

# A G E N D A

## Strategic Monitoring Committee

Date: **Monday, 8th December, 2003**

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Time: **10.30 a.m.**

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Place: **The Council Chamber, 35 Hafod  
Road, Hereford**

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Notes: Please note the **time, date** and **venue** of  
the meeting.

*For any further information please contact:*

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**County of Herefordshire  
District Council**



# AGENDA

## for the Meeting of the Strategic Monitoring Committee

To: Councillor T.M. James (Chairman)  
Councillor Mrs. P.A. Andrews (Vice-Chairman)

Councillors W.L.S. Bowen, A.C.R. Chappell, J.H.R. Goodwin, Mrs. M.D. Lloyd-Hayes, J. Stone, J.P. Thomas and W.J.S. Thomas, Vacancy.

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<b>1. APOLOGIES FOR ABSENCE</b>	
To receive apologies for absence.	
<b>2. DECLARATIONS OF INTEREST</b>	
To receive any declarations of interest by Members in respect of items on this agenda.	
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To approve and sign the Minutes of the meeting held on 13th October, 2003.	
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To consider the revised timetable for the property management scrutiny review and other arrangements relating to the review.	
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To consider a report to Cabinet on progress in relation to the Council's Corporate, National and Local Best Value Performance Indicators from 1 April to 30 September 2003.	

<b>9.</b>	<b>PROGRESS REPORT ON REVENUES AND BENEFITS BEST VALUE IMPROVEMENT PLAN AND HOSUING BENEFITS UPDATE</b>	75 - 82
	To update members on progress to date with the Revenues and Benefits Improvement Plan, and to advise Members of current performance and activity in Benefits, including information on planned areas for improvement and to outline changes that will have an impact on future service delivery.	
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	To consider proposed amendments to the Constitution.	
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	To note the implications of the new Prudential Code for Capital Finance for the Council with effect from 2004/05 onwards.	
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## **PUBLIC INFORMATION**

### **HEREFORDSHIRE COUNCIL'S SCRUTINY COMMITTEES**

The Council has established Scrutiny Committees for Education, Environment, Health, Social Care and Housing and Social and Economic Development. A Strategic Monitoring Committee scrutinises Policy and Finance matters and co-ordinates the work of these Committees.

The purpose of the Committees is to ensure the accountability and transparency of the Council's decision making process.

The principal roles of Scrutiny Committees are to

- Help in developing Council policy
- Probe, investigate, test the options and ask the difficult questions before and after decisions are taken
- Look in more detail at areas of concern which may have been raised by the Cabinet itself, by other Councillors or by members of the public
- "call in" decisions - this is a statutory power which gives Scrutiny Committees the right to place a decision on hold pending further scrutiny.
- Review performance of the Council
- Conduct Best Value reviews
- Undertake external scrutiny work engaging partners and the public

Formal meetings of the Committees are held in public and information on your rights to attend meetings and access to information are set out overleaf

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- Inspect agenda and public reports at least three clear days before the date of the meeting.
- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- 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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- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
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# **COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL**

**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

**MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, 35 Hafod Road, Hereford on Monday, 13th October, 2003 at 10.30 a.m.**

**Present:** Councillor T.M. James (Chairman)

**Councillors:** W.L.S. Bowen, A.C.R. Chappell, J.H.R. Goodwin, J. Stone, J.P. Thomas and W.J.S. Thomas

**In attendance:** Councillors B.F. Ashton, Mrs. J.P. French, P.E. Harling, R.J. Phillips, R.V. Stockton and D.B. Wilcox

**16. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Mrs P.A.Andrews, Mrs M.D. Lloyd-Hayes and D.C. Short.

**17. DECLARATIONS OF INTEREST**

There were no declarations of Interest.

**18. MINUTES**

**RESOLVED:** That the minutes of the meeting held on 7th July, 2003 be approved as a correct record and signed by the Chairman.

The Chairman formally thanked Hilary Preedy Policy Officer, for the work she had carried out on behalf of the Committee and wished her well in her new job.

**19. HEREFORDSHIRE COUNCIL IMPROVEMENT PLAN**

The Committee considered the first monitoring report on progress in respect of the Herefordshire Council Improvement Plan 2002-2005.

It was noted that the majority of actions had been completed or were fully on track for completion by the target date. Further monitoring reports on the Improvement Plan would be considered in line with the Council's agreed performance monitoring intervals. Cabinet had requested that these incorporate appropriate milestones.

The Committee sought and received explanations of action being taken to address significant issues that could affect the timing or performance of the Plan and other areas where issues had arisen but which were not expected to impact on the achievement of the overall Plan.

In the ensuing discussion the following principal points were made:

- That the Executive was shortly to give further consideration to the future of Local Area forums and to the future of the publication, "Herefordshire Matters".
- That staff roadshows were planned but had not yet taken place.

- That it was important that the Council met its statutory obligations in relation to the disability scheme. Confirmation was given that work to meet the targets was in hand.
- It was confirmed that the scrutiny review of property was to commence. It was suggested that it would be important to have regard to the views of the Cabinet Member (Economic Development, Markets and Property) and to how Members were involved in the review.

**RESOLVED: that progress in respect of Herefordshire Council's Improvement plan be noted.**

## 20. LOCAL PUBLIC SERVICE AGREEMENT

The Committee considered an analysis of the half-term progress towards the Council's Local Public Service Agreement (LPSA) targets.

The report noted that overall performance was mixed. Where there were problems these were generally owing to the original stretched targets being particularly difficult to achieve and changes in the definition of individual indicators. Some targets were also sensitive to single, major incidents.

It was intended that regular reporting, on at least a monthly basis by exception, would take place to the Chief Executive's Management Team as many of the targets were based on performance purely in 2004/05. Any resourcing decisions needed to be made at an early stage in order to impact sufficiently on performance. The Committee was advised that the Cabinet had asked for advice on what targets were thought to be achievable so that consideration could be given to allocating resources to those areas to secure as much performance reward grant as possible.

In the course of discussion the following principal points were made:

- The reasons why it was proving difficult to meet the target set for improving the life chances for children in care by increasing the adoption rate were noted.
- That performance against the target for helping older people to live at home could only be improved by allocating more resources. Performance against other indicators in respect of enabling older people to live as independently as possible in the community by providing community services was more encouraging.
- It was suggested that analysis being undertaken by the Deputy Headteacher at Weobley High School might be useful in the context of meeting the targets relating to improving attainment levels in schools.
- It was regretted that changes in collecting methodology had affected several indicators. It was noted that there had been changes in definitions impacting of future performance against the target. Managers had been asked to contact the relevant Government department for clarification and possible adjustment of future targets owing to baseline changes. A lesson learnt for the next LPSA round was that some indicators would require a far tighter definition and a detailed construction of baseline information. Where there were changes or ambiguity, these would need to be notified to the Office of the Deputy Prime Minister (ODPM) immediately.

- The Director of Policy and Community informed the Committee that in discussing a new LPSA bid it was planned to consider the scope for working with partners such as the Primary Care Trust and the Learning and Skills Council to submit a proposal.

**RESOLVED: That regular reports be provided for consideration detailing progress against the LPSA targets.**

## 21. HEREFORDSHIRE PLAN AND PARTNERSHIP PROGRESS REPORT

The Committee received a report on progress in implementing the Herefordshire Plan.

The report reiterated the Committee's earlier decision in September 2001 that, in order not to lose sight of the breadth of the Plan, the Committee should receive, at least on an annual basis, a report bringing together key activities/themes which were being progressed or emerging. It was also requested at that time that individual Scrutiny Committees should receive six monthly reports setting out progress to date, work in hand and future timetables. Where Cabinet Members were responsible for more than one ambition Scrutiny Committees should examine composite reports.

The report outlined the new Cabinet Member and Scrutiny Committee responsibilities in relation to the ambitions with the Plan and highlighted achievements to date.

The Committee made a number of comments upon individual achievements listed.

In response to a question the Director of Policy and Community commented on the work underway to try to secure the availability of broadband across the County. She advised that a number of complications had arisen and information was now awaited from the European Commission in November. Members would be kept informed.

It was suggested that greater collaboration was required between Departments, the Police, and Health services in relation to anti-social behaviour orders. It would be helpful if a breakdown of those made subject to the orders could be provided.

It was also emphasised that performance in delivering the Plan would be important in the context of the next Comprehensive Performance Assessment.

**RESOLVED: That the report be noted.**

## 22. COMMUNITY SAFETY PROGRESS REPORT

The Committee noted progress made in the work of the Herefordshire Community Safety Partnership, responsible for delivering the ambition in the Herefordshire Plan of reducing crime and disorder and making Herefordshire safer.

The report stated that the targets were being met effectively apart from that for vehicle crime, a target which the Government had acknowledged to be problematic.

In the course of discussion it was suggested that few Anti-social Behaviour Orders had been obtained and that more work needed to be done to involve families in the process. The complexities involved and the implications for and sometimes conflict with other national and local policies were, however, acknowledged.

It was also noted that, in advance of Government requirements, the Community Safety Partnership had already merged with the Drug Action Team and the report referred to actions undertaken to combat drug related problems. Having expressed concern about the significance of drug misuse in Herefordshire the Committee welcomed a proposal that a briefing be held on this subject for all Councillors.

**RESOLVED: That progress be noted.**

### **23. BEST VALUE REVIEW OF CARER SUPPORT - STAGE 3 REPORT**

The Committee considered a report on the stage 3 report on the Best Value Review of Carer Support Services.

It was noted that the Social Care and Housing Scrutiny Committee were satisfied that the Best Value Review process had been rigorously applied. However, that Committee had expressed a number of concerns regarding the recommendations arising from the review to which it wished to give further consideration. Nevertheless, to facilitate the progress of the review the Committee had agreed that the Stage 3 report be submitted to the Strategic Monitoring Committee for their confirmation that the Best Value process had been implemented.

#### **RESOLVED**

- THAT**
- (a) the view of the Social Care and Housing Scrutiny Committee that the process followed in preparing the Stage 3 report of the Best Value Review of Carer Support has been appropriate be endorsed;**
  - and**
  - (b) it be noted that aspects of the recommendations are to be revisited and the Committee be advised accordingly in due course.**

### **24. INFORMATION AND COMMUNICATIONS TECHNOLOGY IMPROVEMENT PLAN**

The Committee received an update on progress to date on the Information and Communications Technology (ICT) Improvement Plan.

The report reminded the Committee that a Best Value Review of the Service had been started but it had then been concluded that it was not an appropriate time to carry out a full Review. The Review had been removed from the best value review programme and an Improvement Plan prepared. It had been recognised that it would, however, be appropriate to consider the reinstatement of the Review at some point.

The appendix to the report set out progress against the Improvement Plan. It was noted in the report that completion of some areas had been delayed but the aim was to complete the work associated with the Improvement Plan by March 2004. Significant progress had been made in some areas. Particular attention was drawn to the work on a Corporate Information Policy which was being finalised.

In the course of discussion the following principal points were made:

- The Head of e-Modernisation commented on the complications posed to the service by the number of different locations and the expectation that the establishment of a more corporate approach would lead to improvement,

although significant investment would be required.

- The Cabinet Member (Human Resources and Corporate Support Services) suggested that the Best Value Review should not be reinstated in the Programme. She explained that she was requesting officers to draw together all the work designed to deliver an improved IT service, establish the timeframe and be clear as to the benefits which would be brought to business and the public.
- The Director of Policy and Community advised that a more corporate approach would inevitably mean that individual Departments and Directorates would on occasion be prevented from pursuing some schemes. With regard to whether to reinstate the Best Value Review of ICT she suggested caution should be maintained until a clear view had been received from the Audit Commission.

**RESOLVED: that progress be noted.**

## **25. TRANSPORT CROSS-SERVICE REVIEW IMPLEMENTATION PROJECT - PROGRESS REPORT**

The Committee considered progress made on implementing the recommendations of the Transport Cross-Service Review.

The report outlined developments since the last report to the Committee in April 2003. It was reported that the project was continuing broadly in accordance with the original programme although it had been necessary to revise some of the target dates. The report contained a commentary on progress towards the targets.

The Director of Environment commented that it had been hoped to obtain software which would both improve co-ordination by sharing operational information and improve the efficiency of scheduling. It had transpired that no single system was available and the procurement of scheduling software was therefore to proceed. The potential for a separate system to co-ordinate other parts of the work of the service would be considered subsequently. Whilst some work had been done on the opportunity to stagger opening times for education and social services establishments to see if this would allow vehicles to be used more efficiently there were a number of complications to consider. The project team had concluded that the scheduling software would be required prior to the implementation of any scheme.

He also reported in relation to the review of discretionary transport provision to schools that the Government had announced a national review of school transport rules and published an action plan for consultation. The Government had also announced new funding for the development of school travel plans and a grant scheme for schools to help implement measures such as new cycle parking. It was indicated that consideration was accordingly being given to whether this element of the Implementation Project should be put on hold until the results of the Government's review were known.

Some concern was expressed at the suggestion that there would be a hiatus in reviewing discretionary transport provision. In the course of discussion the Vice-Chairman of the Education Scrutiny Committee stated that work had been undertaken on the scoping of a Review. It was his expectation that the Committee would receive a report on the Government's proposals and their implications and give further consideration to the Review at its next meeting.

**RESOLVED:** That progress with the implementation of the Transport Cross-Service Review be noted.

**26. PROPERTY MANAGEMENT SCRUTINY REVIEW**

The Director of Policy and Community advised that a report on the Property Management Scrutiny Review would be made to the next meeting.

**27. AUDIT SERVICES ASSURANCE REPORT 2002/03**

The Committee has received a report on Audit Services activity during 2002/03 and the Council's overall level of internal control.

The report drew a number of issues to the Committee's attention. However, it was reported that these were not material issues affecting the Council's overall level of internal control. When problems had been identified immediate management action had been taken to ensure that control mechanisms were in place. There was a positive approach to recommendations, with Managers agreeing to take action on 98% of the recommendations made. It was likely, however, that the Audit Commission's annual management letter would refer to fundamental systems with a marginal or worse opinion.

The Committee emphasised the need to ensure that recommendations made following audits were implemented. It was assured that a robust process was in place to establish that this was the case, although currently compliance would not be confirmed until the report for the subsequent year. It was noted that this point would be borne in mind as part of the continuous development of the audit process.

**RESOLVED:** that the position be noted.

**28. EXTERNAL AUDIT AND INSPECTION PROGRAMME**

The Committee was informed of the Audit Commission's approach to the revised External Audit and Inspection Programme.

It was reported that whilst the focus of Best Value inspections had changed significantly since their first introduction, they had not been abandoned in their entirety. They remained an important focus of the Audit Commission's Programme although there were now other significant elements involved following the Comprehensive Performance Assessment. The most significant of those was the Improvement Programme agreed following that Assessment.

The Director of Policy and Community commented that the programme was draft and some inaccuracies and timings still needed to be revised with the Audit Commission. Once finalised the framework could be used to inform the priorities of the Scrutiny Committees.

**RESOLVED:** That the report be noted.

**29. PERFORMANCE MONITORING - CORPORATE HEALTH**

The Committee considered scrutiny arrangements in relation to the National Best Value Performance Indicators and corporate performance from 1 April to 31 July 2003.

The report identified on an exception basis areas above target performance and areas for improvement. Appendix 2 to the report detailed the National Best Value Performance Indicators in terms of the frequency of collection and scrutiny arrangements.

In relation to the areas of improvement identified as needed in relation to housing benefits the County Treasurer explained that the processing of benefits was a national issue. The Council tended to perform within the second or third quartile of Authorities. Shortage of resources, unreliability of software systems and changes required by central government were all factors in the current level of performance. The need for improvement was recognised and some measures had been taken. However, realistically he could not expect these measures to have full effect until the end of the financial year.

The County Treasurer explained the approach to dealing with benefit fraud investigations and reported that the Benefit Fraud Inspectorate had reviewed the Council's processes, had identified no concerns and considered the work of the Council's Benefit Fraud Team to be exemplary.

The County Secretary and Solicitor reported that it was proposed to review the need for local targets on the number of contested parish council elections and the percentage of the electorate from wards affected by content attending Council/Committee meetings.

The Director of Policy and Community acknowledged that in relation to complaints more work needed to be done to resolve more at Complaints Officer level.

**RESOLVED: That the Council's monitoring arrangements for the national Best Value performance Indicators, and corporate performance form 1 April to 31 July 2003 be noted.**

### 30. LAND CHARGES

The Committee reviewed progress in improving Land Charge Response Times.

The report outlined developments since the previous report to the Committee in April, 2003. Extra staff had been employed in the land charges section, and temporary staff employed in the Environment Directorate. However, some of the data in the Environment directorate required to answer search requests was on paper or on systems not easily accessed by the land charges section. The business case for the data collection exercise necessary to resolve this situation was marginal. The number of personal searches continued to increase. It was now not proposed to computerise data prior to 1993 given the cost implications. The service to personal searchers could not be sustained and with effect from 1 December 2003 searchers requiring data prior to 1993 would be referred to the various Registers to extract data personally.

There was no budget provision for the staff considered necessary to process the volume of searches being received. There was also a shortfall in income because of the growing use by Solicitors of local firms to carry out personal searches at the current statutory fee instead of the full search fee. It was intended to request that the true cost of service provision be recognised in preparing the 2004/05 budget.

It was reported that consideration was being given to the scope for unifying the service, currently divided between the Environment Directorate and the County Secretary and Solicitor's department, to see if this would deliver any economies of

scale and address the IT and staffing problems. The approach by other local authorities to the issues relating to personal searches also needed to be examined.

The County Secretary and Solicitor confirmed that due to the commitment of the staff performance had improved but would remain fragile until investment into the IT supporting systems was secured or there was sufficient staffing capability to cope with sustained peaks in demand. This would have implications from the income target the service had to meet each year.

**RESOLVED: That the position be noted and reviewed in six months time.**

### **31. BUDGET MONITORING 2003/04**

The Committee considered the position with regard to revenue budget monitoring for Programme Areas in 2003/04.

The report summarised the position in each programme area. It concluded that the projected net overspending was just on the 1% limit for the Council as a whole set by Financial Regulations. Careful monitoring and appropriate action where necessary would be required to ensure that the overall limit was not exceeded at the year end.

The County Treasurer commented on relatively small but significant issues in the Social Development and leisure areas. He also drew attention to the projected overspend on the property budget caused by a deficit in income from the markets and fairs budget and the Industrial Estate. He advised that the Recovery Plan would generate some improvement but it would take time to redress the position and the matter would need to be considered as part of the budget process.

In the course of discussion the following principal points were made:

- In response to concerns about the property budget the Director of Environment reminded the Committee that a review of property management was programmed and that in the meantime the immediate position was being considered.
- The County Treasurer confirmed that there was a contingency sum in the budget to deal with the effects of Government policy requiring Councils to make payments in relation to delayed discharges in certain circumstances. The Director of Social Care and Strategic Housing was exploring how to manage the situation proactively.
- Clarification was sought of the financial implications for the Council of the Housing Stock Transfer. Following a short statement by the County Treasurer it was requested that he inform all Members of the Council of the position.

**RESOLVED: That the report be noted.**

### **32. CAPITAL PROGRAMME MONITORING 2003/04 TO 31 JULY 2003**

The Committee was informed of the Capital Programme forecast for 2003/2004.

The report set out the position by programme area. It concluded that there were no fundamental concerns, the monitoring process was robust, the cross-directorate working group was working well and no conditional resources should be lost.

**RESOLVED: That the position be noted.**



**33. SCRUTINY ACTIVITY REPORT**

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

The meeting ended at 12.50 p.m.

**CHAIRMAN**



## HUMAN RESOURCES STRATEGY – PROGRESS REPORT

**Report By: Head of Human Resources**

### Wards Affected

County-wide

### Purpose

1. To receive an update on progress against the Council's Human Resources (HR) Strategy

### Background

2. The Human Resources Strategy was agreed in 2002, with baseline and improvement targets derived from the Staff Opinion Survey 2001, plus local and Best Value performance indicators. The cross-Council HR Strategy Group has met twice yearly (in line with the availability of data) to monitor progress. Since this date, two further Staff Opinion Surveys have been carried out in 2002, and 2003 enabling changes over time to be tracked.
3. The agreed format for performance 'exception' reporting provides for reporting on any indicator + or – 10%. However, small percentage point improvements in HR data can sometimes be significant, the full report is attached at Appendix A, with strategic area highlights picked out in points 7-12 below.

### Considerations

4. Many of the results from the annual staff opinion survey are used to track performance against the HR Strategy. It perhaps should be noted at the outset that within this year's staff opinion survey most write-in comments (55%) were around job evaluation - the need to improve the process and value employees more. Last year 72% felt very or fairly motivated, compared with 46% in 2003. Despite this more employees felt the results of the Survey would be taken seriously in their area (44%) than those who did not (35%). A more detailed breakdown of initial Survey findings is contained in the Staff Opinion Survey 2003 Headline Report attached to this report.
5. Many of the HR Strategy results remain high despite the reduced percentages this year – for example 87% of respondents enjoy their jobs, compared with 91% in 2002, about the same as 2001 rate.
6. On all benchmarked questions (National ORC Benchmark Group 2002 data) the Council is within the average range of responses and above or well above the average for Local Government on all except one area - awareness of the organisation's long-term goals. See the attached report. 2003 comparison data is not yet available.
7. Achieving Management Excellence. In this section of the HR Strategy, performance

highlights are:

- Employees saying they feel their work is valued –43% compared with 59% in 2002, and 51% in 2001 (target is 50%). 60% of respondents believe the Council is good to work for, against 79% in 2002;
- Employees agree they know how their work contributes to organisational priorities – 62% against 60% in 2002, and 51% in 2001 (target 55%);

8. Promoting Equal Opportunities. In this section of the HR Strategy, performance highlights are:

- There has been a year on year improvement in the employment of people from ethnic minority groups (0.73% to 0.96%) and people declaring disability (1.25% to 1.47%);
- It is worth noting that action on awareness of issues, rights and entitlements can often result in a negative before a positive impact. Staff views on equalities have seen a shift to the negative on all five indicators, of between 2% and 5%, and in all cases this is lower than 2001 levels. It should be noted, however that views that the Council treats people equal and fairly remain in a relatively high agreement range – between 67% and 75%;
- Satisfaction with terms and conditions - 61%, from 73% in 2002, 63% in 2001 (target is 63%). Satisfaction with earnings (new question in 2003) is 39%. 21% of employees agreed the Council was committed to supporting them through Job Evaluation (new question in 2003).

