

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Friday, 30th March, 2007 at 10.00 a.m.

Present: Councillor TM James (Chairman)
Councillor PA Andrews (Vice Chairman)

Councillors: B.F. Ashton, WLS Bowen, H Bramer, ACR Chappell,
JHR Goodwin, MD Lloyd-Hayes, J.P. Thomas and W.J.S. Thomas

In attendance: Councillors JP French, D.W. Rule MBE and R.M. Wilson.

69. APOLOGIES FOR ABSENCE

Apologies were received from Councillor R.J. Phillips (Leader of the Council).

70. DECLARATIONS OF INTEREST

There were no declarations of interest.

71. MINUTES

Minute 66 and the discussion that had taken place on page 50 of the Annual Operating Plan about the wording of the target on Homelessness was discussed. It was acknowledged that the Corporate Policy and Research Manager had agreed to review the wording in response to the points made at the meeting and the wording had indeed subsequently been revised.

RESOLVED: That the Minutes of the meeting held on 12th February, 2007 be confirmed as a correct record and signed by the Chairman.

72. RESERVES

The Committee considered a report on the level of reserves held by the Council having requested this at its previous meeting.

The Director of Resources explained that the policy on reserves and balances had been reviewed in developing the Medium Term Financial Management Strategy. Emphasis was now being placed on identifying the key financial risks and setting aside specific reserves to meet these risks. This was a sound financial strategy which it was important to develop.

The Head of Financial Services then presented the report. He noted that the Comprehensive Performance Assessment process had the Use of Resources as a key element of the overall assessment. The overall assessment for 2006 was 3: "consistently above minimum requirements, performing well", but the financial standing element was a strong 2: "at only minimum requirements adequate performance". Further development of the Council's policies for holding reserves and balances was needed to improve this score. The aim was to achieve an overall assessment of 4: "well above minimum requirements, performing strongly".

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

- Clarification was sought on how the Council compared with other authorities. The Chief Executive replied that there was not a league table of authorities based on the use of resources. Very few authorities scored 4 for the use of resources. The majority scored either 3 or 2. The important point was that the Council was above the minimum requirement set by the Council's external auditors.
- A question was asked about the level of general fund balance which the report noted was a key area for closer scrutiny. In reply it was noted that the Medium Term Financial Strategy envisaged that so long as earmarked specific reserves were set aside to cover specific significant financial risks it was not expected that the General Fund Balance would need to exceed £6 million. This compared with the historic policy of retaining a minimum £3 million in the General Fund Reserve. The District Auditor would be expected to challenge the Council on this point. The Chartered Institute of Public Finance and Accountancy suggested a general reserve equivalent to 5% of the revenue budget but this was a matter of judgement. Identifying specific risks and earmarking reserves to meet those could reduce the level of funds required in the General Fund. This had been identified as an issue requiring further consideration.
- A question was asked about the specific provision for "Schools Balance of risk" and whether this was sufficient. The Head of Financial Services confirmed this was for school self insurance funding. It was agreed that a written answer would be provided.

RESOLVED: That the report be noted.

73. INTEGRATED PERFORMANCE REPORT

The Committee considered the Integrated Performance Report setting out performance to the end of January 2007 against the Annual Operating Plan 2006-07, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance.

The report also covered the progress being made against the Council's Overall Improvement Programme.

The report to Cabinet on 22nd February was appended to the report.

The Head of Policy and Performance presented the report on performance. He highlighted that 14 indicators were identified in the Red Category (not achieved or not expected to be achieved, or no targets/milestones identified). Five of these were Local Public Service Agreement 2 targets meaning that a proportion of the performance reward grant would not be secured. He noted the role of individual Scrutiny Committees in examining performance data.

The report to Cabinet had contained a recommendation on how to meet the funding gap between the lowest tenders for the two capital projects at Riverside Primary School and Sutton County Primary School and the resources available, now £2.28m.

The Chairman of the Children's Services Scrutiny Committee highlighted to the Committee his concerns about how the funding gap had arisen and the action taken by the Children's Services Committee to try to ascertain the reasons for the shortfall, outlining some of the findings and undertaking to circulate the relevant notes for Members' information. He also noted that the matter had not been specifically drawn

to the Committee's attention to seek their views. Once he had been formally notified of the intention to take a key decision on the issue there had been very little time for the Committee to comment, given the imminent expiry of the tenders for the two schemes.

