

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday, 19th November, 2007 at 10.00 a.m.

Present: Councillor PJ Edwards (Chairman)

Councillors: PA Andrews, WU Attfield, KG Grumbley, RI Matthews, SJ Robertson and JK Swinburne

In attendance: Councillors JP French (Cabinet Member - Corporate and Customer Services and Human Resources) and J Stone.

40. APOLOGIES FOR ABSENCE

Apologies were received from Councillors WLS Bowen, SPA Daniels, TM James and RH Smith. Councillor RJ Phillips, Leader of the Council, also sent his apologies.

41. DECLARATIONS OF INTEREST

Councillor PJ Edwards declared a personal interest in agenda item 8: the Council's Policy for the Management of the Smallholdings Estate because a relative farmed one of the smallholdings.

42. MINUTES

RESOLVED: That the Minutes of the meeting held on 25th October, 2007 be confirmed as a correct record and signed by the Chairman.

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

There were no suggestions from members of the public.

44. UPDATE ON THE STRATEGIC SERVICE DELIVERY PARTNERSHIP

Further to its meeting on 25th October, the Committee received a further update on the status of the Herefordshire Strategic Service Delivery Partnership between the Council, Amey Wye Valley Limited (AWV) and Owen Williams Limited.

In accordance with the Committee's decision of 25th October the report set out the transitional arrangements relating to the purchase of the major part of Herefordshire Jarvis Services (HLS) by Amey plc; the continuity of service delivery – stating that there had been full service continuity with no interruption to services of any kind; Amey's assessment of the programme of works for the remainder of 2007/08 and a baseline on the standards of service provision against which future performance could be assessed.

The Chairman welcomed Mr N Sharman (Head of Local Government Services, Amey plc); Mr S Gyford General Manager Amey Wye Valley Limited and Mr R Garbutt (Manager Owen Williams Ltd, Hereford Office who had been invited to make

a presentation and answer questions.

Mr Sharman introduced the presentation. This outlined the background to the standing of Amey plc and the resources available to the Company. It explained Amey's aim, specialisms and understanding of the requirements of its customers; listed successful local government partnerships it was already involved in, and noted similarities in particular with Hertfordshire County Council which also served dispersed communities. It described Amey's values, which were considered to align with the Council's. It emphasised in terms of performance that the aim was to make profit through smarter and better working, sharing the benefits with the Council. The services provided by Owen Williams and AWV contracting under the contracts with the Council were described. It also noted the new vehicles, new plant and new personal protective equipment provided since AWV had taken over the contract with the Council; and outlined steps taken during the integration period.

Mr Gyford identified the following differences in approach: suppliers paid on time; Amey's understanding of the needs of its Local Government customers; AWV felt valued by its colleagues (not just a source of cash); tangible support was received from the Group in all areas of the business; monthly contract reviews were supportive as well as challenging; plant and equipment were new; and there were real opportunities for growth.

He reported that the "Bellwin" flood remedial works could be delivered by the deadline of 22 December 2007. He added that 75% of the programmed highway works 2007/08 had been completed which meant that progress was on track.

The presentation also commented on whether there was a potential conflict of interest created by the fact that Owen Williams as consultants and AWW as contractor were both owned by Amey PLC. It was asserted that it was now commonplace for Councils to procure their consultancy support and contracting delivery as an integrated service from a single supplier. To abuse the position would be contrary to Owen Williams's values. Apart from any question of morality, the reputational risks to Amey of any bad practice would be immense, not only in Herefordshire but in all its current and potential public sector contracts. The Council and its external auditors had the ability to audit any of the work on an open book basis.

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

- The action taken to pay creditors to whom money was overdue was welcomed.
- The hope was expressed that there would be cost savings as a result of closer working with Owen Williams as they were now part of the same Company group as AWV.
- It was suggested that it should be recorded that on transition it would be more accurate to say that there had been minimal disruption to services rather than that there had been none.
- It was stated that Members had experienced difficulties in getting matters dealt with by the previous contractor and it was to be hoped that this would no longer be an issue. In reply it was acknowledged that there had been mistakes in the past. The intention was to own up to mistakes, learn from them and deliver jobs on time communicating the right information and providing careful management.
- Mr Sharman paid tribute to the staff who had transferred to AWV saying that the

Company had seconded managers to help and support existing staff but not to replace them.