9. Improving Communications. In this section of the HR Strategy, performance highlights are:

- Employees agreeing communications in the organisation work well – 32%, against 39% in 2002, 27% in 2001 (target 60%). In contrast, the percentage of employees agreeing that communications work well in their service area was 62%;
- Employees agreeing managers communicate well – 48%, against 55% in 2002, and level with 2001 (target 60%).

10. Improving Recruitment and Retention, Making Best Use of Skills and Potential. In this section of the HR Strategy, performance highlights are:

- Employees agree that they can develop their skills and potential –59%, against 57% in 2002, 48% 2001 (target 75%);
- Employees agreeing opportunities for developing and keeping their job interesting are good – 54%, against 60% in 2002, 48% in 2001;
- Staff Review and Development completion rate for the year to date is 68%, 80% for 2002/3 (target of 100% for the full year);
- Staff turnover has fallen from 13% in 2001-2 to 9.6% in 2002-3. A new baseline has been established of 15.57% for leavers in year one of employment. The Council faces significant challenges in recruitment and retention (e.g. Social Care, Youth Services). There is a low rate of employment of Modern Apprentices – 6 in 2001-2, 8 in 2002-3. Exit survey

information will be available by the end of 2003 to enable recommendations on further improvements in resourcing;

- The Occupational Skills Mapping exercise is a piece of work that will require a dedicated resource. It was originally set to complete by 2005, but was brought forward at Members' request. With Job Evaluation a priority for Human Resources over the next six months, the target of completing this exercise by end of 2004 needs to be reviewed, and the recommendation is the original time frame.

11. Promoting Flexible Working. In this section of the HR Strategy, performance highlights are:

- Issues with the Council's ICT infrastructure to enable Council-wide flexible and remote working are being actively considered by the Information Policy Group. Actions that may be possible to take in the interim (e.g. awareness session on flexible working, project in Revenues and Benefits) are being discussed in that forum;
- The trend on views about flexible working is positive. Employees agreeing that there is flexibility to meet home/work commitments – 73%, up from 68% in 2002, and 65% in 2001. Views on ability to work flexibly have remained high at 82% in 2002 and 2003;
- The pre-assessment against the Work Life Balance Standard is being considered, the target for achieving the Standard is 2005.

12. Ensuring a Safe and Supportive Working Environment. In this section of the HR Strategy, performance highlights are:

- *'Reviewing lessons learned from complaints and comments, and publishing lessons learned, to learn from what has been done'* has been highlighted by the HR Strategy Group as an area for action to enable cross-Council learning and help meet the Council's improvement objective 'Organisational Development and Learning';
- Employees agreeing they know when they have done a good job - 74%, against 59% in 2002, 58% in 2001 (target 70%);
- Recorded violent incidents to staff have fallen from 342 to 148 (these are mostly incidents in Pupil Referral Units and Care Establishments); reportable incidents fell by 9, from 22 to 13 year on year; days per FTE lost to sickness absence have fallen from 9.32 to 8.6. There has been little change in levels of bullying and harassment. Staff confidence in managers taking steps to reduce health and safety risks rose from 70% in 2001 to 80% in 2002 but fell in 2003 to 72% in 2003, still above 2001 levels.

13. Investors in People

Info in Herefordshire has obtained the Investors in People Standard. County Secretary and Solicitors plan to gain the award by the end of March 2004. Another two areas have actively considered it (Policy and Community, Planning). The Customer Care Strategy has committed certain services to gaining the award. The HR Strategy group has considered a corporate rather than service led approach due to the organisational performance benefits they believe this will bring. Further

analysis of this approach is to be conducted.

14. A presentation on the Staff Opinion Survey is being arranged for members, and work is in hand with the Council's Key Managers to implement actions to improve performance in five priority areas identified by the Staff Opinion Survey:
- increase confidence in senior management's leadership;
  - help employees feel more valued;
  - improve internal communications and ensure employees feel involved, consulted and informed;
  - increase belief that the results of the Survey will be taken seriously, and things done as a result;
  - improve confidence that things are getting better within the Council.

## **Recommendation**

**THAT the Committee consider and note the contents of this report.**

### Appendices

- HR Strategy Performance Report November 2003
- Staff Opinion Survey Preliminary Report 2003

### **Background Papers**

- None

## 1. ACHIEVING MANAGEMENT EXCELLENCE

Aim	Action	Performance Indicator	2001/2 Actual	Target	By When	Actual 2002/3	Actual 2003/4	Progress/Comments	By who
1. Achieve quality and consistency of management within the Council	Develop set of management competencies (including performance management)	A published set of management competencies, with a means of measuring improvement	N/A	Management competencies developed	end 2002	Agreed in December 2002.		Pilot events to test software and process took place May, June, July. Pilot group now using live application.	Human Resources
	Establish programme of training in performance management for all key managers	% key managers trained	N/A	100% key managers trained	end 2003			Programme established. Key managers identified, four training events held. 92% trained.	Human Resources
	Apply management competence assessment to identify needs and develop individual management plans for improvement	% of key managers who have completed individual assessment.	N/A	100%	end 2004			See above.	Human Resources
2. All services use EFQM to drive excellence in performance	Awareness/assessor training in those directorates not yet using model	% employees covered by assessment against model per year	N/A	100%	annually	100%..		Assessments carried out in all areas during 2002/3.	Directors (Supported by Human Resources)
3. HR strategy impacts positively on employees	See above and other sections.	% employees saying they feel their work is valued in the organisation; % saying they know	51%	Opinion Survey 50% (Q3a), 55% (Q13a)	end 2003	59%	43%	Now using EFQM every three years, 'driver' every year	Human Resources, Managers





## 2. PROMOTING EQUAL OPPORTUNITIES

Aim	Action	Performance Indicator	2001/2 Actual	Target	By When	2002/3 Actual	2003/4	Progress/Comments	By Who
4. Implement Equality of Opportunity policy	Agree and implement action plan to achieve targets.	% senior management posts filled by women NB new definition of 'senior management' from 2002 – % of top 5% of wage earners that are women.	22.7%	28% 40% for 2003-4 50% for 2006-7	mid July 2002	38.02%		Diversity awareness planned for 2004.	Chief Executive's Management Team
	Manager competency in equality developed	See Achieving Management Excellence section							
	Targeted awareness and training plan; regular ongoing provision of equalities training	% meeting DDA definitions compared with economically active local population	1.25%	Work towards 4.3% community figure	end 2005	1.47%		Diversity Group in place, awareness events planned.	Managers (supported by Human Resources)
		% of employees from black and ethnic minorities;	0.73%	1% (0.5 in the community)	end 2005	0.96%		See above.	As above
	Publish regular information on implementation of equal ops policy	% employees from ethnic minorities as a % of local population	84%	90%	end 2005	80%	75%	See above.	As above
		% report equally and fairly whatever their religion	81%	90%	end 2005	78%	73%	See above	As above
		% report treated equally and fairly whatever their race	76%	85%	end 2005	75%	73%	See above	As above
		% report treated equally and fairly whatever their gender	73%	75%	by end 2005	71%	67%	See above	As above
		% report treated equally and fairly whatever their sexual orientation					68%	New question for 2003	

		and fairly whatever their age							Appendix A
Attain disability symbol accreditation; retain symbol	N/A	% report that they are treated equally and fairly whatever their disability	Gain symbol. 80% (was 71%)	end 2002 end 2003	Symbol gained.	68%	Baseline set.	Human Resources	
Manage impact of Job Evaluation and Single Status exercises	63%	% employees satisfied with terms and conditions	63% (level with 2001)	end 2002	73%	61%	Question on council commitment to support in JE - 21% agree	Human Resources, Single Status Board.	

Continues over.....

## 2. PROMOTING EQUAL OPPORTUNITIES continued.....

Publish Herefordshire Council Personal Employment Pack	N/A		Pack produced	end 2003	Achieved e-PEP now available for new employees		Text for 'pack' being put together for existing employees, dependent on Single Status completion.	Human Resources
	N/A	% applicants / successful candidates from black and ethnic minorities/ declaring disability	Baseline to be set	end 2003			Baseline to be set after figs available - end 2003	Hr Strategy Group

## 3. IMPROVING COMMUNICATIONS

Aim	Action	Performance Indicator	2001/2 Actual	Target	By When	2002/3	2003/4	Comments/Progress	By Who
5. Achieve effective communication between employees and	Develop manager competency in communications	see Achieving Management Excellence section							

		Appendix A						Managers	
directorates / departments			27%	60%	end 2005	39%	32%	Team briefing introduced 2002-3	Managers
		% employees agreeing communications in the organisation work well							
		% employees agreeing managers communicate well	48%	60%	end 2005	55%	48%	Service area = 62%!!!	Managers
6. Improve communication skills for all employees	See Communications Strategy							Currently in draft format for agreement by CXMT	PRUnit

#### 4. IMPROVING RECRUITMENT, RETENTION, MAKING BEST USE OF SKILLS AND POTENTIAL Appendix A

Aim	Action	Performance Indicator	2001-2 Actual	Target	By When	2002/3 Actual	2003/4	Comments/ progress	By Who
7. Examine causes of labour turnover	Establish regular reporting on turnover, reasons for turnover	Reporting mechanism in place	N/A	-	end 2002	See Exit Surveys below		First report due Nov 2003	Human Resources
Reduce overall turnover	Develop a Council Workforce Recruitment and Retention Policy	% voluntary leavers	13%	10%	end 2005	9.6%		Fallen from 16% on 2000-2001	Human Resources
		% new employees attending corporate induction in 3 months of joining	21%	100% of all new permanent employees	each year	45%		Revised process for data capture now in place. First report due Nov2003	Managers
	Establish process to analyse numbers leaving in first year of employment	% new employees leaving in first year of employment.	N/A	Baseline to be established	end 2002	5.75%		Exit Survey process in place.	Human Resources
8. Herefordshire Council seen as an 'employer of choice'	Establish and publicise careers information point in the Council; set up graduate placement scheme	Number of work placements per annum including graduate placements	N/A	Baseline number of placements to be established	mid 2003	Graduate Placement Scheme set up.		No progress yet on Careers information point. 4 placements started July 2003.	Human Resources
		% managers assessed as competent in	N/A	see Management Excellence					

Appendix A						
	recruitment and selection		section			
Design and implement electronic form for data collection on exit interviews; publish exit interview data	% measured exit interviews carried out of all leavers	N/A	100% of all leavers	end 2005	Process agreed and in place for quarterly reporting.	Not e-enabled but process in place.  Human Resources, Managers

IMPROVING RECRUITMENT, RETENTION, MAKING BEST USE OF SKILLS AND POTENTIAL continued.....

Appendix A

Aim	Action	Performance Indicator	2001 / 2 Actual	Target	By When	2002 / 3 Actual	2003 / 4	Comments /progress	By Who
	Survey Citizen's Panel	% panel agreeing the Council has a reputation as a good employer	N/A	To be set after baseline established	end 2003			Planned for November 2003 but need review go ahead.	Human Resources, in conjunction with Herefs P'ship
9. Employees are effectively trained and developed to meet service delivery challenges	Ensure effective monitoring in place	% Staff Review and Development discussions carried out in previous 12 months	52%	100% completed each year.	Ongoing	80%		68% at end Sept 2003	Directors and Heads of Service  Continued.
	Review effectiveness of Staff Review and Development Scheme; agree and implement changes	See below	N/A	-	mid 2003.	Achieved,		Launched May 2003.	Human Resources – Project for Certificate in Management group member
	Agree and implement Training and development policy	Training and development policy in place	N/A	-	end March 2003  end December	80% SRDs completed in 2002-3		Policy in draft	Human Resources
		% Individual Development plans in place	92%	70% <b>100%</b>	each year	96%		Revised target to be agreed	Managers
		% Individual	N/A	70%	each	Figures not		Sample surveys	Managers

Appendix A	indicate - 60% implemented.		available.	year			Development plans implemented successfully
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IMPROVING RECRUITMENT, RETENTION, MAKING BEST USE OF SKILLS AND POTENTIAL continued.....

Appendix A

			48%	75%	end 2005	61%	59%	Managers
	% employees agree they can develop their skills and potential in their current job		48%	75%	end 2005	60%	54%	Managers
	% employees agree opportunities for developing and keeping job interesting are good		48%	75%	end 2005	60%	54%	Managers
10. Enable employees to gain nationally recognised qualifications, and achieve government targets	To be set after survey	To be set after survey	N/A	To be set after survey	Survey during 2002-3	Student in Human Resources research project for 2003 underway.	Project on track survey to take place Autumn 2003, in Social Care. Unison ULR involved.	Human Resources and other Directorates as appropriate
	Carry out targeted survey of Basic Skills Essential Skills							
	Carry out audit of NVQ/National Occupational Standard Qualifications	Indicator to be set after audit	N/A	To be set post audit	Audit to be carried out 2003		Assessment of number of Modern Apprentices being carried out.	Human Resources
11. Enable opportunities for job mobility and career devt	Indicator to be set after mapping exercise.	Indicator to be set after mapping exercise.	N/A	Target to be set after mapping exercise.	Mapping exercise to be carried out by end 2005-2004		No report at this stage. SMC recommendation that target date be brought forward but issue of capacity to	Human Resources
	Map common occupational skills/competencies							





## 5. PROMOTING FLEXIBLE WORKING

Aim	Action	Performance Indicator	2001/2 Actual	Targ et	By When	2002/3 Actual	2003/4	Comments/ Progress	By Who
12. Employees working in a range of flexible work options	Apply for Work Life Balance funding for manager training & awareness; develop manager awareness of benefits of flexible working	Gained funding, awareness roll-out planned; % managers attended awareness sessions	N/A	- 100% key managers	mid 2002 mid 2003	Funding gained and used in pilot project.		Pilot to be carried out in Revs and Bens. Council-wide ICT infrastructure issues	Human Resources Information policy group R&B Project team
	Work-life Balance Standard pre-assessment to identify areas for action	Standard gained.	N/A	-	2005			Being planned.	Human Resources
	Complete Flexible Working Policy and Guidance; issue for use	See below	N/A	-	2003	Policy and guidance promoted via intranet, core news, team brief		Homeworking project in Revs and Bens.	HR Strategy Group
	Identify central Council accommodation requirements	% posts identified as suited to flexible working (other than job share) % posts identified as suited to flexible working with post holders working flexibly % employees agreeing there is flexibility to help meet home/work commitments	N/A	33%	end 2005			Survey devised by Head of Property Services	HR Strategy Group
			N/A	95% (of the 33%)	end 2005			As above	Managers
			65%	80%	end 2005	68%	73%		Managers

13. Employees are supported in achieving a healthy home/work balance	See above	% employees agree are supported in achieving a healthy home/work balance % agreement that I am able to work flexibly'	54%	75%	end 2005	63%	82%	82%	Annex A
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## 6. ENSURING A SAFE AND SUPPORTIVE WORKING ENVIRONMENT

Aim	Action	Performance Indicator	2001/2 Actual	Target	By When	2002/3 Actual	2003/4	Comments/Progress	By Who
14. Create an environment in which ideas are listened and taken seriously	Develop manager competency – see section on Management Excellence.	% employees agreeing that their contribution is recognised	43%	60%	end 2005	51%	43%	See Managing Excellence section.	Human Resources
15. Review and learn from what others say	Review lessons learned from current complaints and comments; publish lessons learned and what has been done to improve	Lessons learned published	N/A	N/A	mid 2002, then annually			Flagged for further work	PR/ Comms Unit/County Secretary and Solicitor
		% employees agree they know when they have done a good job	58%	70%	end 2005	59%	Q dropped in 2003 survey		Managers
16. Provide a safe and supportive working environment	Investigate all reportable accidents. Determine cause and take preventative action	Number of reportable accidents at work	22	Reduce by 2 year on year	annually	13		Figures available for year end (31.3.04)	Human Resources
	Risk assessment completed for current tasks	% of employees agree their manager takes steps to reduce H&S risks	70%	90%	end 2005	80%	72%		Managers
	Education programme for employees to report incidents.	Process in place to monitor number of violent incidents to employees	342	Programme established by 2002.	Baseline target to be set.	148 * see comment below		Programme in place via Induction	Human Resources, managers
	Implement health monitoring programme	Number of working days/shifts lost to sickness absence per full time equivalent (FTE)	9.32 days	Average 6 days per employee per year	2010	8.6 days			Human Resources, Managers

	Well-person programme feasibility study			0.35%	0.35%	annually	0.12%													Appendix A
	Options for alternative work and reasonable adjustments considered for each ill health retirement case																			Human Resources, Managers.
17. Reduce long term sickness absence levels	Review and improve processes for managing long term absence																			
18. Make it easier for employees to raise and resolve issues at work	Review Grievance, Bullying and Harassment policies, provide training & awareness to support implementation.																			
		% ill health retirements as a % of the total workforce																		
		% employees reporting they are bullied/harassed																		
		Review Policies 2002 Training and Awareness 2003																		
		Mgrs 19% Colls 13% Membs 11% Custs /Clie nts & Service users 38%																		
		Mgrs 17% Colls 12% Membs 12% Custs /Clie nts & service users 37%																		
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HEREFORDSHIRE  
COUNCIL

**Preliminary Report**

**2003 Staff Opinion Survey**

November 2003

Herefordshire Council Research Team

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## **Executive Summary**

- 2725 questionnaires distributed by internal and external post end August 2003.
- 1125 returned by the closing date 10<sup>th</sup> October 2003.
- Response rate of 41%, down from 48% in 2002.
- High proportion (87%) generally enjoy their jobs, down from 91% last year.
- 60% agree that Council is good to work for, down from 79% in 2002.
- Morale and motivation have fallen. 37% now feel morale is good in their work area compared to 45% last year.
- Currently 46% agree that they feel motivated to perform their job well compared with 48% who disagree. Last year, 72% felt very or fairly motivated.
- Most (55%) of comments on “What do you think about Herefordshire Council?” were about Job Evaluation, virtually all negative and mostly about a) poorly handled process b) employees made to feel less valued or c) a detrimental impact on morale/motivation.
- In general, the opinions on leadership have fallen back.
- More respondents (44%) feel that the survey results will be taken seriously in their area than those who do not (35%)
- Nearly half the respondents did not agree that senior management would take actions on problems identified by the survey compared to 28% who believed they would.
- Relations between senior management and employees have deteriorated with 23% now feeling that they are good compared with 45% in 2002.
- A minority, 18%, of respondents agree things are getting better compared to 61% who do not.
- Satisfaction with communications has fallen, though still better than 2001.
- Slight improvement is seen in the area of resources where 61% now feel targets set are achievable and most respondents feel they can do their job without working excessive hours.
- About half the respondents handle confidential information daily and 15% rarely or never do so.
- Overwhelming majority of respondents (>80%) agree that they understand what is meant by the terms Information Security and Confidentiality and that they know and are able to follow what is expected of them to protect it.
- The Council’s performance is substantially better than the average of 15 local authorities as reported by the ORC in August 2002 for nearly all of the 11 cases where comparable questions were asked. These include questions such as adequacy of training and recognition by manager and colleagues for doing a good job.
- Performance against most of the HR Strategy targets measured by the survey has slipped back especially on employees feeling valued and communications.
- There have been improvements in some of the HR targets, especially employees knowing they’ve done a good job and in flexibility to meet home and work commitments.

## **Introduction**

This report presents a summary of the responses to a subset of questions from the 2003 Staff Opinion Survey, together with those of the 2001 and 2002 surveys where similar questions were asked.

The topics covered by the results reported here are: Culture, Leadership and Vision, Communications and Resources. In addition, a summary of the findings of the newly introduced section on Information Security is included.

A table is included which shows the results of this and the two previous staff opinion surveys against the relevant targets in the HR strategy.

The survey was conducted by posting questionnaires to either the office addresses or the home addresses of all employees of the Council. Employees received the questionnaires at the end of August and were initially asked to return them by 30<sup>th</sup> September, though this date was later extended to 10<sup>th</sup> October to give more time for responses to be returned.

## **Response Rate**

A total of 2725 survey were posted out and 1125 were returned giving a response rate of 41%.

## **Profile of Respondents**

The survey asked a limited number of biographical questions which enable a profile of the respondents to be determined. The table on the next page shows the number and proportions of respondents for each of these biographical factors.

The profile of respondents is broadly the same as last year, though the rate of “Not Answered” has fallen several percentage points for each of these biographical questions except for Age. There is a slight increase in the proportion of respondents in the lower age groups with 38% of respondents in the range 20-39 years compared with 34% last year.

Biographical Breakdown of Council Employees Responding to Survey

<b>Factor</b>	<b>Category</b>	<b>Number of responses</b>	<b>Percentage of all responses</b>
<b>Gender</b>	Male	290	26%
	Female	761	68%
	Not answered	74	7%
<b>Age Group</b>	Up to 19	8	1%
	20 - 29	153	14%
	30 - 39	272	24%
	40 - 49	288	26%
	50 - 59	261	23%
	Over 60	53	5%
	Not answered	90	8%
<b>Pay Band</b>	Less than £13,335 pa	296	26%
	£13,581 - £16,515pa	230	20%
	£16,944 - £20,469pa	181	16%
	£21,282 - £24,726pa	130	12%
	More than £25,245pa	186	17%
	Not answered	102	9%
<b>Length of service in Local Government</b>	Less than 1 year	125	11%
	1 - 5 years	363	32%
	6 - 10 years	179	16%
	More than 10 years	398	35%
	Not answered	60	5%
<b>Work Pattern</b> (Employees may be in more than 1 category)	Full time	693	62%
	Part time	317	28%
	Jobshare	46	4%
	Shift / Rota	48	4%
	Not answered	64	6%
	<b>Contract of Employment</b>	Permanent	882
Temporary		76	7%
Casual / Relief		47	4%
Time limited contract		51	5%
Term time / Annual hours		4	0%
Not answered		65	6%
<b>Ethnic Group</b>	British	1027	91%
	Irish	13	1%
	Other White background	15	1%
	Other Ethnic Groups	12	1%
	Not answered	58	5%
<b>Disability Status</b>	With Disability	23	2%
	Without Disability	1030	92%
	Not answered	72	6%

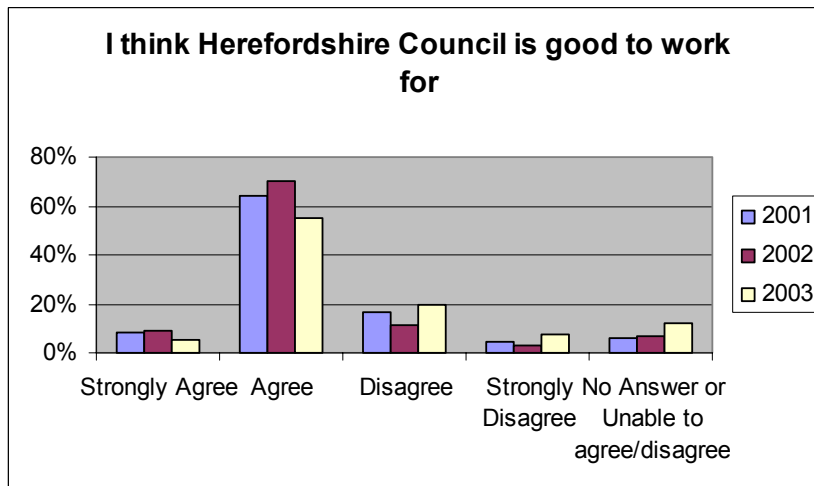
## Culture

The responses to seven questions were analysed and compared with those of 2001 and 2002 where appropriate.