Further concerns were expressed about how Scrutiny Committees could play an effective role in assisting decision making if they were not involved at an early enough stage remarking on the need for pre-decision scrutiny to be developed.

As the two capital schemes had been in development for some years it was also questioned why the shortfall appeared to have been identified so late in the day by officers.

The Chief Executive offered to look at the chronology of the decision making process to assess whether the funding issue had been identified quickly enough and reported quickly enough and to report back if this was required.

On behalf of the Executive it was stated that lessons had been learned. In future where funding issues of this scale affecting large schemes arose it would be intended to prepare specific, separate reports for consideration. It was also accepted that Officers needed to revisit the processes followed.

The Cabinet Member (Resources) commented that it was important to emphasise that, contrary to some reports, funding was in place to enable the schemes to proceed. Income would also be generated in the future, for example from the sale of land for development of which account had not yet been taken and which would reduce the shortfall. He had asked the Director to look in particular at the need to review the link between the increase in the estimated costs of schemes, budget monitoring information and funding issues. The Director of Resources advised that, as part of the process of developing the Council's strategic asset management, work was underway to prevent a similar situation occurring again.

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

- A question was asked about indicator HCS 13 for the average length of stay in bed and breakfast accommodation of households (towards whom the Council has a full statutory duty) which on the face of it appeared to show a decline in performance. It was noted that this was a statistical quirk, with small numbers of families involved meaning that the average length of stay of one family could make a marked difference. Significant progress was being made in reducing the length of such stays.
- In reply to a question about the Council's ability to influence the achievement of some of the targets of a more long term nature the Chief Executive said that it was essential to monitor progress and measure the effectiveness of activity and how progress compared with that of comparator authorities if these long-term objectives were to be achieved.

The Head of Financial Services then updated the Committee on changes to the financial position since the report, which set out the position to the end of January 2007, had been prepared. He reported that the projected outturn on the revenue budget was now a £2 million underspend. The award of Local Authority Business Growth Scheme Incentive Grant had also been confirmed at £1.4m.

In relation to the Capital Programme, noting that the capital schemes at Riverside Primary School and Sutton Primary School had already been discussed, he reported

that there had been slippage in the Capital Programme. Whilst there were no funding issues, expected progress in delivering schemes had not therefore been made.

In relation to the corporate risk log a question was asked about the risk assessment of the Herefordshire Connects programme. It was suggested that there may be some issues of presentation and that wording might need be clarified to indicate that although risks may have been identified it did not mean that they would materialise if the action identified to mitigate the risk was taken.

RESOLVED: That the report be noted.

74. FORWARD LOOKING ANNUAL EFFICIENCY STATEMENT 2007/08

The Committee considered the Council's draft strategy for the 2007/08 Annual Efficiency process, progress to date on procurement issues and an update on future prospects for the Government's efficiency agenda.

The Strategic Procurement and Efficiency Manager presented the report explaining the requirements the Council had to meet and highlighting progress in the Council's procurement and efficiency activities. A draft list of efficiency savings for 2007/08 was appended to the report.

In the ensuing discussion the following principal points were made:

- The intention to reduce the reliance on expensive out of county placements for children looked after and children with complex needs was welcomed. The Chief Executive reported that the Regional Improvement and Efficiency Partnership for the West Midlands had the lead responsibility for this issue. However, whilst there was support in principle for some form of regional provision, following the past failures of local authorities in providing this service there continued to be a reluctance to accept the onerous responsibilities this entailed. In the meantime authorities had to purchase care from a small number of providers and were therefore subject to market forces.
- Noting the streamlining of arrangements for the recruitment of temporary staff through a contract with a single supplier it was asked what the position now was on the recruitment of permanent staff. In reply it was noted that a Central Recruitment Team had been in place for some 12 months and arrangements were also in place for the recruitment of senior staff.

RESOLVED: That the report be noted.

75. HEREFORDSHIRE SATISFACTION SURVEY

The Committee considered the results of the recently completed survey and how it should be used to inform future work programmes.

The report summarised the survey's findings. It stated that the data was important internally for service planning purposes, externally for performance assessments and central to the Council's improvement plan. It also suggested how the information could potentially be useful to the Scrutiny Committees.

The Head of Policy and Performance presented the report commenting on the importance of public involvement in service design and delivery and the weight external inspection regimes would place on this.

