

## REPORT OF THE MEETINGS OF CABINET

HELD ON 25TH NOVEMBER AND 16TH DECEMBER, 2004 AND  
13TH AND 27TH JANUARY, 2005

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**Cabinet Members:** R.J. Phillips (Leader of the Council),  
G.V. Hyde (Deputy Leader), Mrs. L.O. Barnett, P.J. Edwards,  
Mrs. J.P. French, J.C. Mayson, D.W. Rule, MBE, R.V. Stockton,  
D.B. Wilcox, R.M. Wilson.

This report covers proceedings of the meetings listed above.

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

1.1 There were no such decisions since the last meeting of Council

### 2. NOTICES OF MOTION

2.1 No motions to Council were considered by Cabinet during the reporting period.

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

3.1 **Acquisition Of Station Approach Industrial Estate** - The Leader of the Council and the Cabinet Member (Economic Development, Markets and Property) approved the use of funding from Advantage West Midlands to purchase the Station Approach Industrial Estate as an investment property to support the delivery of the Edgar Street Grid Masterplan. The decision was not called in and took effect on 4th January, 2005.

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

#### 4.1 Report on Decisions Taken

- (i) **Revenue Support Grant Settlement 2005/06** - Cabinet has received a report on the provisional Revenue Support Grant (RSG) for 2005/06. A preliminary analysis shows that the settlement is more favourable than had been indicated from the figures provided as part of the Government's Comprehensive Spending Review (CSR) 2004. The Government's assessment of level of council tax also appears to have been revised downwards.

It appears that the Council's net grant position is some £2,000,000 better than had been indicated by CSR 2004, however, the additional resources are one-off for 2005/06 only. Also, the amount of preserved rights expenditure (Social

Care) currently funded by specific grants is to be transferred into mainstream FSS funding. On the basis of current information the Council should prudently anticipate the loss of the £1,000,000 in 2006/07. Provision also needs to be made to implement the results of the actuarial review of the Superannuation Fund.

In short the additional funds should not be seen as providing a longer term solution to the budget position, merely providing breathing space over the next year. Cabinet has agreed that the current budget strategy be maintained, thereby maximising the Council's room for manoeuvre in the final consideration of the budget for 2005/06.

- (ii) **Draft Corporate Plan 2005-08** – The Corporate Plan establishes the Council's priorities and what will be done to achieve them. Its success depends on an Annual Operating Plan for the Council as a whole, and directorate and service plans, carrying the Corporate Plan objectives into detailed effect year by year. The Corporate Plan and the Annual Operating Plan for 2005-06 will need to be approved by Council in March. To this end Cabinet has agreed that the current draft Corporate Plan 2005-08 be used immediately as the basis for the preparation of the Council's Annual Operating Plan and directorate and service plans for 2005-06.
- (iii) **Learning and Skills Council - Strategic Area Review** – The Council has been invited to take part in a consultation exercise as part of the Strategic Area Review in Herefordshire and Worcestershire, currently being conducted with the Learning and Skills Council (LLSC). The LLSC has undertaken a specific review of Herefordshire College of Technology and Herefordshire College of Art and Design to determine if the current arrangement meets the needs of individuals, employers and the wider community in the most cost-effective way.

As a result of the Review the LLSC requested the colleges to undertake a feasibility study into the dissolution of both institutions and the creation of a single new college. Despite ongoing discussion, no progress has been made in implementing this recommendation. As part of the more recent review activities, the LLSC has reconsidered the options and confirmed its original decision as its preferred option. Cabinet has considered several options and endorses this overall approach to the Strategic Review.

It strongly supports the double dissolution of Herefordshire College of Technology and Herefordshire College of Art and Design in order to create a new corporation which would receive the assets and liabilities from both founder organisations. It supports the LLSC in its wish to work closely with the Pershore Group of Colleges on the future of Holme Lacy Campus to ensure better integration of its facilities with this new institution and supports the view expressed by the LLSC that all three existing colleges on the Folly Lane Campus need to make even greater efforts to support the new institution through better shared utilisation of resources including premises and common services and funding.

- (iv) **Corporate Performance Assessment from 2005** - Cabinet has received notification of the provisional timetable for Corporate Performance Assessments 2005/08. It has noted that this Council's assessment will be undertaken in the Autumn of 2005. The Audit Commission will be assessing both the political and managerial aspects of the Council, which will include the scrutiny function as well as the administration. Cabinet has agreed to the arrangements for supporting the process which will be co-ordinated by the

Director of Policy and Community with assistance from the Head of Performance Management and the Policy Unit. Cabinet has also authorised the Chief Executive to pursue a number of options for an external peer review.

