



BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

WEDNESDAY, 18TH JANUARY 2006 AT 6.00PM

COMMITTEE ROOM, THE COUNCIL HOUSE, BROMSGROVE

AGENDA

Council Agendas and Minutes are available on our web site at
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MEMBERS: Councillors R. Hollingworth (Executive Leader), Miss D. H. Campbell J.P., Mrs. J. M. L. A. Griffiths, Mrs. M. A. Sherrey J.P., Mrs. C. J. Spencer, Mrs. M. M. T. Taylor and P. J. Whittaker.

1. To receive apologies for absence
2. Declarations of Interest
3. To confirm the Minutes of the Executive Cabinet held on 10th January 2006
4. Public Questions
5. To receive the Minutes of the Local Development Framework Working Group dated 12th December 2005
6. To receive the Minutes of the Tenders Committee dated 15th December 2005 and 4th January 2006
7. Medium Term Financial Plan - Presentation
8. Progress Assessment
9. Risk Management Strategy
10. Benefits Overpayments Policy
11. Resolution of ICT Issues
12. Delegation for Charitable Collections
13. Local Allocation Criteria and Rural Lettings Policy for Rural Affordable Housing Schemes

14. To consider any other business, details of which have been notified to the Head of Legal and Democratic Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting
15. To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-

“RESOLVED: that under Section 100A (4) of the Local Government Act 1972, the Public be excluded from the meeting during the consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, the relevant paragraph of that part being as set out below:-

<u>Item No.</u>	<u>Paragraph(s)</u>
16	7, 8 and 9”

16. Purchase of Graffiti Removal System (not available to the Public)

S. NIXON
Chief Executive

The Council House,
Burcot Lane,
BROMSGROVE
Worcs.
B60 1AA

10th January 2006

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE EXECUTIVE CABINET

Tuesday, 10th January 2006 at 5.00 p.m.

PRESENT: Councillors R. Hollingworth (Executive Leader), Miss D. H. Campbell J.P., Mrs. J. M. L. A. Griffiths, Mrs. M. A. Sherrey J.P., Mrs C. J. Spencer, Mrs. M. M. T. Taylor and P. J. Whittaker.

OBSERVERS: Councillors G. N. Denaro, Mrs. R. L. Dent, Mrs. J. Dyer M.B.E., Mrs. K. M. Gall, B. L. Fuller C.B.E., Q.F.S.M., J. H. Gardener, W. R. Newnes, S. R. Peters, N. Psirides J.P., C. R. Scurrall and P. J. Whittaker.

143/05 **MINUTES**

The Minutes of the Meeting of the Executive Cabinet held on 14th December 2005 were submitted.

RESOLVED: that the Minutes of the Meeting be approved and confirmed as a correct record.

144/05 **REVIEW OF THE SCRUTINY PROCESS**

Consideration was given to the report on the review of the Council's Overview and Scrutiny Committees. Following discussion it was

RESOLVED: that the Standards Committee be recommended to approve the revised Scrutiny Committee structure, terms of reference and working arrangements, as detailed in the report submitted to the Meeting of the Executive Cabinet held on 14th December 2005, subject to:

- (a) the adoption of a system of time limited ad hoc task groups, on the basis that no more than five such groups be existing at any one time;
- (b) any Member, with the exception of Members of the Executive Cabinet, being entitled to be a Member of one or more Scrutiny Task Groups;
- (c) the current call-in procedure being maintained apart from the amendment of paragraph 15(c) of the Overview and Scrutiny Rules to allow two Members of the Committee rather than three Members of the Committee to request a call-in of a decision;
- (d) the new Overview and Scrutiny Committee referred to in paragraphs 3.16 and 3.18 of the report dated 19th October 2005 be entitled "The Scrutiny Steering Board";
- (e) the amendment of the first sentence of paragraph 3.19(2) of the report dated 19th October 2005 to read "Each task group may co-opt non-elected Members to serve on the task group".

145/05 **LOCAL GOVERNMENT ACT 1972**

RESOLVED: that, under Section 100A(4) of the Local Government Act 1972, the public be excluded from the Meeting during the consideration of the items of business the subject of the following Minutes on the grounds that they involve the likely disclosure of "Exempt Information" as defined in Part I of Schedule 12A to the Act, the relevant paragraph of that part, in each case, being as set out below:-

Minute No.
146/05
147/05

Paragraph
7, 8 and 9
7, 8 and 9

146/05

REVIEW OF E.GOVERNMENT AND ICT

Consideration was given to a report on some of the developments required in relation to ICT and e.Government in order to support the Authority's objectives and meet the needs of the Recovery Plan. Following discussion it was

RECOMMENDED:

- (a) that the performance in relation to statutory e.Government targets and the need for investment to achieve these targets be acknowledged;
- (b) that it be agreed that the Internet/Intranet business case presents the best option and that the Corporate Director (Resources) be authorised to enter into a contract for the preferred option within the cost of £27,950;
- (c) that the sum of £30,000 be included in the Capital Programme 2005/06 in respect of Government Connect;
- (d) that revenue expenditure of £39,500 be included in the medium term financial plan in respect of the Internet/Intranet and Government Connect;
- (e) that it be agreed that the ICT infrastructure business case presents the best option and that the Corporate Director (Resources) be authorised to enter into a contract for the preferred option within the cost of £1,873,127;
- (f) that revenue expenditure of £254,356 be included in the medium term financial plan in respect of the ICT infrastructure;
- (g) that the sum of £1,696,452 be released from Capital Reserves in 2005/06 in order to fund the projects;
- (h) that £48,476 be released from revenue reserves in order to cover the additional revenue expenditure in 2005/06.

147/05

TENDERS FOR THE PROCUREMENT AND INSTALLATION OF A PEDESTRIAN BRIDGE

Consideration was given to a report on the supply and installation of a pedestrian bridge across the Spadesbourne Brook. Following discussion regarding the background to the proposal, it was

RECOMMENDED: That the project be included within the revised Capital Programme for 2005/06 and the cost of up to £11,640 be met from savings made on other projects within the approved Capital Programme 2005/06, and the final selection of the company to undertake the work be delegated to the Leader of the Council, Portfolio Holder for Street Scene and Waste Management and the Head of Street Scene and Waste Management.

The Meeting closed at 5.55 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE LOCAL DEVELOPMENT FRAMEWORK WORKING PARTY

Monday, 12th December 2005 at 3.00 p.m.

PRESENT: Councillors Mrs. J. Dyer M.B.E. (Vice-Chairman), G. N. Denaro, Mrs. J. M. L. A. Griffiths (substituting for R. Hollingworth), G. H. R. Hulett, Mrs. J. D. Luck, D. McGrath, D. C. Norton, N. Psirides J.P., C.R. Scurrrell (substituting for Mrs. K. M. Gall), Mrs. M. A. Sherrey J.P., C. J. Tidmarsh, P. J. Whittaker and C. J. K. Wilson.

16/05 **APPOINTMENT OF CHAIRMAN**

RESOLVED: that Councillor P. J. Whittaker be appointed Chairman of the Working Party for the remainder of the municipal year.

17/05 **APOLOGIES**

Apologies for absence were received from Councillors Mrs. K. M. Gall, R. Hollingworth and J. A. Ruck.

18/05 **MINUTES**

The Minutes of the Meeting of the Working Party held on 25th October 2005, were submitted.

RESOLVED: that the Minutes of the Meeting be approved and confirmed as a correct record.

19/05 **ANNUAL MONITORING REPORT**

Further to Minute No. 14/05 of the Working Party in this regard, consideration was given to a draft Annual Monitoring Report under the Planning and Compulsory Purchase Act 2004. Members were advised that the Report was a Local Development document which formed part of the Local Development Framework and that the Report would assess (i) the implementation of the Local Development Scheme, and (ii) the extent to which policies in the Local Development documents were being achieved.

RESOLVED:

- (a) that the draft Annual Monitoring Report for 2004/05 be approved and, accordingly, forwarded to the Government Office for the West Midlands; and
- (b) that, in the event that any further changes to the Report might be necessary, the Head of Planning and Environmental Services be granted delegated powers therefor.

20/05 **CORE STRATEGY – PREFERRED OPTIONS DRAFT**

Consideration was given to a "proposed options" draft of a Core Strategy, which was a key document in the overall scheme of producing a Local Development Framework, setting out the broad objectives of the Council and providing a strategic base for future plan development documents.

A further version would be compiled and submitted for public consultation in January/February 2006, and members were requested to submit comments for inclusion in such document before the end of December. Whereupon it was

RESOLVED:

- (1) that the following matters be considered for inclusion in the document:-
 - (a) that the words "and enlargement" be included in paragraph 3.12 where mention is made to the improvement of Bromsgrove Station (Councillor Mrs. J. Dyer M.B.E.);
 - (b) that enquiries be made of the Head of Strategic Housing as to the size/adequacy of the Houndsfield Lane Caravan Site for use by the travelling community (Councillor Mrs. J. D. Luck).
- (2) that the comments/issues set out below be considered in future plan documents:-
 - (a) restrictions on the number of takeaway outlets situated in rural parts of the District (Councillor G. N. Denaro);
 - (b) that consideration be given to the possible inclusion of a specified "humanist" area within the Council's Cemeteries (Councillor G. H. R. Hulett).
- (3) that the word "derisible" in paragraph 3.1 (Profile of the District) be amended to read "desirable"; and
- (4) that, in all other respects, the draft report be noted and approved for consultation.

21/05

DRAFT HOUSING SUPPLEMENTARY PLANNING DOCUMENTS

A report outlining a new approach to the provision of affordable housing and the management of housing supply was submitted.

RESOLVED: that, subject to a clearer description being set out in paragraph 6 on page 6/33 of the Report (Where Development Sites are identified at key public transport interchanges), the documents be noted and approved, and that these initial drafts be forwarded to Hyder Consulting for them to undertake a sustainability appraisal prior to the consideration of a final draft in February 2006.

The Meeting closed at 4.55 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE TENDERS COMMITTEE

Thursday, 15th December 2005 at 9.15 a.m.

PRESENT: Councillors D. C. Norton (Chairman) and E. C. Tibby (substituting for Councillor R. Hollingworth).

09/05 **APOLOGIES**

Apologies for absence were received from Councillors R. Hollingworth and G. H. R. Hulett.

10/05 **MINUTES**

The Minutes of the Meeting of the Tenders Committee held on 18th November 2005 were submitted.

