

REPORT OF THE MEETINGS OF CABINET

HELD ON 21 February, 2008

Cabinet Members: RJ Phillips (Leader of the Council),
JP French (Deputy Leader),
LO Barnett, AJM Blackshaw, H Bramer,
JA Hyde, JG Jarvis, DB Wilcox.

This report submitted to Council covers the proceedings of the meeting listed above. A supplementary report will be issued covering Cabinet's meeting on 28 February, 2008.

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

- 1.1 **Draft Financial Strategy 2008/11** – Cabinet has considered the draft Medium Term Financial Management Strategy (MTFS) for 2008/11 containing recommendations from the Corporate Management Board. In doing so it also took account of the recommendations of the Strategic Monitoring Committee.

The Strategic Monitoring Committee advised Cabinet:

- That there is an urgent requirement to update the MTFS in respect of Council's Accommodation Strategy given the Financial Resource Model in the Report to Cabinet of 24 January 2008 reflects the latest financial assessment as approved by Cabinet in May 2006, now nearly two years ago.
- That the financial position needs to be updated in relation to the Schools Review given that the proposals have now been withdrawn.
- That reports should be brought forward to Cabinet on areas of financial pressure identified in the section of the Director of Resources' report to Cabinet on 24 January headed risk management, as soon as it becomes clear that action needs. Regard should be had to the increasing incremental effect of Prudential Borrowing (eg. On Band 'D' property for year 2008/9 = £36.17, year 2009/10 = £69.89 and year 2010/11 = £83.58).
- That with reference to Corporate Management Board's recommendation, as set out in paragraph 10 of the report to Cabinet on 24 January 2008, that all managers with budget responsibilities should ensure that spending is within the agreed budget, the Medium Term Financial Strategy be amended to state that: "confinement of expenditure within general budgets be defined as the responsibility of budget managers at all levels and, in particular, respective Directors".
- That section 7.3.25 of the MTFS relating to managing external funding should be expanded to make clear that the pursuit of Private Finance initiative funding should only be undertaken subject to the whole life costs of such schemes not being excessive.

Cabinet approved the draft MTFS as presented to it agreeing also that £356,000 be added to the base budget in 2008/09 rising to £750,000 in 2009/10 to fund prudential borrowing.

The reports made to Cabinet on 24 January and 21 February are appended. The version of the MTFS itself which is at Appendix 3 has been updated since those meetings to take account of Cabinet's decisions.

RECOMMENDATION:

Cabinet Recommends to Council the financial strategy 2008/11 as appended to this report.

- 1.2 **Draft Capital Programme 2008/09** – Cabinet has considered the draft Capital programme 2008/09.

The report to Cabinet on 21 February is attached at Appendix 4

The Strategic Monitoring Committee agreed Cabinet be recommended to reconsider the proposals for the development of the Master's House, Ledbury, given concerns about the reputational and legal risks to the Council of not setting out a plan for the building's future use; that Cabinet be advised of the Committee's concern at the need for clarity in relation to the proposals for the replacement of Colwall railway bridge and specifically any costs to be borne by the Council.

RECOMMENDATION

Cabinet Recommends to Council that

- (a) **the funding available be noted;**
- (b) **the funding allocations to capital bids be endorsed;**
- (c) **the impact of capital spend on the replacement Social Care system (Corelogic) in 2008/09 be noted; and**
- (d) **the position on the capital receipts reserve be noted.**

2. NOTICES OF MOTION

- 2.1 No motions to Council were considered by Cabinet at the meeting covered by this report.

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

- 3.1 No such decisions have been since the last report to Council.

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

4.1 Report on Decisions Taken

- (i) **Call-in of Cabinet Decision on Herefordshire Connects – Acquisition of the Preferred Technology to replace the current Client Systems Used Within**

Both Adult Social Care and The Children and Young People's Directorate - Cabinet's decision on 13 December on the acquisition of the preferred technology to replace the current client systems used within both Adult Social Care and the Children and Young People's Directorate was called-in by the Strategic Monitoring Committee. Cabinet has now approved the revised submission prepared in response to the recommendations made by the Strategic Monitoring Committee. It has also approved the Committee's further recommendations in relation to its consideration of this issue and a consolidated report on the Herefordshire Connects programme prepared at that Committee's request.

- (ii) **Managing Performance Management** – Cabinet has considered progress against the action plan developed as the Authority's response to the audit of its performance management arrangements in the autumn of 2006 and the associated communications action plan.

Cabinet has been advised that these action plans now need to be updated to reflect the progress that the council has made in respect of its performance management arrangements in the last year, and the external challenges that it will face in future, including the Comprehensive Area Assessment (CAA). Cabinet has agreed that the plans be updated in the context of the overall CAA preparation programme and that they be submitted to Cabinet in April 2008 with progress against the plans then reported every six months.

- (iii) **Development of the Local Area Agreement** – Cabinet has received a report on progress of the Local Area Agreement 'super refresh' including the Story of Place, list of key priorities and the provisional list of indicators to be included in the final document. Cabinet noted the Local Area Agreement super refresh process and approved the Story of Place and list of key priorities. It also noted the provisional list of indicators to be included in the Local Area Agreement. It further agreed that Cabinet Members; Scrutiny Committee Chairmen and Strategic Monitoring Chairman and Vice-Chairman along with partner organisations be updated weekly on the Local Area Agreement.
- (iv) **Review of the Council's Budget and Policy Framework Procedural Rules Financial and Contractual Rules and Constitution** - Cabinet deferred consideration of this item to its meeting on 28 February 2008. This matter is the subject of a separate agenda item for consideration by Council. See Council Agenda Item No: 11.