### Statement: I think Herefordshire Council is good to work for - Q1.1

The chart below shows the extent of agreement and disagreement with the above statement.

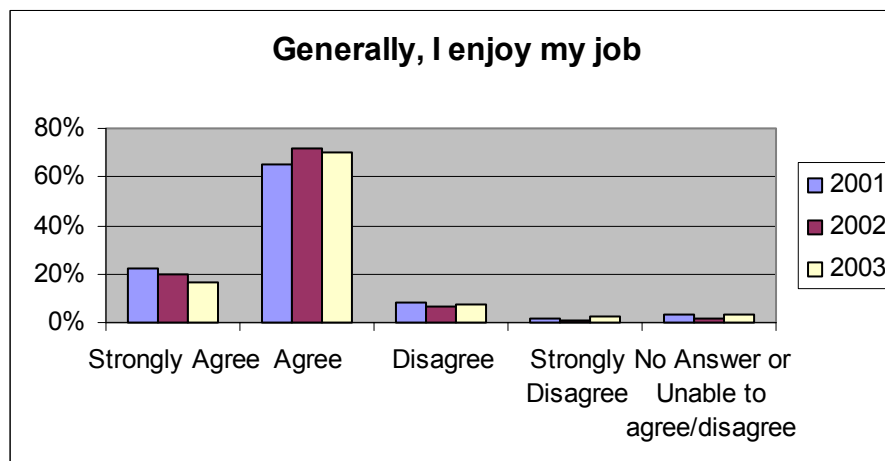
Whilst the majority (60%) of respondents currently agree or strongly agree with the statement, this figure has fallen markedly since last year when 79% of respondents answered this way and also below the 2001 level of 72%. The number of respondents who strongly disagree has increased from 3% in 2002 to 8% this year indicating a large increase in the number of respondents who feel strongly that it is not a good place to work. There is also a significant increase in the respondents who are unable to agree or disagree or who did not answer which rose from 7% last year to 12% this



year.

### Statement: Generally, I enjoy my job – Q1.2

Analysis of the responses to this question shows that a large majority of respondents generally enjoy their job, with 17% strongly agreeing and a further 70% agreeing



with the statement.

This figure has reversed last year's improvement with the total agreeing now at 87% compared with 91% last year, a drop of 4 percentage points or approximately 4% and now about the same as 2001.

The following table compares the responses to this statement with those reported by the ORC in August 2002 to the statement: *"Considering everything, I am satisfied with the job I do"*.

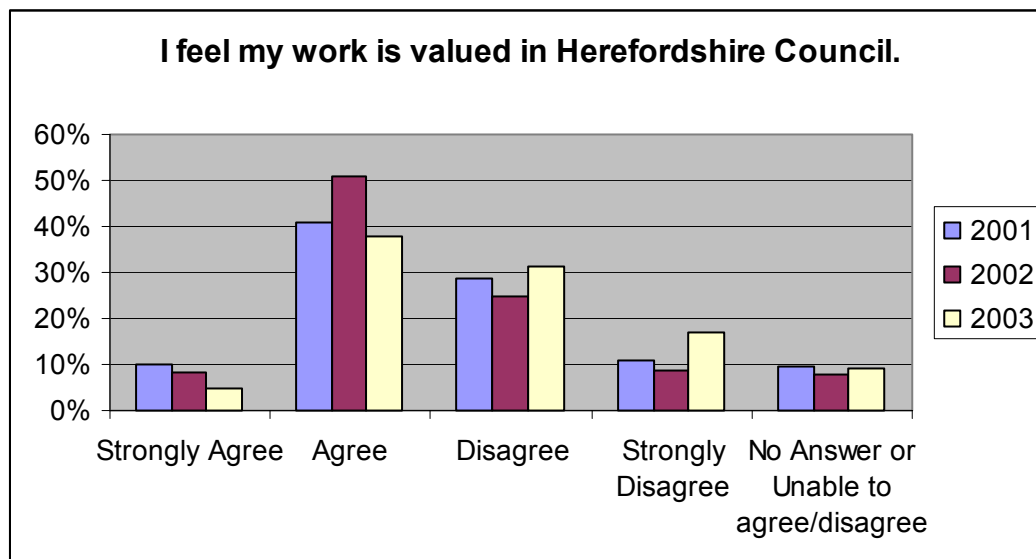
Local Gov't average 2002	Local Gov't range 2002	HC Response 2001	HC Response 2002	HC Response 2003
71%	40% - 80%	88%	91%	87%

As can be seen despite the fall, the HC response remains well above the local government average and in fact higher than the top end of the range from the 15 contributing authorities.

Statement: *I feel my work is valued in Herefordshire Council – Q1.3*

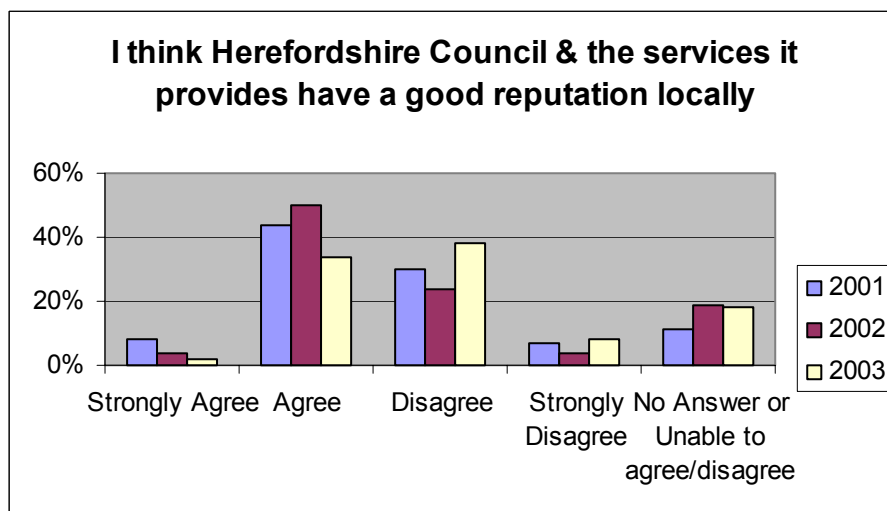
Currently a minority, 43%, of respondents agree that their work is valued, including 5% who strongly agree. This compares with 48% who disagree, a third of whom strongly disagree.

The level of agreement has fallen 16 percentage points or 27% since last year when a majority (59%) of respondents felt that their work was valued compared to 34% who did not. At 43%, the proportion of respondents now feeling that their work is valued is below the level of 2001 which was 51%, thus more than offsetting the improvement seen in 2002.



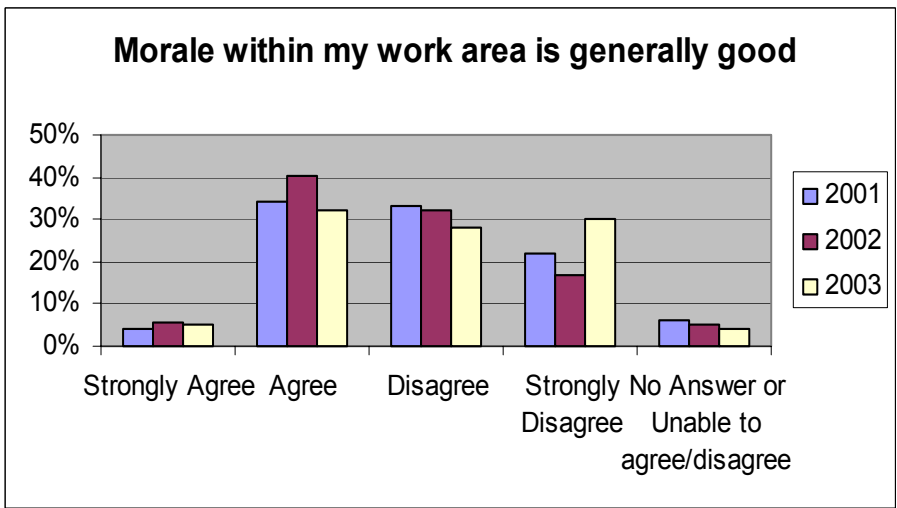
Statement: I think Herefordshire Council and the services it provides have a good reputation locally – Q1.5.

Currently, a little over a third (36%) of respondents think the Council and its services have a good reputation locally. As was seen last year, only 82% of respondents expressed an opinion with regard to this statement. Those that did, show a marked decline in their view of the reputation of the Council and its services, far exceeding the improvement seen between 2001 and 2002. This year 34% of respondents agree and a further 2% strongly agree with the statement, this compares with 50% and 4% respectively for 2002. When adding the “agree” and “strongly agree” categories together, it shows a fall over the year from 54% to 36% or 18 percentage points (33%). There are now more respondents who feel that the reputation is bad (46%) than there are those who feel it is good (36%).



Statement: Morale within my work area is generally good – Q1.8.

As the chart below shows, currently only 37% of respondents feel that morale is good within their work area. The responses to this statement show a marked decline of morale over the last 12 months, more than offsetting the annual improvement seen in 2002. The largest change was in the proportion of respondents who strongly disagree with the statement. This has increased from 17% in 2002 to 30% currently, representing an increase of 13 percentage points and demonstrating a high strength of feeling about morale not being good. (No other positive question in the survey received such a high proportion of strong disagreement). However, the number of respondents who disagree with the statement has fallen from 32% last year to 28% this year. The number of respondents who strongly agree with the statement was unchanged since 2002 at 5% and still slightly higher than the 4% seen in 2001. In total in 2002, 45% agree or strongly agree with the statement compared to 37% this year. These figures show a substantial increase of the proportion of respondents believing that morale is not good in their work area and of the strength of their views.

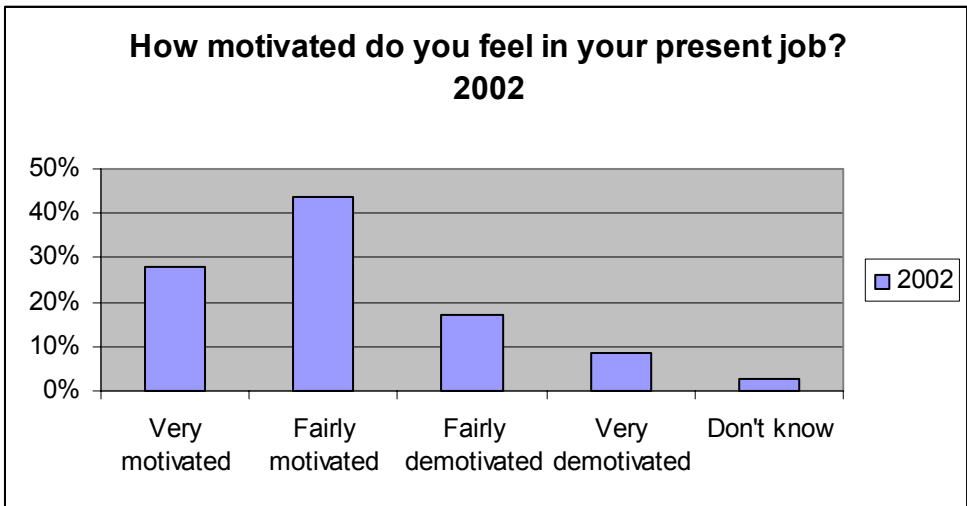


Statement: I feel motivated to perform well in my current job – Q 1.19

At 46%, the proportion of respondents who agree that they feel motivated is slightly less than those who disagree which is 48%. However, the strength of disagreement is stronger as shown by the 18% of respondents who strongly disagree compared to the 8% who strongly agree.



A similar, but not identical, question was asked in 2002 and the responses are summarised in the chart below.



Most respondents, 72%, felt very or fairly motivated in 2002 compared with the 25% who felt fairly or very de-motivated. This suggests a major fall of motivation level over the year to the current 46% level.

Comments on: *What do you think about Herefordshire Council? - Q1.24*

The responses to question 1.24 which invited comments on issues raised in section 1, “What do you think about Herefordshire Council?” were reviewed.

This question is considered here because it generated a high proportion of responses with a very dominant theme.

There were 374 responses, representing about one third of the questionnaires returned. The issue of Job Evaluation was cited in 206 of the responses, representing 18% of all survey responses and 55% of responses to this question. The responses, which were virtually all negative, had three predominant themes: a) the process was poorly handled/managed. b) Job Evaluation had lead to staff feeling either not valued or less valued and c) the issue had had a detrimental impact on morale and/or motivation. A few typical examples are shown in the table below.

<b>A selection of typical responses to: Comments on Section 1 – What do you think about Herefordshire Council?</b>
The Job Evaluation process has been handled extremely badly. The whole process needs looking at properly before it goes any further.
Generally H.C is good to work for. However, some major exceptions to this make it impossible to have complete faith. e.g. Job evaluation has been managed/handled /communicated appallingly from start to finish.
Job evaluation is the single biggest issue affecting my answers (negatively). This has been very poorly managed and implemented. Bureaucratic workload gets bigger every day without more resources to meet demands.
I used to think the council was good to work for but I cannot understand how it managed to get job evaluation so wrong if it was well managed. How did management expect the staff to react with so many of the lower paid losing out and with senior management gaining?
Due to job evaluation, as an employee I feel that as Council employees we are not valued in our jobs, I don't feel that the Council are standing up for their staff, leaving staff with no motivation or morale at all.
Feel let down now after job evaluation. People used to say a job for life at the council, but now no loyalty as I feel I am not valued in my post. Worried about my future, but like my job and so don't want to leave.
As a result of Herefordshire Council's Job Evaluation, morale is at an all time low. Even though it has been shelved for the time being, staff have read how little they are thought of which has done nothing for motivation.
Job evaluation has caused morale to drop, as I feel undervalued for the work I do. Things will not improve until JE & SS are resolved

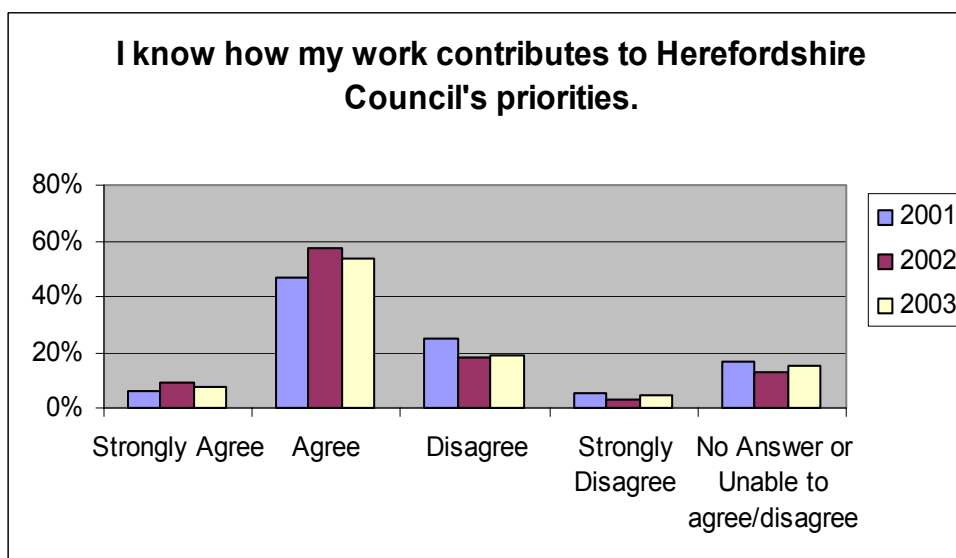


## Leadership and Vision

The responses to six questions which reflect the views on leadership and vision were analysed and the findings summarised in this section.

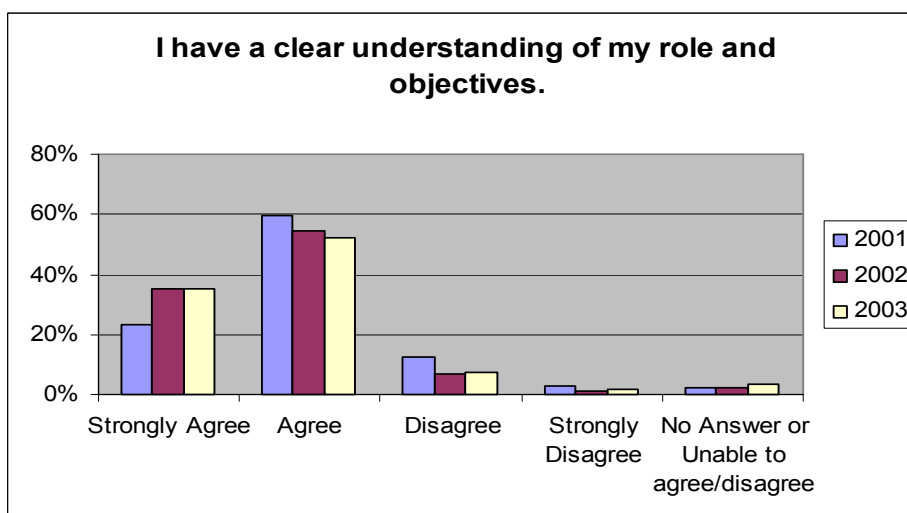
Statement: I know how my work contributes to Herefordshire Council's priorities - Q1.16

The chart shows the extent of agreement and disagreement with this statement. At present, a majority (62%) of the respondents agree or strongly agree that they know how their work contributes to the organisational priorities compared to 24% who disagree or strongly disagree. This level of agreement has fallen over the year by 4 percentage points from 66% in 2002. Similarly, the level of disagreement has risen by 3 percentage points from 21% in 2002. This has partially offset the improvement seen in 2002, though at 62% the level of agreement in 2003 remains significantly higher than the 52% seen in 2001.



Statement: I have a clear understanding of my role and objectives – Q4.3

As the chart shows, there is an overwhelming majority of respondents (87%) who agree that they have a clear understanding of their role, including the 35% who

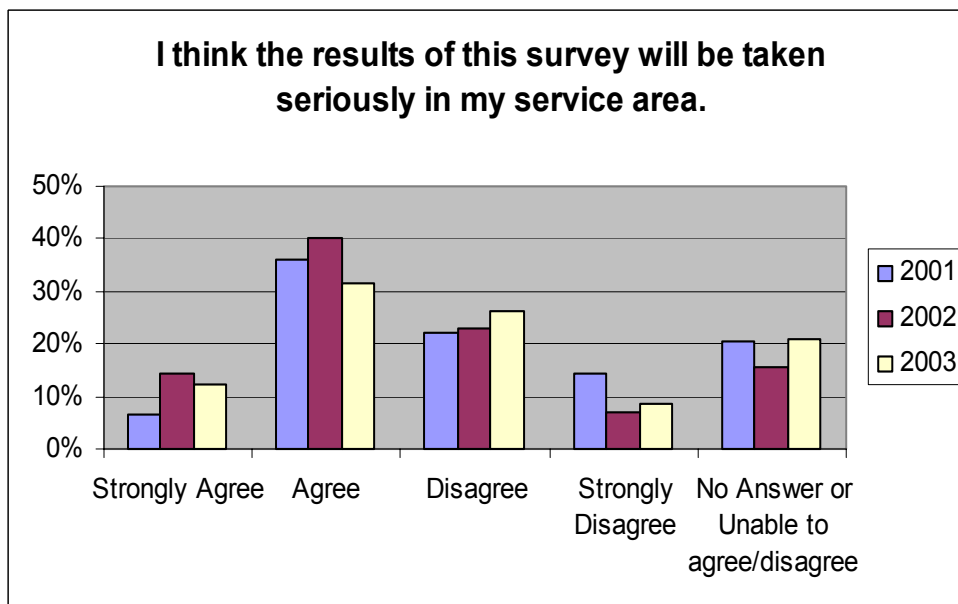


strongly agree with the statement. A small minority (9%) disagrees. This shows a small decline in the level of agreement since last year down from 89% to 87% but remains higher than 2001 (83%). Only a very small percentage (3%) of respondents were either unable to agree or disagree or didn't answer.

Statement: I think the results of this survey will be taken seriously in my service area - Q4.4

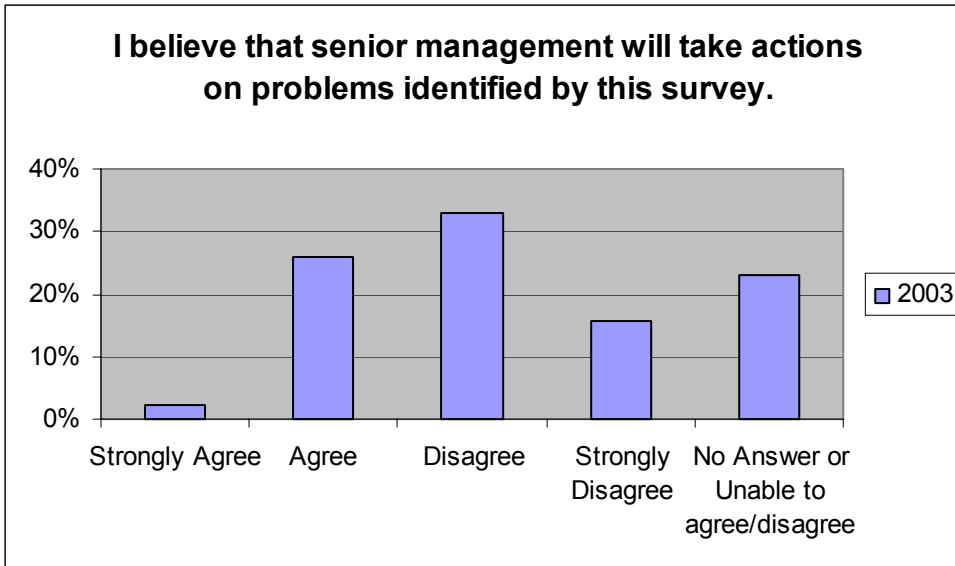
44% of respondents agree or strongly agree that the results of this survey will be taken seriously in their service area which is higher than the 35% who disagree or strongly disagree. 21% didn't answer or were unable to agree or disagree.