RESOLVED: that the Minutes of the Meeting be approved and confirmed as a correct record.

11/05 **LOCAL GOVERNMENT ACT 1972**

RESOLVED: that, under Section 100A(4) of the Local Government Act 1972, the public be excluded from the Meeting during the consideration of the items of business the subject of the following Minutes on the grounds that they involve the likely disclosure of "Exempt Information" as defined in Part I of Schedule 12A to the Act, the relevant paragraph of that part being as set out below:-

<u>Minute No.</u>	<u>Paragraphs</u>
12/05	7, 8 and 9
13/05	7, 8 and 9

12/05 **TENDERS FOR THE PROCUREMENT OF ONE CESSPOOL TANKER**

Following consideration of the report, it was

RESOLVED: that the contract for the supply of a 2000 Gallon Cesspool Tanker be awarded to the lowest tenderer at the cost set out in the report.

13/05 **TENDERS FOR THE PROCUREMENT OF THREE REFUSE COLLECTION VEHICLES**

Following consideration of the report, it was

RESOLVED: that the contract for the supply of three refuse collection vehicles be awarded to the lowest tenderer at the cost set out in the report.

The Meeting closed at 9.17 a.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE TENDERS COMMITTEE

Wednesday, 4th January 2006 at 9.30 a.m.

PRESENT: Councillors D. C. Norton (Chairman) and R. Hollingworth.

14/05 **APOLOGIES**

An apology for absence were received from Councillor G. H. R. Hulett.

15/05 **MINUTES**

The Minutes of the Meeting of the Tenders Committee held on 15th December 2005 were submitted.

RESOLVED: that the Minutes of the Meeting be approved and confirmed as a correct record.

16/05 **LOCAL GOVERNMENT ACT 1972**

RESOLVED: that, under Section 100A(4) of the Local Government Act 1972, the public be excluded from the Meeting during the consideration of the item of business the subject of the following Minute on the grounds that it involves the likely disclosure of "Exempt Information" as defined in Part I of Schedule 12A to the Act, the relevant paragraph of that part being as set out below:-

Minute No.

17/05

Paragraphs

7, 8 and 9

17/05 **TENDERS FOR STREET CLEANSING VEHICLES**

Following the opening of the tenders received, it was

RESOLVED: that officers be requested to evaluate the respective tenders and to report back the results to Members at a later date.

The Meeting closed at 9.40 a.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

18TH JANUARY 2006

AUDIT COMMISSION PROGRESS ASSESSMENT OF THE COUNCIL

Responsible Portfolio Holder	Councillor Mrs. M. M. T. Taylor
Responsible Head of Service	Hugh Bennett – Assistant Chief Executive

1.0 Summary

- 1.1 The purpose of the report is to formally table the Audit Commission's recent Progress Assessment of the Council at a public meeting, as recommended by the Audit Commission.
- 1.2 The report will also go to the Performance Management Board in accordance with its terms of reference.

2.0 Recommendations

- 2.1 It is recommended that Executive Cabinet:
- (a) notes the Progress Assessment (4.1 - 4.3 and **Appendix 1**);
 - (b) notes the progress now being made (4.1 - 4.3);
 - (c) considers the presentation given by the Chief Executive at the December Government Monitoring Board, which identified seven key recommendations from the Progress Assessment and proposed actions to respond to these during 2006 (4.4 and **Appendix 2**);
 - (d) notes the overview of the Recovery Plan reported to the December Government Monitoring Board (4.6 and **Appendix 3**);
 - (e) notes that the local television coverage, on the day the Progress Assessment was released was inaccurate – the Council does not have a star rating (5.1);
 - (f) notes the emerging arrangements for corporate inspection during 2006 (6);
 - (d) notes the problems with sending the Progress Assessment to all Members and the future arrangements for reporting inspection reports to Members, (7); and

- (e) notes the background information, as requested by Members, including the Council's press release (**Appendix 4**), the Audit Commission's press release (**Appendix 5**) and the Council response to the draft Progress Assessment that was sent to the Audit Commission (**Appendix 6**).

3.0 Background

- 3.1 The Audit Commission introduced Comprehensive Performance Assessment (CPA) in 2002. CPA measures how well councils are delivering services to local people. Through an arithmetic model the Audit Commission arrived at one of five judgements for a council's overall performance: excellent, good, fair, weak and poor.
- 3.2 We were not subject to a CPA, as our entry into voluntary engagement led to the Council accepting a rating of "poor". As a council deemed to be "under performing" we are subject to an annual progress assessment report by the Audit Commission, designed to measure the impact and sustainability of improvement activity.

4. Progress Assessment

- 4.1 The full report is attached at **Appendix 1**. Generally, the report is encouraging; it recognises that the direction of travel is positive and identifies a range of improvements:-
 - a) completion of Phase 1 of the refurbishment of the Dolphin Leisure Centre and achievement of the Quest Award;
 - b) the opening of the new Artrix Centre;
 - c) the opening of the Customer Service Centre, part of the Worcestershire Hub;
 - d) the significant improvements to recycling and composting (46% of household waste was recycled or composted at the end of September 2005, compared to 10.87% in 2003/04); and
 - e) the successful transfer of housing stock to Bromsgrove District Housing Trust.
- 4.2 Unfortunately, the Benefits Service was highlighted as an area for improvement when in fact there has been a significant improvement in performance in recent months e.g. average time taken to process new claims was 24.73% (top quartile) in October 2005, compared to 57 days in July 2005. This was a timing issue and a separate press release was made about the improvements plus communications by Corporate Management Team to staff about the Progress Assessment noted the improvements and explained why they had not been included.

- 4.3 The Audit Commission has identified seven key areas for improvement. The Council would have preferred the improvements to have been listed in the recommendations section of the report; nevertheless the seven recommendations set out below do represent the Audit Commission. The seven areas for improvement identified by the Audit Commission are:-
- a) review the corporate plan and ensure it contains clear targets and outcomes by which success can be measured;
 - b) ensure that resources are robustly prioritised in line with corporate priorities, through the 2006/07 budget and service planning round and over the medium term;
 - c) develop effective performance, financial and risk management arrangements. Ensure a robust focus on customer needs and satisfaction;
 - d) further develop an effective leadership top team and ensure a sustained focus on delivering the recovery plan;
 - e) ensure that modernised governance arrangements, in particular, Full Council and Scrutiny operate effectively. Where appropriate, provide Members with the skills to carry out their new roles and ensure effective communications with all elected Members;
 - f) improve cross party working on the Council to increase co-operation and encourage constructive engagement to deliver effective governance and improvement; and
 - g) ensure sustainable improvements in under-performing services, in particular, street cleaning and benefits.
- 4.4 The Corporate Management Team accepts these findings as a fair reflection of the Council's progress and position (with the exception of the benefits issue). The presentation slides attached at **Appendix 2** outline what actions we are taking to respond to these areas for improvement. Most of these are already in the Recovery Plan; however, some will be dependent on the outcome of the budget discussions and service business planning in February e.g. street cleaning, customer first strategy, communications strategy etc.
- 4.5 The overriding message from the identified areas for improvement is that Member/Member and Member/Officer relations are the key to our recovery process. Three of the seven recommendations are concerned with this issue. The ODPM Lead Official summarised the issues as: responsiveness, respect and engagement.
- a) **Responsiveness:** some Members are concerned that their queries are not being dealt with fast enough. The management team are keen we improve this and also have a wider concern about the need to ensure the Council has a true customer focus. We intend to address this through a Customer First Strategy. The Strategy is currently under development and is in the Forward Plan for March Cabinet.

- b) **Respect:** there are still occasions when Members' behaviour towards officers is not appropriate and vice versa. We already have plans in place for training the Top Team e.g. Cabinet and CMT and joint working between all Members and senior officers through peer mentors; however, we also need to be able to address inappropriate behaviours as and when they arise. Key to this will be a short set of protocols which will build on the constitution. These will help everyone understand what is and what is not acceptable behaviour and help guide committee chairs on what action to take when something inappropriate occurs.

- c) **Engagement:** everyone needs to be engaged in the process of recovery (all Members and all staff). We all need to keep the goal of running a Council that our residents deserve, providing strong community leadership and delivering services on the ground that have a positive impact on people's lives, at the forefront of our actions. This does mean working in a more inclusive manner. There is not one simple model of engagement. The Leader recently established the Group Leader's Meeting (and the attendance of this Group at the Government Monitoring Board). Initial feedback from December's Government Monitoring Board is that the Board were encouraged by the "positive atmosphere" between Members at the meeting. Members will need to build on this positive start and it is an area that the Government Monitoring Board will keep under review. Equally senior management need to ensure that they provide visible leadership to staff and engage all staff in the recovery process.

4.6 An important and related issue is the pace of change. The Progress Assessment deals with the period from our corporate governance re-inspection in 2003 to October 2005. From reading the Assessment it is possible to conclude that the pace of change needs to quicken; however, we need to remember that the Assessment is looking at the average pace of change over the two year period and not the current pace of change. The current pace of change is very rapid. The Government Monitoring Board's November meeting noted that there has "been significant progress in the past nine months" which is reflected in 79% of the Recovery Plan (see **Appendix 3**) being green (on target) and 21% amber (less than one month behind target). Members should also note that the majority of HR issues have been made amber to reflect the departure of the Head of Organisational Development and Human Resources. The issue for us all is now about sustaining the current pace of change.

5. **Television Coverage**

5.1 Members may have seen the local television coverage on the night that the Progress Assessment was released, in which the Council was given "one star". This was inaccurate. County Councils and Unitary Councils have recently moved from the Excellent, Good, Fair, Weak and Poor rating system to a star system – four stars down to no stars. The CPA framework for district councils is currently under review (the Council recently sent a response to the consultation on the future framework); however, at this moment in time, the system for district councils is unchanged and the Council is rated as one of nine "Poor" Councils.