- AWV was looking to engage the public more closely working with councillors and officers, being accountable for priorities at a local level and delivering a good service. A wide range of design skills and other resources were being provided by the Amey Group. There was also an eye to supporting the work on the regeneration of Hereford.
- It was requested that there should be early engagement with Parish Councils and the firm should make sure that it did what it said it would do and kept people informed. In reply it was said that the need to engage at local level was recognised and the example given of how this was done in Bedfordshire, with Amey staff operating alongside Council officers.
- It was asked what scope there was for AWV to gain external work, noting the difficulties experienced by HJS in doing so. In reply it was said that the financial position was now sound, enabling AWV to get better prices from suppliers and reduce its own tenders for works. Plans for growth, which would not impact on work under the contract with the Council, had not been finalised yet. It was thought that the most profitable area for expansion would be in highways and civil engineering in the areas surrounding the County to keep costs down and enable projects to be effectively supervised. There were no plans to look much further afield except in support of the Amey Group. It was confirmed that because of the sound credit rating prospective clients could have confidence in AWV that they had not had in HJS.
- The ongoing closure of Colwall bridge and the time taken to carry out analysis of the structure and identify a solution was raised, noting also a failure of communication with the public. It was replied that the advice was that the bridge was of particularly complex construction necessitating time-consuming analysis. It had taken 8 weeks to get agreement from Network Rail (compared with the usual 16) to get permission to gain access to the railway line. It was still expected that it would take until December to complete the assessment. This had to be undertaken by one person (although he was supported by a team that included rail specialists brought in from York and Birmingham). It was acknowledged that communication in explaining this point had been poor. It was added that as part of the process consideration had been given to the option of constructing a Bailey Bridge.
- It was asked if there had been a risk assessment of the economic impact on communities across the County of the possible loss of bridges. It was stated that this work was ongoing as part of the Asset Management Plan prioritising and costing works – noting that there were some 887 bridges in the County.
- It was asked whether the new arrangements would lead to improved working relations with the Highways Agency. AWV said that whilst nothing could be done directly with the Highways Agency there was influence with the contractors on the A49 who were drawn from the Amey Group.
- A question was asked about a programme of quarterly visits by routine/reactive gangs to parishes that had been piloted. It was confirmed that this had begun in the Southern Division, extended to the Central Division and was to be rolled out to the Northern Division in December. It was requested that Ward Members were notified.

- It was asked how the debt of £3.55 million owing from HJS to its parent company and assigned to Amey as part of the transfer transaction would be treated and in particular if the burden would be borne by Herefordshire Council as client. It was replied that the set rates charged for works under the contract were independent of the level of debt. The debt would have to be cleared over time. AWV could approach this task with some enthusiasm given the overall change in working circumstances.
- Problems with the condition of paving in High Town, Hereford were raised. It was noted that this was an example of an issue where Members, acting on their own account and in response to complaints from constituents, had had to constantly press for a resolution over some time. It was stated in reply that considerable effort had been invested into finding a solution and Owen Williams and AWV were considering how improvements could be made. A new cleaning product was to be trialled.
- The cleaning of streets on the outer areas of the City was raised. AMV said that this would be looked into.

RESOLVED: That a further report on the Strategic Service Delivery partnership be made in six months time.

45. PRESENTATION BY CABINET MEMBER (CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES)

The Committee received a presentation from the Cabinet Member (Corporate and Customer Services and Human Resources)

A report from the Cabinet Member on the Corporate and Customer Services part of her portfolio had been previously circulated, the section on Human Resources having been omitted by administrative error. A revised, complete report was circulated at the meeting.