The extent of agreement has fallen by 11 percentage points or 20% since 2002 and is back at the 2001 level. Whilst the total levels of agreement and disagreement are each very similar for 2001 and 2003, the proportion who strongly agree is higher in 2003, whilst the proportion who strongly disagree was higher in 2001.



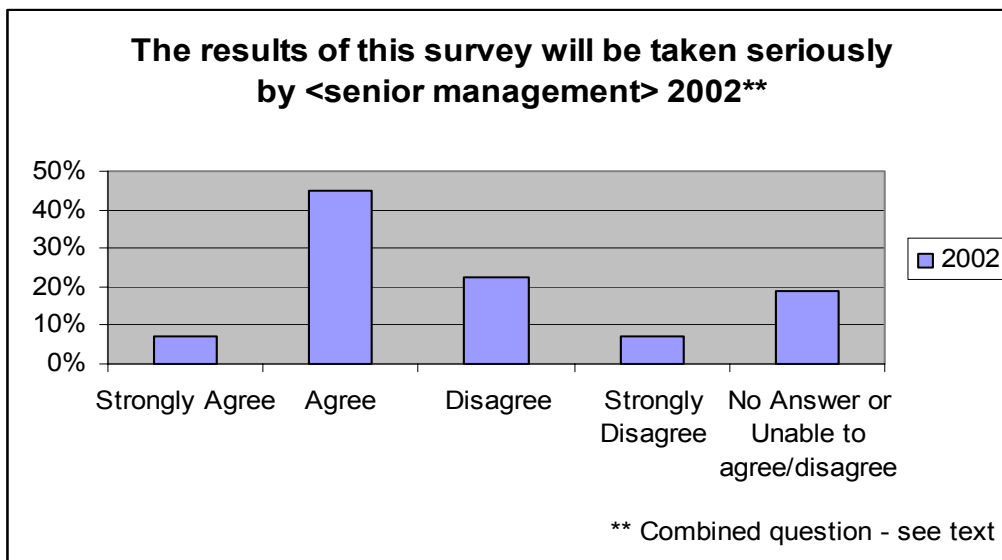
Statement: I believe that senior management will take actions on problems identified by this survey (Q3.1)

Nearly half (49%) of respondents disagreed with this statement including 16% who strongly disagreed. There was a large proportion of those who didn't answer or who were unable to agree or disagree, leaving only 28% agreeing that senior management would take actions on problems identified – a low number indicating a high degree of scepticism. It is also likely that this is a factor in the lower response rate compared to last year.



There was no directly equivalent question asked in the previous surveys, but for comparison the chart below shows the averaged response to two questions which asked for agreement with the statements:

- a) *The results of this survey will be taken seriously by the Chief Executive and heads of directorates/departments (Q52a)*
- b) *The results of this survey will be taken seriously by heads of services (Q52b)*

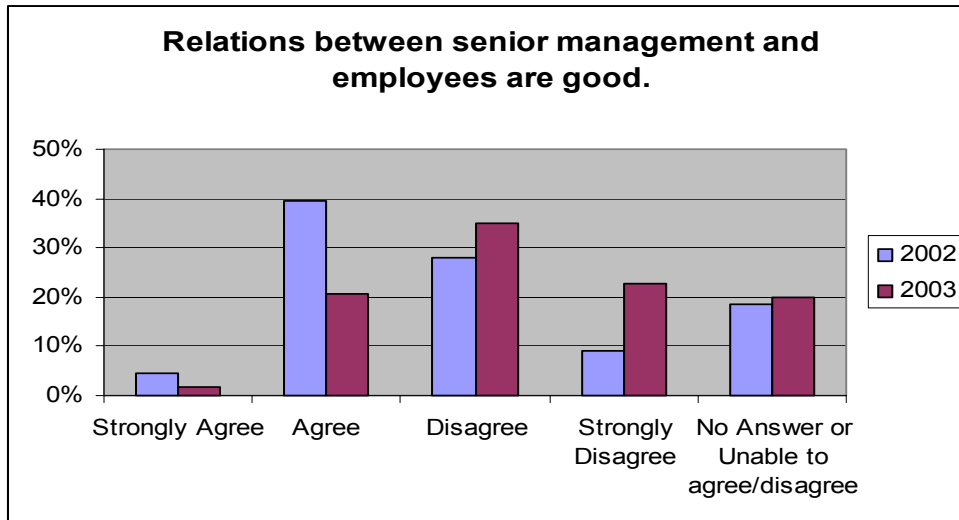


Due to the difference of the questions, no direct comparison can be made between the responses shown in the two charts above. However, the fact that only 28% of responses in 2003 agree that senior management would take action to address the problems identified, is a much lower proportion than the 45% of responses in 2002 who agree that the results would be taken seriously by senior management.

Statement: Relations between senior management and employees are good – Q3.5

Most of the respondents do not agree that relations between employees and senior management are good. Only 23% of respondents agree while 58% disagree, including 23% who strongly disagree. A further 20% were either unable to agree/disagree (17%) or gave no answer (3%).

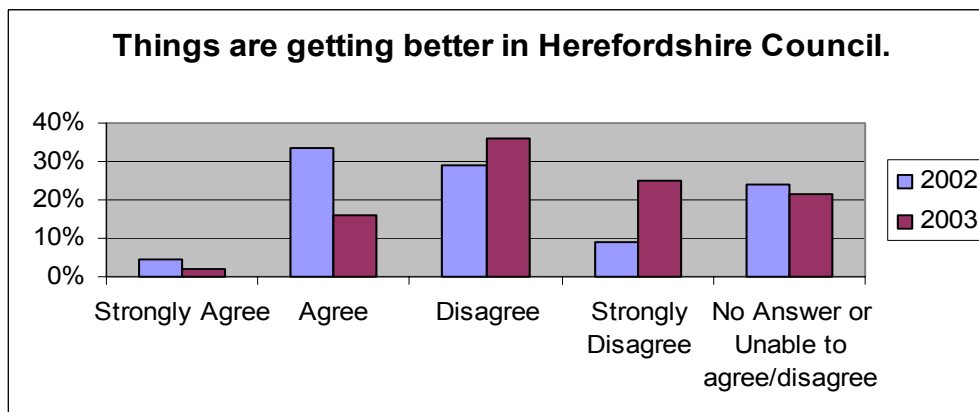
The level of agreement has fallen by 22 percentage points or 49% since last year when more respondents (45%) agreed than disagreed (37%). The level of strong disagreement has risen from 9% to 23% over the same period.



Statement: Things are getting better in Herefordshire Council - Q1.18

The chart below shows the responses to the above question in 2002 and 2003. The responses this year show only a minority (18%) of respondents agree that things are getting better at the Council, compared to a large majority of respondents (61%) who disagree. In 2002 the level of agreement and disagreement were approximately balanced with 39% agreeing and 38% disagreeing. This shows a dramatic fall of 54% or 21 percentage points of the respondents agreeing that there is a trend whereby “things are getting better”.

In 2003, 20% of respondents answered that they were unable to agree or disagree; only 1% didn’t answer the question.

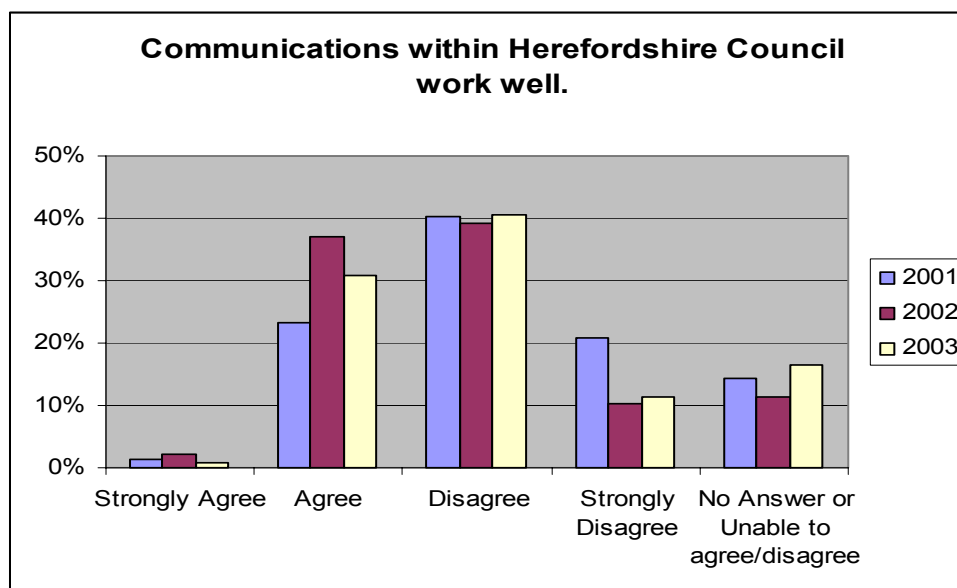


## Communications

The responses to two communications related questions were analysed.

### Statement: Communications within Herefordshire Council work well – Q2.1a

Over half (52%) of the respondents feel that communications do not work well within the Council, including the 11% of respondents who strongly feel this way. This contrasts with less than a third (32%) who feel communications work well including just 1% who strongly agree. The remaining 16% were mostly unable to agree or disagree (15%) or didn't answer (1%).

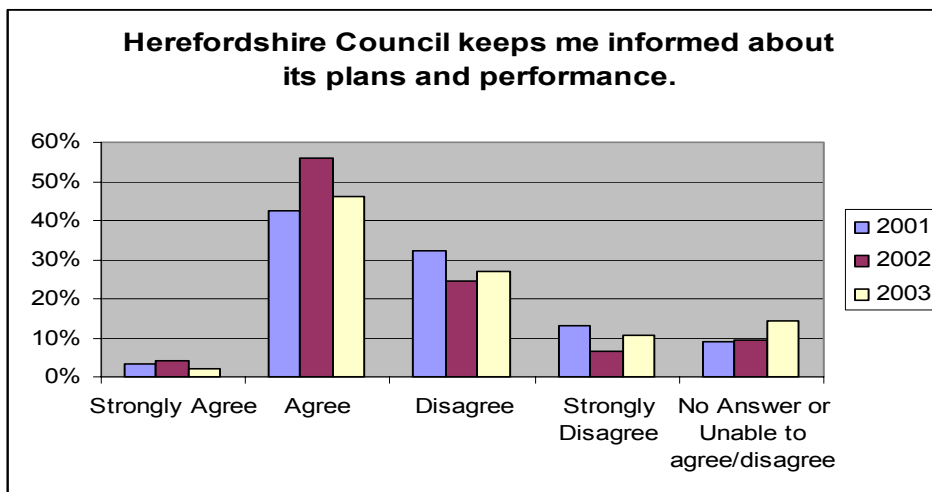


The 32% agreement this year is a fall of 7 percentage points or 18% from 39% in 2002, though still well above the 24% seen in 2001. The other major shift compared to last year is the increase in the proportion of respondents who were unable to agree or disagree or who didn't answer – this is up from 11% in 2002 to 17% this year.

### Statement: Herefordshire Council keeps me informed about its plans and performance – Q2.3a

Slightly under half (48%) of the respondents agree or strongly agree that the Council keeps them informed about its plans and performance, this compares with 37% who disagree including 10% who strongly do so. A further 14% are either unable to agree or disagree (13%) or gave no answer (1%).

The level of agreement has fallen 12 percentage points or 20% from the 60% seen in 2002, but remains higher than the 45% figure in 2001.



The response can also be compared with the ORC local government benchmark response to the statement “*I am kept well informed about what the “Company” is doing*” as is shown in the table below.

Local Gov't average 2002	Local Gov't range 2002	HC Response 2001	HC Response 2002	HC Response 2003
37%	15% - 65%	46%	60%	48%

It can be seen that despite the large fall since last year, the Herefordshire Council figure remains well above the average for the 15 local authorities in the ORC report.

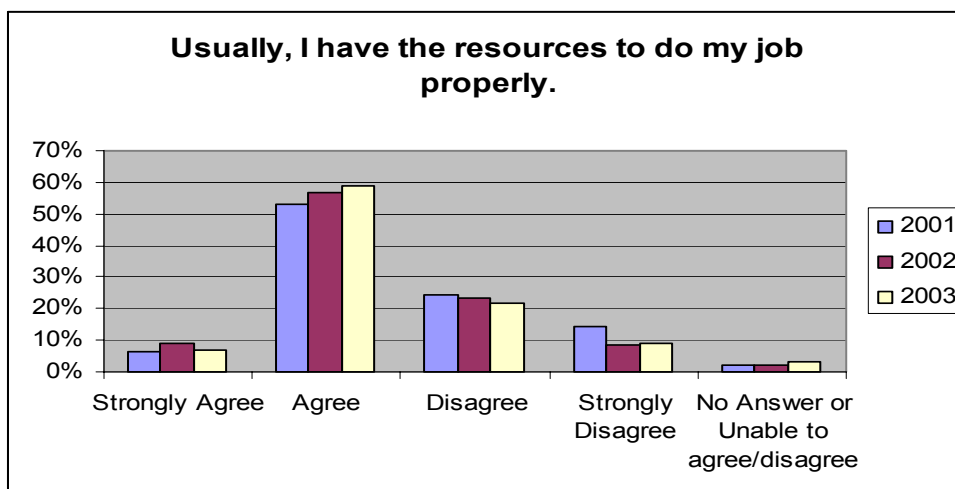
## Resources

This section analyses the responses to four statements about resources available.

Statement: Usually, I have the resources to do my job properly – Q1.9

Nearly two thirds of respondents (66%) agree or strongly agree that they have the resources to do their job properly, compared with just under a third (31%) who disagree and only very few (3%) either didn't answer or are unable to agree or disagree.

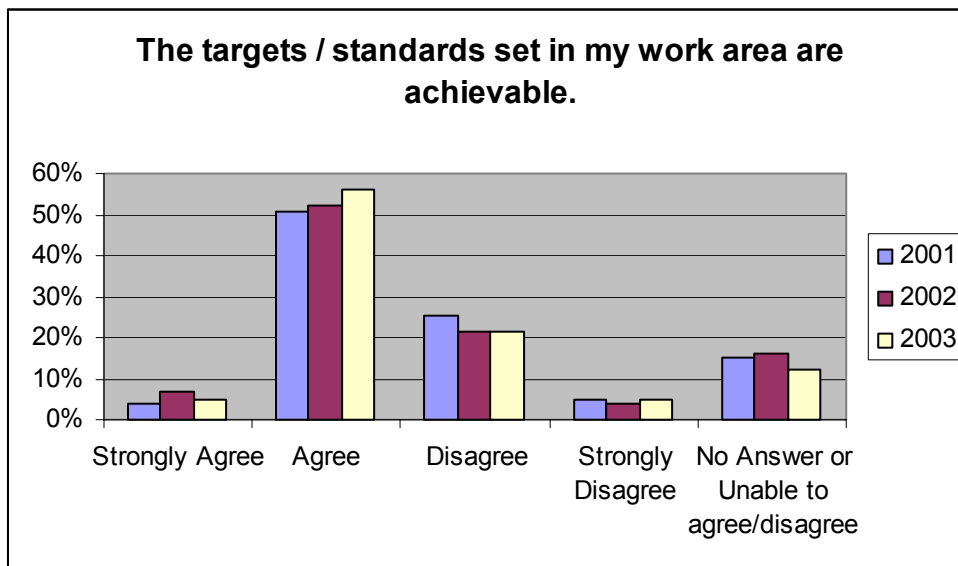
The proportion of respondents who strongly agree (7%) is slightly down from last year (9%), but the proportion agreeing (59%) is slightly up from last year (57%)



meaning that the total proportion of respondents who agree is unchanged since last year. The improved level seen in 2002 from the year before has been maintained but not increased.

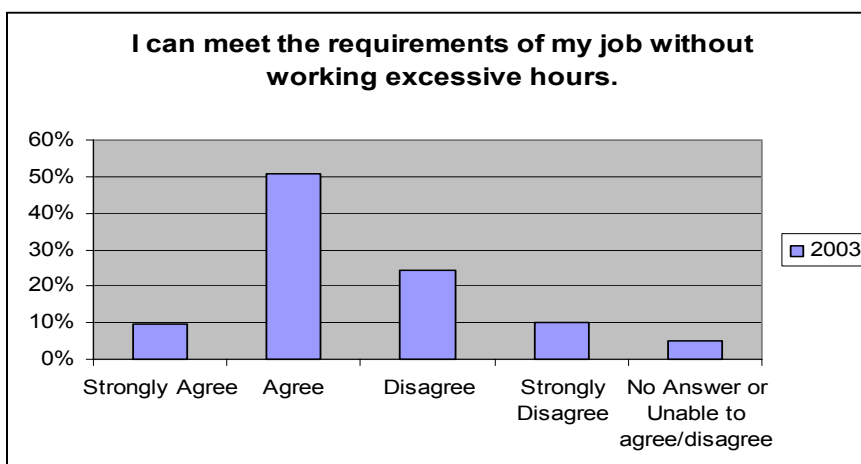
Statement: *The targets / standards set in my work area are achievable – Q1.15*

This indicator has improved since last year. Currently, 61% of respondents agree or strongly agree with the above statement, a much larger proportion than the 27% who disagree or strongly disagree. This level of agreement is up 2 percentage points or 3% from last year’s figure of 59% and is a further improvement over the 55% seen in 2001.



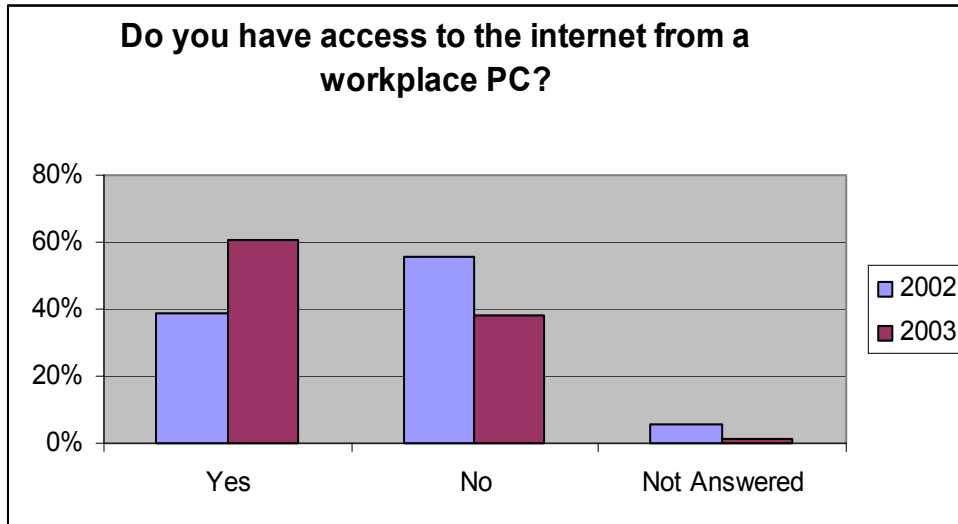
Statement: *I can meet the requirements of my job without working excessive hours. – Q6.7*

Most respondents (61%) expressed the view that they do not need to work excessive hours to meet the requirements of their job compared to 35% who disagree including 10% who strongly disagree. There has been no equivalent question in previous years.



Statement: Do you have access to the internet from a workplace PC – Q2.3a?

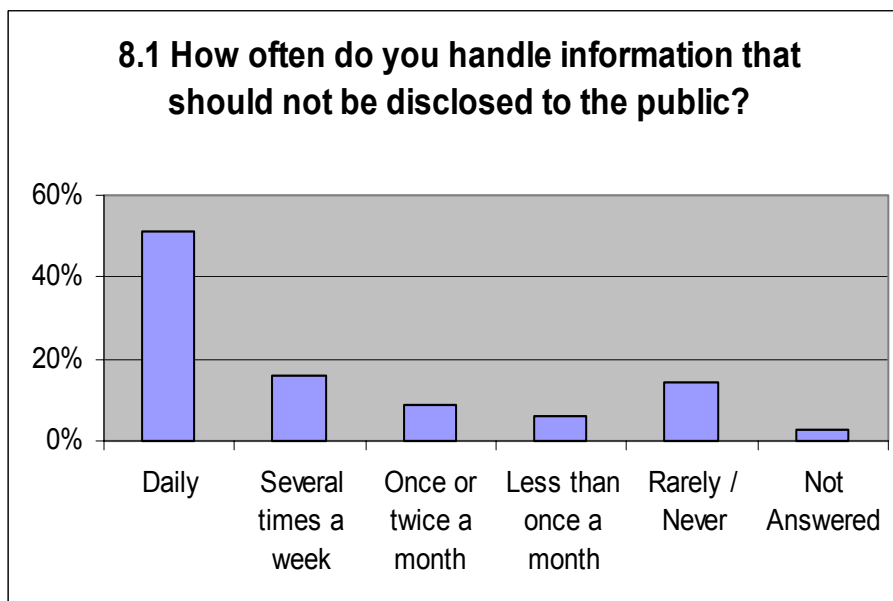
Currently, 60% of respondents have access to the internet from a workplace PC, compared to 39% in 2002 representing a growth of 21 percentage points or 54% over the year.