6. Future CPA Framework and Inspection Arrangements for 2006

- 6.1 As per the previous paragraph, the CPA framework for district councils is currently under review with the confirmation of the new framework expected in March 2006. The Council's Audit Commission Relationship Manager recently gave a briefing to Members on the potential new framework (Members also received a briefing note from the Assistant Chief Executive on the various options being considered). The most likely option is a move to a star system, with re-categorisation through a corporate assessment, triggered by the annual Use of Resources assessment, Direction of Travel assessment, any service assessments and for councils "under-performing" their Progress Assessments.
- 6.2 Based on the above, the Council will receive a Direction of Travel assessment in March 2006, which will involve no fieldwork and will update the Progress Assessment with the second half of 2006/2007. The Council is then due to have another Progress Assessment in October 2006, which is likely to act as a trigger for a full CPA early in 2007. Both of these will be undertaken by the Audit Commission. The decision about when to come out of engagement will be taken by the ODPM and consequently is separate to the work of the Audit Commission; however, it would be reasonable to assume that a good Progress Assessment in October 2006 may lead to a lighter touch voluntary engagement with this ending completely in early 2007 if we achieve the right score in the full CPA.

7.0 Future Arrangements for Reporting Inspections to Members

- 7.1 The Assistant Chief Executive received a number of complaints from Members on the 19 December that the Progress Assessment was not circulated to all Members on the day of its release (the Progress Assessment was provided to the Group Leaders on the day of release). The Assistant Chief Executive responded to this on the 20 December with an e-mail copy of the Progress Assessment to Members and a paper copy to those Members not on e-mail. Unfortunately, due to a technical problem with MS Outlook these e-mails never reached Members. As a result, this report has been circulated (paper copy) to all Members. In future Members will receive any inspection reports on the day of release via e-mail (and a paper copy the following day by post).
- 7.2 Members have also requested copies of the press releases by the Council and Audit Commission (these are attached at **Appendices 4** and **5** respectively). A copy of the Council's response to the draft Progress Assessment has also been requested and this is attached at **Appendix 6**.

8.0 Conclusions

- 7.1 The Council is making progress and the current pace of change is rapid. In order to move out of recovery by March 2007 the Council needs to retain its focus, maintain (not increase) its current rate of change and work together as a team to ensure solid foundations are in place to deliver excellent services to our residents through a Council that is fit for purpose.

9.0 Financial Implications

- 9.1 Recovery is the first corporate priority. There are financial implications in delivering aspects of the recovery agenda, which will be dealt with at the Special Budget Cabinet on the 15 February 2006.

10.0 Legal Implications

- 10.1 None

11.0 Other Sub Headings

- 11.1 None.

12.0 Background Papers

Briefing Note, Comprehensive Performance Assessment Consultation, 29 November 2006).

CPA for Districts, Bromsgrove District Council Response, 30 November 2005.

CPA, The Harder Test, National Report, Audit Commission, 15 December 2005.

Key Messages from the Eleventh Monitoring Board Meeting, 15 November 2005.

Contact Officer

Name: Hugh Bennett – Assistant Chief Executive

Email: h.bennet@bromsgrove.gov.uk

Tel: (01517) 881430

Progress Assessment Report

December 2005



Progress Assessment Report

Bromsgrove District Council

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

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Progress assessments

In 2002, Comprehensive Performance Assessment (CPA) was introduced at single tier and county councils (ST&CCs) and at district councils in 2003/04, as a way of supporting councils to deliver improvements in services to local people. CPA brought together existing information on service performance in councils with a corporate assessment of each council's ability to improve. This was used to reach an overall conclusion about whether a council was 'excellent', 'good', 'fair', 'weak' or 'poor'.

In 2004 the Council engaged with the Office of the Deputy Prime Minister (ODPM), to support its recovery. As part of this engagement, the Council accepted a CPA category of 'poor' and the Audit Commission agreed to postpone the Council's CPA inspection. Arising from this engagement and its categorisation as 'poor', the Council has developed and started to deliver a recovery plan. In line with other councils classified as 'under performing' this Council is subject to an annual progress assessment by the Audit Commission. Through its network of relationship managers, the Commission worked closely with lead officials assigned by the ODPM in developing an appropriate monitoring programme.

Audit Commission progress assessment work has sought to measure the impact and sustainability of improvement activity. The progress assessment work has been tailored to local circumstances to provide appropriate public assurance and to contribute to improvement reporting. It involved an evidence-based judgement on progress against the original corporate assessment criteria, but without producing a score.

The progress assessment is part of the Commission's commitment to helping councils ensure continuous improvement to services for local people. It does this in the context of its strategic regulation principles, which look to minimise the burden of regulation at the same time as maximising its impact. We are committed to working in partnership with other regulators and the ODPM in this aim.

Introduction

- 1 In 2001 the Audit Commission carried out a corporate governance inspection at Bromsgrove District Council. A re-inspection of corporate governance was carried out in 2003, which concluded that overall progress with improvement had been insufficient.
- 2 In 2004 the Council engaged with the ODPM. As part of this engagement, the Council accepted a CPA category of 'poor' and the Audit Commission agreed to postpone the Council's CPA inspection.
- 3 This report presents an analysis of the Council's progress to date based on the Council's implementation of its improvement and recovery plan and comparison with the baseline position of the corporate governance re-inspection in 2003.

Summary

- 4 The Council is making some progress. The direction of travel is positive and it is tangibly a different organisation now than it was two years ago. However, much remains to be done and some significant challenges will need to be addressed if the Council is to achieve its ambition of emerging from engagement by 2007.
- 5 The Council has made good progress in defining its ambitions for the future. There is a clear recognition amongst both members and officers of the need for improvement, of where it wants to get to, and what needs to be done to achieve it. The Council is looking outwards and is working productively in partnership with others across the county. However, it is not effectively prioritising its resources. It has revised its corporate priorities and has updated its budget challenge and service business planning process. The next key challenge for the authority will be to undertake a more robust and priority-led budget and service planning round for 2006/07 and beyond.
- 6 Capacity to deliver recovery is improving, but is still fragile and there are areas where significant improvement is required. Clear managerial leadership has not always been evident in driving the pace and scale of the changes needed, although the focus on recovery has recently improved. Capacity is stretched by the demanding recovery agenda and the full complement of permanent management posts is only just now being completed. Solid progress has been made in improving basic financial accounting and internal control arrangements, however the Council has come from a very low base here and much remains to be done. Staff at all levels in the council are making positive contributions to the recovery process. Management of the depot has improved significantly. Good use has been made of interim managers, and the organisation's culture is now much more collaborative and 'can-do', with improved internal communications. Capacity across the authority to undertake effective performance, financial and risk management is still at an early stage.
- 7 The pace of member development has been slow, and some aspects of the Council's modernised decision-making and scrutiny arrangements are not operating effectively. Members are not working effectively together across all party groups to drive and focus on improvement.
- 8 The Council continues to deliver some good services to local people, and it has made significant improvements in some areas. The Council is now doing much better at recycling and composting waste. Most planning applications are being processed quickly, and the new Customer Service Centre has been successfully opened. However, some service areas are not performing strongly. Benefits claims are not being processed as quickly as they should, although performance is improving. Street cleaning remains a challenge. The Council is not making effective use of customer feedback to challenge and improve services.

- 9 The Council has worked hard to put in place a range of plans and investments that should help it to sustain improvement. The Council is investing in its benefits service, various strategies have been developed or drafted to help shape future decision-making, and a bid for capacity-building funding has been submitted to the government. Plans are in place to support more effective working and leadership by the Council's 'top team' of senior managers and members. However, there are no clear plans to address member development more broadly and to drive better cross-party working.

Recommendations

- 10 It is recommended that the Council:
- actively and promptly shares the findings of this progress assessment with staff;
 - takes it to an appropriate public committee meeting; and
 - uses the key findings as the basis for revising the recovery plan in conjunction with any direction from the Monitoring Board.

Context

The locality

- 11 Bromsgrove District Council is situated in the county of Worcestershire to the south west of the West Midlands conurbation, approximately 14 miles south of Birmingham.
- 12 The population of the area is 90,700, and since 2001 has increased at a faster rate than the region as a whole. Around 20 per cent of residents are of pensionable age, which is more than the national or regional average. A relatively small percentage of the population are from ethnic minority communities (4.3 per cent, compared to 13 per cent for England).
- 13 Much of the district's 217 square kilometres are rural and protected by Green Belt, but the district also has industrialised areas, with developments at Aston Fields, Buntsford Hill, Stoke Prior and Rubery, and an increasing range of small and medium sized businesses. The two main employment sectors are administration and distribution. Unemployment is low at 1.6 per cent, compared to 2.0 per cent for England and 1.9 per cent regionally. The percentage of the working age population qualified to NVQ4 or above is significantly higher than the regional and national averages. Part of the former MG Rover manufacturing site lies within the district.
- 14 There are low levels of deprivation within the district, which ranks 293 out of 354 councils on the national index of multiple deprivation 2004 (where 1 is the most deprived). Average incomes and house prices are both above regional and national averages. However, infant mortality is higher in the district than in the region as a whole.

The Council

- 15 The Council comprises 39 councillors. The Conservative party has overall control with 22 seats. There are also six Labour councillors, six Independent councillors, four councillors from the Wythall Residents' and Ratepayers' Association, and one Liberal Democrat councillor. The Council has a modernised political structure, with a single party executive comprising a leader and cabinet, and currently has three scrutiny committees whose remit covers Policy and Strategy, Housing and Planning Policy, and Health and Leisure. The council also has committees covering planning, standards, licensing, electoral matters, appeals, appointments and tenders. The Council employs 454 staff and its net revenue budget for 2005/06 is £9.8 million.

What is the Council trying to achieve?

- 16 The Council has made good progress in defining its ambitions for the future, however it has not yet clearly and robustly prioritised its resources.
- 17 There is a clear recognition amongst both members and officers of the need for improvement, and what needs to be done to achieve it. The Council engaged with the ODPM in 2004, and accepted a 'poor' CPA category. Extensive consultation with both internal and external stakeholders led to the adoption of a comprehensive recovery plan in November 2004. In early 2005 the Council published a three-year corporate plan which sets out six broad objectives. These complement the objectives in the district's Community Plan 2003 - 2013. Three of the Council's objectives are referred to as key priorities, namely:
 - healthy and safe communities;
 - clean streets and public places; and
 - efficient and effective conduct of council business.
- 18 The Council is actively and productively engaged with external partnerships, at both operational and strategic levels. Partners are positive about this engagement and recognise the leadership which the Council's new Chief Executive is providing here. Examples of partnership working include the opening of the customer service centre, which is part of the county-wide Worcestershire Hub, and the development of a shared Care and Repair Agency with Redditch and Wyre Forest District Councils. The Council actively supports the Local Strategic Partnership (LSP), and the Portfolio Holder for Recovery, Corporate Plan and Strategic Partnerships sits on the LSP board. However, some of the LSP theme groups, and mechanisms for ensuring robust partnership performance management arrangements, are still at an early stage.
- 19 The Council is not effectively prioritising its resources. The corporate plan is not explicitly resourced, and lacks clear targets and outcomes by which success can be measured. The Council did undertake a detailed medium-term financial planning exercise for 2005-08, but this was hampered by weaknesses in financial information and budget management. The Council has recently approved a set of priorities and non-priorities for the year ahead, and there is a clear timetable for incorporating these into the budget and planning round for 2006/07 and beyond. The Council recognises that it will need to revise its corporate plan accordingly. These 'refreshed' priorities are:
 - to achieve recovery by March 2007;
 - to fulfil statutory duties and address certain key areas such as street scene and waste management; and
 - putting Bromsgrove first, eg the county-wide Local Area Agreement.

