

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford. on Wednesday, 13th June, 2007 at 10.00 a.m.

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

Councillors: PA Andrews, WU Attfield, SPA Daniels, KG Grumbley, TM James, RI Matthews, SJ Robertson and RH Smith

In attendance: Councillors: AJM Blackshaw (Cabinet Member - Economic Development and Community Development), JP French (Cabinet Member Corporate and Customer Services and Human Resources), JA Hyde (Cabinet Member Children's Services) and RJ Phillips (Cabinet Member – Corporate Strategy and Finance)

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor JK Swinburne.

2. DECLARATIONS OF INTEREST

(Councillors PA Andrews, SPA Daniels and PJ Edwards, declared a personal interest in agenda item 6: Final Revenue and Capital Outturn 2006/07 in relation to Hereford City Council's stated intention not to pay their contribution towards parks and countryside services.)

3. MINUTES

RESOLVED: That the Minutes of the meeting held on 13 June 2007 be confirmed as a correct record and signed by the Chairman.

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

The Committee considered how the register of complaints might be used to identify issues for the Committee to investigate. It was recognised that it was important to focus on any overall trends rather than being drawn into the detail of individual complaints. The annual report on complaints would therefore be scrutinised to identify whether there were any such trends which merited investigation.

5. INTEGRATED PERFORMANCE REPORT

The Committee considered performance for the whole of the operating year 2006-07 against the Annual Operating Plan 2006-07, together with corporate risks. The report also covered the full set of Best Value Performance Indicators (BVPIs) and the progress being made against the Council's Overall Improvement Programme.

The report to Cabinet on 7 June 2007 was appended to the report.

The Head of Policy and Performance presented the report. He circulated a chart showing the Council's scores under the Comprehensive Performance Assessment (CPA) in 2005 and 2006 and the target scores which had been set for 2009. He said that the Council was not yet performing well enough nor could it demonstrate a pattern of continuous improvement. The target scores for 2009 were designed to ensure that the Authority obtained a three star rating and was ranked as a Good authority under the CPA framework.

In response to a question he confirmed that the Authority's CPA rating, was currently 3. However, this could be seen a 'protected' position. The Authority had been one of the first to be assessed under the CPA "harder test" regime in 2005 and has been rated 2* overall. Under the Audit Commission's rules, it was entitled, like all the other authorities whose scores had dropped, to retain the higher rating attained under the 2002 CPA, until every authority had been assessed under the 'harder test'. At that stage the Authority would have to have improved or drop to a 2* rating when all assessments were reconciled and new consistent ratings published. Results of authorities under the "harder test" to date showed a mixed pattern with both improvements and reductions in ratings.

The Director of Corporate and Customer Services noted that the assessment regime was to change again to become a Comprehensive Area Assessment. This would be a broader assessment of both the Council and its partners. The new assessment framework would also place an emphasis on the public's perception of performance.

Turning to the Integrated Performance Report the Head of Policy and Performance reported that of the full set of strategic performance indicators 33 were identified in the red category (not achieved or, where no end of year outturn had been reported, latest data indicated that the target would not be achieved).

Of the Best Value Performance Indicators, 62% were improving and 27% deteriorating.

The Government Office for the West Midlands (GOWM) had also confirmed that the Minister had decided that the GOWM-led improvement board for Children and Young People would continue to oversee the Council's progress for the next six months.

The Head of Policy and Performance also highlighted the importance of performance against the indicators included in the Local Public Service Agreement (LPSA2G) and the Local Area Agreement (LAA). He added that although performance had generally improved against the LPSAG2 targets 11 of 31 indicators were in the red category because the annual target had not been achieved. In some cases whilst there had still been improvement this had been insufficient to achieve the stretched target set under the Agreement.

In the ensuing discussion the following principal points were made:

- It was asked whether the targets HCS 33-35, aimed at reducing the days of schooling missed, were in effect about reducing truancy. It was noted that a recent police exercise in North Herefordshire had identified some 80 truants.