## **Information Security**

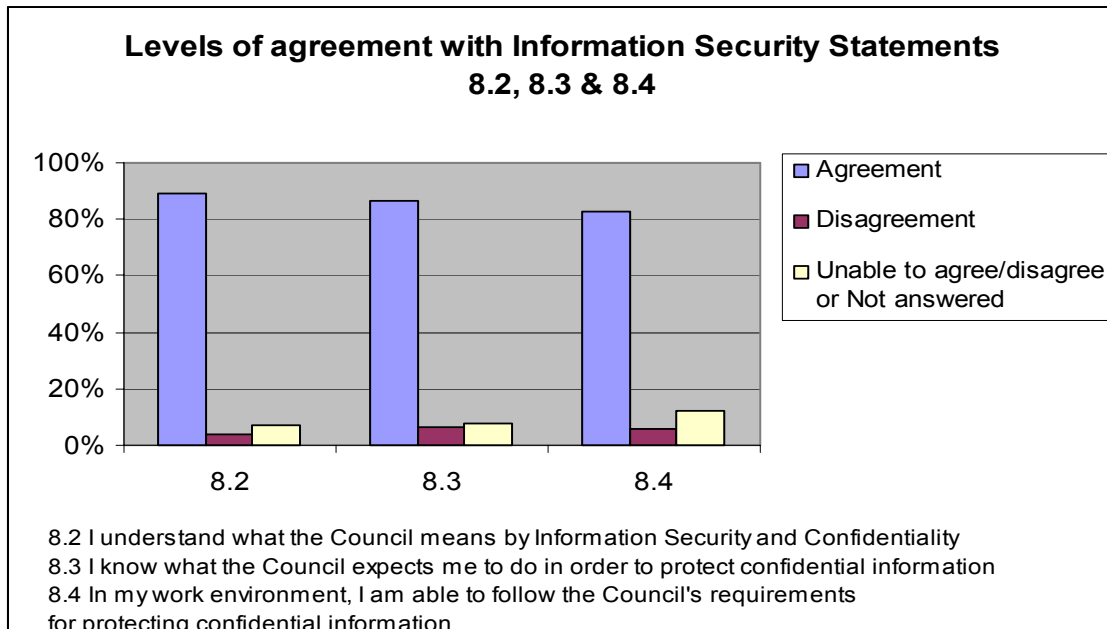
This year the survey included a section on Information Security for the first time.

The chart below shows that about half of the respondents reported that they handled confidential information on a daily basis and only 15% rarely or never did so.





Three Information Security related statements have been analysed and the levels of agreement with the statements are shown in the chart below. The three statements 8.2, 8.3, 8.4 respectively indicate the extent to which the respondents understand what is meant by Information Security and Confidentiality, know what is expected in order to protect it and their ability to meet these expectations. In all three questions the level of agreement of the respondents is extremely high, ranging from 83% for statement 8.4 up to 90% for statement 8.2.



## **Benchmarking against other Authorities**

A number of questions from the Council survey can be compared with the averaged results from 15 other Local Authorities which are reported by the ORC local authorities benchmarking group dated August 2002. Note that the questions asked are not identical but are similar enough to give an indication of relative performance. More recent data will be used when available to us.

As can be seen from the table below, for the 11 comparable questions the Council's performance in 2003 exceeds that of the benchmark group average in 9 cases and is close to the average in the remaining two. In many cases the performance is substantially better.

For example, 61% of respondents agree that they can meet the requirements of their job without working excessive hours compares with the ORC benchmark figure of 40% of respondents agree that they have enough time to do their job effectively. Also, 73% of respondents in the Council survey agree that they have adequate training for their job compares positively with the benchmark 51% who are satisfied with the training they have received for their present job.

ORC Local Government Benchmarking Group August 2002

ORC Question 2002	Local Gov Range	Local Gov Ave	Herefordshire Council Response			Herefordshire Council Question
			2003	2002	2001	
I have the opportunity to contribute my views before changes are made which affect my job	31-63%	49%	58%	56%	47%	I am invited to be involved in decisions within the directorate / department
I am kept well informed about what the "company" is doing	15-65%	37%	48%	60%	46%	The Council keeps me informed about its plans and performance
I am aware of the company / organisation's long term goals	23-48%	38%	37%	40%	31%	I know what the long term plan for my service area is
I believe that the quality of service to customers is improving	41-68%	53%	na	57%	38%	The Council steadily improves its activities
			na	62%	48%	My directorate / department steadily improves its activities
Considering everything, I am satisfied with the job I do.	40-80%	71%	87%	91%	88%	Generally, I enjoy my job
The people I work with co-operate to get the work done	51-89%	77%	76%	75%	68%	Team work is encouraged in my directorate / department
How satisfied are you with the recognition that you are doing a good job	27-51%	39%	74%	72%	58%	My line mgr, supervisor & senior colleagues let me know when I have done a good job.
How satisfied are you with your physical working conditions	34-84%	58%	na	68%	63%	I am satisfied with my physical work environment
I believe that action will be taken on problems identified in this survey	21-44%	35%	na	50%	43%	I think the results of this survey will be taken seriously
I am proud to work for this organisation	34-69%	50%	na	62%	60%	I am proud to be working in the Council
How satisfied are you with the total benefits package	27-79%	47%	61%	72%	63%	I am satisfied with my terms and conditions of employment
How satisfied are you with the training you received for your present job	32-72%	51%	73%	75%	67%	I have adequate training for the work I do
I am given a real opportunity to improve my skills in this company	25-59%	46%	59%	N/A	60%	I can develop my skills and potential in my current job
I believe I have the opportunity for personal development and growth in this company	24-65%	46%	54%	62%	48%	2003: I consider that opportunities for developing and keeping my job interesting are good.
						2002: Opportunities are available for my development
I have enough time to do my job effectively	28-47%	40%	61%	61%*	61%*	2003: I can meet the requirements of my job without working excessive hours.
						2002: I regularly work late / take work home to keep up *
I am comfortable with the pressure placed upon me in my job	19-55%	44%	na	55%*	48%	I often worry about not doing my job satisfactorily because my workload is excessive *

\* Questions posed in a negative manner in Herefordshire Council Staff Opinion Survey in 2001 and 2002, response shows percentage NOT agreeing.

When looking at benefits or terms and conditions, it is important to look carefully at the appropriate question. On average, 47% of respondents in the ORC benchmark are satisfied with their total benefits package while 61% of Herefordshire Council respondents agree that they are satisfied with their terms and conditions of employment. However, this

Herefordshire Council figure falls to just 39% for the question which asks if they were satisfied with their earnings considering their duties and responsibilities.

The Council performance was also substantially better in terms of respondents who felt their line manager, supervisor and senior colleagues let them know when they have done a good job. Here the Council figure is 74% compared to the ORC response of 39% of respondents who are satisfied with the recognition that they are doing a good job.

### **Performance against selected targets of the HR Strategy**

<b>Performance Indicator</b>	<b>2001 Survey Actual</b>	<b>2002 Survey Actual</b>	<b>2003 Survey Actual</b>	<b>Target</b>	<b>By When</b>
% employees saying they feel their work is valued in the organisation;	51%	59%	<b>43%</b>	50%	End 2003
% saying they know how their work contributes to organisational priorities	51%	60%	<b>62%</b>	55%	End 2003
% report that they are treated equally and fairly whatever their religion	84%	80%	<b>75%</b>	90%	End 2005
% report that they are treated equally and fairly whatever their race	81%	78%	<b>73%</b>	90%	End 2005
% report that they are treated equally and fairly whatever their gender	76%	75%	<b>73%</b>	85%	End 2005
% report that they are treated equally and fairly whatever their sexual orientation	73%	71%	<b>67%</b>	75%	By end 2005
% report that they are treated equally and fairly whatever their age	N/A	N/A	<b>68%</b>	Not set	Not set
% employees satisfied with terms and conditions	63%	73%	<b>61%</b>	63%	End 2002
% employees agreeing communications in the organisation work well	27%	39%	<b>32%</b>	60%	End 2005
% employees agreeing managers communicate well	48%	55%	<b>48%</b>	60%	End 2005
% employees agree they can develop their skills and potential in their current job	48%	61%	<b>59%</b>	75%	End 2005
% employees agree opportunities for developing and keeping job interesting are good	48%	60%	<b>54%</b>	75%	End 2005
% employees agreeing there is flexibility to help meet home/work commitments	65%	68%	<b>73%</b>	80%	End 2005
% employees agreeing they are supported in achieving a healthy home/work balance	54%	63%	<b>N/A</b>	75%	End 2005
% employees agreeing they are able to work flexibly	N/A	82%	<b>82%</b>	75%	End 2005
% employees agreeing that their contribution is recognised	43%	51%	<b>N/A</b>	60%	End 2005
% employees agree they know when they have done a good job	58%	59%	<b>74%</b>	70%	End 2005
% of employees agree their manager takes steps to reduce H&S risks	70%	80%	<b>72%</b>	90%	End 2005

<b>Performance Indicator</b>	<b>2001 Survey Actual</b>	<b>2002 Survey Actual</b>	<b>2003 Survey Actual</b>	<b>Target</b>	<b>By When</b>
% employees reporting they sometimes feel bullied/harassed by members	11%	12%	<b>13%</b>	0%	By 2005 and beyond
% employees reporting they sometimes feel bullied/harassed by managers	19%	17%	<b>17%</b>	0%	By 2005 and beyond
% employees reporting they sometimes feel bullied/harassed by colleagues	13%	12%	<b>11%</b>	0%	By 2005 and beyond
% employees reporting they sometimes feel bullied/harassed by clients/service users	38%	37%	<b>41%</b>	0%	By 2005 and beyond

## LOCAL PUBLIC SERVICE AGREEMENT

Report By: County Treasurer

### Wards

County-wide

### Purpose

1. To consider a detailed analysis on the progress of the Council's Local Public Service Agreement (LPSA) targets.

### Financial Implications

2. As outlined in the report.

### Considerations

3. In line with the Performance Management Framework launched in May this year, performance against the thirteen LPSA targets will be reported on a quarterly basis to Strategic Monitoring Committee and annually to Cabinet in April. This report seeks to analyse in greater depth performance at the half-term interval in order to influence not only any decisions to be made in the short-term but also the new range of targets which will need to be negotiated for the second PSA period starting in April 2005.
4. The Performance Reward Grant (PRG) is payable in two equal instalments in 2005 and 2006. The amount for each target is £272,000 adding up to a total amount available of over £3.5m. Where there are a number of individual indicators within each target, the PRG is split equally. No PRG is payable for performance below 60% of the stretch.
5. Local authorities are now being consulted on the next round of LPSAs. The lessons, which we are beginning to learn from the first round, should inform not only which targets we negotiate, but also the targets which we consider to be influential over and less exposed to changes in definitions and policy.

### Overview of Current Performance

6. Appendix A gives a tabular analysis of the monitoring results. *Overall performance is mixed* and where there are problems these are generally owing to:
  - The original stretched targets being particularly difficult to achieve; and
  - Changes in the definitions of individual indicators.
7. The two targets which are perhaps the most difficult to achieve purely because of the element of stretch in the initial agreement are:
  - Homeless households needing repeat housing and
  - Attainment of A to C Grades at GCSE.

8. Despite the considerable challenges here these are still priority targets within the respective Directorates. Some targets are also sensitive to single, major incidents, so even though we are on track now this may not be the case next year. The risk inherent in these would have been fully understood at negotiation stage.
9. A third target which could fit in this category is reducing domestic burglary which has been adversely affected not only by changing reporting standards, but also by a transfer of crimes into this bracket from vehicle theft.
10. The changes in collecting methodology has affected several indicators and recent advice provided through the Local PSA.net is rather ambiguous:

*'Where methods for collecting data had changed since the local PSA was signed, for example the introduction of National Crime Recording Standards by the Home Office, it was suggested that government should use the figures on as comparable a basis as possible with those current at the time of the negotiation. Ministers were strongly resistant to any re-negotiation. But where the agreement failed to express the intentions that both the authority and the government had at the time of the negotiations, that could be corrected'.*

11. Where there have been changes in definitions impacting of future performance against the target, we have asked managers to contact the relevant Government department for clarification and possible adjustment of future targets owing to baseline changes. The original intentions are referred to in the above note and it is only right that these are observed.
12. A lesson learnt for the next LPSA round is that some indicators will require a far tighter definition and a detailed construction of baseline information. Where there are changes or ambiguity, these need to be notified to the Office of the Deputy Prime Minister (ODPM) immediately.

### **Future Considerations**

13. Commitment to the LPSA targets at a service level on the whole has been good and sub departmental groups have been set up to address delivery of the targets in detail. Regular reporting, on at least a monthly basis by exception, now needs to take place to the Chief Executive's Management Team as many of the targets are based on performance purely in 2004/05. Any resourcing decisions need to be made at an early stage in order to impact sufficiently on performance.
14. An additional consideration will be the use of the Performance Reward Grant, although at this stage it is difficult to forecast how much we will receive. One option for its use could be to include it in the Medium Term Financial Plan and ring fence it for future performance gains either inside or outside an LPSA. Much will depend on the level of central Pump Priming Grant allowed next time round, and care would also need to be taken in allocating recurring expenditure against as it is still essentially a one-off grant.

### **RECOMMENDATION**

**THAT regular reports be provided for consideration for the Strategic Monitoring Committee detailing progress against the LPSA targets.**

### **BACKGROUND PAPERS**

- Report to Cabinet – 9 October 2003.

## Appendix A

LPSA Target	Indicator	Latest Performance Data at August 2003	Target for 2004/2005
Enabling older people to live as independently as possible in the community - by providing community services	Intensive home care as a proportion of intensive home and residential care (PSS PAF indicator B11)	12.5 😊	20 per 1,000 of the population over 65
	Intensive home care (PSS PAF indicator C28)	4 😊	6.5 per 1,000 of the population over 65
	Older People helped to live at home (PSS PAF indicator C32)	78 😞	120 per 1,000 of the population over 65
	Avoidable harm for older people (PSS PAF indicator C33)	29.6 😊	22 per 1,000 of the population over 65
<p>Comments:</p> <p><i>B11 – Intensive Homecare as a percentage of intensive homecare and residential care.</i> Current trends suggest that we will be close to the target performance although performance has been well short of targets over the last two years.</p> <p><i>C28 – Intensive Homecare.</i> At Qtr 1 we have met Qtr 4 target for 2003/04 and are therefore clearly on track to reach the PSA target for 2004/05.</p> <p><i>C32 – Older people helped to live at home.</i> Serious concern about downward trend in performance but we also need to clarify definitions on not only calculation but also baseline. This indicator is directly resource intensive, ie: performance improvement can only be achieved by allocating more home help etc.</p> <p><i>C33 – Avoidable harm for older people (falls and hypothermia).</i> The baseline figure needs to be confirmed as using over 65's for the population base, if this is right then current performance is well within the target range. It needs to be stated that this indicator in particular is sensitive to severe winters.</p>			

Improving fire safety by reducing fire and fire related deaths in dwellings	BVPI 142iii	14.97 (equating to 448 fires) 😊	15 per 10,000 dwellings
	BVPI 143 i & BVPI 143 ii combined	4.33 (equating to 29 injuries and 2 fatalities) 😊	6.95 per 100,000 population
<p>Comments:</p> <p>We are currently within the target, based on performance in 2002-3, and the approach for the remainder of the LPSA period is to hold that position. This indicator more than any other is sensitive to single incidents.</p>			

Improving road safety	The number of killed and seriously injured casualties per annum – STATS 19	150 (as at 31/12/02) 😊	197 killed and seriously injured casualties per annum
	Coarse visual inspection % of non-principal roads with any threshold condition value exceeded (BVPI 97 (a & b)) as defined in DTLR publication 'Best Value Road Condition Survey for Local Highway Authorities'	To be confirmed 😊	10% of non-principal roads with any threshold condition value exceeded

LPSA Target	Indicator	Latest Performance Data at August 2003	Target for 2004/2005
<p>Comments:</p> <p>We are currently well within the target based on the information for 2002. The indicator is highly sensitive to serious accidents involving multiple KSIs and in this respect an element of future performance is out of our control despite our speed control and traffic calming policies.</p> <p>There have been a number of difficulties with the Road Condition target due to the changes in methodology of measurement. We have taken a decision therefore to use the old methodology which the LPSA targets were based on. We are still waiting for the results of surveys carried out recently however management are confident that the condition targets will be met in 2004/05.</p>			

Reducing crime	BCU (Basic Command Unit) – vehicle crimes per 1,000 population	7.89 ☺	8.75 vehicle crimes per 1,000 population
	BCU – domestic burglaries per 1,000 households	12.91 ☹	7.4 domestic burglaries per 1,000 households
	Youth Justice Board indicator - Percentage of young people (10-17) who offended in the last quarter of the year, who were re-offending; figures as recorded by the Youth Justice Board	42% ☺	8 percentage point reduction on the 2001 baseline of re-offending by the target group. Baseline of 50.6% agreed for Herefordshire.

Comments:

Vehicle Crime and Burglary

The baseline for the burglary and vehicle crime targets is 2000/01. There are clear trends following this year showing:

- A steady and continuous downward trend in vehicle crimes and a
- A steady upwards trend in burglaries.

Whereas the vehicle crime performance is now below the LPSA target and reducing further, it is highly unlikely that the burglary target will be met and this is due to a number of reasons:

- It is now very difficult to break into modern cars and most car theft now takes place from homes where keys are stolen – this is now counted as a burglary.
- Following the introduction of the National Crime Recording Standards in April 2001 attempted burglaries are recorded now and these inflate the figures quite significantly. The WMPA are confirming with the Home Office over whether we can revise the baseline and target.

The fact that there is a transfer of crime recording from vehicle theft to burglaries in relation to cars stolen from houses could form an argument for a revised composite target. This information is being formulated accordingly.

Youth Offending

The figures for the end of 2002 suggest that the target is on course. Because we are only dealing with a cohort of around 130 10 to 17 year olds however the target is sensitive to minor changes. An additional 3 boys re-offending next year for example would take away all of the required stretch and we would lose £90,000 in Reward Grant. This emphasizes the importance to aim as low as possible in achieving the target and look at ways of continually minimizing the risk of not achieving.



Improving the life chances for children in care by increasing the adoption rate	Adoptions of looked after children (PSS PAF indicator C23)	6.4% (equating to 11 of 172 children) ☹	21 looked after children adopted during the year
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Comment:


There is a particular complicating factor here which are the fixed numbers used in the PSA target as the number of children available for adoption has gone down. This together with a revised definition means that we are likely to struggle to meet the target. PSS have gone back to the DSS to discuss these matters. The pump priming grant is being used to give pre and post adoptive support to potential adoptive parents.

Improving the life chances for children in care by improving their educational	Employment, education and training for care leavers (PSS PAF indicator A4)	76% ☺	72% of care leavers in education, training and employment at 19
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LPSA Target	Indicator	Latest Performance Data at August 2003	Target for 2004/2005
attainment	The percentage of those children leaving care aged 16 or over who obtained at least 5 GCSE's at Grade A*-C (data source form OC1)	11.9% (2 of 17 children) Summer 2002 	5 looked after children obtaining 5+ GCSEs at grades A* to C
	Children looked after absent from school (PSS PAF Indicator C24)	6% (9 pupils) absent for 25 + days in Spring Term 03) 	11 looked after children absent from school
<p>Comments:</p> <p>The performance achieved in 2002-3, together with the measures in place to manage and improve that performance should ensure that the target s are achieved. Summer 2003 results are currently being analysed.</p>			

Increasing participation in democracy & local decision making	% of Electoral Register voting at district elections in the three postal ballot wards	Achieved 	Ward 1 (Belmont) – 38.6% of Electoral Register voting at district elections in 2003  Ward 2 (Holmer) – 34.5% of Electoral Register voting at district elections in 2003  Ward 3 (Ross) – 44.3% of Electoral Register voting at district elections in 2003
	% of young people (aged between 13 and 19 years) surveyed answering positively to the following question: <i>Do you feel that the Council does enough to give young people the opportunity to influence important decisions?</i>  -strongly agree - agree - neither agree nor disagree - disagree - strongly disagree	Not monitored	The percentage stating "strongly agree or agree" to be agreed after survey in 2002
	% of Citizen Panel respondents answering positively to the following question. <i>Do you feel that the Council does enough to give local people the opportunity to influence important decisions?</i>	24% 	20 percentage points
<p>Comments:</p> <p>The first sub-target, electoral turnout, has been achieved although the figures will not be available for formal reporting until the BVPI figures are calculated.</p> <p>Following lengthy negotiations the survey methodology and baseline information for the "young people" sub-target was only agreed with ODPM in early summer.</p> <p>So far as the third sub-target is concerned, although a Herefordshire Voice survey in 2002-3 indicated that the target had been exceeded, sustaining this level of performance may be difficult given the current uncertainty about the future of LAFs, Herefordshire Matters and Herefordshire Voice – all key tools in enabling people to influence Council decisions. In particular, if Herefordshire voice is not retained for 2004-5 the indicator associated with this target cannot be measured and £90,000 of PRG will be lost.</p>			

Improving resettlement support services to homeless households	The number of homeless households needing repeat housing	56.1% 	1% of homeless households needing repeat housing
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LPSA Target	Indicator	Latest Performance Data at August 2003	Target for 2004/2005
<p>Comments:</p> <p>There are some significant issues around this target and again we will very shortly be in dialogue with the ODPM. The LPSA definition of repeat housing differs from the ODPM and formal representation also needs to be made regarding the legitimacy of the conditions attached to the target. These in particular include no families to be in B&amp;B accommodation in 2004/05 and a 95% satisfaction rating for service provided. The Head of Strategic Housing is well aware of problems here and is addressing potential solutions through an officer working group soon to be set up.</p>			
Improving the attainment levels of pupils in Herefordshire	% of pupils attaining 5 or more A*-C grades at GCSE	58.6% (provisional for 2003) ☹	62% of pupils attaining 5 or more A*-C grades at GCSE (summer 2004)
<p>Comments:</p> <p>This target is very challenging although performance continues to improve at 2% per year. Achieving the target is a priority being addressed by the Education Directorate.</p>			

Increasing the proportion of higher ability pupils obtaining 5 or more A*-B grades at GCSE and level 5 and above in English, Maths and Science at the end of Key Stage 2	% of pupils attaining 5 or more A*-B grades at GCSE	25% ☹	31% of pupils attaining 5 or more A*-B grades at GCSE (summer 2004)
	The percentage of pupils attaining level 5 or above in English, Maths and Science at the end of Key Stage 2	16.9% ☹	18% of pupils attaining level 5 or above in all three subjects at the end of Key Stage 2 (summer 2004)
<p>Comments:</p> <p>Performance towards achieving the 1st sub-target is promising and there is reason to be optimistic that the target will be achieved.</p> <p>Outcome figures for the 2<sup>nd</sup> sub target for the current year will be available in the near future and will give a further indication of progress.</p>			

Improving the care and development of young children	Percentage of settings on 1-2 year outcome	No progress as Ofsted did not inspect any setting in this category prior to March 31 <sup>st</sup> 2003 ☹	2% of settings on 1-2 year outcome ( at 31 March 2004)
	Percentage of settings on 1-2 year outcome for 3 consecutive years	Ofsted did not inspect any setting in this category prior to March 31 <sup>st</sup> 2003 ☹	No settings on 1-2 year outcome for 3 consecutive years (at 31 March 2004)
	Percentage of settings accredited on Quality Assurance Scheme	24 settings (estimated 8%) have joined the Quality Assurance Programme ☹	45% of settings accredited on Quality Assurance Scheme (at 31 March 2004)

LPSA Target	Indicator	Latest Performance Data at August 2003	Target for 2004/2005
<p>Comments:</p> <p>The current indications are that the first two sub-targets will be met, provided Ofsted carry out inspections of the groups in question in 2003/4, and no unexpected outcomes result. For the second sub target 3 of the relevant 8 settings have closed thereby making the target more attainable.</p> <p>The 3rd sub-target is much more challenging as Herefordshire started from a very low base. Although good progress has been made in generating interest in an accreditation scheme, achieving the target will depend on other settings expressing interest in the scheme, and the majority of the 191 registered childminders in the County being persuaded to join a childminders network or join the accreditation scheme. A further 12 settings have asked for information.</p>			

Improving cost effectiveness	Current draft has been sent to the ODPM for agreement following changes made in School absence and Highways condition targets. It is hoped that the final agreement will suggest that we will comfortably achieve the overall stretch of over 2%. 😊		
Achieving 100% delivery of electronic government	BVPI 157	43% 😊	100% of council services capable of electronic delivery delivered electronically at 31 <sup>st</sup> March 2004.
	Customer proximity to Contact Points	😊	10 mins drive time or less for any Herefordshire resident to their nearest community access point by 31/3/05.
	E Government within key Partnership initiatives	😊	An additional 40% of Council Services relating to Single Assessment, Supporting people and Community Legal Services delivered in partnership with county agencies and available via the Herefordshire Partnership Portal at 31 <sup>st</sup> March 2005.

