

MINUTES of the meeting of Strategic Monitoring Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Friday, 15th September, 2006 at 10.00 a.m.

Present: Councillor T.M. James (Chairman)

Councillors: B.F. Ashton, W.L.S. Bowen, H. Bramer, A.C.R. Chappell, J.H.R. Goodwin, Mrs. M.D. Lloyd-Hayes, J.P. Thomas and W.J.S. Thomas

In attendance: Councillors Mrs. J.P. French, R.J. Phillips, D.W. Rule MBE and R.M. Wilson

17. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Mrs P. A. Andrews.

18. DECLARATIONS OF INTEREST

There were no declarations of interest.

19. MINUTES

RESOLVED: That the Minutes of the meeting held on 20th July, 2006 be confirmed as a correct record and signed by the Chairman.

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

There were no suggestions from members of the public.

21. DRAFT MEDIUM TERM FINANCIAL MANAGEMENT STRATEGY

The Committee considered the draft Medium Term Financial Strategy, which had been agreed by Cabinet in July as a basis for consultation.

The draft Strategy as presented to Cabinet had been circulated separately to Members of the Committee.

The Director of Resources presented the report. She explained that the Strategy was intended to integrate financial planning more closely with corporate and service planning so that those plans were developed and priorities set with a clear understanding of the financial context within which the Council was operating.

She commented on each section of the Strategy which included the national policy context, the national financial context, Herefordshire's policy context, Herefordshire's financial context, the financial management strategy and arrangements for consultation on and review of the Strategy.

She noted in particular that a second national Comprehensive Spending Review was

underway with the outcome due to be reported in 2007. This would cover the years 2008/09, 2009/10 and 2010/11. The expectation was that there would be a very tight settlement with public spending being reduced and there would be further, more challenging efficiency targets. The indications from the Lyons Review on the role and function of local government were that particular attention was being given to the scope for levying discretionary fees and charges as a way of paying for services, further suggesting that the financial settlement would be tight.

The Director's current view was that the Council may have some headroom in the 2007/08 budget but no growth in the following three years. The Council's ambitious improvement programme had to be seen in this context.

She concluded by explaining that the draft Strategy was the subject of ongoing consultation and, as was to be expected, would need to be updated to reflect developments since its publication. It was intended to report to the Community Forums in October and then again to the Strategic Monitoring Committee before the Strategy was submitted to Cabinet. There would also be further informal briefings for Members as they wished.

In the ensuing discussion the following principal points were made:

- In response to a question about action the Council was taking to make the case for fairer funding the Leader of the Council advised that the situation was constantly emphasised to Government but to date there had been little sympathy shown. In the case of Education, whilst funding per pupil in Herefordshire was low the results were good. This meant the Government was not inclined to increase funding. The Council was working with other rural authorities to try to demonstrate the escalating costs of providing services in rural areas. He was due to see Sir Michael Lyons shortly as part of his review and would have the opportunity to make the case to him. One particular concern was possible changes to the allocation of the Business Rates. Currently these were distributed on a national basis and Herefordshire, with a low business base, benefited significantly from the redistribution of these rates.

He added that in terms of increasing fees and charges for services it had to be borne in mind that rural households were already suffering the burden of increased transport costs.

- The Director of Resources added that the County was funded at 20% below the average level of funding per head of population. In every self-assessment return the Council made to Government care was taken to emphasise the poor funding position, supporting the case with statistical evidence. Locally the position had been set out in the Council's newspaper, Herefordshire Matters and presentations were to be made to the Community Forums.
- It was suggested that as not all rural authorities stood to lose from the redistribution of the business rates the Council should seek to make alliances on this point with those northern, urban authorities who would suffer as a result of a change.
- That the style of the Council's representations to Government was important. A quiet, reasoned approach supported by clear statistical evidence would be more likely to succeed than public rhetoric. In reply the Leader agreed with the importance of all Members supporting the Council's case in this way.
- It was suggested that some of the assumptions in the Strategy were optimistic.

- The planned further involvement of the Committee in the Strategy's development was welcomed.
- The Director of Resources noted the importance to the Strategy of the assumptions made about achieving the specified efficiency savings. In response to a suggestion that the analysis of spending pressures was open to question she added that the Strategy did try to identify the potential risks facing the Council and contingency sums had been established to provide for those foreseen risks.
- It was noted that the Strategy would need to be updated to reflect Cabinet's recent decisions to fund the Rotherwas Relief road as a priority.
- That the Council could not be expected to continue to improve services with fewer and fewer resources nor could it be expected to make endless efficiency savings.
- More needed to be done to ensure that the Council's funding position was clearly communicated to the public. In particular it was suggested that the implications for non-statutory services, which many people held dear and would protest strongly about if their continuation were to be in doubt, needed to be highlighted.
- It was noted that it was intended to make presentations to the next round of Community Forums. However, it was suggested that the Forums currently attracted quite small audiences and a communication strategy needed to incorporate other approaches.
- It was suggested that the Parish Councils might have a role to play as part of a communication strategy.

RESOLVED:

- That (a) **the need to update the draft Medium Term Financial Management Strategy and the arrangements for further consideration of the Strategy by the Committee be noted;**
- (b) **a robust, reasoned approach to making representations to securing fairer funding for the County based on clear statistical evidence be supported;**
- and**
- (c) **to recommend that further consideration be given to the Council's communication strategy at a local level to ensure that the Council's financial position is effectively communicated to the Public.**

22. INTEGRATED PERFORMANCE REPORT

The Committee considered the Integrated Performance Report setting out performance to the end of July 2006 against the Annual Operating Plan 2006-07, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance.

