

REPORT OF THE MEETINGS OF CABINET

HELD ON 16th August, 6th and 20th September and
11th October, 2007

Cabinet Members: R.J. Phillips (Leader of the Council),
J.P. French (Deputy Leader),
L.O. Barnett, A.J.M. Blackshaw,
H. Bramer, J.A. Hyde, J.G. Jarvis, D.B. Wilcox.

This report submitted to Council covers the proceedings of the meetings listed above.

1. DECISIONS RESERVED TO COUNCIL UNDER PART 4 OF THE CONSTITUTION

- 1.1 No such decisions were considered by Cabinet since the previous meeting of Council.

2. NOTICES OF MOTION

- 2.1 **Appropriate access to Rotherwas Ribbon Archaeological Site** – Councillor Mrs. M.D. Lloyd-Hayes submitted notice of the following motion to Council at its meeting on 27th July, 2007.

“That this Council suspend the building of the Rotherwas Relief Road in the area of the archaeological find and land adjacent to it, in order to undertake an independent, external and exhaustive enquiry and report back to Council.

The findings to be made available to all Members to consider and vote on at the 9th November (now revised to 2nd November) meeting of Council. The report be made available to Members and the public at least 21 days prior to the same Council meeting.”

The motion was considered to be urgent by the Chairman and was so moved.

Council debated the motion and an amendment to the motion was made.

Amended Motion:

- 1 *The Council resolves to ensure that no irreversible action be taken that would prejudice the preservation or the potential for access, if appropriate, to what as currently advised is a site of archaeological importance.*
- 2 *That Council notes that work on the construction of the Rotherwas Relief Road in that area is currently suspended (NB some works are being undertaken to protect the site) and that Cabinet be asked to address the issue of the appropriate approach to completion of the Rotherwas Relief Road in the context of the advice to be received from English Heritage as to the best method of preserving the archaeological remains.*
- 3 *Council requests Cabinet to address the issue of the financial consequences of the delay to date on the Rotherwas Relief Road, as part of the fuller considerations, and to quantify the financial impact of further delays and make*

recommendations to Council as to how those issues might be addressed within the Council's budget.

4. *That Council be invited to note that any decision made by Cabinet on this issue would be a key decision within the Constitution and will therefore be liable to call-in for scrutiny. If Scrutiny express any significant concerns about the action proposed by Cabinet, which action will only be taken on the advice of English Heritage, and Cabinet is minded to proceed without addressing those concerns then the Leader gives an undertaking to approach the Chairman to call a special meeting of Council.*

Following the agreement on the amended motion Councillor M.A.F. Hubbard proposed a further amendment to the amended Motion by way of an addition. A vote on the amendment to the amended Motion was taken but was lost and the substantive amended Motion was agreed with a clear majority.

3. KEY DECISIONS BY INDIVIDUAL EXECUTIVE MEMBERS WHICH WERE NOT INCLUDED IN THE FORWARD PLAN

- 3.1 There were no decisions made by individual Cabinet Members during the reporting period.