The Cabinet Member referred to her report but advised that she wanted to highlight significant issues facing the Council. She highlighted the following matters:

- She noted the fact that several reports for the Committee's agenda had had to be circulated separately, having been unavailable when the agenda was despatched. She said that it was an example of the need for the Council's procedures to be followed by all staff. The inconsistency of approach to team briefings was a further example. Staff needed to follow procedures or be held to account if they did not.
- It was important for the Council to draw on best practice to achieve efficiencies, freeing resources for investment in frontline services.
- Performance needed to be challenged, noting use being made of the peer support available to Members and Officers from the West Midlands Centre for Excellence.
- Implementation of the action plan in the Investors in People Assessment, noting amongst other things the feedback from the assessors that when people were promoted it was important they were provided with the support to deliver in their new job.

- The need for development programmes for Members as recommended by the Crookall report on The Council's ICT financial and contractual governance arrangements.
- That whilst the processes for reporting bullying were considered good it was important that staff were given confidence to raise issues.
- The Business Transformation Programme needed to be progressed. Other Authorities had derived benefits from these programmes. It was important that the potential savings were generated. Issues of peripatetic working and office accommodation were interlinked with this process.
- The process of combining back office services needed to proceed in line with Government thinking. Discussions were taking place with the Primary Care Trust and the Hospitals Trust had also expressed interest. A more seamless service could be delivered. This would involve changes for staff.
- Job Evaluation and Single Status was still on the national agenda, with Councils, for example Birmingham City Council, experiencing difficulties in implementing it. Herefordshire Council had done well to have implemented Single Status.
- The Comprehensive Area Assessment would be challenging and it was important to ensure that the Council's priorities were reflected in the Agreement.
- It continued to be difficult to recruit to posts in IT and social care and there were also difficulties in Human Resources. The Council needed to develop its own staff.

In the ensuing discussion the following principal points were made:

- The Chairman stressed the importance of the Committee having material presented to it in a timely and orderly manner if it was to be able to conduct its business efficiently and effectively. This was an issue relevant to meetings across the Council. He referred also to the need to consider how frequently the Committee should meet and the optimum length of meetings.

The Head of Legal and Democratic Services said that these issues would be incorporated into the report on the scrutiny process.

- In response to a question about team briefings the Cabinet Member said that improvement in the frequency of briefings was clearly expected.
- The challenge of the Comprehensive Area Assessment was discussed noting that the organisation was giving consideration to the issue.
- Clarification was sought on staffing in ICT services. The Director of Corporate and Customer Services said that the establishment comprised 73 posts, not all full time. There were 7 vacancies. There were difficulties in recruiting people with particular skills, for example information security. Consideration was given to the scope for enhancing the skills of existing staff, but this could not be to the detriment of the existing level of service.

It was asked whether the difficulty in recruiting staff with information security skills put the Council at risk and what training provision was in place. The Director further outlined steps that had been taken to provide support in this area

noting that this currently included seconded support from another local authority. Training was aimed at developing staff by progression.

- Referring to the current consultation on the location of polling stations it was asserted that the public were increasingly disillusioned with postal voting and it was likely that any move to reduce the number of polling stations would be resisted. It was added that careful regard had to be had to the distance people would have to travel to polling stations. It was important that it was easy to vote.

It was also noted that although a number of Parishes were grouped each Parish still retained its own electoral roll. This was inefficient and should be reviewed.

A question was asked about the content of the improvement plan for elections referred to in the Cabinet Member's printed report. It was stressed that the Committee had requested a report on the elections some considerable time ago and this was still awaited.

The Chief Executive suggested that a seminar for Members on the issues was needed given the range of issues involved. He commented that the all-postal vote in 2003 had been highly successful in increasing voter turn out. In 2007 complicated new rules had been introduced. Legal proceedings were pending in connection with the 2007 election and this was one of the reasons no report had been produced. The Head of Legal and Democratic Services commented briefly on these proceedings.

The Chief Executive added that the review of polling stations was a separate issue. Although the events of 2007 might reduce postal voting to some extent it was clear that a significant proportion of the public preferred the postal vote. The implication of a significant level of postal voting was that if resources were to be moved to deal with those volumes then the number of polling stations should be reduced. If the Council wanted to maintain its current provision of polling stations it would have to recognise the budgetary implications. There were also emerging difficulties in recruiting to the Polling Stations with low throughputs.

The Chairman thanked the Cabinet Member.