The Committee was informed that there may be additional factors affecting performance against this indicator, in particular in the case of HCS 35 relating to looked after children. However, truancy was the main reason. The Education Welfare Service was seeking to improve the position. One issue was the need to improve the speed with which schools notified the Council of absences, to enable

prompt action to be taken. It was concluded that this issue might merit further consideration as part of a work programme.

- The Committee noted that the Commission for Social Care Inspection had published the results of its inspection of the Council's services for adults with learning disabilities and that an action plan had been prepared in response.
- Performance against the LPSAG2 and LAA was questioned. It was asked why in the LPSAG2 11 indicators were now marked red compared to 5 at the end of January 2007 and why in the LAA 29 indicators were now marked red compared to 8 at the end of January.
- The Head of Policy and Performance said that this area of performance merited detailed consideration. Some of the LPSA targets could only be recorded at the year end. Whilst progress had appeared to be satisfactory the outcome had not been as expected. However, the LPSA was a three year programme the end of the second of which had now been reached. It was considered that some targets were recoverable – for example those relating to days of schooling missed. However, it had to be recognised that target HC 45 relating to reducing the number of violent crimes may not be achieved. Work was planned to look at policing and the actions of the Council and its other partners with a bearing on this target. It was noted that the future requirement under the Police and Justice Act for the Council's scrutiny function to scrutinise Crime and Disorder Reduction Partnerships would be relevant. It was concluded that this issue too would merit consideration as part of the work programme.
- Regarding target HCS 15 (number of emergency unscheduled hospital day beds occupied by a person aged 75 and over) the Committee noted that the Government had issued a new definition of the target criteria. Discussions were continuing with GOWM about resetting the LPSA target to allow account to be taken of this change.
- In relation to the LAA the Head of Policy and Performance advised that to an extent the number of targets marked red at the year end might be expected to increase as what appeared satisfactory activity during the year ultimately failed to achieve the target. He added that it was difficult to identify a particular problem area of service, some had under-performed, others had improved but had not reached the target set. There were issues to address across the range of indicators.
- The Director of Policy and Community commented on the importance of securing the performance reward grant available under the LPSAG2. Action was being taken to establish the reasons why progress was not being made as expected and to consider whether reallocating resources would help to achieve the targets.
- On behalf of the Cabinet it was stated that the importance of achieving the targets and securing the performance reward grant attached to the LPSAG2 was recognised. The targets were, however, ones which the Council should be seeking to achieve irrespective of the associated grant. The Executive would negotiate with GOWM where GOWM changed the definitions of targets. The Committee's challenging approach to performance in this area was welcomed.

RESOLVED:

That (a) performance for 2006-07 and the Best Value Performance Indicators be noted;

and

- (b) consideration be given to requesting further detailed information on areas of concern identified above as part of developing future work programmes, in particular the overall approach to delivering targets in the Local Public Service Agreement and the Local Area Agreement.

6. FINAL REVENUE AND CAPITAL OUTTURN 2006/07

(Councillors PA Andrews, SPA Daniels and PJ Edwards, declared a personal interest in agenda item 6: Final Revenue and Capital Outturn 2006/07 in relation to Hereford City Council's stated intention not to pay their contribution towards parks and countryside services.)

The Committee considered the final revenue and capital budget outturn for 2006/07.

The report to Cabinet on 7 June 2007 was appended to the report.

The Head of Financial Services presented the report. He highlighted that the overall position was an underspend of £3.197m on the Council's 2006/07 revenue account. This was good news, improving the Council's financial standing, one of the themes in the Audit Commission's Use of Resources Assessment.

He commented on some of the key variations between outturn and budget for each Directorate and the carry forwards approved by Cabinet in support of corporate priorities.

He also commented on the level of the Council's reserves and the establishment of new specific reserves.

The significant amount of slippage on the Capital Programme was also highlighted.