4. CORPORATE STRATEGY AND FINANCE (Chairman of Cabinet – Councillor R.J. Phillips)

4.1 Report on Decisions Taken

- (i) **Public Service Trust Progress For Herefordshire** – Cabinet has received a report on the progress towards a Public Service Trust. Cabinet was informed of the questionnaire distributed for consultation and the responses received. Several meetings were held across the county seeking the view of the public to the proposals, with 57% of those that responded confirming their support for the proposal with 41% against. The Health Scrutiny Committee also responded to the public consultation and supported a more integrated approach to public services. Cabinet agreed the strategy required should the joint Chief Executive arrangements need to be disbanded. Cabinet endorsed the Public Service Trust Steering Group's recommendation to support moving forward within Option 3, the appointment of a new joint Chief Executive. Cabinet approved the draft roadmap and timetable and agreed that regular reviews were to be carried out throughout the process with the information shared with all Councillors and the existing strategy examined at key stages.
- (ii) **Annual Report on the Strategic Service Delivery Partnership** – Cabinet has received a report on the operations and performance of the Strategic Service Delivery Partnership between the Council, Herefordshire Jarvis Services Ltd., and Owen Williams Ltd. Cabinet was reminded that initially there was a ten-year contract for Herefordshire Jarvis Services Ltd., and Owen Williams Ltd. There are nine overall aims and objectives that the Partnership work towards, which are reviewed by the Partnership Project Management Team and monitored through key performance indicators. Cabinet was advised that performance was mixed, but provided an encouraging picture for improvement. Cabinet was advised that during 2006/07 turnover was slightly up and profits were slightly lower, however the 2007/08 business plan was on track to build on the improvements made in financial performance through the key objectives. Cabinet noted the report, the improvements that had been made and the

challenges that lay ahead. Cabinet reiterated the need for the new parent company to deal with the payment of creditors as soon as possible to ensure local businesses do not suffer any further. Cabinet noted that there had been no change in staff with the change of ownership to Amey and that morale was good.

4.2 Report on Items of Interest

- (i) **Strategic Monitoring Committee** - Cabinet has received and noted the report of the Strategic Monitoring Committee, which is the subject of a separate report to Council.

5. CHILDREN SERVICES (Cabinet Member: Councillor J.A. Hyde)

5.1 Report on Decisions Taken

- (i) **Brilley Church of England Primary School** – Cabinet has received an initial report on Brilley Primary School on 12th April and agreed to the issuing of public notices proposing the closure of the School with the 17 children to be transported to Almeley Primary School. Following notices being issued, comments were awaited from the schools, community and other statutory consultees. Cabinet has received a further report confirming parents' agreement to the transfer of pupils and advised there were no objections to the statutory notice of closure. Cabinet approved the closure of Brilley Primary School on 31st August, 2007 and thanked the teaching staff, Governors, parents and officers for the minimal disruption to the children during the transition from Brilley to Almeley School.
- (ii) **Capital Investment in Schools in Herefordshire: A Way Forward** – Cabinet has received a report on the options available on three capital investment projects and to decide on which options to pursue. Cabinet considered the recommendations for each project separately.

The Minster College and Westfield Special School – Cabinet considered the possible future school capacity needs projected in the Leominster area taking into account the future housing development at Barons Cross.

Following the 6th September Cabinet meeting Cabinet was advised that the proposals for Minster College had the support of the Head Teacher and staff. The College currently serves the town of Leominster plus a large rural area with the town possibly having further extensive housing development in the near future. Cabinet discussed youth service provision and requested that a review of youth provision across the county be carried out. Cabinet agreed that the Minster College should be rebuilt as a 6 form entry, 11-16 high school with a sixth form of 120, as a single school pathfinder under the Building Schools for the Future Initiative. Cabinet also agreed that on completion of the new facilities for the Minster College the existing technology block should be converted in part for use as a youth centre subject to the review of youth service provision and funding availability.

Wyebridge Academy – In considering Wyebridge Academy proposals Cabinet noted the number of children on the role in the South Wye and that the numbers of children in the area were not predicted to reduce as they were in other areas of the county. The possible effect of a large Academy on the school intake for the surrounding high schools was also considered.

Following the 6th September Cabinet meeting Cabinet considered the Council's role in delivering the academy, namely the granting of a 125 year lease to the sponsors, the closing of Wyebridge Sports College as a community high school and the creating of an academy serving 900 11-16 students with an additional 200 post 16 places at the appropriate time, if the feasibility study concludes with an outcome satisfactory to DCSF, the sponsors and the Council. Cabinet was advised that even with the falling rolls significant investment was needed to ensure the long-term success of Wyebridge Sports College. With the absence of other funding, the academy initiative would provide the means to achieve academy status. Cabinet approved in principle the recommendation for Wyebridge Sports College to become an academy serving 900 11-16 students with an additional 200 post 16 places. Cabinet also approved in principle the granting of a 125 year lease to the sponsors on terms to be agreed subject to a satisfactory conclusion to the feasibility stage with the DCSF, the Sponsors and the Local Authority and to the issuing of the public notices for the closure of Wyebridge Sports College and the creation of an academy at the appropriate time, if the feasibility study concludes with an outcome satisfactory to DCSF, the Sponsors and the Local Authority.