5. CHILDREN'S SERVICES
(Cabinet Member: Councillor JA Hyde)

5.1 Report on Decisions Taken

- (i) There were no decisions by Cabinet relating to this portfolio during the reporting period.

6. CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES
(Cabinet Member - Councillor JP French)

6.1 Report on Decisions Taken

(i) **Herefordshire Comprehensive Area Assessment Preparation Programme** – Cabinet considered a proposed action plan to ensure that the Council, together with the Primary Care Trust and its other partners is well placed for the new system of Comprehensive Area Assessment. Cabinet approved the proposed action plan and agreed that it be finalised having regard to discussions with partners and consideration by Strategic Monitoring Committee (SMC) and that progress against the plan be reported to Cabinet and SMC in July and October 2008, and in January and April 2009.

6.2 Report on Items of Interest

(i) **Comprehensive Performance Assessment and Direction of Travel** – Cabinet has noted the Comprehensive Performance Assessment for 2007 and the Direction of Travel statement issued by the Audit Commission on 7 February.

Comprehensive Performance Assessment

The Council's overall CPA score has fallen from 3* to 2*. The Audit Commission assessment is retrospective and relates predominantly to performance to the year-end 31st March 2007. Of the 14 authorities in the West Midlands 4 are 4 star, 7 are three star and 3 are two star.

The application of the rules-based approach used by the Audit Commission has meant that the main determinant in the deteriorating overall score is the change in rating from a 2* to a 1* for Housing. However, it should be noted that although the score for Housing has fallen to 1*, this does not represent a deterioration in performance; instead, this is the result of a one-year change in the selection of housing performance indicators used by the Audit Commission for the purpose of the assessment, which do not reflect the success that the service has had in moving families out of temporary accommodation.

Further changes to the performance indicators used in the housing service assessment for 2008 are expected to return housing to a score of 3, again without this necessarily reflecting any change in aggregate performance. If all other service scores were to be maintained at the 2007 level, the overall 2008 CPA score for the Council, which will be published by the Audit Commission in February 2009, is forecast to remain at 2*. This would come about as a result of the removal of protection of the 2002 Corporate Assessment score, which has been applied since 2005, and of its replacement by the 2005 Corporate Assessment score of 2.

The CPA system will end with the 2008 judgement, being replaced by the new system of the Comprehensive Area Assessment referred to earlier in this report.

Direction of Travel

For the third year running, the Audit Commission has judged the council as **improving adequately**. Of the 14 authorities in the West Midlands 2 are improving strongly, 11 are improving well and Herefordshire is improving adequately.

The following summary has been provided by the Audit Commission to support the 2007 direction of travel statement:

"Herefordshire Council is improving adequately. Performance has improved in most

priority areas. Children's services remain adequate overall with some improvement in exam results and arrangements for looked after children. Progress in adult social care has been steady with more vulnerable people helped to live at home. Tax collection and benefits administration have improved, along with the speed of planning applications, street cleanliness and recycling levels. However, it costs more to collect waste and there has been limited progress on the Council's business transformation programme. The Council continues to contribute to improvements in road safety, regeneration initiatives and better health for children and vulnerable adults through working in partnerships. Value for money is reasonable but is not measured consistently. Progress is being made on most improvement plans but the overall picture is not being reported clearly. Further improvements are expected to result from the new managers of adult social care and a joint head of Human Resources with the Primary Care Trust. Some significant weaknesses in the governance of ICT have been recognised by the Council and plans agreed to address them."

**7. ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES
(Cabinet Member - Councillor AJM Blackshaw)**

7.1 Report on Decisions Taken

(i) There were no decisions by Cabinet relating to this portfolio during the reporting period.

**8. ENVIRONMENT AND STRATEGIC HOUSING
(Cabinet Member: Councillor JG Jarvis)**

8.1 Report on Decisions Taken

(i) There were no decisions by Cabinet relating to this portfolio during the reporting period.

**9. HIGHWAYS AND TRANSPORTATION
Cabinet Member - Councillor DB Wilcox)**

9.1 Report on Decisions Taken

(i) There were no decisions by Cabinet relating to this portfolio during the reporting period.

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

10.1 Report on Decisions Taken

(i) **Budget Monitoring 2007/08** – Cabinet considered a report on the Council's performance against revenue capital budgets as at 31 January 2008 and have been provided with an update of the corporate risk register. Details of the remedial action being taken to address areas of underperformance have been considered. Cabinet has approved the report on financial performance to the end of January 2008. In doing so it has also welcomed the news that Government has honoured all the claims made to by the Council under the Bellwin scheme following the July floods. Cabinet has thanked officers and Members for their hard work in achieving this settlement.

**11. SOCIAL CARE ADULTS AND HEALTH
(Cabinet Member Councillor LO Barnett)**

11.1 Report on Decisions Taken

(i) There were no decisions by Cabinet relating to this portfolio during the reporting period.

Background Papers

- Agenda papers of the meeting of Cabinet held on 21 February 2008.

**COUNCILLOR RJ PHILLIPS
LEADER OF THE COUNCIL**