How has the Council set about delivering its priorities?

- 20 The Council is making some progress in improving its capacity to deliver outcomes for local people, but this is still fragile. Some key improvements are still required.
- 21 Clear managerial leadership has not always been evident in driving the pace and scale of the changes needed. The Council's recovery plan was not clearly prioritised. One of the new corporate directors left the organisation in early 2005, after being in post for less than 12 months, and this inevitably distracted management attention. Permanent appointments to this post and to the Assistant Chief Executive post have only very recently been made. However, the Council did meet a number of major inherited commitments in 2004/05, for example the successful opening of the customer service centre. More recently, the format of the recovery plan has significantly improved, with a much clearer focus on what needs to be achieved using a rolling four month period.
- 22 Some aspects of the Council's governance are not operating effectively, namely:
- there is limited strategic debate taking place at full Council, with time taken up dealing with too many notices of motion;
 - there are some poor member behaviours which are sometimes distracting the Council from improvement;
 - there is still some lack of clarity about appropriate member/officer roles and responsibilities, although we note that delegations to officers have increased;
 - notwithstanding that it has undertaken some good reviews of policy, Scrutiny is not yet operating as effectively as it could, particularly in terms of holding the executive to account;
 - the pace of member development has been slow, particularly in developing modern-member skills. Elected members from other councils have recently undertaken some peer-mentoring of members at Bromsgrove District Council; and
 - communications with all elected members do not always work effectively. Some members report that it can be difficult to get a response to enquiries.
- 23 There is a lack of consensus for improvement across all the party groups. Most of the groups signed up to the Council's self-assessment for this progress report, however one of the groups submitted an alternative assessment. Members are not working effectively together across all party groups to drive and focus on improvement. For example, there is limited sharing of positions of responsibility on committees outside of the controlling group.
- 24 Capacity across the Council is still very stretched, particularly with the demanding recovery agenda, and staff feel this acutely.

12 Progress Assessment Report | How has the Council set about delivering its priorities?

- 25 Performance management is not effective. Across the organisation, skills to undertake effective financial, performance and risk management are at an early stage of development. However, a broad performance management framework has been agreed and approaches to service planning are improving, supported by workshops and guidance for managers. Performance indicators (PIs) are being reported to members and some good scrutiny of PIs is evident, however, the format of these reports could be improved. Staff training has improved and there are plans to further strengthen these arrangements by using appraisals to systematically inform development needs.
- 26 Management culture and capacity have improved. A new senior management team was appointed in 2004. Internal communications have improved, eg the regular Chief Executive bulletins, and this is recognised by staff. Cross-departmental working is now the norm and staff feel more confident about working collaboratively. The Council has made good use of interim managers, who have added considerable value. A new service structure has recently been implemented and most of the new, permanent heads of service have been appointed. This restructure was delivered quickly, given the lack of clarity in 2004/05 about the Council's financial position inherited by the new senior management team. The Council is actively learning from Beacon councils.
- 27 The Council has made solid progress in improving its financial accounting and internal control arrangements, from a very low base. There is still a considerable way to go, but the direction of travel is positive and the Council clearly understands what it needs to do next. The accounts for the last three years have been successfully closed, with the statutory deadline met for reporting the 2004/05 accounts to members. The new financial information system has been installed and managers have been getting monthly revenue reports since April 2005. Members have recently received their first quarterly revenue report. A forward audit plan is now in place and internal audit are working actively to support improvement.
- 28 The management of the Council's depot has improved significantly this year, following the appointment of the interim manager, supported by better quality financial and performance information and improved service planning. In the past this service, which accounts for almost half of Council expenditure, has suffered from significant weaknesses in its management. Better use is now being made of existing depot resources, eg increasing the frequency of grass cutting.

What has the Council achieved/not achieved to date?

- 29 The council continues to deliver some good services, and it has made significant improvements in some areas. However, this is not consistent across the Council, and some key services are still weak.
- 30 A majority of Council services are showing improvement, although many are still performing below average when compared with other councils. Data for 2004/05 indicates that 53 per cent of the Council's key Best Value Performance Indicators (BVPIs) had improved since 2002/03, although 58 per cent of key BVPIs were in the third or bottom quartiles.
- 31 2004/05 BVPI data indicates that some areas of service have performed particularly well, in particular:
- the proportion of household waste recycled and composted has increased significantly and the Council has already exceeded its statutory target for 2005/06;
 - the percentage of council tax collected has continued to improve and the Council is in the best quartile; and
 - most planning applications are being processed quickly, although performance in respect of major planning applications has declined.
- 32 The Council has achieved significant service improvements or investments in some other areas. Phase one of the refurbishment at the Dolphin Leisure Centre has been completed, and the Council is seeing increased usage at the centre, which has also achieved the Quest Award. The Council's web-site is well presented and is in the top quartile for accessibility. The Customer Service Centre, part of the Worcestershire Hub, and the new Artrix Centre have been opened. Following a tenants' ballot, the Council has successfully transferred its housing stock to the Bromsgrove District Housing Trust – in the prevailing circumstances the successful transfer represented a major achievement. The Council is working well with Advantage West Midlands on redevelopment of the Garringtons site. The Council offered support and advice to people who lost their jobs when MG Rover closed.
- 33 However, there are areas where progress in service improvement has been slower, in particular:
- street cleaning remains a challenge. This was one of the factors which contributed to the Council receiving only a 'fair' judgement on its waste management inspection in December 2004. Following recent changes to working patterns there are early indications that performance has started to improve here;
 - the speed of processing benefits claims, although improving, is below national standards, and in 2004/05 the Council was in the worst quartile for recovering overpaid benefit; and

14 Progress Assessment Report | What has the Council achieved/not achieved to date?

- performance against the government target for e-enabled services is weak. This was one of the factors which contributed to a 'fair' judgement on the Council's e-government inspection in March 2005.
- 34** The Council's understanding of service-user satisfaction is not well developed. It does not consistently and routinely report and analyse customer feedback. In addition, service standards are not clearly articulated. Approaches to considering and ensuring value for money are at an early stage.

In the light of what the Council has learned to date, what does it plan to do next?

- 35 The Council is investing for future improvements, however some significant challenges remain.
- 36 The council has responded well to external scrutiny. It is engaged positively with the government's Monitoring Board, and it has responded effectively to the recent inspection by the Benefits Fraud Inspectorate, with a range of investments for improvement. The Council's self-assessment for this progress report provides a clear analysis of the challenges that need to be tackled next.
- 37 External auditors are confident that financial accounting and internal control arrangements are continuing to improve. The Council recognises that much more needs to be done here and the recovery plan sets out the steps to be undertaken, for example basic financial management training for managers and members is planned before the start of the 2006/07 budget round.
- 38 There is now greater clarity about corporate priorities. Although this is very recent, it is viewed positively by both members and officers. The key challenge for the Council will be to translate these into a more robust and priority-led budget and service planning round for 2006/07 and beyond.
- 39 Various investments and plans have been put in place, or are being developed, to assist with sustaining improvement. A procurement strategy is in place and initial work is underway to identify efficiencies. A strategy for streetscene and waste management is out for consultation. There is now a more consistent corporate approach to staff appraisals, appraisals are already underway at senior management level, and HR and communications strategies have been drafted. There is an active equalities group which has contributed to the development of the draft housing strategy and is engaged in consulting with community groups. A Performance Management Board is being established, aimed at providing more focused oversight of performance at member level. A capacity-building bid has recently been submitted to the government.
- 40 The management structure at head of service level is very new, and details of posts below this level have yet to be settled. There is no explicit exit strategy for reducing reliance on interim managers and embedding the new, permanent service structure, however the Council recognises the importance of ensuring effective handovers and this is already happening in practice.
- 41 There are plans to undertake 'top team' development for senior managers and members, however there are no clear plans to effectively address member development more broadly and to improve cross-party working. There is a member development strategy, and a member training programme for October 2005 – March 2006 is in place, based on an analysis of training needs. However, these do not adequately address the development of strategic and 'modern-member' skills. These remain significant issues for the authority.

Appendix 1 – Summary of the areas identified for recovery in 2003 and 2004

Summary of the findings from the Corporate Governance re-inspection of Bromsgrove District Council in July 2003

How well is the council doing?

Community focus

- The Council still does not have a clear focus on what is important to local people. It has started to work with local partners to develop a community plan, but there is a lack of ownership of the plan in the wider Council. The latest corporate plan expired in December 2002 and there is currently a lack of clearly defined council priorities.
- The corporate planning framework is not aligned to the financial planning process, which means that budget decisions may not be focused on priority areas.

Structures and processes

- The new political structure (strategic cabinet and leader with scrutiny committees) is working more effectively now and councillors are more aware of their roles and responsibilities within it. Regular reporting to councillors on performance is now happening and the Council has a better understanding of its relative service performance compared to other councils.
- There is too much central control of management decisions and as a result many managers feel unable to make good local decisions. This is inhibiting the Council's ability to innovate and improve its services.
- At officer level there is still a lack of an effective forum to develop strategy and forward planning. Some minor changes have been made to the Officers Management Team, but it continues to operate at a fairly routine level. The Council continues to lack the senior management capacity it needs to take forward its strategic priorities.
- Performance monitoring has been strengthened, with challenging targets based on top performing councils now being set for many council services. This has led to a more rigorous approach to examining service delivery options and some service improvements. In parts of the Council, this has been managed effectively and staff have experienced this more challenging approach positively. In other parts of the Council the approach has been less well managed and has had a negative impact on morale. It is also unclear whether performance monitoring is leading to improvements in priority service areas.