Staunton-on-Wye Primary School – Cabinet was advised that Staunton-on-Wye is a rural school aided through the Jarvis Trust, with long term plans for a replacement school through a 90% DfES grant providing for a new three class school. Cabinet was informed that a privately run nursery school operated from the school site also. Cabinet agreed that the condition of the school accommodation should continue to be monitored in terms of Health and Safety to ensure that children and staff were not placed at any risk. Cabinet agreed that a further report be presented to a future meeting of Cabinet after the review of school provision across the county had been completed.

- (iii) **Hereford Children's Centre** – Cabinet has received a report seeking their approval for the proposed Hereford Children's Centre for North Hereford on the site of the Widemarsh Workshops. The existing Widemarsh premises are no longer fit for purpose and Cabinet had previously endorsed the need to modernise the Council's services for people with learning disabilities. The relocation of the Widemarsh Workshops and the provision of a Children's Centre for the North of Hereford would contribute to achieving these aims and help toward meeting government requirements to provide countywide Children's Centres. Cabinet noted the government grant for children's centres was allocated to be spent by 31st March, 2008 although there was an agreement to extend this to August 2008. Cabinet was advised that leased premises had been identified for two additional social enterprise organisations to be established, and provide existing Widemarsh Workshop service users paid employment opportunities. There would also be additional employment opportunities associated with the facilities at the proposed Hereford Children's Centre. Cabinet was informed that should the recommendations not be approved the Council would lose the grant funding and the opportunity to progress two strategic objectives, that of employment opportunities for people with learning disabilities and the modernising of an out of date service. Cabinet approved the use of the Widemarsh Workshops as a Children's Centre following conversion, with the conversion works being funded from the ring fenced funds in the General Investment Allocation for Children's Centres. Cabinet approved the leasing

of two units on the Foley Trading Estate to facilitate the relocation of the Widemarsh Workshops.

6. CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES (Cabinet Member - Councillor Mrs. J.P. French)

6.1 Report on Decisions Taken

- (i) **Local Government Pension Scheme Rule of 85 Protections – Response To Statutory Consultation** – Cabinet has received a report on the Local Government Pension Scheme and considered the proposed response to the statutory consultation being undertaken to extend the current protections in place for the Local Government Pension Scheme (LGPS) in England and Wales. These changes would affect the older scheme members with the removal of the rule of 85 from the 1st October, 2006. Cabinet was advised that prior to this date provisions within the scheme allowed members who voluntarily retired before age 65 to take unreduced benefits if their combined age and length of membership added up to 85. The amendments to the scheme provided for the phasing out of this rule from 1st October 2006 with transitional protection provided for older members who reached aged 60 or above by 31st March, 2013. Following industrial action the current protections provide that LGPS members who are 60 on or before 31st March, 2016 will be able to retire at 60 with an unreduced pension if they qualify for the 85 year rule. Members reaching 60 between 1st April, 2016 and 31st March, 2020 would have their benefits reduced on a tapered basis. Cabinet were not recommended to support the proposed extension of the existing protections, as additional costs would need to be offset through further adjustments to the benefits package or increase employees' contribution rates. Cabinet supported the tapering scheme. Cabinet endorsed the response to the statutory consultation.
- (ii) **Herefordshire Connects Progress Report** – Cabinet has received a report on the Herefordshire Connects Programme Update and noted the progress made, the technology platform on which further progression is based and the extension of the existing interim agreement with Deloitte. Cabinet was advised that extensive investigations were carried out to ensure the figures were robust and that the Council would be able to deliver on cost savings. Independent advice throughout has been provided by CAPITA. Cabinet was advised that the Social Care system would not be provided through SAP and investigations were being carried out to see if the existing system Cedar would be suitable. Cabinet was reminded that the overall impact of Herefordshire Connects was key to the longer-term financial stability of the authority. The SAP technology platform would provide longer term returns and the adoption of the Cedar platform would contribute to closing the gap in 2008/09, but would be at the expense of significant reductions in returns in later years. Cabinet was informed that the SAP system was being used in over 40 other local authorities. Cabinet noted that the Herefordshire Connects Programme had been scaled down and that any decision on the programme would be made in light of the government financial settlement and the revisions to the Medium Term Financial Strategy. Cabinet noted the current position in respect of programme implementation. Cabinet approved the retention of SAP as the technology base and approved the extension of an interim agreement with Deloitte until such time as a decision on the master agreement could be made.