- (v) **Revenue Budget 2005/06** - In formulating its final recommendations to Council relating to the Revenue Budget for 2005/06 Cabinet has considered the recommendations of the Budget Panel and the views of the Strategic Monitoring Committee. Initial consideration of the budget has been heavily influenced by the need to make significant budget reductions with the dual purpose of containing any rise in council tax and providing some limited headroom for investment in key priorities. Cabinet has referred its recommendations to the Strategic Monitoring Committee. Cabinet will meet on 24th February to consider any views from the Strategic Monitoring Committee and make further recommendations to Council on 11th March, 2005.
- (vi) **Comprehensive Performance Assessment from 2005: Response to Consultation Document** - Cabinet has agreed a response to the Audit Commission's consultation document on a revised framework for Comprehensive Performance Assessments (CPA). Although broadly supportive of the revised framework, the response addresses a number of practical issues and recommends that the Audit Commission considers a change to the description of categories, currently: Excellent, Good, Fair, Weak and Poor.

#### 4.2 Report on Items of Interest

- (i) **Local Area Forums** - Cabinet has received a report from the November 2004 round of Local Area Forums which dealt with Budget Consultation. It was noted that attendance at some of the Local Area Forums was poor and that better publicity was needed to improve public participation. It was also suggested that the Scrutiny Committees give consideration to areas of concern highlighted at Local Area Forum meetings in formulating and reviewing their Work Programmes.
- (ii) **Local Public Service Agreement Update** - Cabinet has received the timetable for approval of Herefordshire's second LPSA which is due to commence on 1st April, 2005. It has noted that, although the Council submitted its proposals in July, 2004 it did not receive a response from the Office of the Deputy Prime Minister until December. Negotiations are still continuing on specific targets and a further report is expected to Cabinet in February.
- (iii) **Budget Monitoring 2004/05** - Cabinet has received a report on revenue budget monitoring as at 30th November, 2004 for programme areas in 2004/05. In particular it noted that:
- **Social Care** - The latest budget projection does not show improvement on the previously reported position, despite management action. Considerable pressures have emerged from rising demand and costs across both children and vulnerable adults services. Further discussions are taking place with partner organisations about how the financial risks can be shared. However, the picture being managed at present is very concerning and the

challenges will remain for the remainder of the financial year and 2005/06.

- **Property** - This position is now stabilised with overspendings being offset by savings and additional income. A recovery plan is being put in place to address the overspendings over a three-year review.
- **Planning** - Although the budgetary position relating to Planning appeared buoyant with an increase in income, there was some concern that the service to the public was suffering due to a number of vacant posts.
- **Strategic Housing** - This budget was projected to break-even but has received an unexpected invoice which was outstanding from last year. Further measures are being taken to ensure that the budget is managed to break even.

A net underspending of £1,100,000 is expected during 2004/05 primarily as a result of debt rescheduling, a stabilisation of interest rates and significant slippage of the capital programme.

The projected 2004/05 outturn for the Programme Areas, together with financing transactions is an under-spending of £2,674,000.

The estimated value of general reserves as at 31st March, 2005 total £5,000,000 incorporating the prudent reserve of £3,000,000, which has anticipated some limited use of reserves for overspendings at the year end. The £1,100,000 projected saving from Financing Transactions is included in this total. An expected underspending on Waste Management is in addition to the overall total.

- (iv) **Capital Programme Monitoring 2004/05** - Cabinet has received a report on the current position of the Capital Programme forecast for 2004/05, including a review of Prudential Borrowing and the current position regarding Prudential Indicators.

The revised forecast outturn for 2004/05 as at 30th November, 2004 totals £33,907,000.

Prudential Borrowing of £4,741,000 was allocated to various capital schemes. The current forecast for 2004/05 is £4,313,000. It is expected that further amounts of the 2004/05 allocation may slip into 2005/06 but as this funding is unconditional no resources will be lost. Only 23% of the revised forecast of Prudential Borrowing has been spent to date.

Actual spend on Capital projects was £15,352,000 or 45% of the revised forecast against an expected spend of 64% of the revised forecast. Actual spend this time last year was 60%.

Capital programme actual spend to date is lower than expected and may be a cause of concern should spending not accelerate. Prudential Indicators are being monitored as required by the Prudential Code.