In the ensuing discussion the following principal points were made:

- In reply to a question the Head of Financial Services confirmed that the £274,000 underspend on the Environment revenue budget had not been ringfenced. The Director of Environment had decided that the whole sum should be added to the waste reserve.
- Asked about the adequacy of the Adult and Community Services budget the Head of Financial Services commented on the significant pressures associated with residential placements as well as the service redesign work being undertaken from 2007/08 using the additional £2.7m budget allocation. There will be a need to determine the overall position especially around the poled budget arrangements with the Primary Care Trust under the Section 31 arrangements.
- The underspending on school transport was discussed. The Head of Financial Services said that savings had been achieved as a result of a review of school routes. Further savings, although not as significant, were expected in 2007/08. A Member expressed some concern about arrangements in North Herefordshire.
- The Leader of the Council commented on the failure of the Government's Comprehensive Spending Review to recognise the pressures on social care funding in contrast to its increased expenditure on the health service. He

suggested Members should encourage local Parish Councils to lobby MPs.

- In presenting the report the Head of Financial Services had referred to the significant level of balances held by schools. He had also noted that whilst revenue balances showed a reduction over the year, capital balances had increased significantly. He had a concern that one reason for this was might be because schools were seeking to avoid the revenue clawback rules the Council had indicated it would use if balances did not reduce. It had also to be borne in mind that national funding rules did not permit balances transferred to capital to revert to revenue. Some concern was expressed about the Council's ability to clawback money from schools. It was requested that it be established whether any other authorities were pursuing or had pursued this course.
- A question was asked about the expenditure on ICT Services noting the deficit on the trading account, activity related to Herefordshire Connects and that some capital expenditure had been incorrectly included in the revenue budget.

The Cabinet Member (Corporate and Customer Services) said that similar programmes to the Herefordshire Connects Programme had already been delivered successfully in other areas. The Council was drawing on external expertise to ensure the processes being followed were challenged. There were some transitional issues regarding the ICT budgets which needed to be addressed.

The Director of Corporate and Customer Services emphasised the distinction between the Herefordshire Connects Project, which was a business transformation project with its own budget, albeit underpinned by technology, and the ICT budget. The Strategic Monitoring Committee's Review of ICT Services had identified the need to change the way ICT Services finances were accounted for and this had been accepted by the Executive. An update on progress in response to the Committee's Review was scheduled in the Work Programme. In response to a further question she gave Waltham Forest and Trafford as examples of Schemes where transformation projects had been successfully implemented.

- A question was asked about the improved performance in benefit processing times which had generated increased subsidy from the Department of Work and Pensions (DWP). The Head of Financial Services clarified that the reference to local authority error in the report reflected the DWP's terminology and in fact referred to processing time rather than inaccuracy in benefit calculation. The improvement was reflected in performance against the targets set out in the Integrated Performance Report. One of the approved revenue budget carry forwards was to support further improvement in performance.
- The overspend on administrative buildings and the underspend on industrial estates and retail properties was queried and it was agreed that a written answer would be provided.
- It was asked whether capital receipts were sufficient to cover the Council's commitments. The Head of Financial Services said that he considered the position to be favourable but that future allocations would be required to support capital commitments and referred to further receipts expected from the disposal of Smallholdings in future. He added that the capital programme would be reviewed if receipts overall were not secured as expected. Members suggested that consideration might be given to Smallholdings as part of the work programme.

- The overspend on Weobley High School sports hall was challenged. Members suggested that his indicated systemic problems in managing the project. It was considered that this issue needed to be examined as part of the scrutiny work programme.
- Funding of the overspending on the Info by Phone Capital Scheme was clarified.
- It was confirmed that additional expenditure on the Rotherwas Access Road under the Capital Programme to purchase land had been funded by Advantage West Midlands and had no bearing on the Council's provision for the scheme.
- It was requested that Herefordshire Council and Hereford City Council work together to resolve issues associated with the loss of income from parks services.

RESOLVED:

That (a) the final outturn for 2006/07, the carry forward of unspent budgets into 2007/08 and the movements to reserves as approved by Cabinet be noted;

and

(b) consideration be given to issues identified for consideration as part of developing future work programmes.

The meeting ended at 11.55 a.m.

CHAIRMAN