- (iii) **Local Area Agreement Priority Setting** – Cabinet has received a report on the process of the Local Area Agreement (LAA) “super-refresh” and its priorities and development. The LAA is expected to be central to the government’s Comprehensive Area Assessment with funding through the LAA single pot likely to be substantially increased and funding management to be through the Council, as the accountable body, with decision making through the Herefordshire Partnership. Local priorities and issues will be set in consultation with partner organisations and mapped against the Community Strategy. The Community Services scrutiny committee will carry out reviews and all Members will be invited to a seminar outlining the priorities. With key priorities identified the focus will move to identifying performance indicators, agreeing targets and actions. Cabinet noted the Local Area Agreement super refresh process, timetables and opportunities to input and the list of key priorities for consultation.

- (iv) **Modernisation of Registration Service** – Cabinet has received a report outlining the proposal to establish a single registration district for Herefordshire and the implementation of a new governance framework. Registration staff will now become local authority employees and under the new governance framework there would be provision for a more flexible, less prescriptive scheme, allowing local authorities greater discretion to deliver local services to meet both national standards and local community needs. Cabinet was advised that Herefordshire currently has six registration districts. Under the new scheme there will be one single Herefordshire Registration District amalgamating the current six districts. The Town Hall will become the Herefordshire Register Office with offices at Leominster, Ledbury and Ross-on-Wye providing a full range of customer services. Offices at Bromyard and Kington will become service delivery points and used on an appointment only basis. Cabinet was advised there would be a consolidation of register storage in a single location at the Herefordshire Register Office, which will be reviewed after the first year. Cabinet approved the amalgamation of the six registration districts to provide a single registration district for Herefordshire. Cabinet also approved the implementation of the new governance framework and for the Head of Legal and Democratic Services, as the Proper Officer, to be delegated to submit a draft scheme to the General Register Office

6.2 Report on Items of Interest

- (i) **Ombudsman Letter and Complaints and Compliments Monitoring 2006/07** – The Head of Legal and Democratic Services presented the report to Cabinet and advised this was an annual letter from the Local Government Ombudsman reflecting on any complaints they had received with regards to Herefordshire Council and any action they might recommend to be taken. Cabinet was advised there were no reports of maladministration against the Council. Favourable comments had been received on the Council’s complaints procedure and there was a 10% decrease in complaints compared to last year. It was found that planning complaints had fallen from 35 in 2005/06 to 21 in 2006/07. Cabinet was pleased with the improvements that had been made and noted the report.

- (ii) **Integrated Performance Report** – Cabinet has received the Integrated Performance Report which outlines performance to the end of July 2007 against the Annual Operating Plan 2007-08, national performance indicators used externally to measure the performance of the Council, together with

performance against revenue and capital budgets and corporate risks. Cabinet noted the number of indicators marked red and not on target and were advised that this did not necessarily indicate a drop in performance. Cabinet noted that performance indicators where in-year data was available, the current direction of travel showed that 53% of indicators were on course to improve on last year. Cabinet noted there were some areas of reporting where further clarity was required. At Appendix C to the report, 2007/08 Revenue Budget Monitoring Summary, Cabinet noted that the general reserves were comfortably healthy. The updated position with regards to the funding for the July floods was for a slightly lesser amount of £3.5m and that further flood damage was coming to light. Cabinet reviewed the funding in each directorate and the position with possible overspends. Cabinet noted the performance to the end of July 2007 and the adequacy of the proposed remedial actions to address areas of under performance.

