided on when the report was to be considered.
- That work by the Crime and Disorder Scrutiny Review Group suggested that the figure on the number of anti-social behaviour incidents recorded by the police did not reflect the position on the ground. It was suggested that there could be multiple reports of the same incident that were being logged, distorting the picture.

RESOLVED:

That (a) the report be noted; and

- (b) a briefing note be provided on the eight risks in the Corporate Risk Register which required the appropriate Director to review and update the Register entry.

22. BUDGET MONITORING REPORT 2010/11

The Committee considered the forecast financial position for both revenue and capital budgets to 31 March, 2011, an update on Directorates' recovery plans instigated to address projected overspends and noted treasury management activities in the first four months of 2010/11.

The Head of Financial Services presented the report. She stated that the updated position to the end of August projected the same level of overspend on the revenue budget as set out in the report (£1.9m). Directorates had presented recovery plans and these were being monitored. However, the plans would take time to take effect and recovery might not be accomplished within the financial year. She commented briefly on capital expenditure and drew attention to action being taken on the Council's borrowing, involving a move to short term loans, with the benefit of lower interest rates.

The pressures on social care expenditure and the prospect of the recovery plan being successful were discussed. The Cabinet Member (Corporate and Customer Services and Human Resources) stated that other local authorities had managed to control expenditure on social care by changing working practices amongst other things. She encouraged scrutiny to challenge the pace at which changes were being made within the Authority.

Briefing notes were requested on the use of the spend to save reserve, recoupment of Dedicated Schools grant for the Hereford Academy and the implications of John Kyrle High School achieving academy status; how school balances held by the authority were managed; and the outcome of negotiations on the SHAW contract.

RESOLVED:

That (a) the report be noted: and

- (b) briefing notes be circulated on the use of the spend to save reserve, recoupment of Dedicated Schools grant for the Hereford Academy and the implications of John Kyrle High School achieving academy status; how school balances held by the authority were managed; and the outcome of negotiations on the SHAW contract.

23. **SCRUTINY REVIEW OF COMMUNICATION WITH THE PUBLIC ABOUT SERVICES AND ACCESS TO THOSE SERVICES.**

The Chairman of the Review Group presented the report drawing attention to the recommendations.

The Head of Partnership Support, lead officer for the Review, commented on how the review had been undertaken, highlighting the fact that it appeared that the Council did not know enough about how the Community itself wanted the Council to communicate with it.

In discussion the following principal points were made:

- The review report had commented at some length on the merits of the Council's magazine for residents: Herefordshire Matters. The Cabinet Member (Corporate and Customer Services and Human Resources) questioned the evidence base for some of the Review Group's recommendations.

In response it was acknowledged that members of the Review Group had differing views and had not reached a firm agreement on the future of Herefordshire Matters, proposing further review by the Executive. One member of the Review Group reaffirmed his view that there were better and more cost-effective ways of communicating and noted the adverse public comment the expenditure on the publication attracted.

A Member of the Committee suggested that once more work had been done to establish how residents wanted to receive information consideration could then be given to how effective Herefordshire Matters was, including the size of the publication and its frequency.

- The amount of identified expenditure on external communication and the difficulty in establishing the precise sum expended was noted.
- It was suggested that, whilst not everyone used the internet, there should be greater emphasis on developing the website and, whilst one recommendation touched on this issue, the importance of keeping information on the website up to date needed to be impressed upon staff and rigorously enforced.
- The Cabinet Member (Corporate and Customer Services and Human Resources) commented that a separate review of the Communications Unit itself and its operation had been undertaken by consultants and aspects of that review would feed into the Executive's response to the Scrutiny Review. The Deputy Chief Executive commented on work to strengthen central management of communications, an issue upon which the scrutiny review had also touched.

RESOLVED:

That (a) the findings of the Scrutiny Review of communication with the public about services and access to those services be agreed and recommended to the Executive for consideration; and

- (b) the Executive's response to the Review including an action plan be reported to the first available meeting of the Committee after the Executive has approved its response.**

24. SCRUTINY REVIEW OF THE IMPACT OF THE WINTER WEATHER AND THE RESPONSE TO IT - EXECUTIVE'S RESPONSE

The Committee considered Cabinet's response to the recommendations made to it in the Scrutiny Review of the impact of the winter weather and the response to it.

The Assistant Director (Public Health) commented on progress that had already been made in response to the recommendations that had been made in the review, all of which had been agreed by Cabinet.

It was noted that three Members of the Committee had met informally with the Highways Network Manager, given the timescale for finalising and approving the Winter Service Plan, to accommodate recommendation L of the review, that the proposed Winter Service Plan for 2010/11 should be the subject of pre-decision scrutiny. In forming that recommendation, the Committee's view had been that there was scope to extend at least some priority routes to some schools and sheltered housing facilities and urban estate roads. The Highways Network Manager had advised those Members that whilst only minor amendments had been made to the priority routes themselves, he considered that changes in the draft Plan did address the Committee's concerns.

RESOLVED:

That (a) Cabinet's response to the findings of the review of the impact of the winter weather and the response to it be noted; and

(b) a further report on progress in response to the Review be made after six months with consideration then being given to the need for any further reports to be made.

25. WORK PROGRAMME

The Committee considered the work programmes of the scrutiny committees.

RESOLVED: That the current work programmes be approved as a basis for further development, noting the addition to the Committee's own work programme of a further report on shared services and a report on the Executive's consideration of affordable housing options.

The meeting ended at 12.25 pm

CHAIRMAN