It is now important that the wider Council learns from the positive experiences, and uses this to develop performance management across the Council.

Risk management and financial control

- There continues to be serious problems in the financial management of the Council both in the day-to-day routine procedures and the more strategic financial planning. The cabinet has now recognised the need to take corporate responsibility for these serious weaknesses in financial management and has taken action to strengthen its finance team by recruiting an interim financial manager to stabilise what had become an unacceptably poor service.
- We found serious problems with the Council's project to deliver a new financial information system. Activities which should have been undertaken at the start of the project are only now being addressed and there have been problems within the project implementation team. This is a high risk project critical to the Council's corporate governance and the potential consequences of failure are serious. However, since our inspection the Council has brought in an experienced external organisation to manage the project and has reported that the project is now progressing satisfactorily.
- Although the Council has agreed an overall risk management strategy, this has not yet had an impact on how the Council manages itself. For example, the plan for ensuring the Council meets its statutory obligations if tenants reject a proposed housing transfer, fails to either analyse adequately the risks or to outline clear proposals for managing them.

Service delivery

- The Council's service performance as reflected in the latest published and audited performance indicators (2001/02) are uneven with some good performance but too many key services have performance comparable to the worst performing councils. However, latest audited, but as yet unpublished performance indicator figures for 2002/03 suggest more services are improving than getting worse, but a number of important services continue to perform relatively poorly.
- The Council continues to work well with local partners at an operational level in delivering services to the public.
- Councillors and officers are more focused now on improving services and aspiring to reach the performance achieved by top performing councils but are failing to meet the majority of their own targets.

Standards of conduct and behaviour

- The working relationship between leading members and the corporate director is ineffective and impairing the Council's ability to improve services. This stems from poor communication, a lack of clarity over respective roles and a lack of trust and confidence.

- There remains a lack of trust in the relationship between some senior officers and the leader of the opposition, although the relationship between the leaders of the two main political groups has improved. There is an over-reliance on formal processes to resolve relatively minor disputes rather than improving some difficult relationships.

What is the Council's capacity to do better?

- There are a number of factors contributing to the improvement in the Council's corporate governance:
 - senior members are more open to recognising both the Council's weaknesses and the benefits of external support in addressing them;
 - senior members are more aware of the need to strengthen the strategic management capacity of the Council and additional finance has been included in the 2003/04 revenue budget to fund this;
 - the Council has started to take action to stabilise its financial management. However, significant challenges remain before major improvements will be evident at either a strategic or day-to-day level; and
 - the Council has plans to undertake some significant new service developments which will benefit local citizens.
- However:
 - despite investment in new services, the Council's corporate priorities remain unclear;
 - the most senior officers showed limited awareness of the general lack of progress against the recommendations that we made in March 2002. The Council has made insufficient progress in the majority of the recommendations. In particular, the need to align financial planning with the Council's corporate objectives or the introduction of a strategic decision making forum have not been addressed;
 - the ineffective relationship between the most senior officers and the leadership remain a significant barrier to improvement. Councillors now recognise the need to strengthen strategic management capacity;
 - the Council is not sufficiently engaged with key strategic partners at a county and regional level and this will inhibit the progress it can make in achieving higher level aims; and
 - the senior management culture present in much of the Council will continue to limit progress in improving services if it does not change.

Summary of the areas for improvement at Bromsgrove District Council, identified by the Office of the Deputy Prime Minister in August and December 2004

- Address the urgent financial planning, management and reporting, and budgetary control issues.
- Provide clear strategic leadership, particularly in terms of:
 - effective operation of Full Council and its various committees, with wide member engagement;
 - dramatically improve working relationships between members, and between members and officers, and to clarify roles;
 - partnership working, notably with regard to the development of the LSP and delivery of the Community Plan; and
 - production and implementation of an up to date Corporate Plan with a clear alignment between corporate priorities and the financial planning process.
- Produce and implement a comprehensive organisational development strategy.
- Develop the essential building blocks of effective performance management, risk management and procurement processes.
- Produce and implement comprehensive strategies for communication and consultation.

Summary of the areas for improvement, identified in the Council's Recovery Plan November 2004

- Modernisation and culture change
- Strategic leadership and political priorities
- Performance and service improvement
- Financial management
- Political leadership
- Corporate leadership
- Corporate management
- Organisational development

Appendix 2 – Progress monitoring against the findings of the Comprehensive Performance Assessment

- 1 The Audit Commission undertakes comprehensive performance assessment under the Local Government Act 1999.
- 2 Under section 3 of the Local Government Act 1999 ('the Act'), best value authorities have a duty to make arrangements to secure continuous improvement in the exercise of their functions, having regard to the principles of economy, efficiency and effectiveness. By virtue of sections 10 and 13 of the Act the Audit Commission may carry out inspection activity to ensure that a best value authority is complying with this duty, and may issue a report as to its findings. This progress monitoring activity and reporting to assess improvement falls within sections 3, 10 and 13.
- 3 The main elements of this progress monitoring report were collation and analysis of evidence from:
 - self-assessments of progress made, completed by the Council;
 - appointed auditor evidence from performance and financial audit activity;
 - audited performance indicators, inspection reports and plan assessments;
 - reviews of key corporate documents including performance reports, committee papers and management reports; and
 - observations, interviews and focus groups with managers, staff, members and partner organisations.
- 4 This progress monitoring report for Bromsgrove District Council was collated by the Audit Commission and reflects evidence gathered over the period from July 2003 to October 2005.
- 5 This report has been discussed with the Council, which has been given the opportunity to examine the Audit Commission's assessment. This report will be used as the basis for reporting progress to the Monitoring Board and updating and improving any Improvement/Recovery Plan as appropriate.

Appendix 2

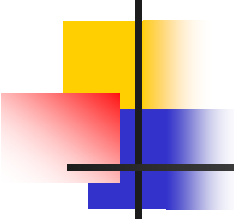


**BROMSGROVE DISTRICT COUNCIL
MONITORING BOARD
20TH DECEMBER 2005**



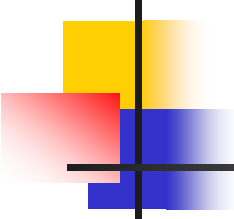
Review the Corporate Plan and ensure it contains clear targets and outcomes by which success can be measured.

- Initial update through the development of Top 45 for Services Directorate and similar for Resources Directorate.
- Initial focus on bottom and third quartile indicators (and CPA).
- A more detailed review for 2007/10 to be carried out in first half of 2006/07, subject to agreement by Cabinet.



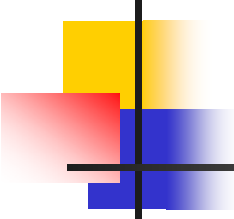
Ensure that resources are robustly prioritised in line with corporate priorities, through the 2006/07 budget and service planning round and over the medium term

- Three corporate priorities for 2006/07 agreed by Cabinet and Full Council.
- Corporate priorities being fed into budget discussions through pressures template and options for change template.
- SMT to short list pressures for Members and recommend savings for decision at special February Cabinet.
- Service business plans detailing 'key deliverables' linked to proposed budget to Cabinet in February and to PMB.



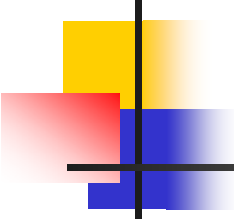
Develop effective performance, financial and risk management arrangements. Ensure a robust focus on customer needs and satisfaction.

- Performance Management Board established and Assistant CE in post to lead performance management process. 2006/07 business plans and a “Top 45” set of indicators to be submitted to Cabinet in February.
- Risk Management Strategy drafted and to be submitted to Cabinet for approval in January.
- Corporate Plan to be updated with SMART measures (Top 45).



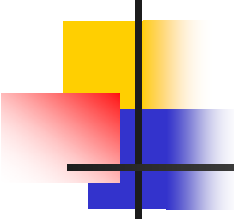
Develop effective performance, financial and risk management arrangements. Ensure a robust focus on customer needs and satisfaction (continued)

- Assistant Chief Executive has responsibility for Communications Strategy and Customer First Strategy.
- 2006/07 business planning template updated to include a consultation and community engagement plan for each service.
- Customer First Strategy to be developed and submitted to March Cabinet. Potential customer training for all staff and a BDC Customer Service Charter with customer standards to be developed.
- Evaluation to include mystery shoppers (budget pressure subject to Cabinet agreement).



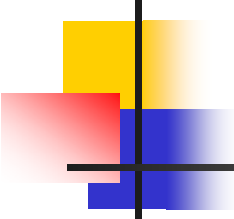
Further develop an effective leadership top team and ensure a sustained focus on delivering the Recovery Plan.

- Top Team and Member/Officer development covered on next slide.
- Timetable for Recovery Plan established, including SMT and Group Leaders' meeting prior to GMB.
- Format updated and briefing note now includes tracking of changes.
- Recovery Plan reviewed by SMT each month and reprogrammed as appropriate (with proposed changes identified in briefing note for agreement by Members).
- There is a sustained focus on the Recovery Plan.



Ensure that modernised governance arrangements, in particular, Full Council and Scrutiny operate effectively. Where appropriate, provide Members with the skills to carry out their new roles and ensure effective communications with all elected Members.

- I&DeA appointed to deliver a Top Team development programme to Executive Cabinet Members and CMT.
- I&DeA peer mentors to deliver 3 sessions on behaviours for Members and officers.
- Standards Committee to receive joint report on new Scrutiny Board, Performance Management Board and Audit Board in January.
- Constitutional change to enable heads of service to be appointed by officers only.



Ensure that modernised governance arrangements, in particular, Full Council and Scrutiny operate effectively. Where appropriate, provide Members with the skills to carry out their new roles and ensure effective communications with all elected Members.

- Agreed timeline for making a decision at Cabinet (and the required steps before this) to be agreed by end of January.
- As part of this work, SMT to also agree schedule of meetings (regularity of, purpose, attendees etc).
- SMT and Members to share helpful working practices with each other.
- Set of protocols to be developed, using draft Performance Management Board set as a starting point.



Improve cross-party working on the Council to increase co-operation and encourage constructive engagement to deliver effective governance and improvement.

- Monitoring Board attended by opposition leaders.
- A regular Group Leaders meeting is now established and the Leader is committed to developing better cross-party relations.
- Performance Management Board is attended by opposition leaders and Chairman and Vice-Chairman from different parties.