He commented on the findings stating that they generally mirrored the national trend. Overall satisfaction with authorities nationally tended to lag behind satisfaction with individual services.

He suggested that particularly given the increasing importance attached to the indicators the Scrutiny Committees should ask for detailed reports on areas of concern.

He reported that Cabinet on 22nd March had agreed the actions being taken following the survey. Amongst other things the Research Team was producing a detailed analysis and using the Herefordshire Voice Panel to identify the underlying reasons behind some of the key results.

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

- The Chief Executive expressed the hope that in the life of the next Council, both Members and Officers would give careful consideration to the discrepancy between the satisfaction rating for individual services and the overall rating for the Council and what could be done to address this perception. In his view part of the answer was ensuring that the public were provided with a clearer statement of what they could expect from Members and officers whose performance could then be assessed against a reasonable and realistic baseline.
- That there was plenty of scope for the Council to be more robust in both defending and promoting its actions. A clearer public understanding of the respective roles of the Highways Agency and the Council would, for example, have reduced the criticism faced following works on the A49 at Belmont Roundabout, Hereford.
- The importance of a more detailed analysis of the findings to ensure that the Council understood the true picture was recognised.

RESOLVED:

- That**
- (a) the survey results and the actions being undertaken be noted;**
 - (b) a further report be considered in three months time when the future Committee's future work programme is considered;**
- and**
- (c) all other scrutiny committees be requested to consider the data relevant to their areas of responsibility and to take appropriate action.**

76. REVIEW OF ICT SERVICES - CABINET'S RESPONSE

The Committee considered Cabinet's response to the recommendations of the Scrutiny Review of ICT Services.

The response approved by Cabinet on 30th March, 2007 was appended to the report. A detailed action plan was tabled at the meeting.

The Director of Corporate and Customer Services presented the report commenting on the main themes. She also commented on the complex environment in which ICT services was operating and the need to co-ordinate the requirements of the accommodation strategy, Hereford Connects and the ICT Strategy. She informed the Committee that the timetable for delivering remote access to schools had changed and progress would be reported as part of the action plan

RESOLVED:

That (a) Cabinet's response to the findings of the review of ICT services be noted, subject to any comments, which the Committee wishes to make;

and

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

77. GENDER EQUALITY SCHEME

The Committee considered the Gender Equality Scheme 2007-10.

The report to Cabinet on 22nd March was appended to the report.

The Race Equality Development Officer presented the report drawing attention to the action plan forming part of the Strategy which would be reviewed annually.

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

- It was asked how achievable the dates for accomplishing the targets were noting that they were some way into the future. In reply it was stated that actions within the Council's control were considered achievable. It would be harder to achieve those which relied on the work of partners although it was considered that there was the will to achieve them.
- That the Council was in a position, in particular for example when delivering its major projects, to exercise a community leadership role and encourage other parts of the community to implement the Strategy and its aspirations.
- The Primary Care Trust and the Council faced similar obligations and had many shared objectives. The development of the Public Service Trust provided an opportunity to strengthen the community leadership role.
- It was noted that the Pay and Workforce Development Strategy contained a number of measures which could be carried out corporately to address areas in which the Council continued to fall behind comparators.
- It was acknowledged that the Council employed more women than men. However, men held the vast majority of high-graded posts. Monitoring arrangements were in place to enable the Council to analyse recruitment practices.

RESOLVED: That the report be noted.

78. SCRUTINY IMPROVEMENT PLAN

The Committee was informed of progress on the Scrutiny Improvement Plan.

RESOLVED: That the report be noted.

79. SUMMARY OF ACTION IN RESPONSE TO SCRUTINY COMMITTEE RECOMMENDATIONS

The Committee considered a report on progress against recommendations made by the Committee.

RESOLVED: That the report be noted.

80. WORK PROGRAMME

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

In looking to future improvement Members commented on some of the findings from the enquiry visits undertaken as part of the Scrutiny Improvement Plan. There was a consensus on the need to improve proactive scrutiny which would include establishing an effective working relationship between Cabinet and Scrutiny to work together to deliver improvement.

It was suggested that consideration also needed to be given to engaging the public and involving them in planning services.

RESOLVED: That current work programmes serve as a basis for further development.

81. SCRUTINY ACTIVITY REPORT

The Committee noted work being undertaken by the Scrutiny Committees.

The meeting ended at 12.30 p.m.

CHAIRMAN