

# REPORT OF THE STRATEGIC MONITORING COMMITTEE

## Meeting Held on 9th February, 2004

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### Membership:

Councillors: T.M. James (Chairman), Mrs. P.A. Andrews (Vice-Chairman), B.F. Ashton, W.L.S. Bowen, A.C.R. Chappell, J.H.R. Goodwin, Mrs M.D. Lloyd-Hayes, J.Stone, J.P. Thomas, W.J.S. Thomas.

### MEDIUM TERM FINANCIAL PLAN 2004/2005 TO 2007/08

1. The Committee has received and noted the Medium Term Financial Plan. The observations it has made on the investment proposals it contains are set out in the following section on the Revenue Budget 2004/2005.

### REVENUE BUDGET 2004/05

2. The Committee has received and noted the Revenue Budget proposals for 2004/2005. The Committee raised a number of detailed questions. They noted in particular the proposed investment of £7 million over the period of the Medium Term Financial Plan and the inability through the plan to fund the assessed pressures which amounted to £13 million. The Chairman of the Committee sought an indication of the priority to be given to the listed bids given the proposed Medium Term Financial Plan proposals.
3. The Leader of the Council responded by recognising the balance to be maintained between Council Tax levels and the much needed investment. He referred to the priority given in the budget proposals to Social Care (Adults) (£1 million) and ICT (£700,000) against the totals over the period of (£5.3 million), and (£3.4 million) respectively. Whilst it would be important to maintain modest support for pressures in other areas it was his belief that those areas would remain the major priorities over the plan period.
4. There were a number of detailed questions on the reserves through which the need to concentrate on the usable reserve was stressed.
5. The Committee resolved to ask Cabinet to consider the following observations on the Revenue Budget 2004/2005 before making final recommendations to Council on 5<sup>th</sup> March, 2004:
6. The Committee
  - (a) registered its concern over the levels of investment in Social Care (Adults), notwithstanding the proposed investment of £1 million and invited Cabinet to reassess the risks of that approach
  - (b) drew attention to the impact of levying Council Tax at the proposed Band D level of £972.50 and the hardship that could be created for some sections of the community
  - (c) offered support for the concept of fulfilling the commitment to replenish reserves by accumulating the additional revenues raised from second homes as detailed in paragraph 14 of the report, whilst noting some concern expressed that the sums mentioned might be optimistic.

### 2004/05 SUPPORTED CAPITAL BORROWING AND OTHER AREAS CAPITAL PROGRAMME

7. The Committee has noted the Cabinet's recommendations regarding the distribution of supported borrowing, where the ongoing costs of borrowing are resourced through the Revenue Support Grant mechanism, and which is only available for the

Transport, Education and Housing areas and the setting of a de minimis limit of £10,000 below which expenditure will be treated as revenue rather than capital.

8. It has also noted that Cabinet is to give further consideration to further prudential borrowing, the cost of which will be fully resourced by the Council Tax payer. The Committee was advised that prudential borrowing of £5 million was proposed. This level of borrowing would not allow all the current bids for schemes to proceed. A number of capital schemes will have to be deferred for consideration in future years.

#### **REVENUE BUDGET MONITORING 2003/04**

9. The Committee has noted the position in relation to the monitoring of the 2003/2004 revenue budget. It sought particular clarification on the projected overspend on the property budget and the latest position on the social care budget. It was acknowledged that there was an underlying problem on the property budget, but the recovery plan and budget proposals sought to address the concerns. It was also advised that whilst progress was being made towards the objective of achieving a balanced budget in social care overall (including the 2002/2003 overspend) this was in the context of continuing financial risks within the budget.

#### **CAPITAL PROGRAMME MONITORING**

10. The Committee has noted the capital programme forecast and the advice that action is being taken to seek to ensure that no resources available to the Council on the condition that they are spent in the current year will be lost.

#### **RACE EQUALITY SCHEME - PROGRESS REPORT**

11. Progress made against the Action Plan designed to deliver the Council's Race Equality Scheme has been noted. It has been highlighted that the Council's performance in this area will increasingly be focused on in inspections of the Council's service delivery.

#### **PUBLIC SERVICE AGREEMENT UPDATE**

12. Progress against the Public Service Agreement (PSA) targets and the action being taken to reach the 60% threshold and secure the Performance Reward Grant has been noted.
13. The Committee has also been informed of the Government's invitation to the Council to be a pilot for the second round of PSAs. It has requested that lessons are learned from the Council's experience in the first PSA in any negotiations for a second agreement.