Ensure sustainable improvements in under-performing services, in particular, street cleaning and benefits.

- Benefits Service now produces monthly performance report with targets for each of its main indicators. The service is on target to deliver its improvement plan, including the 17 key recommendations from the BFI review, which have been incorporated into the improvement plan.
- Significant improvements to Benefits performance already happening.
- Street cleaning identified as one of four budget pressures in the Street Scene & Waste Management Service. Implementation of improved processes dependent on agreement of required budget.

Recovery Plan - Overview Document

	July	August	September	October	November	December	January	February	March	April	May	June	July	Outcomes	Risks	Comments
G = Green, A = Amber, R = Red, Gr = Grey																
1 Financial Planning																
1.1	Develop sound, comprehensive 3 year strategic financial plan by April 05															Complete
1.2	G	G	G	G	G	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Gr	A better understanding of the financial position of the Council by officers & members. To help make decisions based on robust financial information. To have a break even outturn for 2005/06or to have identified key areas to reallocate resources to improve Council Services	- Lack of staff resources - New Heads of Service / officers - Lack of understanding of finance - Lack of understanding of systems	Monitoring reports being produced. Bank reconciliation process working. Timeline to be reviewed.
1.3	A	A	A	G	G	Gr	Gr							That the members and officers at Bromsgrove District Council have a sound understanding of the financial implications of their decisions and	- Lack of staff resources - New Heads of Service / officers - Lack of commitment / availability of officers	Delays due to lack of resources and closedown of accounts. Scheduled to be delivered in
1.4	A	A	A	A	A	Gr	Gr							To have a structured framework of financial management at BDC that complies with external assessors and follows the guidelines of best practice	- Lack of staff resources - New Heads of Service / officers - Lack of skills - Lack of understanding of requirements	Delayed due to priority being given to closedown of accounts, budget monitoring improvements and delivery of financial training. To undertake initial assessment of BDC as part of the review of the medium term financial plan.
1.5	A	A	A	G	G	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Robust system of internal control	- Lack of staff resources - Staff changes - Lack of understanding / ownership - Lack of understanding of systems	A draft Statement of Internal control has been written for closedown of accounts 2005/06. To be discussed at OMT.
1.6	A	A	A	G	G	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Improved system of internal control	- Lack of staff resources - Lack of skills - Lack of understanding of role of internal audit by officers / members - Lack of ownership by services	Audit Manual, Audit Standards and local performance indicators in draft. Awaiting Audit Committee approval.
1.7	G	G	G	G	G	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Gr	High quality Revenues and Benefits service	- Lack of staff resources - Lack of skills - Lack of understanding of role / importance of revenues and benefits by officers / members - Lack of ownership by services	Performance improving. Noted in Progress Assessment.
2 Strategic Leadership																
2.1			G	G	G	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Gr	To develop clear priorities to drive the MTFP.	- Lack of ownership by members / officers - Lack of resources - Lack of cross party agreement - Lack of focus	"Top 45" indicators will provide this update. Fuller review for 2007/08.
2.2	G	G	G	G										Achieved.	Not applicable.	Achieved.
2.3	G	G	G	G	G	Gr	Gr	Gr	Gr					To take a lead role in focussing on the needs of Bromsgrove and stimulating partnerships to bring maximum resource to bear.	- Lack of member / officer time - Lack of resources - Lack of co-operation and commitment from partner organisations and Members of LSP	LAA response completed. Agreed approach to
2.4	G	G	G	G	G	Gr	Gr	Gr	Gr					To develop members to be effective in the community as recognised leaders.	- Lack of commitment by members - Time demands on Members - Lack of resources / skills within organisation to deliver training programme	
2.5	G	G	G	G	G	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Members better equipped to provide effective strategic leadership.	- Lack of ownership by members / officers - Lack of cross party agreement - Lack of focus	

Recovery Plan - Overview Document

G = Green, A = Amber, R = Red, Gr = Grey		July	August	September	October	November	December	January	February	March	April	May	June	July	Outcomes	Risks	Comments
2.6	Develop and agree process for cross-party working	A	A	A	G	G	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Effective joint working leading to improved delivery.	- Lack of ownership by members / officers - Lack of cross party agreement - Lack of focus	Performance Management Board established. Audit Committee and Audit Plan agreed by Cabinet.
2.7	Review scrutiny process	G	G	G	G	G	Gr	Gr							A robust and effective scrutiny process.	- Lack of ownership by members / officers - Lack of cross party agreement - Lack of focus	
2.8	Revise the Council's constitution			G	Gr	G	Gr	Gr	Gr	Gr					To clarify roles and responsibilities.	- Lack of ownership by members / officers - Lack of resources - Lack of cross party agreement - Lack of focus - Lack of willingness to release control	
2.9	Restructure of the Council	G	G	A	A	A	Gr								Structure that is more aligned to achieve the Council's priorities and the recovery plan	- Lack of resources - Lack of skills / competencies to achieve required outcomes - Good staff leaving during times of uncertainty	CMT completed (apart from 2 posts). Council now in consultation period with 17 staff "at risk".

3 Organisational Development

3.1	Develop a BDC leadership style and code of practice	G	G	G	G	G	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Improved working relationships and an understanding of what is normal.	- Lack of officer / member interest, fear and unwillingness to change - Lack of resources	Provisional dates for 38 peer mentoring sessions agreed.
3.1	Procure and commence "Top Team" development programme via capacity building bid				G	G	Gr	Gr	Gr	Gr					To create a culture change of openness and trust between Members and officers and personal development	- Lack of officer / member interest, fear and unwillingness to change - Lack of resources	Procured. Provisional dates being agreed.
3.2	Develop a HR Strategy		G	G	A	A	R								To transform the culture and capability of the workforce.	- Lack of ownership by members / officers - Lack of resources / skills	Restructuring means this will need to be put back.
3.7	Develop Workforce Development Plans							A	A	A					To focus and commit employees to and on internal and external customers. Right staff with the right skills in the right place at the right time.	- Lack of ownership by members / officers - Lack of resources / skills	Head of HR leaving.
3.3	Review and revise Employee Consultation Procedures										Gr	Gr	Gr	Gr	To ensure the Council has effective and efficient employee consultation procedures	- Lack of ownership by members / officers - Lack of resources / skills	Head of HR leading.
3.4	Review, revise and re-launch appraisal scheme for all staff across the organisation.		G	G	G	Gr	Gr								To introduce forward problem solving performance management	- Lack of ownership by staff - Lack of resources / skills	Head of HR leading.
3.4	Develop and implement appropriate Management Competencies to lead the programme of change							A	A	A	Gr	Gr	Gr	Gr	To develop all staff to possess core skills to facilitate improvement.	- Lack of ownership by staff - Lack of resources / skills - Lack of agreement from TU and staff network	Head of HR leading.
3.5	Develop and launch a Middle Management Development Programme							A	A	A	Gr				To develop all middle managers to possess the core skills to facilitate improvement.	- Lack of ownership by members / officers - Lack of resources / skills	Head of HR leading.
3.6	Review Recruitment and Retention procedures										Gr	Gr	Gr	Gr	To ensure the Council has effective and efficient recruitment and retention procedures	- Lack of ownership by members / officers - Lack of resources / skills	Head of HR leading.
3.7	Undertake Job Evaluation exercise and complete Single Status				G	Gr	Gr	G	G	A	Gr	Gr	Gr	Gr	To ensure the Council meets its obligations under the Equal Pay Act	- Lack of ownership by members / officers - Lack of resources / skills	Head of HR leading.

4 Performance Management, Risk Management and Procurement

4.1	Review and improve the council's performance management processes			G	A	G	Gr	Gr	Gr	Gr					Examples of corrective action and service improvement.	Lack of management capacity	Top 45 drafted. Business planning timetable set.
4.2	Develop a process to benchmark performance by identifying areas for improvement and implementing remedial actions	G	G	G	G	G	Gr	Gr	Gr	Gr	Gr	Gr	Gr	Gr	To develop SMART business plans which are underpinned by embedded performance management down to individual level.	- Lack of ownership by members / officers - Lack of resources - Lack of focus - Lack of skills	Top 45 drafted. Business planning timetable set.
4.3	Develop an understanding and support processes for performance management and service improvement				G	G	Gr	Gr	Gr						Examples of corrective action and service improvement.	Lack of management capacity	Secondment to corporate performance team.

Recovery Plan - Overview Document

G = Green, A = Amber, R = Red, Gr = Grey		July	August	September	October	November	December	January	February	March	April	May	June	July	Outcomes	Risks	Comments
		4.4	Develop, procure and implement procurement strategy and training	G	G	G	G	Gr	Gr	Gr							To obtain VFM within organisational discipline.
4.5	Develop, procure, deliver and implement Risk Management Strategy and training	G	G	G	A	A	Gr	Gr	Gr						To embed policies to ensure the Council's ambitions are met.	- Lack of ownership by members / officers - Lack of resources - Lack of skills	Risk Strategy to December Cabinet. Training rescheduled.
4.6	Develop an effective approach to project management				A	G	Gr	Gr	Gr	Gr					Projects delivered on time to specification.	Lack of management capacity	
5 Communication and Consultation																	
5.1	Develop and implement Consultation, Communication and Marketing strategy	G	G	A	A	G	Gr	Gr	Gr	Gr					To gain a complete understanding externally and internally to individuals of the Council's ambitions.	- Lack of officer / member time - Lack of understanding / ownership	Re-programmed to March Cabinet.
5.2	Develop and implement Corporate Customer Service strategy	G	G	A	A	G	Gr	Gr	Gr	Gr					To develop a culture of customer care with employees committed to the concept.	- Limited staff buy in to culture change - Staff don't have tools to do the job	
6 Service improvement																	
6.1	Develop and agree Depot Strategy [subject to funding]	G	G	G	G	G	Gr	Gr							To provide a cost effective and efficient high performing service	- Lack of financial and performance information - Lack of clarity around priorities - Lack of finance	Budget issues from strategy being finalised.
6.2	To ensure clear understanding and well managed processes that bind the organisation together.						Gr	Gr	Gr	Gr	Gr	Gr	Gr	Gr	To provide a cost effective and efficient high performing service	- Lack of financial and performance information - Lack of clarity around priorities - Lack of finance	



News Release

**For immediate Release.
Thursday, 15 December, 2005.**

ON THE ROAD TO RECOVERY

Bromsgrove residents can rest assured that the District Council is doing all it can to give them the services they deserve.