<p>Comments:</p> <p>We are still confident on reaching the overall e government target by March next year. The main risk involves recruitment and retention in key project management positions. It has been agreed with the auditors that those services which have been externalised, such as HALO, will not be included in the IEG Statement but the former Commercial Services now delivered in Partnership will be.</p> <p>External Audit has assured us that community access points outside the county boundaries will count in the proximity indicator in order to satisfy the VfM aspects of this indicator.</p> <p>Meetings are being arranged to clarify the Single Assessment and Supporting People e govt targets, the outcomes of these meetings will then be agreed with auditors. There are no problems envisaged with delivering the target for Community Legal Services.</p>			
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## ASSET MANAGEMENT PLAN

Report By: Property Services Manager

### Wards Affected

County-wide

### Purpose

1. To consider the approved Asset Management Plan (AMP) submitted to the ODPM (Office of the Deputy Prime Minister) on 31st July 2003.

### Financial Implications

2. The revenue and capital investment strategy for Herefordshire Council is contained in the AMP.

### Background

3. The Herefordshire Council is obliged to complete a corporate AMP annually for submission to the ODPM.
4. The AMP is a corporate document that provides information on the strategic use of land and property assets (with the exception of Housing and Schools that are covered by other related planning documents).
5. Asset management planning is a mandatory, national initiative that seeks to improve the management of properties held by local authorities. The plan is important to the Herefordshire Council because it is the mechanism by which the Council is allocated central government capital funding under the Single Capital Pot (SCP) initiative.
6. The AMP is a submission to the ODPM and is written to meet both primary and secondary criteria published by the Government Office for West Midlands (GOWM) on behalf of the ODPM.
7. The Council's submission for 2002 was graded as "Satisfactory" by the GOWM. The result of this year's submission has just been obtained and the Council has achieved a "Good" grade which is the highest possible.
8. Full written comments are still awaited from the GOWM but verbally the GOWM representative has been extremely complimentary about this year's Plan. The Council obtained total marks of 42 out of 43, equivalent to 98% and this was the best score in the West Midlands Region.
9. The only criterion that was not fully met related to taking into account stakeholder consultation and user satisfaction findings when developing performance measures and monitoring. The Council does have systems for obtaining these results but at present they are in their infancy.

10. For the achievement of a “Good” score the Council is no longer obliged to submit plans to the GOWM for scrutiny and may now produce future plans to its own design without having to follow the ODPM Guidance on content and layout. The requirement to submit property performance indicators annually still remains.
11. The next Plan is scheduled to be completed by July 2004. AMP will remain an important tool for this authority and will play a supporting part under the new ‘Prudential Code’ for local authority finance.

## **RECOMMENDATION**

**THAT the report on the Asset Management Plan be noted.**

## **BACKGROUND PAPERS**

- Asset Management Plan - July 2003

## PROPERTY MANAGEMENT SCRUTINY REVIEW

Report By: Lead Support Officer

### Wards Affected

County-wide

### Purpose

1. To consider and agree the revised timetable for the property management scrutiny review and other arrangements relating to the review.

### Financial Implications

2. None identified.

### Considerations

3. At its meeting on 9 December 2002, Strategic Monitoring Committee agreed to undertake an in-depth scrutiny review of property management.
4. The scoping statement (Appendix 1), timetable and Members to sit on the review team were agreed. For various reasons it has not been possible to commence the review.
5. A revised proposed timetable for the review is attached at Appendix 2. It is not proposed to amend the original scoping statement which was drawn up having regard to similar reviews undertaken in other local authorities and the key questions identified on the first page are also intended to ensure that the review covers the relevant elements of a Best Value Review, notably, the "4Cs".
6. A suggested officer support/project team has been included in the scoping statement and Members are asked to consider the potential make-up of the Member review team.

### RECOMMENDATION

**THAT (a) the timetable at Appendix 2 be approved, subject to any amendments agreed by the Committee;**

**and**

**(b) the membership of the Member review team be agreed.**

### BACKGROUND PAPERS

- None





<b>REVIEW:</b>	<b>PROPERTY MANAGEMENT REVIEW</b>	
<b>Committee:</b>	Strategic Monitoring Committee	<b>Chair:</b> Councillor TM James
<b>Lead support officer:</b>	S Gyford	

## SCOPING

### Terms of Reference

This review covers all of the Council's operational and non-operational property, excluding housing, as at 1 December 2003.

Property management in this context refers to the strategic management of the Council's assets (objectives, performance, best use, disposals and acquisitions).

### Desired outcomes

- To have a strategy for the optimum use of the Council's property in pursuit of its objectives;
- To have clear criteria against which opportunities for property disposal or acquisition may be assessed;
- To evaluate options for the future delivery of property management which provide clear accountability compared to the existing arrangements;
- To identify potential savings in costs;
- To identify opportunities to gain capital receipts;
- To put in place appropriate performance management arrangements;
- To ensure properties are maintained so that they are fit for purpose to optimise their usage and achieve an appropriate financial return.

### Key questions

- What are the criteria for effective property management? How do we decide whether buildings are fit for purpose? How can relevant environmental considerations be incorporated?
- How can we best use space? Do we want to aim to reduce wasted space and should physical relocations be considered in the interests of cost?
- What are the main ways in which savings can be generated – from running costs and realising capital receipts? Should the review set a clear savings target?
- How is property managed elsewhere? Other authorities? Private sector?
- What do services want from property management?
- Where can the market be investigated/used in the review? Should we use external consultants?
- Is there a market for procuring the more strategic property management service? Do we get good value from the existing maintenance contracts and can we rationalise them in any way?



## Appendix 2

<b>Timetable</b>	
<i>Activity</i>	<i>Timescale</i>
Agree approach, programme of consultation/research/provisional witnesses/dates	December 2003
Collect current available data	December 2003
Collect outstanding data	By end January 2004
Analysis of data	By mid-Feb
Final confirmation of interviews of witnesses	mid-February 2004
Carry out programme of interviews	By end March 2004
Agree programme of site visits	mid February 2004
Undertake site visits as appropriate	By end March 2004
Update to Strategic Monitoring Committee	April 2004
Final analysis of data and witness evidence	April 2004
Prepare options/recommendations	May 2004
Present Final report to Strategic Monitoring Committee	June 2004
Present options/recommendations to Cabinet	June 2004
Cabinet response	June/July 2004
Implementation of agreed recommendations	July 2004 onwards
<b>Members</b>	<b>Support Officers</b>
<p>To be agreed</p> <p>For information, the Members agreed by the Committee in December 2002 were: Councillors D.J. Fleet, Mrs J.P. French, R.I. Matthews, J.W. Newman, R.J. Phillips, and J.P. Thomas.</p>	<p>Chief Executive</p> <p>Director of Environment</p> <p>Stan Gyford</p> <p>Committee Manager (Scrutiny)</p> <p>Policy, Performance and Review (Environment Directorate)</p> <p>Policy Officer</p>



## **PERFORMANCE MONITORING - CORPORATE HEALTH**

**Report By: Policy Officer**

### **Wards Affected**

County-wide

### **Purpose**

1. To consider a report to Cabinet on progress in relation to the Council's Corporate National and Local Best Value Performance Indicators from 1 April to 30 September 2003.

### **Financial Implications**

2. None identified

### **Considerations**

3. Attached at Annex 1 is the corporate performance report considered by Cabinet on 4 December 2003.
4. As part of the Council's new performance management arrangements further reports on corporate performance will be prepared at 8, 10 and 12-month intervals for 2003/2004.

## **RECOMMENDATION**

**THAT progress in relation to the Council's Corporate National and Local Best Value Performance Indicators from 1 April to 30 September 2003 be noted.**

### **BACKGROUND PAPERS**

- None identified



## **2003/2004 CORPORATE PERFORMANCE OUTTURNS**

### **PROGRAMME AREA RESPONSIBILITY: AUDIT AND PERFORMANCE MANAGEMENT**

**CABINET**

**4TH DECEMBER, 2003**

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#### **Wards Affected**

Countywide

#### **Purpose**

To receive an update on the Council's corporate performance in relation to our National and Local Best Value Performance Indicators from 1st April to 30th September, 2003.

#### **Key Decision**

This is not a key decision.

#### **Recommendation**

**THAT corporate performance in relation to the Council's National and Local Best Value Performance Indicators, from 1 April to 30 September 2003, be noted.**

#### **Reasons**

1. The Council has developed revised performance monitoring arrangements as outlined in the Comprehensive Performance Self-assessment document submitted to the Audit Commission. The revised arrangements ensure that the Chief Executive's Management Team, the Strategic Monitoring Committee, Scrutiny Committees, and Cabinet are all involved in the performance monitoring process.

#### **Considerations**

2. During 2003/2004 corporate performance will be reported to Cabinet at 4, 6, 8, 10 and 12-monthly intervals in line with the Council's Performance Management Framework.
3. Corporate performance for the six month period 1 April 2003 – 30 September 2003 has been reported on an exception basis and only those indicators where there is a variation on the target of at least + or – 10% are highlighted.

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Further information on the subject of this report is available from  
Tony Michael, Policy Officer, on (01432) 261823

## Above target performance

4. **Number of recorded complaints, both formal and informal (Local Indicator):** The target for this indicator during 2003/2004 is 285, whilst the number of complaints recorded for the first six months of this year is already up to 269. The high level of recorded complaints reflects improved collection arrangements and a greater focus on customer service issues across the authority.
5. **Staff mileage (Local Indicator):** The target for this indicator during 2003/2004 is to reduce mileage by 1%. Performance for the 6 months up to 30 September 2003, compared to the same period during 2002, showed an 18% reduction.
6. **Use of public transport by staff (Local Indicator):** The target for this indicator during 2003/2004 is to increase expenditure on the use of public transport by 5%. Performance for the 6 months up to 30 September 2003 showed a 45% increase, compared to the same period during 2002/2003.

## Areas for Improvement

7. The number of Housing benefit claimants visited, per 1,000 caseload (**National Indicator – BVPI 76a**): The target for this indicator during 2003/2004 is 175 per 1000 caseload, whilst performance for the 6 months up to 30 September 2003 was 135 per 1000 caseload. Staffing levels were below the full complement level for the first six months of the year. This issue has now been addressed and performance is expected to improve.
8. **Average time for processing new housing benefit claims (National Indicator – BVPI 78a):** The target for this indicator during 2003/2004 is 33 days, whilst performance for the 6 months up to 30 September 2003 was 56 days. A significant amount of downtime in software systems, the implementation of tax credits and shortages in staffing resources, have all lead to a down turn in performance in this area. The assessment team is now at full complement and the majority of system issues have been resolved. As a result, it is anticipated that performance will improve over the remaining 6 months of 2003/2004.
9. **Average time for processing notifications of changes of circumstance for housing benefit claims (National Indicator – BVPI 78b):** The target for this indicator during 2003/2004 is 9 days, whilst performance for the 6 months up to 30 September 2003 was 12 days. The late notification by the Inland Revenue of working tax and child tax credits entitlements in April resulted in a significant amount of additional changes in circumstances to be dealt with by the Benefits Team, compared with the same period last year. The additional changes in circumstances have now been cleared and an improvement in this area is expected during the next monitoring period.
10. **Percentage of housing benefit renewal claims processed on time (National Indicator – BVPI 78c):** The target for this indicator during 2003/2004 is 83%, whilst performance for the 6 months up to 30 September 2003 was 33%. Due to system problems the number of renewal claims processed was down at the beginning of the period. These problems have now been resolved and performance is improving. From October 2003, there is no longer a requirement to issue renewal claims to pensioners and this will have a further positive impact on performance.
11. **Domestic burglaries per 1000 population (National Indicator – BVPI 126):** The



target for this indicator during 2003/2004 is 8 per 1000 population, whilst performance for the 6 months up to 30 September 2003, suggests that the annual figure will be approximately 11 per 1000. The West Mercia Police Force has established a burglary action plan in order to reduce the number of burglaries. A team of officers has been created that are dedicated to burglary and vehicle crime in support of this strategy. The Division is also working with neighboring Forces in order to reduce the number of cross-border offenders.

12. **The number of types of interactions that are enabled for electronic delivery as a percentage of the types of interactions that are legally permissible for electronic delivery (National Indicator - BVPI 157):** The target for this indicator by 31 March 2004 is 100%. Performance up to 30 September 2003 is 42%. The Chief Executive's Management Team is working with the the Head of e-Modernisation to increase the percentage of interactions that are enabled for electronic delivery.
13. **The percentage of standard searches carried out in 10 working days (National Indicator – BVPI 179):** The target for this indicator during 2003/2004 is 100%, whilst performance for the 6 months up to 30 September 2003 was 89%. However, this compares with an outturn performance of 58% for 2002/2003, demonstrating a significant improvement in the percentage of searches undertaken for the current year. Performance for the period 1 July to 30 September 2003 stands at 96%, suggesting that the upward trend in performance is continuing.
14. **Percentage of complaints resolved at Complaints Officer level (Local Indicator):** The target for this indicator during 2003/2004 is 70%. During the 6 months up to 30 September 2003, 269 complaints were received and 53 were dealt with at complaints officer level, resulting in percentage figure of 20%. An analysis of complaints is currently underway to identify measures to improve performance in relation to this indicator.
15. **Percentage of complaints resulting in change of practice (Local Indicator):** The target for this indicator during 2003/2004 is 6%. During the 6 months up to 30 September 2003, 269 complaints were received and 4 resulted in a change of practice, resulting a percentage figure of 1.5%. An analysis of complaints is currently underway to identify measures to improve performance in relation to this indicator.
16. **First Stop INFO customer enquiries resolved within agreed timescales (Local Indicator):** The target for this indicator during 2003/2004 is 80%, however performance for the 6 months up to 30 September 2003 was 64%. Service level agreements and the procedures for dealing with first stop customer enquiries are currently being reviewed in order to improve response rates.

## Risk Management

Failure to review performance and improvement activity would undermine the implementation of the Council's Performance Management Framework.

## Background Papers

None identified



## **PROGRESS REPORT ON REVENUES AND BENEFITS BEST VALUE IMPROVEMENT PLAN AND HOUSING BENEFITS UPDATE**

**Report By: County Treasurer**

### **Wards Affected**

County-wide

### **Purpose**

1. To update members on progress to date with the Revenues and Benefits Improvement Plan, and to advise members of current performance and activity in Benefits, including information on planned areas for improvement and to outline changes that will have an impact on future service delivery.

### **Financial Implications**

2. An overspend of £40,000 is predicted by the end of the financial year.

### **Background**

3. Since the last report to the Committee in February, the Benefits Section has been involved in a considerable amount of activity over and above that included in the Best Value Improvement Plan. This includes effecting significant changes to the way housing and council tax benefits are administered as a result of the implementation of tax and pension credits. We have also been working with the Service Improvement Team (SIP) looking at how we can re-engineer our processes to improve service delivery. Recently, we carried out a further self-assessment of our compliance with the Department of Work and Pensions (DWP) Performance Standards to enable a review of our Comprehensive Performance Assessment (CPA) score. Further changes to the way housing and council tax benefits are to be administered have also been announced by the Government for implementation by April 2004. Although full details are not known at this stage, this report provides further information about how these changes will have a direct impact on service delivery and performance in the coming months.

### **Best Value Improvement Plan**

4. The table provided at Appendix 1 provides an overall assessment of progress on the achievement of tasks within the eight activity areas of the Improvement Plan. The number of actions due to have been completed by the above date have been identified, as have the number of actions that have been completed. Where an action has not been completed by the due date, taking previously revised dates into account, a brief explanation is given.

## Current Performance

5. We have not been able to deliver the expected improvement in performance to date in relation to the speed of processing new or renewal claims, or changes in circumstances. The implementation of both tax and pension credits did have a significant effect on our ability to improve the speed of processing claims during the first two quarters of 2003/04. This was further hampered by the fact that for the majority of that time the section did not have a full complement of staff in post.
6. Late notifications of tax credit changes from the Inland Revenue resulted in higher workloads of changes of circumstances from April to July. Also, problems with obtaining accurate pension credit information from the DWP in early October resulted in a build up-of pensioner claims waiting to be re-assessed. It is also fair to say that although staff have received training on the new credits, they are still feeling their way with these new benefits and as a result it is taking them longer to assess these claims at present.

	<b>Performance For Year to date –Apr-Oct 2003</b>	<b>Target 2003/04</b>	<b>Actual 2002/03 Apr-Oct 02</b>
Speed of processing – average time for processing new claims	55 days	35 days	35.26 days
Speed of processing – average time for processing notifications of changes of circumstance	13 days	9 days	21.69days
Speed of processing – percentage of renewal claims processed on time	29%	83%	20.18%

7. Although performance has been well below target to date, we are confident that there will be a considerable improvement by the start of 2004. Appointment to key posts have been made and additional agency staff recruited to cover for new staff whilst they are being trained. We expect to be at target for changes in circumstances by December, and although the percentage of renewal claims processed on time is low, this is because we have been catching up on a backlog of renewal cases. During the period April to October 2003, we have dealt with 4,583 renewal cases (this equates to an average of 655 cases per month). We currently have 1,316 renewal claims outstanding and are receiving around 400 per month. This reduction is owing to the fact that we are no longer required to send pensioner renewal claims from 6th October 2003. During the first three weeks in November we have processed 712 renewal claims.
8. Once these cases have been cleared we expect to be able to process a significant majority of renewals on time. It is also worth emphasising that whilst only a small percentage of renewal claims are being dealt with on time at present, this is not having a detrimental effect in terms of customers anxiety or complaints. This is because claimants still continue to receive their current levels of benefit until we re-

assess the claim based on information provided on the renewal form. We will no longer be required to issue renewal claims for any cases from April 2004.

## **Planning for Improved Performance and Future Service Delivery**

9. In order to deliver a benefit service that meets performance standards and customer expectations, it is vital that we have a full complement of fully trained staff. To help us achieve this, we now have a Training and Development Officer and System and Support Officer in post. These posts have been partly funded by the DWP for 2003/04 and 2004/05. The section currently has a high number of staff without full benefit knowledge and a training plan is now in place to ensure that both new and existing staff receive the required amount of training.
10. One of the major factors affecting processing capabilities at present is the existing outdated in-house software system. We are currently going through the process of procuring a new fully integrated software system, which will be partly funded by the DWP. However, as the conversion and implementation process will be time consuming, we do not expect the new system to be operational before Autumn 2004. Implementing a new benefits system is a major project and this will inevitably have an impact on management and staffing resources. To ensure that this project does not have an adverse effect on our processing times, we intend to recruit additional agency staff to assist with claim processing whilst we carry out the conversion of data and train staff on the new system. Under the current arrangements in place, a business case for the recruitment of agency staff will be submitted as we will be requiring these additional resources for a period exceeding three months.
11. Last year the DWP set up a pilot scheme to enable Registered Social Landlords (RSLs) to verify original documents for benefit claims on behalf of local authorities. This is now being rolled out nationally to any local authorities and RSLs that wish to adopt the scheme. We successfully submitted a bid for funding to work in partnership with the largest RSLs in our area. We are now working in partnership with neighbouring authorities that come into contact with the same RSLs to ensure that we deliver consistent training and use economies of scale to secure IT equipment and training resources with the funds available. Funding is dependent on the scheme being adopted within six months of receipt of funds so we have to ensure that systems and procedures are in place by April 2004.
12. The SIP Team has been looking at re-engineering our existing processes to see how we can improve on our service delivery. It has come up with a recommendation that a new front-ended process is implemented for dealing with new claims for benefit. Basically this will involve appointments being made with all customers who wish to make a new claim for benefit so that a benefits specialist can deal with their claim on a face-to-face basis, either in their home or in the office. However, this process cannot be implemented in full until a number of constraints are addressed: the main ones being the lack of suitable confidential interview facilities, the outdated benefits software and the current backlog of work. Various options for tackling these constraints are being looked into and some solutions have already been identified. Further details will be incorporated into the next update report.

13. The DWP has announced that further significant changes to the way that benefits are to be administered is planned for implementation from April 2004. These are being introduced in place of the requirement to obtain renewal applications from claimants. Every month we will be required to send the DWP full details of our existing caseload. They will then match our data with information held about these claimants with other agencies, like the Pensions Service, Inland Revenue etc. and send us details of those cases that they feel are most at risk of being overpaid owing to fraud or error. We will then have to undertake some form of intervention with these cases to ensure that the correct levels of benefit are being paid. This can be undertaken by a visit to the claimant's home, or by post or telephone. The DWP will inform us of the number of visits and other interventions that we will be required to undertake. Unfortunately, at the time of writing, this information is still not yet available so we are not in a position to consider in detail the effect on the staffing structure. However, we have enough information to enable us to start considering the type of roles that will be required, and as these are likely to change significantly, we will need to discuss any organisational requirements with the staff at the earliest opportunity. This process will also require involving the Unions. We are planning to meet with both staff and the Unions to discuss the resulting changes to the current roles and responsibilities within the Benefits structure.