- (iii) **Comprehensive Equality Policy and Equality Schemes** –Cabinet has received a report on the Comprehensive Equality Policy (CEP) and Equality Schemes outlining progress on the Council's commitment to and delivery of its statutory obligations to the diversity agenda. The CEP provides the focus to ensure the Council meets the criteria to reach level three of the equality standard by March 2008. Two key changes in the report relate to the government white paper 'strong and prosperous communities'. Firstly the aim to give local people and communities more influence and power to improve their lives and communities. Secondly the need for councils to track and monitor local trends or 'hot spots', such as possible tensions between different ethnic or faith groups or new and long-term residents to an area. Cabinet was informed that to date there had been no incidents requiring monitoring and reporting to government office. Cabinet noted the progress made on the Comprehensive Equality Policy and the associated equality schemes.
- (iv) **Employee Opinion Survey 2007** – Cabinet has received a report outlining the key findings of the Employee Opinion Survey, which is carried out annually during July. 53% of employees completed the survey, an increase of 5% on last year and a 10% increase on the national average. Cabinet was advised that there were marked improvements in the perception of employees over the areas covered by the survey questions, with employees feeling things were getting better. Some of the areas that employees felt improvements had been made were in Staff Review and Development discussions and in skills training, with 77% of respondents agreeing they have adequate training for their job. Cabinet was pleased to note the number of employees participating in the Employee Opinion Survey and noted the report on the survey.

7. ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES (Cabinet Member - Councillor A.J.M. Blackshaw)

7.1 Report on Decisions Taken

- (i) **Response to the Review of How to Retain 18-35 Year Olds in Herefordshire and Attract Them To It** – Cabinet has received a report on the retention of young people aged 18-35 in the county. The purpose of the review was to establish why 18-35 year olds leave the county and to focus on measures that could be put in place to retain the age group and to attract more to the county. It was noted that even with predicted increases in the age range of 12-24 year olds in the county, the county would still be under represented in comparison to the population figures for England and Wales. The recommendations of the review were for young people to be involved in the shaping of major regeneration schemes such as the Edgar Street Grid. Methods of retaining and attracting college graduates other than through universities were explored, particularly in connection with the development of the learning village. Resources should also be concentrated on improving what the county has to offer both with regard to social and economic development for young people. Finally a business start up programme is to be promoted to support entrepreneurship and the Council continues its programme of affordable housing linked to major developments. Cabinet endorsed the response to the review and the action plan as set out in the report.
- (ii) **Response to the Review of Hereford City Partnership** – Cabinet has received a report on the Review of Hereford City Partnership and the recommendations. The Community Services Scrutiny Committee undertook an examination of the Hereford City Partnership. The company was set up in May 2000 and brings together both the public, private and voluntary sector that have an interest in the economic and environmental wellbeing of the City. The report considered 16 recommendations, as outlined in the report, with the majority of the recommendations accepted and with some needing to be passed to the City Partnership for consideration and action. Cabinet endorsed the recommendations and Action Plan.
- (iii) **Action Plan for the Cultural Service CPA Review** – Cabinet has received a report on the Action Plan for the Cultural Service CPA Review. Audit Commission Inspectors were on sight from the 5th – 9th February 2007 to meet a range of Members, officers and partners to judge the quality of cultural services provided. The Audit Commission judgement looks at how good the service is varying from poor, fair, good or excellent to what the prospects are for improvement, which can be from poor, uncertain, promising or excellent. The result for Herefordshire was a “fair service that has promising prospects for improvement”. The previous evaluation in 2002 based on the library services gave a rating of a “fair service with uncertain prospects”. Cabinet noted that this inspection was based on a harder test and covered the full range of cultural services. Cabinet thanked officers for the considerable improvements that had been made in the service and endorsed the action plan.
- (iv) **Proposed Purchase of Blueschool House, Blueschool Street, Hereford, HR1 2LX** – Cabinet received a confidential report on the proposed purchase of Blueschool House.