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

## 5. **AUDIT AND PERFORMANCE MANAGEMENT** (Cabinet Member - Councillor D.B. Wilcox)

## 5.1 Report on Decisions Taken

- (i) **Corporate Health Performance** - Cabinet has received a report on the Council's corporate performance in relation to National and Local Best Value Performance Indicators from 1 April 2004 to 30 November 2004. It has noted the improvements in the Benefits Investigation Unit. However, some targets are still not being met due to changes in working practices which have resulted in longer processing times and the fact that the service had some vacant posts. An improvement in performance is expected over the remainder of the year when the unit is fully staffed.

Other areas which are below target performance include the percentage of top earners that are from black and minority ethnic communities or are women; the number of working days lost to sickness absence; the number of types of interactions that are enabled for electronic delivery; and the number of recorded complaints. It was agreed that the number of local indicators for next year be reconsidered.

## 5.2 Report on Items of Interest

- (i) **Interim Audit Assurance Report 2004/05** – Cabinet has received a mid-year assurance report which identifies the key internal control issues which have been identified. It has noted that action on issues raised relating to 2003/4 was progressing. Once all reviews have been completed details will be included in an end of year assurance report to Cabinet.

## 6. CHILDREN'S SERVICES (Cabinet Member: Councillor D.W. Rule, MBE)

### 6.1 Report on Decisions Taken

- (i) **Learning and Skills Council - Strategic Area Review** - A report on this item is to be found at paragraph 4.1(iii) of this report.
- (ii) **Developing the Children's Agenda in Herefordshire - Change for Children** - In response to the Children's Act 2004 and the Change for Children programme, the Council produced a self-assessment matrix which has been agreed by the Regional Change Advisor.

Cabinet has agreed arrangements which will support the change/improvement and the next steps locally and has also agreed arrangements which will support the change/improvement and the preparation for Joint Area Review now provisionally set by the Audit Commission for Autumn 2005. These include:

- working with partners to establish a Children's Partnership Board which may well form the groundwork for a Herefordshire Children's Trust;
- agreeing, in principle, to set up a Change/Improvement/Development Team to support the Children's Services Directorate Leadership Team and the short-term investment needed;
- the costs of the Change Team to be met from Reserves; and
- lead roles be introduced for School - Strategy and Change, and Adult Social Care/Strategic Housing.

Cabinet noted and confirmed its previous in-principle agreement that the School leadership role will be undertaken by the Head of Inspection, Advice and School Performance.

## **7. COMMUNITY AND SOCIAL DEVELOPMENT (Cabinet Member - Councillor R.V. Stockton)**

### **7.1 Report on Decisions Taken**

- (i) **Proposed Revised Approach to Provide the Central Library Hereford –** Cabinet has received a report on a revised approach to the development of the Central Library Hereford and access to Council services in Hereford City. The Council has a commitment to roll out the provision of INFO shops across the County (Council's Customer Service Strategy 2003-2007). These are now being planned in a way that links with improved library provision (Bromyard, Kington, Ledbury, Ross-on-Wye). At present the largest catchment for library and INFO services is the city area, where there is the poorest and most restricted provision. In line with the roll out of the INFO model, new provision could provide for a significant presence in Hereford City. Considerable advantage could be gained by a model of co-location with a new Central Library for the 21st Century. The possibilities for establishing a civic living and learning space in a modern city centre have been demonstrated in a number of examples (Building Better Libraries). Cabinet has decided to approve the development of an outline design for a new Central Library and associated services on the Edgar Street Grid Hereford; and further more detailed work be advised as part of the Edgar Street Development Implementation Plan.
- (ii) **Learning and Skills Council - Strategic Area Review -** A report on this item is to be found at paragraph 4.1(iii) of this report.

## **8. ECONOMIC DEVELOPMENT, MARKETS AND PROPERTY (Cabinet Member and Deputy Leader - Councillor G.V. Hyde)**

### **8.1 Report on Decisions Taken**

- (i) **Learning and Skills Council - Strategic Area Review -** A report on this item is to be found at paragraph 4.1(iii) of this report.
- (ii) **Property Management Scrutiny Review –** The Property Management Scrutiny Review reported to Strategic Monitoring Committee in November. Whilst the Strategic Monitoring Committee accepted the Review report which contained some 27 recommendations, they also recognised that the nature and scope of the Review meant that there were a number of areas where further work would be required. Some of the additional work depended on the acceptance of key policy issues by the Executive and it was felt that little would be achieved by asking the Property Review Group to further refine their work. Cabinet has agreed that a wider reference group be established to approve the terms of reference of a Service Property Group, an Administrative Property Group (Accommodation Board) and a Non-Operational Property Group with consideration being given to the potential division of consideration of the smallholdings estate and the balance of non-

operational property; and to drive forward the wider review of policies and strategies and management arrangements and to examine targets for performance and finance.