RESOLVED:

That (a) the proposal for a seminar on issues raised by the 2007 elections be welcomed and it be requested that this be progressed as soon as practicable;

and

(b) that the support of the Cabinet Member (Corporate and Customer Services and Human Resources) for procedures governing the production of agenda papers to be implemented and adhered to in order to facilitate the efficient conduct of business be welcomed and she be urged to pursue this matter.

46. HEREFORDSHIRE CONNECTS PROGRESS REPORT

The Committee considered a progress report on the Herefordshire Connects project.

Members expressed a number of concerns about the content of the report and its late publication. It was requested that a further report be prepared setting out the development of the Herefordshire Connects project in a clear sequential order with a

clear explanation of the financial position, noting that the predicted savings had significantly reduced, and clarifying any interlinkages with the Council's other major IT projects.

The Chief Executive commented on the development of the Herefordshire Connects project. He noted that the Executive would shortly be taking decisions on the project as part of the budget process and, in calling for a further report, the Committee needed to be mindful of the timing of its input into that process.

RESOLVED: that a further report be prepared for the Committee's consideration setting out the development of the Herefordshire Connects project in a clear sequential order with a clear explanation of the financial position, and clarifying any interlinkages with the Council's other major IT projects.

47. THE COUNCIL'S POLICY FOR MANAGEMENT OF THE SMALLHOLDINGS ESTATE

(Councillor PJ Edwards declared a personal interest in this item.)

The Committee considered a report on the Council's policy for the management of the smallholdings estate.

The Head of Asset Management and Property Services presented the report.

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

- It was requested that a map be made available to Members of the Committee showing the Council's holdings. In reply it was noted that a series of maps would be needed but work currently underway on the Council's holdings as a whole should enable this information to be produced in due course.
- The policy of disposing of land when prices were rising was questioned. It was replied that the policy as set out in the Asset Management Plan was to generate £10 million in capital receipts over a ten year period. This should be achieved. The policy was to rationalise the smallholdings estate by disposing of unsuitable or high maintenance property.
- It was noted that some of the documentation quoted as background papers and described as policy did not indicate when it had been produced but appeared to be out of date. It was stated that the Property Strategy as reported to Cabinet on 19 May 2005 was the Council's policy and the documents being referred to were supporting working documents.
- It was proposed that a full review of the management of the smallholdings estate be carried out and properly documented in one report, with particular reference to value for money for the whole of Herefordshire.
- It was suggested that provided that the Committee was assured that the criteria for rationalisation of the estate were in place the Committee should focus on other issues.
- It was suggested that in some instances the rental for holdings compared favourably with that for a property on the Belmont housing estate. It was asked whether sub-letting was also taking place.

In reply the Estates Manager said that the previous Cabinet Member had instructed that there should be no sub-letting and under the Agricultural Holdings Act (AHA) this was not permitted. However, there were ways in which this could be subverted. He had discussed this with fellow land agents but there appeared to be no counter. In contrast, under the new Farm Business Tenancies (FBT) control could be exercised and permission required to sub-let. The Council could exercise its discretion under an FBT to permit sub-letting but if it did do so it could charge extra rent. Forty of the Sixty-one holdings were currently held under the AHA.

In response to detailed questions the following points were made:

- That increased prices for grain would be reflected in rent reviews.
- That one notice to quit had been issued and although the arrears had now been paid that tenant would leave the smallholding in February 2009.
- Expenditure on a road at a smallholding at Burghill was clarified.
- The reasons why a particular holding at Burghill had not been let were clarified explaining the various tenancy agreement options and their implications.

RESOLVED: That a full review of the management of the smallholdings estate be carried out and properly documented in one report, with particular reference to value for money for the whole of Herefordshire, and detailing the criteria for disposal and including maps showing the location of holdings.

48. INTEGRATED PERFORMANCE AND FINANCE REPORT

The Committee considered performance for the first half of 2007-08 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, and remedial action to address areas of under-performance.

Performance against Performance Indicators

The Head of Policy and Performance presented the report.