The promise follows the Audit Commission's latest report which says the Council is making progress and delivering some good services to local people, although there are still challenges to be met.

Welcoming the overall positive outcome of the report, Leader Councillor Roger Hollingworth said: "Members and staff have worked very hard to make the improvements which the Audit Commission has recognised. However, we know there is still more to be done and we have plans in hand to tackle the challenges ahead.

"We want everyone to know that we are pulling out all the stops to give local people the best services we can provide," he added.

Chief Executive Officer, Sue Nixon, said: "Everyone at the Council is committed to providing first class services and we are confident we will move the Authority out of recovery by early 2007."

The Audit Commission says "big improvements" have been made in financial accounting and there have been improvements to recycling and composting. The Council has speeded up its process for dealing with planning applications and successfully opened its Customer Service Centre.

But, it feels that although performance is improving, benefit claims are not being dealt with as quickly as they should, street cleaning could be better and the Council should make more effective use of what its customers say.

Money is being put aside to improve street cleaning and a 'Customer First' improvement service programme is being drawn for implementation early next year.

* * * * *

Contact: Hugh Bennett, Assistant Chief Executive. Tel: 01527 881430.

From: Mary Pryce, Press Officer. Tel: 01527 881287.

Note to Editors: In 2004 the Council engaged with the Office of the Deputy Prime Minister to support its recovery.

UNDER EMBARGO UNTIL 00.01 HOURS, 15 DECEMBER 2005

Council making progress with its recovery

Bromsgrove District Council has been making some progress with its recovery. It is now moving in the right direction, but much still remains to be done. The Council is clear about what needs to change and is working to make it happen. External support has helped the council to make improvements and to invest in a more secure future, according to the latest review by the Audit Commission

The Audit Commission has looked at how the Council has moved on since it was last inspected in 2003. It found that the Council is now working much more effectively in partnership with other organisations. Big improvements have been made in financial accounting, but work is still required to bring the Council's management of its resources up to the standards of many other councils. Despite its difficulties the Council is delivering some good services to local people.

Sandy McMillan, Audit Commission senior manager, said:

“The Council has made progress, particularly over the last year, by addressing some of the key issues that we highlighted in 2003. However, it still faces significant challenges. We will expect to see elected members working more effectively together across all the party groups to lead and drive improvement, and we also need to see sustained improvement in important services such as street cleaning and the processing of benefits”.

The inspectors found:

- Improvements in recycling and composting, planning, and customer service, refurbishment of the Dolphin Lesiure Centre and an accessible web-site. However, some key services, such as street cleaning and benefits, are weak.
- The Council has managed to close its backlog of financial accounts. However it needs to get much better at prioritising and managing its resources and also improve the way it manages performance.
- The Council has made effective use of interim managers and is investing in the building blocks to help sustain its recovery. Managerial leadership and capacity has at times been fragile and councillors are not working effectively together to drive improvement.

- The Council is working well in partnership with others and it has developed its wider ambitions for the area.

The council remains under formal engagement with the Office of the Deputy Prime Minister. The Audit Commission's local audit and inspection programme will focus on monitoring, testing and reporting on the council's progress during 2006.

Copies of the Progress Assessment report are available on the Audit Commission website at www.audit-commission.gov.uk.

ENDS

NOTES TO EDITORS

The Audit Commission is an independent watchdog responsible for ensuring that public money is spent economically, efficiently and effectively. Our remit covers more than 12,000 bodies, which between them spend nearly £100 billion of public money each year.

We are active in local government, health, housing, criminal justice and fire and rescue services and consequently have objective evidence on the overall impact of public services on users.

In addition to making sure that taxpayers receive value for money, our aim is to provide impartial information on the quality of public services. We also act as a force for improvement by providing practical recommendations and spreading best practice.

We are committed to working in partnership with other regulators and to ensuring that our own activities also represent value for the taxpayer.

Further details about the Commission can be obtained from its website www.audit-commission.gov.uk

FOR MORE INFORMATION CONTACT xxx ON xxx

Progress Assessment Report:

**Bromsgrove
District Council**

**COUNCIL
RESPONSE**

1. Overall Comment

- 1.1 The Council welcomes the report as generally positive, with “no surprises” and agrees with the recommendations as set out on page 8. The report provides a useful guide to our progress and your endorsement of the Council’s understanding of what remains to be done. This is particularly helpful for a number of new staff in post, as well as for elected Members, partners and local residents.

2. Summary

- 2.1 The Council notes the “Principles of Public Service Inspection”, in particular, that “there should be an explicit concern on the part of the inspectors to contribute to the improvement of the service being inspected” and is keen that the report helps maintain the current momentum and pace of change as achieved in the last 9 months (see evidence November Government Monitoring Board Key Messages) and does not distract Members and officers from the recovery process. Within this context, the Council has three main areas of concern with the Summary, which it believes will be the area that most readers will focus on.
- 2.2 The Council understands that the report considers progress from the baseline: the 2003 corporate governance inspection, to October 2005 and therefore any comments about the pace of change are, in a sense, an average of the rate of change over that period; however, there is a danger that the reader will miss this point and misinterpret the comment about the rate of change needs to be “*picked up*”. The Council’s view based on discussions at the November Monitoring Board, which included recognition that the pace of change was now considerable and the fact that all projects on the Recovery Plan are either green with a small number of ambers and no reds, is that the current rate of change now needs to be sustained. This is reflected in the key messages for the November Monitoring Board, which states:

“it was recognised that the plan represented a challenging agenda. It was important to continue to review priorities and to be alert to areas where there was a risk of slippage/failure (designated “red” areas). There has been significant progress in the last nine months”. The Council is concerned that the possible misinterpretation about the pace of change may lead Members to push for an increase in the pace of change which may be detrimental to sustaining the current rate.

2.3 The Council believes the opening sentence should be changed to read: “the Council is making progress”. The recovery plan is all green or amber and there are either clear signs of progress or at least green shoots of recovery across the whole Council. “Some progress” would suggest that there are large areas of the Council that are not making progress. Given there are no reds on the recovery plan, the Council finds difficulty in accepting this. If the use of the word “some” is designed to reflect the period of the assessment, like the pace of change, the Council would ask that the Summary reflects this: for example, “over the last 9-10 months the Council has made significant progress across all aspects of its recovery plan”.

2.4 The Council recognises that the Summary by its very nature offers less room to qualify statements; however, the Council is concerned that in a number of instances this makes the Summary read less positively than the body of the report. For example, the Council would like to suggest the following changes for your consideration:-

<p>Para 5 Last sentence</p>	<p>Delete and replace with “To date the Council has not effectively prioritised its resources; however, it has set clear corporate priorities for the 2006/07 budget process and has updated its budget challenge and service business planning process. A key challenge will now be to use these to</p>
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	produce a priority led budget, supported by priority led service business plans.”
Para 6 Second sentence (and linked to para. 21)	After “clear managerial leadership” add the word “throughout” and at the end of the sentence add “however, the pace of change has been significant over the last nine months and should be further supported by the completion of the top team restructure.” Delete the 3 rd sentence.
Para 6 Final sentence	Delete and replace with “To date capacity across the authority to undertake effective performance, financial and risk management has been limited; however, the appointment of the new Assistance Chief Executive should address performance management; whilst under the restructuring exercise the Council is looking to increase the resources dedicated to financial and risk management which will ensure that these competencies become embedded within the organisation.”
Para 7	Add onto paragraph: “nevertheless, the recent establishment of the Performance Management Board, including a Chairman and Vice-Chairman from different parties and the review of scrutiny are early signs of encouraging improvement”.
Para 8	Delete fourth paragraph and replace fifth paragraph with “benefits and street cleaning remain areas for improvement; however, recent figures for benefits show significant improvements while street cleansing is beginning to improve as a result of changes to work patterns”. See also detailed comments.
Para 9	Final sentence, replace with “however, approaches to address member development more broadly and

	to drive cross party working are at the planning stage”
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2.5 The Council recognises that these changes are likely to make the Summary longer than one page; however, the Council believes it is vital that the Summary enables the Council to continue with its current pace of change rather than divert energy on internal discussions between Members and officers as a result of needing to clarify the meaning of particular sentences.

3. Recommendations

3.1 The Council wishes to record its support and agreement to the planned actions and recommendations to further assist and encourage Members and officers in fulfilling their roles in the Council's recovery.

3.2 The Council will ensure staff are briefed once the Progress Assessment becomes a “public” document. There will be a special Core Brief to all staff, an e-mail to all staff and an article in the Chief Executive's Bulletin.

3.3 The Council will ensure the report is discussed at January's Executive Cabinet and the Performance Management Board (both of which are public meetings) and at the Council's Internal Monitoring Group which has responsibility for driving the Council's recovery plans.

3.4 The Council is already updating its recovery plan in the light of November's Government Monitoring Board and will do so again for the January meeting having discussed the Progress Assessments recommendations with Members.

- 3.5 The Council would welcome the inclusion of a list at the end of paragraph 10 specifying the key findings as a way of aiding both Member and officer focus.
- 3.6 The Council has identified the following seven key findings from the Progress Assessment and has set out actions which are already in place to respond to these.
- a) Prioritise resources through the 2006/07 budget process and beyond in line with corporate priorities.
- ✚ Three corporate priorities for 2006/07 agreed by Cabinet and Full Council (19th October 2005).
 - ✚ The Corporate priorities are influencing budget discussions 06/07 – 08/09. During December we will undertake a detailed exercise to ascertain how each service area contributes to the Council's priorities. Additional spending pressures will be assessed on how clearly they match the council's priorities.
 - ✚ Service business plans 06/07 detailing "key deliverables" linked to Council Objectives and Corporate Priorities nearing first draft completion. These will be constructively challenged by Strategic Management Team and by the Performance Management Board in January.
- b) Ensure effective performance, financial and risk management, in particular, and a SMART (specific, measurable, achievable, realistic, time limited) and resourced corporate plan.
- ✚ Performance Management Board established and Assistant Chief Executive now in post to lead performance management process. 2006/07 service business plans and a set of top

indicators to be submitted for consideration at the Board's January meeting.