- (iii) **Edgar Street Grid Joint Venture Company** - Cabinet has agreed the allocation of Council funding to establish a Joint Venture Company to deliver the Edgar Street Grid masterplan. Contributions could either be in cash or in kind through the secondment of existing staff.

## **9. ENVIRONMENT (Cabinet Member: Councillor P.J. Edwards)**

### **9.1 Report on Decisions Taken**

- (i) **Edgar Street Grid Joint Venture Company** - A report on this item is to be found at paragraph 8.1(iii) of this report.

## **10. HIGHWAYS AND TRANSPORTATION (Cabinet Member - Councillor R.M. Wilson)**

### **10.1 Report on Items of Interest**

- (i) **Appointment of Traffic Manager** - Cabinet has noted that the duties of the post of Head of Highways and Transportation will be extended to fulfil the requirement imposed by the Traffic Management Act 2004 and the post will now incorporate the statutory role of Traffic Manager for the Council.

## **11. HUMAN RESOURCES AND CORPORATE SUPPORT SERVICES (Cabinet Member - Councillor Mrs. J.P. French)**

### **11.1 Report on Decisions Taken**

- (i) **Reform of the Registration Service** - Cabinet has received a report on proposed changes to the Registration Service to transform the service from a heavily regulated, labour intensive service to one fit to meet the needs of the population into the 21st Century. It has become clear that national changes to the Registration Service require a change in legislation. However, local changes can be implemented while the Act progresses through Parliament. Cabinet has agreed to provide a single Herefordshire Registration District with a central office in Hereford City. It has also agreed that, subject to public consultation, the Council will continue to provide register offices at Leominster and Ross-on-Wye which will remain open as full time permanent outstations and be used with the Hereford office, as bases to provide a peripatetic registration service to the County. The existing Register offices at Kington, Bromyard and Ledbury will continue to be used as "by appointment" caller offices, with their marriage rooms redesignated as "approved premises" thus achieving a five day a week service in these areas.
- (ii) **Implementing Electronic Government (IEG4) Statement** - Cabinet has approved the draft IEG4 Return. This is the fourth year the Council has been

required to submit an IEG Return setting out how it has, or plans to, achieve improvements in customer focused services underpinned by information technology. The ODPM has set a target for local government to improve its effectiveness and efficiency in delivering services by 2.5% each year up to 2007/08. E-government is expected to make a substantial contribution towards the achievement of this target and, for the first time, efficiency gains (both forecast and actual) from services in e-procurement, e-recruitment and e-payments are part of the IEG return. The final version of the return has been agreed in consultation with the Cabinet Member (Human Resources and Corporate Support Services).

## **11.2 Report on Items of Interest**

- (i) **Human Resources Strategy Progress** - Cabinet has received a report on progress against the Council's Human Resources (HR) Strategy including the main findings from the 2004 Staff Opinion Survey and 2003-04 Exit Surveys. It was noted that the Staff Opinion Survey was carried out just seven weeks after the job evaluation results were published. The report showed that staff had increased confidence in senior management's leadership and were slightly more confident that things were getting better. Responses around equality of opportunity had remained static compared with 2003 and satisfaction with terms and conditions had not moved significantly, nor had satisfaction with earnings. There was a significant increase in employees agreeing that their contribution was recognised, and although there was an indication that communications may be increasing this was still well short of the 60% target. Agreement about opportunities to work flexibly showed an increase over 2003.

The current HR Strategy expires in 2005 and will be replaced by the Pay and Workforce Development Strategy 2005-08.

## **12. RURAL REGENERATION AND SMALLHOLDINGS (Cabinet Member - Councillor J.C. Mayson)**

### **12.1 Report on Decisions Taken**

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

## **13. SOCIAL CARE AND STRATEGIC HOUSING (Cabinet Member Councillor Mrs. L.O. Barnett)**

### **13.1 Report on Decisions Taken**

- (i) **Extra Care Housing Provision** - Cabinet has received a report on the actions taken to try to accommodate Unity Gardens on the former Nursery Site, Ledbury Road, Hereford or find an alternative site. Unity Gardens has terminated its lease on an alternative site and Cabinet has decided, with regret, that the Council is unable to accommodate Unity Gardens on the Ledbury Road site.

### **13.2 Report on Items of Interest**



- (i) **Post Transfer Improvement Programme** - Cabinet has received a confidential report on progress made by Herefordshire Housing in delivering against the programme of repairs and improvements identified within the formal consultation document. A further report will be submitted to Cabinet following the end of the financial year 2004/05.

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