

INTRODUCTION

This Cabinet Bulletin covers the meeting held on 15th November, 2007 and reviews the agenda for the forthcoming meeting to be held on Thursday, 29th November, 2007. A report on the item relating to the Independent Review was submitted direct to the meeting of Council held on 23rd November, 2007.

Please note that all meetings of Cabinet will start at 2.00 p.m. until further notice

CABINET MEETING – 15th November, 2007

- (a) **Annual Governance Report 2007 – Management Action Plan** – Cabinet received a draft management action plan in response to the recommendations made by the Audit Commission in their Annual Governance Report 2007. The Annual Governance Report was presented to the Audit and Corporate Governance Committee on 21st September. The Audit Commission gave an unqualified opinion on the Council's Statement of Accounts for 2006/07 and an adverse opinion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources due to weak systems of internal control in ICT and Customer Services. The Audit Commission made six recommendations of which two related to improvements to final account procedures for asset accounting and a review of the pooled budgeting arrangements with the Primary Care Trust. These were assessed as medium risks. One related to improvements to accounting policies for fixed assets, which was assessed as a low risk. A further one related to an independent review of the financial governance issues within ICT and Customer Services, this was assessed as a high risk. Cabinet was advised that the Audit and Corporate Governance Committee had reviewed the draft management action plan, but had no further comment to make regarding it. Cabinet confirmed the need for a robust response to the recommendations in the Annual Governance Report 2007 and approved the draft management action plan.
- (b) **Integrated Performance and Finance Report** – Cabinet received a report on performance for the first half of 2007/08 against the Annual Operating Plan 2007/08, national performance indicators 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. Cabinet was reminded that Government had recently produced new national indicators for local authorities and their partners thereby reducing the burden of performance reporting on what is to be covered in the future. Although for Herefordshire there would be the need to report additional health indicators under the Public Service Trust. Cabinet was advised that against the Annual Operating Plan some 17 of the 111 indicators were not reaching target. Cabinet noted that the Local Public Services Agreement (LPSA) had the potential to bring extra funds into the county and that no indicators of the Councils were red flagged. With regard to exceptions Cabinet noted that the four exceptions were

for partner organisations. Cabinet noted that for the Council's indicators for the Local Area Agreement (LAA) there were ten red flag indicators, which indicated areas for improvements. Cabinet noted that with regard to the Council's Direction of Travel and CPA 62% of the indicators were improving and it was hoped to reach 70% by the end of the year.

Cabinet referred to Appendix C of the report, which gave the overall budget position to end September as £3.26 m overspend. Cabinet noted the position with regard to the estimated costs for the damage caused by the July floods which were not covered by Central Government. Cabinet were informed of the earmarked reserves as being £19.8 m however, £8.137 m of which would be ring fenced for schools. In Adult Social Services there was a £4.07 m overspend Cabinet noted the increased number of care packages now being provided. With regard to Strategic Housing and Community Services there was a small overspend in Community Services of £40 k. Cabinet noted the Community Network costs in the Corporate and Customer Services Directorate. Cabinet considered the performance to the end of September 2007 and the adequacy of the proposed remedial actions to address areas of under performance. Cabinet noted the Council's community leadership responsibilities and agreed to take a pro-active stance with the Herefordshire Partnership Performance Management Group on under performance on indicators lead by partner organisations.

FORTHCOMING CABINET MEETING – 29th November, 2007

- (a) **Principles on Provision of Education in Herefordshire in the 21st Century –** Cabinet is to receive a report to approve the principles to guide the future pattern of provision of education in Herefordshire in the 21st Century and to endorse the next steps in the review process.

EXCLUSION OF THE PUBLIC AND PRESS

- (b) **Response to the Review of the Courtyard Centre for the Arts – Cabinet are to respond to the 'Review of the Courtyard Centre for the Arts' conducted by the Community Services Scrutiny.**

This item discloses information relating to the financial or business affairs of any particular person (including the authority holding that information).

**N.M. Pringle
Chief Executive**

(01432) 260044

*Copies of the agenda are available on the Council's website www.herefordshire.gov.uk,
at the meeting or on request from
Mrs. Sally Cole, Committee Manager Executive on (01432) 260249.*