#### **MID YEAR ASSURANCE REPORT**

14. The key internal control issues identified in the annual audit assurance report and the action taken in response to them has been noted.

#### **PERFORMANCE MONITORING – CORPORATE HEALTH**

15. The Head of Performance Management is currently reviewing performance reporting arrangements across the Council and considering examples of best practice from other local authorities, with a view to introducing an improved and more consistent approach to performance monitoring during 2004/2005. To reflect the move to four main Council meetings, with a fifth Council meeting specifically to deal with the budget, during 2004/2005 the meeting timetable for Scrutiny Committees is being modified to provide for four programmed meetings during the year. The Committee has been assured that arrangements will be made to ensure that relevant Cabinet Members and Scrutiny Chairmen continue to receive regular performance monitoring reports and in particular at the end of 8 months which is critical for allowing remedial action to be taken.

## ISSUES CONSIDERED BY THE INDIVIDUAL SCRUTINY COMMITTEES

16. The work of the Committees is analysed below as far as practicable under the following five roles for overview and scrutiny: holding the executive to account, best value reviews, policy development and review, external scrutiny, and improvement (performance management and review), the first four of which are identified as key roles in report on "The Development of Overview and Scrutiny in Local Government published by the Office of the Deputy Prime Minister". Issues considered by the Strategic Monitoring Committee not all of which are dealt with above because they arise from its role in fulfilling its remit to scrutinise the Policy and Finance Programme area, rather than being of Council-wide significance, are listed for completeness.

### Summary By Programme Area

#### Education

17. The Education Scrutiny Committee met on 19 January 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Banding in Primary Schools – Interim Progress Report ICT Technical Support Service Level Agreements with Schools
External Scrutiny	
Improvement (Performance Management and Review)	Year 2003 Results for Herefordshire Schools Herefordshire Plan and Partnership Progress Report Monitoring of Revenue And Capital Budgets Monitoring of Performance Targets in Education Business Plan 2003-2004 Comprehensive Performance Assessment – Education Component
Other	Work Programme

18. The Environment Scrutiny Committee met on 23 January 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	Implementation of Improvement Plans
Policy Development and Review	Parking Strategy Polytunnels
External Scrutiny	
Improvement (Performance Management and Review)	Human Resources Revenue Budget Monitoring Capital Budget Monitoring Performance Indicators Highway Maintenance
Other	Work Programme

19. The Health Scrutiny Committee met on 29th January, 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Management of Legionnaires Disease Outbreak Emergency Care Access Car Parking – Hereford Hospital
External Scrutiny	
Improvement (Performance Management and Review)	
Other	Ear Nose and Throat Service Consultation

20. The Social Care and Housing Scrutiny Committee met on 27 January, 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	-
Best Value Reviews	
Policy Development and Review	Older People's Business Case Extra Care Housing Development Home Support Staff – Recruitment and Workforce Issues
External Scrutiny	
Improvement (Performance Management and Review)	Supporting People Programme Inspection Progress Report on Joint Review Action Plan Revenue Budget/Performance Indicators
Other	Work Programme

21. The Social and Economic Development Scrutiny Committee met on 14 January 2004 and 5 February 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Consideration of the Economic position of Hereford City
External Scrutiny	
Improvement (Performance Management and Review)	Progress of the Community Youth Service Towards New Standards Adult Learning Inspectorate Re-inspection Performance Indicators Human Resources
Other	

22. The business conducted by the Strategic Monitoring Committee at its meeting on 9th February, 2004 is summarised below.

Theme	Reports
Holding the Executive to Account	-
Best Value Reviews	

Policy Development and Review	Medium Term Financial Plan 2004/2005 – 2007/08 Revenue Budget 2004/05 2004/05 Supported Capital Borrowing and Other Areas Capital Programme Analysis of Herefordshire Council's Input into the Herefordshire Partnership –Initial Terms of Reference Community First Funding Support
External Scrutiny	
Improvement (Performance Management and Review)	Capital Programme Monitoring Revenue Budget Monitoring Race Equality Scheme – Progress Report Local Public Service Agreement Performance Monitoring – Corporate Health Mid-Year Audit Assurance Report
Other	Work Programmes.

**T.M. JAMES  
CHAIRMAN  
STRATEGIC MONITORING COMMITTEE**

**BACKGROUND PAPERS**

- Agenda Papers of the Meeting of the Strategic Monitoring Committee held on 9th February, 2004.