7.2 Report on Items of Interest

- (i) **Update on the Future of Post Office Services in Rural Herefordshire –** Cabinet has received a report providing an update on the Government's post office closure programme and the progress made on the initiative to develop sustainable options for the delivery of post office services to rural communities. Following Government's announcement in December 2006 on the possible closure of up to 2,500 unprofitable post offices, it is likely closures will be spread between rural and urban areas. To offset the closures Post Office Ltd. propose to introduce up to 500 "outreach" facilities or mobile post offices. Cabinet was advised that due to changing shopping patterns and other factors there had been a number of shops and post offices closing over the last thirty years, with remaining rural shops/post offices struggling. It is estimated there will be a 17% drop in the number of post offices nationally. Cabinet was informed that officers had been working with the Rural Shops Alliance and Business Link to investigate the provision of Parcel Post, Bill payment and access to cash in rural areas. Officers were also working with village shops and holding information training evenings on the latest market trends to share good practice. Cabinet was advised that a further initiative was planned to seek funding to provide support to village shops by providing retail development advice and match funded capital grants. Cabinet approved the proposed actions

8. ENVIRONMENT AND STRATEGIC HOUSING (Cabinet Member: Councillor J.G. Jarvis)

8.1 Report on Decisions Taken

- (i) **Rotherwas Archaeology: Options for Preservation of the Ribbon and Completion of the Rotherwas Access Road –** Cabinet has received a report outlining the approach to the completion of the Rotherwas Access Road in the context of the advice received from English Heritage as to the best method of preserving the archaeological remains. Cabinet examined the options available with Option F being the one that would ensure the completion of the road to the original time scale and at the lowest cost whilst preserving the Rotherwas Ribbon in a manner approved by English Heritage. Cabinet was advised that Planning Guidance PPG16 was rigorously followed and compliance to it was examined through an independent peer review under taken by officers of the Association of Local Government Archaeological Officers. Cabinet examined options for tourism or education/heritage centre at the site. Cabinet considered all the options put forward and agreed that the Rotherwas Access Road should be completed and the Rotherwas Ribbon preserved in accordance with Option F of the report.
- (ii) **Herefordshire Housing Post Transfer Improvement Programme –** Cabinet was provided with an update on the progress made in delivering improvements to housing stock transferred to Herefordshire Housing. Cabinet was reminded that the housing stock was transferred in 2002 to Herefordshire Housing Ltd. A series of repairs and improvements were planned for the first five years, with the Council monitoring progress. Housing stock figures have been revised reflecting the loss of stock through the Right to Buy scheme. Herefordshire Housing have factored in extra funding amounting to £23m over 30 years, which will enable it to reach the

government's Decent Homes Standard by 2010, with currently 84% of the housing stock already at that level. Cabinet was advised that Mr Peter Brown had been appointed as the new Chief Executive for Herefordshire Housing Ltd. Cabinet noted the progress made by Herefordshire Housing to date in delivering against the programme of repairs and improvements identified within the Formal Consultation document. Cabinet is to receive a summary report, after 25th November, 2007, on repairs and improvements delivered in the first five years following transfer.

- (iii) **Affordable Housing Development Programme 2007/08** – Cabinet has received a confidential report on the Affordable Housing Development Programme 2007/08.