In the ensuing discussion the following principal points were made (page references are to pages of the Integrated Performance and Finance Report (IPR) circulated as a separate document):

- (p39) An explanation was sought of progress on performance indicators relating to lifestyle: 22a-g, which were marked as red (not on target). The IPR stated that a meeting had been arranged with the Primary Care Trust in November that should result in an agreed set of defined indicators and targets. The Improvement Manager replied that lead officers for each target had been agreed by the Children's Trust Board earlier in the month. Whilst considerable activity was taking place to address these lifestyle issues it was proving difficult to agree indicators that measured progress.

It was requested that a progress report be made to the Committee's next

meeting.

- It was acknowledged that the clarity of the presentation of the performance information had been improved in response to comments made by the Committee, assisting the more efficient conduct of business.
- (p40) In relation to indicator 35b HCS (No of half day sessions missed by looked after children as % of total number of sessions in primary schools) it was noted that the latest figures when available at the end of October would show high levels of absenteeism. The Head of Safeguarding and Assessment said that this was an important issue particularly given the Council's responsibility to looked after Children as their Corporate Parent. Personal Education Plans set out educational and pastoral measures to address non-attendance. The service was working closely with social workers to target improvement.
- (p51) It was noted that 5 of the 9 targets marked as amber (some progress/data not yet available so not possible to determine trend) under the priority: maximising the health, safety, economic well-being, achievements and contribution of every child related to non-attendance at school. The Head of Safeguarding and Assessment commented that although the Education Welfare Service was the lead service there was a need to work with partners to address the issues and improve performance in this area. An attendance strategy was currently being discussed with schools.
- (p39/40) Performance against target 89b (completion rate of initial assessments of children in need within 7 working days of referral) was questioned. The Head of Safeguarding and Assessment said that this was a critical indicator. The principal reason why the target was not being met was difficulty in recruiting and retaining social workers. This was a national problem. However, he considered that action that had been taken locally such as strengthening links with local colleges was proving beneficial. Staff numbers were starting to increase but as these were newly qualified staff it would take time for the full benefit to be realised. Asked about overall progress he said that following the Joint Area Review in 2005 when the Service had 46.1 Social Workers in this particular service a target had been agreed with Government Office West Midlands of 57 Social Workers in post by March 2009. This equated to 53 staff by March 2008 and the Council was on track with 52.5 staff in post. In parallel with the recruitment exercise the numbers of agency staff were being decreased. He considered that there were signs performance was improving.
- (p41) It was noted that the four Local Public Service indicators marked as red were all partnership led. Performance reward grant was attached to performance against these indicators. The Partnership Performance Management Group had not been satisfied with progress. It was proposed that the Chairman and Vice-Chairman should be regularly briefed by the Chairman of the PPMG.
- (p39) The position on target 13 HCS Average length of stay in B&B accommodation for homeless households was noted.

Revenue and Capital Budgets and Corporate Risks

The Director of Resources presented the section of the report on the revenue and capital budgets and corporate risks.

The summary of the revenue budget was that there was a projected overspend of £3.259 million. This continued to be of concern given the potential implications for

2008/09 and the poor Comprehensive Spending Review Settlement for local government for 2007.

The increase in the projected overspend on the Corporate and Customer Services Directorate budget from 11.9% to 17% was questioned. The Director of Resources said that the July forecast of outturn for the year for this Directorate did not include the unbudgeted revenue implications of the Community Network upgrade (CNU) contract as this issue had not been identified at the time the report was written. The September report showed a much improved position on the Directorate's other budget headings but this was more than offset by the inclusion of the CNU position.

It was noted that the format of the finance section of the report had been amended in response to the Committee's comments. This was welcomed.

RESOLVED:

- That**
- (a) the Director of Children's Services and the Director of Adult and Community Services report to the next meeting on progress in identifying an agreed set of defined indicators and targets for measures of healthy lifestyles (indicators 22a-g);**
 - (b) the improvement in the clarity of the presentation of performance and financial information in response to the Committee's observations be welcomed;**
- and**
- (c) it be requested that the Chairman and Vice-Chairman of the Committee be provided with regular briefings by the Chairman of the Partnership Performance Management Group.**

The meeting ended at 12.50 p.m.

CHAIRMAN