The report also covered the progress being made against the Council's Overall Improvement Programme, which included the Joint Area Review (JAR) Action Plan, the Adult Social Care Improvement Plan and the Herefordshire Connects programme.

The Corporate Policy and Research Manager highlighted that 19 of the 89 strategic performance indicators in the Annual Operating Plan were in the category: not achieved, or not expected to be achieved, or no targets/milestones identified. This compared with 45 indicators at the time of the last report, which represented significant progress. The principal reason why there had been 45 indicators in this category had been due to the need to identify clear action plans and milestones. 14 of the remaining 19 red-flagged indicators still had these deficiencies, with most depending on agreeing the relevant material with partner organisations. Work continued to complete all to the necessary standard, with the expectation this should be done before the next performance report was published in October.

He noted that in considering the report on 7th September Cabinet had indicated its clear expectation that there should be continued progress and that now action plans and milestones were in place there was a need to ensure their delivery.

He reported that the Council's Overall Performance Improvement Plan would be reviewed and, as necessary, revised at the end of October. This would take into account suggestions and recommendations from the Audit Commission following their September review of the Council's progress in respect of performance management. The existing Plan had, however, been judged by the Commission to be currently fit for purpose. He noted that the assessment of the future social care needs of older people and adults with learning difficulties and services to meet them was nearing completion, with the intention of reporting to Cabinet in October.

Regarding the Joint Area Review (JAR), he reported that there had been good progress in increasing the number of cases of children being referred to the Council, to the extent that the target set to be achieved by March 2007 had been exceeded during July. However, this meant that many more assessments had to be carried out, which created pressures. The situation was being managed intensively.

The JAR in the autumn of 2005 had concluded that the arrangements for "Staying Safe" (the overall contribution of services to keeping young people safe) were inadequate. An independent review by the Department for Education and Science had now concluded that, following an intensive programme of remedial action by Children's Services with partner organisations, the arrangements for "Staying Safe" were now adequate. This was identified as high priority in the corporate risks in the Risk Register. It was important that this position was maintained.

He drew Members' attention to the position on the revenue budget and the capital budgets, noting particularly the estimated revenue overspend of £3.5 million on adult social care which needed continued management, but in respect of which a contingency fund had earlier been earmarked.

He also commented briefly on the corporate risk log noting, in addition to risks to the authority associated with safeguarding children, the Herefordshire Connects Programme and the response to the outcome of the social care needs analysis on Older People and Adults with Learning Difficulties.

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

- A question was asked about progress against the indicator for the number of adults with mental health problems helped to live at home per 1,000 population

aged 18-64 which showed performance below the bottom quartile. The Corporate Policy and Research Manager reported that there had been a significant improvement in 2005-06, with performance above the median level for English local authorities in 2004-05 (the latest available audited figures).

- There was discussion of the potential budgetary implications associated with this increased provision.
- The Corporate Policy and Research Manager referred to the work being undertaken on future needs and services for older people and adults with learning disabilities. The intention was to carry out similar review in due course in respect of the needs and future services for 18 to 65 year-olds with mental health problems or physical disabilities. The work on services for older people and adults with learning disabilities showed that it should be possible to meet future pressures with higher quality, more efficient services. There would be additional costs in any event but their extent could be substantially mitigated were services to be reshaped.
- Members discussed the need to get a clearer understanding of what the performance indicators were really saying and put them in context. It was noted, for example, that the increase in relation to the national indicator for the number of arrests for domestic violence offences could be attributable to a number of factors, such as an increase in the number of offences, and did not necessarily demonstrate that the actions of the Council and its partners were having a beneficial effect. It was suggested that some case studies should be provided to Members providing examples for discussion.

RESOLVED: That the report be noted.

23. REVIEW OF THE PROVISION OF SCHOOL PLACES

The Committee considered progress on the review of school provision commissioned by Cabinet in March 2006.

As reported to the Committee on 26th June, following informal discussions about the scrutiny programme, consideration of the schools review had been included as part of that programme. At a subsequent informal meeting on 20th July it had been decided to proceed on the basis that when proposals from each of the school reviews came forward they would be reported to the Strategic Monitoring Committee for consideration and comment. The expectation was that the Committee would be given the opportunity to comment before any formal decision was taken by the Executive. In making comments the Committee would consider the reviews against a wider remit than just educational provision having regard to the Herefordshire Thinks Rural perspective, considering the part schools play in the community, and the link to other Council plans.

It was noted that two consultation exercises were currently underway: the Kington, Weobley and Wigmore area; and the Kingstone and Peterchurch area. It was intended that documents setting out a suggested way forward would be issued in September for a second round of consultation. Initial discussion documents would also be issued for the Bromyard and Leominster area and for the review of high school provision.

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

- In response to questions the Head of Commissioning and Improvement

commented on the significance of falling rolls and highlighted that although 4,372 houses had been built in the County between 1999 and 2005 the numbers of primary school pupils had dropped by 1,253. This demonstrated that extra housing in an area did not guarantee additional pupils. He added that consideration had been given to the potential impact of migrant workers but to date this was minimal.

- Members noted the work which had been undertaken by a consultant on scope for co-operation and federation between schools and that this would be something to monitor as the proposals were developed.

RESOLVED: That the report be noted.

The meeting ended at 12.15 p.m.

CHAIRMAN