### **Comprehensive Performance Assessment (CPA) of the Service**

14. As part of the Comprehensive Performance Assessment (CPA), the Benefit Fraud Inspectorate (BFI) has recently considered our improvement report for Benefits Services and has undertaken a re-assessment of our Housing and Council Tax Benefit service. The re-assessment is based on improvement since the initial assessment in 2002, which measured compliance and achievement against the BFI/DWP Performance Standards and took account of Best Value Performance Indicators and other performance factors. Overall the BFI found that our Benefits service is providing a fair towards good level of performance compared to a fair score in 2002 and, using the Audit Commission 4 point scale, a maximum score of 4 was achieved compared to 2 in 2002.
15. Although we have achieved the maximum CPA score, it is acknowledged that we still have to improve our processing times for claims significantly; we are also not meeting the DWP standard for dealing with customers and this is mainly owing to the constraints of our present accommodation.

### **Conclusion**

16. Frustratingly, improvement in performance has been hampered by difficulties in implementing the new tax and pension credits within six months of each other, and we are still struggling to maintain a fully trained complement of staff. Further substantial changes to the benefit system planned from April 2004 will inevitably have an impact on our performance in the short term. However, the result from the Benefit Fraud Inspectorate assessment is encouraging, particularly in the light of the problems this service has continued to face since the original assessment was carried out last year. It confirms our ability to make improvements to the service whilst implementing significant changes to systems and procedures. However, the priority now must be to make considerable improvements in performance in the speed of processing applications. It is, therefore, vital that the existing volume of claims outstanding is cleared by March so that we can implement the new

intervention regime, the SIP team recommendations and install the new computer system.

## **RECOMMENDATION**

**THAT the content of this report be noted.**

## **BACKGROUND PAPERS**

- None identified.





**Appendix 1**  
**REVENUES AND BENEFITS SERVICES**  
**BEST VALUE IMPROVEMENT PLAN**  
**PROGRESS REPORT as at 31 OCTOBER 2003**

**PROGRESS OF IMPROVEMENTS DUE TO BE COMPLETED BY 31 October 2003**

		<b>Number of Actions</b>	<b>Actions completed</b>
1	Performance Management	1	1
2	Communication & Consultation	1	1
3	Customer Access	2	2
4	Quality Assurance	1	1
5	Our Staff	3	2
6	Working Relationships	1	1
7	I.T. Systems and Electronic Government	3	2
8	Efficiency and Process Reviews	2	2
	<b>TOTALS</b>	<b>14</b>	<b>12</b>

## 5. OUR STAFF

Action	Officer responsible	Date for completion	Revised date for completion	Commentary
Survey individuals' communication requirements	Simon Griffith	31 Oct 03	31 Dec 03	Due to other surveys being issued to staff (e.g. travel to work) this has been put back to December.

## 7. IT SYSTEMS & ELECTRONIC GOVERNMENT

Action	Officer responsible	Date for completion	Revised date for completion	Commentary
Document all Customer Services procedure	Simon Griffith	31 Oct 03	ON HOLD	The impending introduction of the Customer Relationship Management System obviates the need to document procedures.

## REVIEW OF THE CONSTITUTION

Report By: County Secretary and Solicitor

### Wards Affected

County-wide

### Purpose

1. To consider proposed amendments to the Constitution.

### Background

2. There are two aspects of the Constitution currently requiring revision: provisions relating to the Local Area Forums and provisions relating to the Regulatory Committee. These need to be considered by Cabinet and the Strategic Monitoring Committee before being recommended to Council.

### Local Area Forums

3. Following a review of Local Area Forums Cabinet agreed on 23rd October, 2003 a range of proposals as a framework for further development, subject to further consultation on the details of the proposals being undertaken with various interested parties. Subject to the outcome of the consultation, it authorised the County Secretary and Solicitor to draft the necessary amendments to the Constitution for recommendation to a future meeting of the Council for approval. These proposals will require revisions to Part 10 and Appendix 20 of the Constitution.
4. It also proposed that Chairmen of the Local Area Forums should be appointed by the political Group Leaders and that the Special Responsibility Allowance for those Chairmen should be discontinued. This will require revision to the Scheme of Allowances for Members set out in Appendix 15 of the Constitution. It has asked that budgetary provision for Local Area Forums be identified in the next round of budget discussions.
5. The proposals set out in the report to Cabinet are appended.

### Regulatory Committee

6. The Licensing Act 2003 provides that from April 2004 that local authorities will have responsibility for the licensing of all liquor licensing, gaming permits, public entertainment licenses and cinema licenses within the geographical area administered by the authority.
7. The Regulatory Committee has noted that it will be necessary for a Licensing Sub-Committee to be formed to carry out this role. The Constitution does not currently provide the Regulatory Committee with the authority to establish a Sub-Committee. It is therefore proposed that the Constitution be amended accordingly.

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Further information on the subject of this report is available from Marie Rosenthal, County Secretary and Solicitor on 01432 260200

8. The Committee is also asked to note that as reported to Council on 7th November, 2003 the delegated powers of the Director of Environment have been made more specific in relation to registering motor salvage operators. There are a number of other refinements which need to be made in respect of delegations to officers for regulatory matters and it is proposed to devise a scheme modelled on the scheme of delegation to officers for planning matters. It is proposed that the Constitution be amended to provide for the County Secretary and Solicitor to devise a Scheme.

## RECOMMENDATION

- THAT (a) the proposals relating to the Local Area Forums as set out in appendix 1 and the Scheme of Allowances for Members be noted and the necessary consequential amendments to the Constitution be recommended to Cabinet and Council for approval;**
- (b) it be recommended to Cabinet and Council that the Constitution be amended to empower the Regulatory Committee to establish a Sub-Committee;**
- and**
- (c) it be recommended to Cabinet and Council that the Constitution be amended to provide for the County Secretary and Solicitor to be authorised to devise a scheme of delegation for officers for regulatory matters.**

## BACKGROUND PAPERS

- None

**EXTRACT FROM REPORT TO CABINET ON 23RD OCTOBER 2003.**

1. Due to the rural and urban nature of Herefordshire it is important to consider how the County is split up in order to accommodate Local Area Forums. Although a high number of Local Area Forums caters for the diverse nature of Herefordshire's geography, it can create resource issues and make coordination of timetables and agendas very difficult. The following proposal takes account of the different areas within Herefordshire whilst creating a manageable number of meetings:
  - The county to be split into 6 areas
  - The forums to be: North (Kington and Leominster regions), East (Bromyard and Ledbury), Central Herefordshire (Dinmore and area), Hereford (City and South-Wye), Golden Valley and Ross-on-Wye.
2. The issue of what is discussed at meetings is vital to their success. Central to the consultation was the fact that Local Areas Forums should be consultative rather than informative. The following proposal seeks to ensure this:
  - Agenda items should state clearly whether they are consultative and how information from LAFs will be used
  - A summary report should be fed to Cabinet at the end of each round of meetings
  - The quality of Officer presentations should be standardised
  - Development work to be done on expanding agenda to partner organisations
  - Additional ad hoc meetings for important issues to be held
  - A cabinet member should be present at each meeting
  - The style of meeting should be inclusive of all members of the community. Development work on different approaches to facilitation should be undertaken
3. When and where Local Area Forums are held can be central to whether people attend or not. The following proposal is designed to ensure that the system is flexible to the needs of the public:
  - Meetings to be held quarterly, with dates set well in advance
  - The initial choice of venue should be consulted on and consideration given to nearby public transport arrangements and Disability access
  - Refreshments should be provided for attendees
4. In order to ensure that the opportunity for the Community to attend is maximised, it is important that a strategic approach to advertising is undertaken
  - "The eyes" branding should be discontinued. For an interim period the apple logo can be used. The name "Local Area Forum" should be retained

- The whole cycle of meetings should be advertised in the Hereford Times and Journal
- Links with Parish Councils should be used for local advertising
- Summaries of all meetings should be placed on the Council's website
- Circulation of paper agendas prior to meetings should be abolished. Paperwork to comprise of an attendance register
- The notion of Local Area Forum membership should also be discontinued as it creates an atmosphere of two-tier meetings which does not help foster an inclusive approach

**CAPITAL PROGRAMME MONITORING 2003/04  
TO 30 SEPTEMBER 2003****Report By: County Treasurer****Wards Affected**

Countywide

**Purpose**

1. To report on the Capital Programme forecast for 2003/2004.

**Financial Implications**

2. The report has no direct financial implications at this stage. The availability and use of conditional resources will be an issue towards the end of the year.

**Overview**

3. This is the second round of the 2003/04 capital monitoring process. The purpose of this monitoring exercise is to update the original budget position as at 30th September in order to highlight and manage any slippages or overspends.
4. The revised forecast for 2003/04 as at 30th September totals £34,732,000 (excluding LSVT costs). This is an increase of £2,598,000 from the last round of capital monitoring in July, mainly owing to the external funding available to the Herefordshire Strategic Regeneration Package – Rotherwas Match Funding capital project. This programme is funded as detailed in Appendix 1.
5. Actual spend in the first six months at £9,517,000 was 27% of the revised forecast. This excludes unposted commitments of £5,838,000 which would increase committed spend to 44% of the revised forecast. A summary of the programme expenditure for each area is set out on Appendix 2. For comparison, spend to the end of September 2002 was 36% of the 2002/03 Capital Programme.
6. Set out in Appendix 4 is a list of all capital schemes with a budget in excess of £500,000.

## Capital Programme Areas

### 7. Education

The following budget changes have been identified mainly owing to confirmation of funding sources. Other budget changes may occur during the year as and when the DfES approve capital schemes and additional grant funding is identified.

	<b>Change in Budget £'000</b>
<ul style="list-style-type: none"><li>There have been budget increases in capital schemes falling under the Sure Start Initiative. This is owing to confirmation of grant funding by the DfES in relation to early years and childcare provisions.</li></ul>	267
<ul style="list-style-type: none"><li>Other Budget changes of less than £100,000</li></ul>	50
Increase in Education capital budget	<u>317</u>

Actual spend has been low in the first half of the year, at 36% of the total budget. New schemes may be brought on line before the year-end in order to ensure no conditional funding is lost. This will be reflected in future rounds of capital monitoring.

### 8. Social Care

The budgeted capital expenditure on Social Care has increased by £15,000, owing to an additional IT Grant becoming receivable. Actual spend in the first half of the year is very low. However, committed spend reflects 49% of the total budget.

### 9. Property

The only budget change relates to the Hillside Capital works. The budget has been increased by £583,000 to reflect equipment, planning costs and fees not included in the original budget. This is being funded through a capital grant from the Primary Care Trust.

### 10. Policy and Finance

The CCTV capital project is expected to spend £40,000 more than the funding available for the scheme. The reducing crime initiative has also overspent by £5,000. These are being temporarily funded from corporate reserves until new sources of funding are identified.

Actual spend is low at 26%. However, with commitments this increases to 86% of the budget.



## **11. eModernisation Programme**

The total budget for this area has decreased by £148,000 mainly owing to the Implementing Electronic Government partnership capital budget, in relation to the encompassing Single Assessment for Older People and Supporting People, of £147,000 being reduced to nil as this is likely to fall into the next financial year. There are ongoing discussions between Social Care and the Primary Care Trust in order to find the best way forward in relation to this scheme and various options are being considered.

The flexible working pilot has been delayed. However, a paper by the project manager has been produced for the Head of eModernisation highlighting the options available but the preferred way forward is yet to be decided.

Only 20% of the budget has been spent to date. However, committed spend represents 45% of the total budget.

## **12. Environment General**

The total budget has increased by £219,000 owing to a new capital project for the purchase of buses funded through Urban Challenge WyeS Moves capital grant.

It has been recognised that the committed budget for the capitalised assessment and strength of bridges exceeds the original budget by £283,000. Budget virements will be necessary within this service area if these commitments are to be met. As yet such virements have not been identified.

The Ross Flood Alleviation scheme was budgeted to be funded by Defra. However, the scheme has not been approved by Defra at the current time. It is hoped that approval will be granted in the near future. In the meantime the scheme has been funded through the capital receipts reserve.

Total spend to date represents 33% of the total budget. However, committed spend represents 62% of the total budget.

## **13. Social Development**

The total budget has increased by just £1,000 to reflect additional commitments relating to the Burghill Sports Field capital scheme.

The Friar Street museum resource and learning centre capital project is due to start in January and the first Phase is due to be completed in September. This scheme is funded through lottery grant.

There will be a separate report in the near future relating to the current position in relation to providing a swimming pool in Leominster. There is currently no budget for this project although provision for next year has been made in the current forecasts being discussed at budget panels.

Actual spend represents only 5% of the total budget. This is partly because of the externalisation of Commercial Services, which has delayed the start of some capital projects. It is forecast that the total budget will be spent before the year-end.

This programme area remains unfunded by £61,000 owing to a brought forward overspend. However, possible capital receipts of £68,000 are anticipated for this financial year. If realised these will be used to repay the temporary funding from corporate capital receipts reserve.

#### 14. Economic Development

Budgets have changed to reflect additional funding being awarded to this service area.

##### Change in Budget £'000

• The Herefordshire Regeneration Edgar Street Grid capital budget has been increased to £250,000. This is being funded through government grant of £125,000 and corporate capital receipts reserve.	112
• The Herefordshire Strategic Regeneration Package – Rotherwas Match funding budget has been increased to show the anticipated gross spend. The budget relates to developing a variety of workspace schemes, transport improvements and business assistance. This is to be funded through grant funding from Objective 2, Rural Regeneration Zone and Single Regeneration Budget. This project is expected to carry on into 2004/05.	2,042
• Other Budget changes of less than £100,000 each	93
Increase in Economic Development capital budget	<u>2,247</u>

Actual spend is very low for the first half of the year at 8% and lead officers have been made aware of the situation. No conditional funding is expected to be lost.

#### 15. Strategic Housing

Budgets have been reduced to reflect actual anticipated spend. The savings will be put back into the LSVT ring fenced capital receipts reserve.

##### Change in Budget £'000

• Reduction in the housing renewal programme budget.	(62)
• Reduction in Social Housing Grants budget	(600)
Decrease in Strategic Housing capital budget	<u>(662)</u>

Actual spend remains low for the first half of the year at 18% of the revised forecast.

## **16. Housing Revenue Account**

The original budget was for the LSVT levy, which has now been paid. Additional costs relating to professional fees of £30,000 have been identified as requiring funding from the LSVT capital receipt.

Commitments, mainly owing to retention costs of £364,000 will be funded from the capital receipts reserve. This account will close in November.

## **17. Capital Receipts**

Set out as Appendix 3 is a summary of the capital receipts received and anticipated for 2003/04.

## **Conclusion**

The current capital monitoring forecast is that, subject to the expected acceleration of spending in the second half of the year, no conditional resources will be lost.

The cross-directorate Capital Programme Monitoring Working Group continues to work well to ensure the delivery of the capital programme.

## **RECOMMENDATION**

**THAT the Strategic Monitoring Committee notes the current position**

## **BACKGROUND PAPERS**

- Report to Cabinet – 20 November 2003.

## APPENDIX 1

### FUNDING OF REVISED 2003/04 CAPITAL PROGRAMME

Capital Programme Area	2003/04 Revised Forecast 30/09/03	Credit Approvals	Grants	Revenue Contribution	Capital Receipts Reserves	Unfunded
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Education Capital schemes</i>	5,533	3,409	2,415	-	(291)	-
<i>Local Public Service Agreement schemes</i>	37	-	37	-	-	-
<i>Education Inspectorate schemes</i>	2,296	-	1,258	1,038	-	-
<i>Sure Start schemes</i>	330	-	330	-	-	-
<b>Total Education</b>	<b>8,196</b>	<b>3,409</b>	<b>4,040</b>	<b>1,038</b>	<b>(291)</b>	<b>-</b>
Social Care	411	215	196	-	-	-
P&F – Property	1,419	249	1,068	-	102	-
P&F – General	1,050	833	167	-	10	40
P&F – eModernisation	1,068	556	512	-	-	-
Environment General	10,720	9,821	555	-	284	60
Social Development	996	349	659	86	(159)	61
Economic Development	6,040	1,059	5,696	-	(715)	-
Strategic Housing	4,832	1,500	528	-	2,804	-
<b>Revised Forecast</b>	<b>34,732</b>	<b>17,991</b>	<b>13,421</b>	<b>1,124</b>	<b>2,035</b>	<b>161</b>
Housing Revenue Account	3,774	-	-	-	3,774	-
<b>Total Revised Forecast</b>	<b>38,506</b>	<b>17,991</b>	<b>13,421</b>	<b>1,124</b>	<b>5,809</b>	<b>161</b>
Original budget	35,172	18,004	9,792	1,084	6,106	186
<b>Change</b>	<b>3,334</b>	<b>(13)</b>	<b>3,629</b>	<b>40</b>	<b>(297)</b>	<b>(25)</b>

## APPENDIX 2

### CAPITAL EXPENDITURE BY PROGRAMME AREA

	Outturn	Original Budget	Revised Forecast 30/09/03	Change	Actuals at 30/09/03	Actuals as a % of the revised forecast
Programme area	2002/03	2003/04	2003/04	2003/04	2003/04	
	£'000	£'000	£'000	£'000	£'000	%
Education	5,761	7,747	8,196	317	2,913	36%
Social Care	618	300	411	15	39	9%
P&F – Property	865	837	1,419	583	1,049	74%
P&F – General	320	1,047	1,050	26	277	26%
P&F – eModernisation	968	1,216	1,068	(148)	216	20%
Environment Planning	4	-	-	-	-	-
Environment General	9,745	10,501	10,720	219	3,545	33%
Social Development	873	995	996	1	54	5%
Economic Development	849	3,656	6,040	2,103	477	8%
Strategic Housing	3,687	5,494	4,832	(662)	873	18%
HCS	66	-	-	-	-	-
Joint Finance	1,358	-	-	-	74	N/a
<b>Outturn</b>	<b>25,114</b>	<b>31,793</b>	<b>34,732</b>	<b>2,454</b>	<b>9,517</b>	<b>27%</b>
Housing Revenue Account	7,030	3,379	3,774	394	3,453	91%
<b>Total Outturn</b>	<b>32,144</b>	<b>35,172</b>	<b>38,506</b>	<b>2,992</b>	<b>12,970</b>	<b>34%</b>

## APPENDIX 3

### CAPITAL RECEIPTS FOR 2003/04

Sale Detail	Directorate Share	Directorate Share	Corporate Share	Total receipt
		£'000	£'000	£'000
<b><i>Received</i></b>				
Artic Circle	50% Economic Development	7	7	14
RTB Clawbacks (75% set aside)	100% HRA	2	-	2
RTB Discounts (75% set aside)	100% HRA	4	-	4
Improvement grants	100% Strategic Housing	5	-	5
1.5 acres of land at Fir Tree Lane	100% Corporate	-	18	18
64 Waterside, Evesham	100% Corporate	-	22	22
Land at waterside, Evesham	100% Corporate	-	7	7
204/206 Wilden Lane, Stourport	100% Corporate	-	29	29
73 Park St Kidderminster	100% Corporate	-	13	13
Magistrates Court Tenbury	100% Corporate	-	28	28
Newnham Bridge Depot Tenbury Wells	100% Corporate	-	61	61
<b><i>Anticipated</i></b>				
Various	50% Property	283	282	565
Various	50% Education	60	60	120
Various	50% Social Development	68	67	135
<b>Total</b>		<b>429</b>	<b>594</b>	<b>1,023</b>

## APPENDIX 4

### MAIN CAPITAL SCHEMES OF REVISED 2003/04 CAPITAL PROGRAMME

Capital Programme Area	Schemes with a Revised Forecast >£500,000 as at 30/09/03 £,000
<b>Education schemes:</b>	
John Masefield High – 6th Form block	650
St David's PRU – refurbishment of John Venn Unit	500
Marlbrook Early Excellence Centre – new building	734
National Grid for Learning various schemes	2,096
New Deal for Schools condition property schemes	1,027
<b>P&amp;F Property:</b>	
Hillside Capital Scheme	1,068
<b>P&amp;F General schemes:</b>	
Info in Bromyard	765
<b>Environment General schemes:</b>	
Rural areas and market towns integrated transport strategy	683
Roman Road	800
Rural low floor bus project	1,267
Capitalised maintenance of principal roads	910
Capitalised maintenance of non-principal roads	3,090
Capitalised assessment and strength of bridges	1,874
<b>Economic Development schemes:</b>	
Leominster Industrial Estate Access Road	2,257
Herefordshire Strategic Regeneration Package - Rotherwas Match Funding	2,291
<b>Strategic Housing schemes:</b>	
Social Housing Grants	2,420

<b>Capital Programme Area</b>	<b>Schemes with a Revised Forecast &gt;£500,000 as at 30/09/03 £,000</b>
<i>Other schemes less than £500,000</i>	<i>16,074</i>
<b>Revised Forecast</b>	<b>38,506</b>



# THE PRUDENTIAL CODE AND ITS IMPACT ON CAPITAL STRATEGY

Report By: County Treasurer

## Wards Affected

County-wide

## Purpose

1. To note the implications of the new Prudential Code for Capital Finance for the Council with effect from 2004/05 onwards.

## Financial Implications

2. As detailed in the report.

## Considerations

### Background

3. With the recent enactment of the Local Government Bill the Prudential Code for Capital Finance ('the Code') will come into force for the new financial year. The Code replaces all current legislation and regulation on capital finance, in particular the system of borrowing approvals which has governed capital expenditure planning over so many years. It is widely accepted that the current system has led to a major under investment in public assets, a statement backed by analysing investment now compared to 40 years'ago.
4. The replacement legislation and regulations will be less prescriptive and offer local authorities more discretion to make local capital investment decisions. This reduced regulation, however, requires a prudential framework which will be embodied in the Code. This framework will need to ensure that capital investment plans are affordable, prudent and sustainable and requires prudential indicators to govern our borrowing. The new regulations within the Code are split into two broad areas covering general capital management issues and borrowing strategies. It is important to note that Local Authorities only need to have regard to the Code itself. However, the Bill provides reserve powers for Central Government to set borrowing limits in exceptional circumstances.
5. Many of the 'best practice' features of the Council's current capital strategy have been developed with the likely introduction of the Prudential Code in mind these include:
  - The regular meeting of a cross directorate capital strategy and asset management group.
  - The formal monitoring of the capital programme through a corporate group and the Cabinet.