9. HIGHWAYS AND TRANSPORTATION (Cabinet Member - Councillor D.B. Wilcox)

9.1 Report on Decisions Taken

- (i) **Policy Statement for the Use of the Rivers Wye and Lugg** – The Cabinet Member (Highways and Transportation) presented the report to Cabinet and recommended the adoption of the revised policy statement as the basis for responding to proposals advanced in relation to the rivers Wye and Lugg, with particular regard to the Environment Agency in relation to their implementation of the Wye Waterway Plan. Cabinet was advised that the policy statement would enable the Council to work more effectively with its partner and other organisations to promote uses for the rivers, which are sustainable and benefit local communities and the wider public. Cabinet approved the revisions to the policy statement for the rivers Wye and Lugg and the promotion of partnership working with the relevant organisations.

10. RESOURCES (Cabinet Member - Councillor H. Bramer)

10.1 Report on Decisions Taken

- (i) **The Financial Position Arising From July 2007 Floods** – Cabinet has received a report on the financial implications of the recent flooding in Herefordshire in July 2007 and praised the work of a large number of individuals, officers, voluntary and partner organisations that assisted during this time. Cabinet was aware of the considerable disruption and damage that the flooding caused across the county and was advised of the circumstances in which such incidents could receive financial assistance from central government. Cabinet was informed that it had been confirmed that this flooding incident would be covered by the relevant regulations under the Bellwin Scheme and was advised that the terms of the scheme had been improved by government because of the extent of the flood damage. This resulted in an increase in the proportion of costs local authorities could claim above the threshold to 100% from the previous 85%. Cabinet was advised that since the writing of the report Herefordshire had received an additional £30,000 and it was proposed that these additional funds would be distributed in December. Cabinet noted the report and the financial implications due to the flooding and requested further updates be brought back to Cabinet.

11. SOCIAL CARE ADULTS AND HEALTH (Cabinet Member Councillor Mrs. L.O. Barnett)

11.1 Report on Decisions Taken

- (i) **Adult Social Care Fairer Charging** – Cabinet was informed of the outcomes of the recent public consultation on the Fairer Charging for non-residential Social Services recommendations made by Cabinet in June 2007. At that time Cabinet approved the number of changes proposed following the consultation on the fairer charging, but with one change for the reduction in the proposed rate for day care services to £7.30 from £14.00. Following the recommendations extensive consultation was carried out during the summer with the most significant concerns raised in relation to the day centre fees increasing from £2.90 to £7.30. Other concerns were around the charging for care assistants and the impact of including 100% of occupational pensions in the financial assessment. Cabinet was informed that due to the level of concern on day centre fees an alternative option was proposed to reduce the increase in day centre fees to £4.00 per session instead of the proposed £7.30, with a review in March 2009. Cabinet approved the proposals set out in Appendix A of the report with the exception of the proposed change to Day Care which would be set at £4.00 per person and with charges subject to an annual inflationary uplift as appropriate.

12. **Special Report From the Director of Resources** – The Director of Resources presented the Special Report to Cabinet as the Council's Chief Statutory Financial Officer. The Director advised Cabinet that the purpose of the report was to disclose significant non-compliance issues within the ICT and Customer Services division, which were identified by the Council's internal audit team. It was stated that further work would be necessary to establish whether the contractual arrangements the Council had entered into for the ICT back office project and the Community Network Upgrade (CNU) project represented best value. Cabinet noted that the ICT and Customer Services division was the only service division to have dedicated financial management support when the Council's senior management arrangements were re-organised in May 2005. The Director drew Cabinet's attention to the issues raised by the external auditor with regard to the (CNU) and advised Cabinet that this was a technical accounting issue only. Cabinet endorsed the actions outlined in the action plan and that an urgent reassessment be made of the CNU contract. Cabinet agreed that financial governance compliance testing and implementation of the recovery plan to be made a priority in line with the timetable in the action plan and financial services to be involved in all option appraisals. It was agreed by Cabinet that an independent external officer be appointed to carry out a financial and technical appraisal of ICT and Customer Services.

**COUNCILLOR R.J. PHILLIPS
LEADER OF THE COUNCIL**