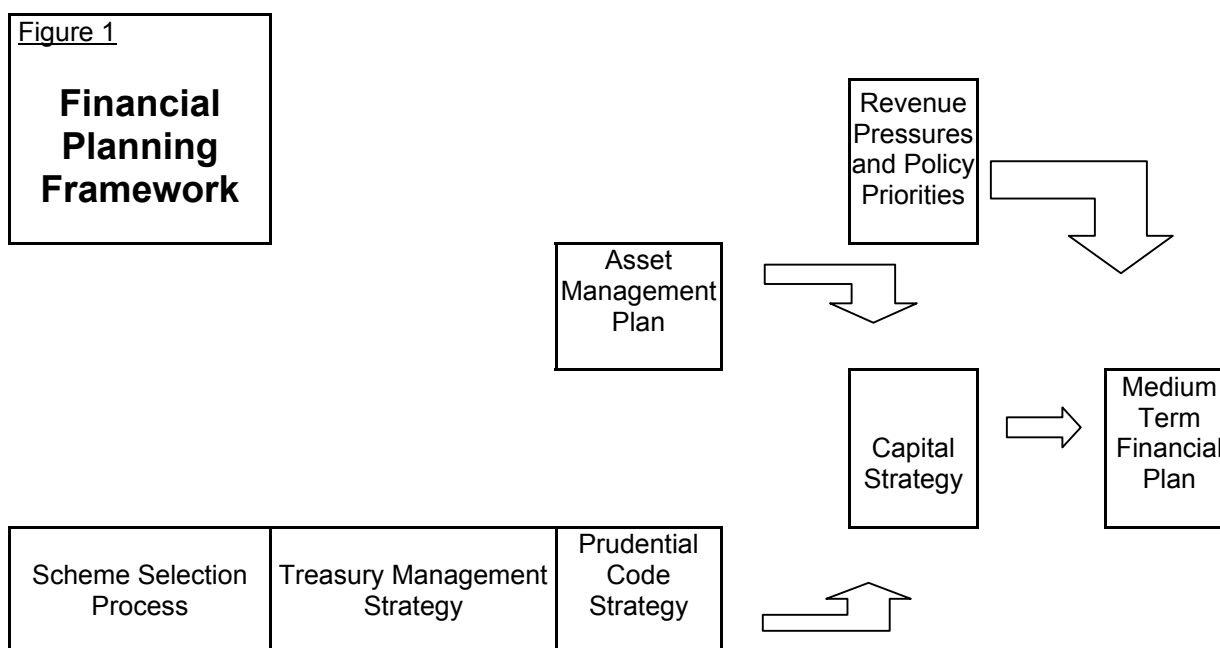
- The detailed level of appraisal for individual schemes incorporated within the Scheme Prioritisation Process (SSP).
6. The areas where further development of systems and strategies is required are the progression towards medium term capital programming and the integration with the revenue budget.

#### **Benefits of the New Code**

7. The current system of borrowing approvals can significantly restrict the level of capital expenditure undertaken as most local authorities do not have substantial capital reserves and the substantial part of new capital schemes are funded by borrowing. The new Prudential system abolishes these approvals and allows Local Authorities far greater flexibility to meet their corporate objectives by deciding themselves how much they want to borrow.
8. The overriding issue, however, is affordability and most local authorities, Herefordshire Council being no exception, are restricted by Council Tax increases within bounds of acceptability. The Code continues to require us to charge to the revenue account each year what is known as the Minimum Revenue Provision (MRP) which reflects the repayment of the debt over time in addition to actual interest charged. This, of course, has a direct impact on the Council Tax levied and for each £1m of capital expenditure funded by borrowing the charge to the revenue account is around £100,000.
9. In light of the affordability issue, one of the key flexibilities with the Prudential Code that it can allow us to change low priority revenue budget provision for capital expenditure without having an impact on the Council Tax. The trade-off will have to take account, however, of the full future revenue costs of capital expenditure both in terms of debt repayment but also associated running costs. These are all identified as a matter of course in the current Scheme Selection Process which requires the whole life costing of schemes and detailed option appraisal.
10. A second way of tackling the affordability issue is by using the increased freedoms to borrow for Invest to Save type schemes. Service Directors will agree to reduce their base revenue budgets in future years as savings accrue from initial capital investment. This will require careful programming, however, to minimise the impact on the Council Tax.

#### **Links with other Strategies**

11. Integrated financial planning is vital to achieving our objectives as set out within the Corporate Plan. A simple structure of the financial strategies is in Figure 1:



12. Our Capital Strategy last year was assessed as being 'good' by the Government Office West Midlands, precluding the need to formally submit a plan at least into the foreseeable future. The advent of the Prudential Code, however, requires the Strategy to be updated and a revised version will be reported early next year. The Asset Management Plan will also have a significant role to play here and this has also now been assessed as being good.

### Prudential Indicators

13. An important part of the Code is the approval of the Prudential Indicators by Cabinet. These are then the responsibility of the County Treasurer as Section 151 officer to advise upon and monitor. The key issues involved here are the setting up of financial controls and managing risk. The Council already has a high quality Treasury Management strategy recognised as such by the Audit Commission, and we do not propose making any changes to this. It is our intention to submit a report to Cabinet early in the New Year to agree the detailed Prudential Indicators. These, however, are likely to be developed over the next few years.
14. The indicators required to monitor and control our borrowing are as follows:

- *Council Tax and Affordability*

The indicator will clearly show the additional impact on Council Tax both as a percentage and a monetary value per Band D property of capital expenditure over and above the Central Government supported expenditure within Comprehensive Spending Reviews.

- *Estimates of Capital Financing Requirement (and similarly External Debt)*

This is a new concept within the Prudential Code but is simply the requirement for long-term borrowing and associated long-term debt. The current long-term debt stands at £62m.

- *Capital Financing as a Percentage of Revenue Income*

This measures the ratio of capital financing costs against the net revenue stream, which comprises of Council Tax and Government Grant. This indicator is perhaps the key indicator for measuring prudence as it measures the cost of financing capital expenditure against our annual income. On the whole we will borrow at fixed interest rates over the long-term so we can provide certainty in that respect. However, we cannot provide such certainty over central funding and this, together with competing and significant revenue pressures, are important factors to bear in mind.

15. A key factor here is the extent to which Government funding is maintained particularly for Education; Transport and Housing, i.e. the major recipients of borrowing approvals under the previous system where capital financing costs are reflected in the Council's Formula Spending Shares.

### Forward Year Capital Programme

16. As is usual practice at this time of year, we have asked services to provide us with their proposals for new capital schemes which are going through the prioritisation process against set criteria. The process has provided an initial indication, of new schemes and Table 1 shows the aggregated cost of these schemes against current resource forecasts. These have been largely based on the capital financing resources to be made available centrally as reflected in the Comprehensive Spending Review 2002 but also the potential costs associated with Cabinet considerations regarding the new North Herefordshire swimming pool.

<u>Table 1:</u>	<b>04/05</b>	<b>05/06</b>	<b>06/07</b>	<b>07/08</b>
<b>2004/05 Capital programme</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing Requirement Based on Current SSP Bids	29.0	19.7	30.7	14.9
Assumed 'supported credit approvals' within current system	18.0	18.0	18.0	18.0
Extra Borrowing identified from SSP bids over expected support	11.0	1.7	12.7	-3.0
Current Forecast for Capital Financing Provision	7.3	8.6	10.0	11.4
Cumulative of Extra Borrowing (i.e.: charge to revenue)	0.3	1.0	1.5	2.2
Incremental Council Tax Increase over Current Forecasts	0.5%	1.75%	2.5%	3.75%

17. The potentially significant gap between service aspirations and the capacity to resource projects reinforces the importance to not only consider these capital schemes in conjunction with the revenue budget pressures but also adopt a structured medium term perspective to the process where we can consider the phasing and deferral of capital schemes without discounting them altogether.

18. The revenue pressures have been debated in detail in the recent budget panels and a report will be presented to Cabinet during December where some major financial policy decisions will need to be made. This will include the potential approval of some major capital schemes as at that stage we can assess the impact these may have on the revenue budget and subsequently Council Tax levels following the release of the Local Government Finance Settlement. Examples of some of the major capital pressures are as follows:

- Modernisation of the Crematorium;
- Full funding of the Local Transport Plan;
- Conversion of properties into Information points in line with E Government objectives;
- Rationalisation of the operational property holding;
- Modernisation of existing school premises;
- Continuation of the Housing Renewal programme;
- Construction of new Hereford Library.

The list is merely illustrative at this stage, with members ultimately determining their priorities for capital investment.

19. The Prudential Code for Capital Finance in local authorities will undoubtedly provide the Council with far greater flexibility in how we approach capital spending and is a fundamental change in local authority finance. In particular, the Code will in future provide the opportunity to deliver a range of capital schemes, in support of key policies and public expectations that hitherto could not have been countenanced. Allied to this flexibility, however, is affordability and prudence and these two concepts will heavily influence the approach to the Code within the Council's financial planning processes.

## **RECOMMENDATION**

**THAT the Strategic Monitoring Committee note the present position.**

## **BACKGROUND PAPERS**

- Report to Cabinet – 20 November 2003.



**REVENUE BUDGET MONITORING 2003/04****Report By: County Treasurer****Wards Affected**

County-wide

**Purpose**

1. To note the position with regard to revenue budget monitoring for Programme Areas in 2003/04.

**Financial Implications**

2. Appendix 1 shows the details of the spending as at 30 September 2003 for each Programme Area, together with the projected outturn for 2003/04.
3. The budgets for 2003/04 include the final carry forwards from 2002/03.

**Education**

4. A very large proportion of the Education budget is delegated to schools. Any underspendings, or indeed overspendings should they occur, in the schools budgets will automatically be carried forward into next year under the statutory arrangements for delegation to schools.
5. As far as the non-schools budgets are concerned, there is a carry-forward of £927,000 from 2002/03. However, the carry-forward is already committed to 2003/04 expenditure on the Whitecross PFI scheme, and the LEA contribution to those Standards Funds and elements of National Grid for Learning that were brought forward from 2002-03.
6. It is anticipated that expenditure will be contained within the overall budget. Some transfers between schools and central education budgets have been necessary largely to reflect additional information received since the budgets were constructed and approved. The amount delegated to schools is being increased by £200,000 to take account of the newly delegated banded funding for pupils with SEN in primary schools. Other budget changes are being made, for example, to cover the increased cost of SEN placements in independent schools. All changes are being contained within the overall budget.

**Policy and Finance General**

7. At this stage in the year no significant overspendings or underspendings have been identified for Policy and Finance General with the exception of Land Charges, which is mentioned below, as previously reported. This anticipates that the budget carry forwards of £1,232,000 from 2002/03 will be fully spent during 2003/04. There are significant commitments against this sum, including the Corporate Development Fund and the Treasurer's investment in new systems for payroll, cash receipting and housing benefit as well as new software for processing BACS payments.

8. It is clear that there will be a significant shortfall of income from Land Charges due to the increasing use of private firms to carry out personal searches. The shortfall of income of £95,000 in 2002/03 was met from reserves. The shortfall is now estimated at £90,000 for 2003/04. In addition following the non – achievement of the BVPI in relation to dealing with search requests, the Environment Directorate has taken on extra staff which are to be paid for from search income. The cost of additional staff (£50,000) potentially increases the deficit to £140,000, which will need to be met from the Council's general reserves.
9. Spending on E.Modernisation is low compared to the budget at present but it is expected that this situation will be rectified during the second half of the year.
10. Members' expenses will be overspent by approximately £37,000 because of the need to fund the cost of the I.T support costs for members P.C links and laptops.
11. It has been assumed that the additional costs of job evaluation, estimated at £120,000 for the year, will be met from reserves and the externalisation of Commercial Services (£109,000) from mobilisation payments received as a result of the transfer.
12. There have been indications that the Combined Fire Authority might issue a supplementary levy for 2003/04 of £68,000 but a decision is not expected until February. Any additional costs would be met from reserves.

#### **Policy and Finance Property**

13. The projected overspend on Property has reduced to £742,000 including £524,000 brought forward from 2002/03. £379,000 of this overspend is the deficit on the Markets and Fairs budget. The rent reviews at the Cattle and Butter markets have reduced income levels so this deficit is expected to rise to £420,000 this year. The capital investment in creating new car parking provision, should increase income in total by between £80,000 and £100,000 p.a in future years although the income being received each month is only just beginning to build up.
14. In addition, the deficit on income from the Industrial Estate is expected to rise from of Industrial Units becoming vacant and the sale of leases resulting in lower income. Income from shops transferred from Housing following the stock transfer will, however, produce a surplus of £100,000 in 2003/04.

#### **Environment General**

15. Spending is generally in line with the budget. An overspending on the Waste Collection contract is expected because of the high cost of indexing the contract but this is entirely offset by additional Trade Waste charges. The Travellers budget is likely to be overspent by around £50,000 although rental income is coming in more steadily this year. The income for Cemeteries and the Crematorium has been above budget during the first half of the year.

#### **Environment Regulatory**

16. Spending on Environment Regulatory is very much in line with the budget at present. Budget pressures are increasing in respect of Landfill and Contaminated Land and Licencing but it is expected at this stage that these potential overspendings will be contained within the overall budget.



**Planning**

17. The main variation is additional fee income of £50,000 received in the first half year. The report anticipates that the Planning Development Grant of £320,000 will be spent during 2003/04.

**Social Care**

18. The position at the end of September is a continued improvement on the overspend. This is now showing £376,000 compared to the £582,000 brought forward..
19. The objective remains to balance the budget overall (including the 2002/03 overspend). The current position shows progress against this objective.
20. There are risks in the children's services area from lack of capacity in the foster parents resource and the need to find other placements. There is also the imperative to improve the performance on delays for older people and intensive home care, which will remain challenging in terms of budget management. Financial risks of Free Nursing Care income and potential loss of income from Fairer Charging remain.

**Strategic Housing**

21. The projected year-end position is an underspend of £98,000 as a result of staff vacancies and current underspend on the Housing Agency Agreement. The risk area is spend on homelessness, which although currently underspending remains volatile in nature.

**Social Development**

22. The only significant budget issue remaining is the expected overspend in 2003/04 of £140,000 on Parks and Countryside. This has been assisted by meeting the overspending brought forward from 2002/03 out of the sums held in respect of open spaces commuted sums.

**Leisure Contracts**

23. It is expected that the deficit will fall, to at most £120,000, during 2003/04 with the balance being eliminated over the next few years through negotiations with HALO.

**Economic Development**

24. Spending on Economic Development is within budget at present and no major variances are currently predicted. The carry-forward from 2002/03 of £150,000 included significant amounts for 2003/04 projects.

**Financial Transactions**

25. Investment interest received and debit interest paid is currently expected to underspend by some £100,000 as a result of the timing of individual projects. Any delays in progressing the capital programme would increase investment income further.

## Conclusion

The projected overspending is £1,313,000, which is within the Council limit of 1%. The improved position reflects reductions in the expected overspendings for Social Care, Social Development and Property together with a projected underspending on Strategic Housing.

## RECOMMENDATION

**THAT the report be noted.**

## BACKGROUND PAPERS

- Report to Cabinet – 20 November 2003.

### Summary Budget Monitoring Report 2003/04 - September 2003

Programme Area	Carry forwards from 2002/3 £000	Total 2003-04 Budget £000	Actuals to 30.09.03 £000	Budgets to 30.09.03 £000	Variance £000	Projected Out-turn £000	Projected Over/(Under -) Spending £000
Schools Budget	0	67,984	23,421	24,962	1,541	67,984	0
LEA Budget	(927)	10,610	9,983	9,976	7	10,610	0
Social Care	582	32,682	16,781	16,373	0	33,058	376
Policy and Finance - General	(1,232)	20,859	16,123	17,020	0	21,036	177
Policy and Finance - Property	524	1,344	1,072	460	-610	2,086	742
Environment - General	(210)	16,624	7,820	8,291	471	16,624	0
Environment - Regularity	(10)	2,276	1,026	1,138	112	2,276	0
Environment - Planning		2,151	851	901	50	2,151	0
Social Development	53	7,537	3,443	4,073	630	7,677	140
Leisure	138	-138	0	0	0	-18	120
Economic Development	(150)	2,224	750	870	120	2,224	0
Housing	(191)	1,406	272	375	103	1,294	-98
	-1,423	165,559	81,542	84,439	2,424	167,002	1,413
Financing adjustments etc	1,423	1,937	698	731	33	1,837	-100
	0	167,496	82,240	85,170	2,457	168,839	1,313

#### Notes.

1. In both the carry forward from 2002/3 and the projected over and underspending columns , overspendings are shown as positive figures. Underspendings are shown in brackets..
2. The column headed total budget 2003/4 reflects the carry forwards from 2002/3.



**SCRUTINY ACTIVITY REPORT****Report By: County Secretary and Solicitor****Wards Affected**

County-wide

**Purpose**

1. To consider the work being undertaken by the Scrutiny Committees.

**Financial Implications**

2. None

**Background**

3. This report summarises the matters considered by the Scrutiny Committees since the last report by this Committee to Council. It is intended to help keep Council aware of the work being undertaken.
4. The work of the Committees is analysed below as far as practicable under the following five roles for overview and scrutiny: holding the executive to account, best value reviews, policy development and review, external scrutiny, and Improvement (performance management and review).

**Summary By Programme Area****Education**

5. The Education Scrutiny Committee met on 18th November, 2003 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Safer Routes To Schools Home To School/College Transport – Discretionary Areas Of Policy Social Inclusion Education Policy Building Schools For The Future Review Of Small Schools

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Further information on the subject of this report is available from Tim Brown Committee Manager (Scrutiny)  
on 01432 260239

External Scrutiny	
Improvement (Performance Management and Review)	Education Development Plan 2002-2007 Post Ofsted Inspection Action Plan Complaints, Compliments And Appeals
Other	Work Programme

6. The Environment Scrutiny Committee met on 21st November, 2003 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	Implementation of Improvement Plans
Policy Development and Review	Parish Council Minor Highway Maintenance Scheme Public Rights of Way Service
External Scrutiny	
Improvement (Performance Management and Review)	Human Resources Capital Budget Monitoring Revenue Budget Monitoring Performance Indicators Herefordshire Plan Ambitions – progress Kerbside Collection of Recyclables GEM performance
Other	-

7. The Health Scrutiny Committee met on 13th November 2003 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	
External Scrutiny	Briefing on public health team and public health issues
Improvement (Performance Management and Review)	

Further information on the subject of this report is available from Tim Brown Committee Manager (Scrutiny) on 01432 260239

and Review)	
Other	Work Programme

8. The Social Care and Housing Scrutiny Committee met on 24th November, 2003 and considered the following issues:

Theme	Reports
Holding the Executive to Account	-
Best Value Reviews	Home Support - update
Policy Development and Review	Green Paper: Every Child Matters
External Scrutiny	
Improvement (Performance Management and Review)	Serious Case Review Action Plan Better Care Higher Standards Annual Users Report Home Energy Conservation Act Annual Report Adoption Service Annual Report Complaints Comments and Compliments Supporting People Inspection Herefordshire Plan Ambition Groups Performance Indicators Budget Monitoring
Other	

9. The Social and Economic Development Scrutiny Committee met on 27th November 2003 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Festivals Review
External Scrutiny	Presentation by HALO (the leisure trust)
Improvement (Performance Management and Review)	Budget Monitoring Performance Indicators Payment of Invoices

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Further information on the subject of this report is available from Tim Brown Committee Manager (Scrutiny) on 01432 260239

Other	
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### **Additional Issues**

10. The Work Programmes of the Scrutiny Committees, with the exception of the newly formed Health Scrutiny Committee, were reported to this Committee in July. Following discussion with health partners the Committee has now approved a work programme a copy of which is appended.
11. In considering the Green Paper: Every Child Matters the Social Care and Housing Scrutiny Committee recognised that aspects also fell within the remit of the Education, Health and Social and Economic Development Scrutiny Committees and the Strategic Monitoring Committee. It has requested this Committee to determine which Scrutiny Committee should take the lead role in scrutinising issues resulting from action taken by the executive pursuant to the Green Paper.

### **RECOMMENDATION**

- THAT (a) the work programme of the Health Scrutiny Committee be noted;**
- and**
- (b) the Committee determine which Scrutiny Committee should take the lead role in scrutinising issues resulting from action taken by the executive pursuant to the Green Paper: Every Child Matters.**

### **BACKGROUND PAPERS**

- None



## Health Scrutiny Committee –

## Work Programme 2003-2005

Date (By)	Items
(As soon as possible after conclusion of outbreak)	<ul style="list-style-type: none"> <li>• Examination of response to outbreak of Legionnaires Disease</li> </ul>
January 2004	<ul style="list-style-type: none"> <li>• Informal Meeting with the Primary Care Trust's and Hospital Trust's co-ordinators,</li> <li>• Confirm Scoping of Access and Waiting Review</li> <li>• Report on car parking at Hereford hospital</li> <li>• Interim report on Ear Nose and Throat Service</li> </ul>
February/March 2004	<ul style="list-style-type: none"> <li>• Final Report on Ear Nose and Throat Service</li> </ul>
April 2004	<ul style="list-style-type: none"> <li>• Update on Communication and Morale</li> <li>• Report on Councillors' potential role in managing public expectation within their constituencies.</li> <li>• Briefing on outcomes of national initiative aimed at identifying and reducing waiting times in the system.</li> </ul>
May/June 2004	<ul style="list-style-type: none"> <li>• Confirm Scoping of Safely Home Review</li> <li>• Interim report on access and waiting review</li> </ul>
September/October 2004	<ul style="list-style-type: none"> <li>• Final Report of Access and Waiting Review</li> <li>• Update on Climbie case issues and responsibilities</li> <li>• Update on communication and Morale</li> </ul>
December/January 2005	<ul style="list-style-type: none"> <li>• Interim Report on Safely Home Review</li> </ul>
March/ April 2005	<ul style="list-style-type: none"> <li>• GP Contracts</li> <li>• Final report of Safely Home Review</li> </ul>

**Further additions to the work programme will be made as required**