- ✚ Capacity Building Bid includes £15,000 for performance management techniques, including, making linkages to related frameworks including risk management.
 - ✚ Risk Management Strategy drafted to be submitted to Cabinet for approval in December.
 - ✚ Corporate Plan to be updated with SMART measures (set of top indicators) and re-published early in the new financial year.
- c) Improve Members decision-making and scrutiny.
- ✚ Performance Management Board established.
 - ✚ Review of scrutiny arrangements to December Cabinet.
 - ✚ Audit Board to be established.
 - ✚ The I&DeA have been appointed to deliver a Top Team Development programme for Executive Cabinet Members and CMT.
- d) Improve cross party working.
- ✚ Government Monitoring Board attended by opposition leaders.
 - ✚ New Leader to establish a regular Group Leaders meeting.
 - ✚ Performance Management Board has opposition leaders on it and Vice-Chairman is the Labour Group Leader.

- ✚ I&DeA mentors to complete a programme of three workshops for all Members and senior officers by the 31 March 2006, which will consider the impact of behaviours from both sides, challenge these and consider how they can be addressed;
 - ✚ Recent Full Council debate was constructive with indications that parties are beginning to work together.
- e) Ensure improvements in service delivery in the Benefits and Streetscene services.
- ✚ The Benefits service now produces a monthly performance report with targets for each of its main indicators. This report indicates that benefits claims in October were processed in 24.73 days, which is top quartile and a significant improvement on the 57 days in July (the Council believes this should be reflected in the Summary part of the document). The benefits service is on target to deliver its improvement plan including the 17 key recommendations from the BFI review, which have been incorporated into the improvement plan.
 - ✚ Street cleansing was identified as an issue in the Waste Management inspection; however, the body of the report notes that management of the depot has improved since the appointment of an interim manager and notes that performance has started to improve. The Council feel this should be reflected in the Summary part of the document.
- f) Obtain customer feedback on services and link to service improvement.
- ✚ Assistant Chief Executive now in post with responsibility for communications and customer strategy.

- 2006/07 business planning template updated to include a consultation and community engagement plan for each service.

- Customer First Strategy to be developed and submitted to March Cabinet. Customer training for all staff currently being sourced and a BDC Customer Service Charter with customer standards to be developed.

4. Detailed Comments

4.1 This section sets out detailed comments for pages 9 to 20:-

Para 18	Delete “Deputy Leader” and replace with the Portfolio Holder for Recovery, Corporate Plan and Strategic Partnerships.
Para 21 (linked to para. 6)	Following our discussion with you on Wednesday you indicated your comment “clear managerial leadership not always been evident in driving etc...” should not be personalised and drew attention to para. 21 citing some circumstances from 2003 and reference to various levels of management. Based on your views and in line with our other points on “pace of change” we would suggest an amended text which retains a similar gist which is in keeping with the overall tone (see proposed revision for para. 6) and for the supporting para. 21 may we suggest the following first sentence: “Due to certain circumstances prior to March 2005 clear managerial leadership throughout has not always been evident in driving the”
Para 22	Bullet point 5. Please note that the Top Team Development Programme has been awarded to the I&DeA which will focus on relations between Executive Members and senior management. Also, that three

	workshops before the financial year end for all Members and senior management to consider behavioural issues as part of peer mentoring programme.
Para 23	Please note that the new Performance Management Board is chaired by Councillor Fuller (Conservative) and the Vice-Chairman is Councillor McDonald (Labour).
Para. 24	We understand that staff have felt the demanding recovery agenda, in particular, their contribution to working groups outside of their “day jobs”. This is now being addressed as the senior management restructure is completed e.g. the Assistant Chief Executive taking over responsibility for the Communications Working Group.
Para. 33	First bullet point. Can the performance improvement mentioned be referred to in the Summary? Second bullet point. Performance for BVPI 78a Average Time for Processing New Claims, has been in the best quartile since September with significant improvement since July (50 plus days down to 24.73 for October).
Para. 39	The Performance Management Board has now been established and is made up of cross party senior politicians. It is distinct from Cabinet and has no Executive powers.
Para 41	The I&DeA have been appointed to deliver a Top Team Development programme to Executive Cabinet Members and CMT. The working relationship between leading Members and Senior Officers is showing some signs of improvement.

	The I&DeA mentors will also be running three workshops for all Members and senior officers to focus on behaviours.
Appendix 1	Add "in July 2003" into Appendix heading.

4. Annual Progress Assessment

4.1 The Council notes that the report refers to the progress assessment being annual. The Council would welcome clarification on when we can expect another assessment and what linkage, if any; there will be between exiting from recovery and/or preparing for Comprehensive Performance Assessment.

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

18TH JANUARY 2006

RISK MANAGEMENT STRATEGY

Responsible Portfolio Holder	Councillor Roger Hollingworth
Responsible Head of Service	Corporate Director (Resources)

1. Summary

1.1. The purpose of this report is to present for approval a risk management strategy for consideration by the Council.

2. Recommendations

- 2.1. It is recommended that the Executive Cabinet:
- 2.1.1. approves the proposed risk management strategy.
 - 2.1.2. identifies a member to be risk management “champion”.

3. Background

- 3.1. As Members will recall a key component of the Recovery Plan is to implement a risk management strategy and to embed it into the culture of the organisation. In order to address this a Risk Management Steering Group was formed however it is fair to say that this hasn't progressed matters as quickly as had been hoped due in the main to the restructuring process and the Group will now need to be reformed to drive this forward. In addition Risk Officers were identified and again these will need to be reviewed in light of the restructuring. The terms of reference are attached at Appendix B.
- 3.2. The attached draft risk management strategy (Appendix A) was considered and endorsed by the Corporate Management Team (CMT) on 29 November 2005.
- 3.3. A key feature of the strategy is the development of a programme of actions to raise the awareness of risk management within the Council, both at member level and at all levels of management (Appendix C). Once that programme has been completed, the strategy will need to be reviewed and adapted to reflect the increased knowledge and awareness of the subject.
- 3.4. With regard to member training on risk management it is suggested that the Chairmen and Vice Chairmen of the following Committees (in addition to the Executive Cabinet) be included in the more detailed training events:
- Scrutiny Committee
 - Performance Management Board
 - Audit Board
 - Planning Committee

Other members will be provided with an overview training event.

- 3.5. In order to ensure that risk management is taken seriously within the Council, both at an officer and member level it is suggested that a member “champion” is identified. Executive Cabinet are requested to identify someone suitable.

4. Risk management

- 4.1. Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them or responding to them. The aim of risk management is to improve awareness of the consequences of risk-taking activities, reduce the frequency of ‘loss events’ occurring, and minimise the severity of their consequences if they do occur.
- 4.2. This strategy sets out how we propose to implement and develop risk management throughout the organisation. It involves members, directors, heads of service and other managers in managing risks within their own area of activity. They will be supported by the Information and Risk Management Officer, who will provide advice and guidance.
- 4.3. Employing the services of a risk management consultant, workshops will be arranged for key members, senior managers, and other managers and employees. These workshops (scheduled to take place in January / February) will aim to improve the awareness of risks, assist in the identification of the keys risks to the organisation, and identify the various ways of controlling them. Further briefings will be held for all remaining staff because every employee has a risk management responsibility.
- 4.4. Information gathered from these workshops will help staff to produce a risk register, which is an important element of the Council’s new approach to risk management.

5. Corporate Considerations

- 5.1. It is vital that members, directors and seniors managers have the necessary commitment and drive in assisting with the implementation of this strategy. Management at every level is responsible and accountable for managing the risks to which its area is exposed.

6. Conclusions

- 6.1. Risk management and internal control are firmly linked with the ability of the Council to fulfil clear corporate objectives; objectives that should be reviewed on a regular basis. Risk management can be used to reinforce what the Council is seeking to achieve. By embracing risk management in this way we will focus on opportunities for the Council as well as dealing with possible threats.
- 6.2. This strategy will enable us to establish a culture throughout the organisation whereby:
- there is a positive approach to risk
 - opportunities are taken
 - all risks are properly identified and managed effectively

7. Financial Implications

- 7.1. None.

8. Legal Implications

8.1. None.

9. Other Sub Headings

9.1. None.

Personnel Implications
Governance/Performance Management Considerations
Community Safety Considerations
Risk Management Considerations
Policy Considerations
Environmental Considerations
Equalities Implications

Background Papers

Recovery Plan

Contact officer

Name: Kevin Dicks, Corporate Director (Resources)

E Mail: k.dicks@bromsgrove.gov.uk

Tel: (01527 881487)

BROMSGROVE DISTRICT COUNCIL

RISK MANAGEMENT STRATEGY

1. Introduction

What is risk management?

Risk management is about responding positively to the opportunities facing the organisation whilst at the same time understanding and seeking to control any factors that could prevent success. It is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them or responding to them. The aim of risk management is to improve awareness of the consequences of risk-taking activities, reduce the frequency of loss events occurring (where ever this is possible), and minimise the severity of their consequences if they do occur.

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies.

Why do we need it?

Risk management should be a central part of any organisation's strategic management. It is the process whereby organisations methodically address the risks attaching to their activities with the goal of achieving sustained benefit within each activity and across the portfolio of activities.

Risk management should be viewed as an ongoing process with the focus on continual improvement. We should: -

(a) be pragmatic: recognise that the process is not intended to eliminate risk and that not all identified risks can be managed all of the time. Risks will still exist that have not been identified. What is important is that the culture is one of continuous learning, with risk management processes being adapted based on lessons learned.

(b) not make the processes over-complex: avoid risk overload. We should introduce a rolling programme and initially focus on strategic risks. The risks that are initially identified should be linked to senior management's top concerns. Risks should be then prioritised with the focus always being on those risks that are significant in the context of the Council's objectives. We need to ask ourselves: -

- What are the worst things that could happen to us?
- How likely are they to happen?
- Are we taking sufficient steps to prevent them?

(c) ensure that the process to be followed fits in with the Council's own circumstances and culture: elected members and officers may decide that only some of the suggested risk management practices are appropriate to the organisation.

Risk management and internal control are firmly linked with the ability of the Council to fulfil clear corporate objectives; objectives that are examined on an ongoing basis. This reflects good practice as promoted by the CIPFA Code of Corporate Governance. Risk management can be used to reinforce what members and senior management are seeking to achieve. By embracing risk management in this way we will focus on opportunities for the Council as well as dealing with possible threats. For risk management to be effective there must be a clear link between objectives and risks. It is therefore essential that risk management is embedded in the planning process.

Risk management is something that managers within the Council are already undertaking to varying degrees, although it may not be clearly defined as risk management. However, there is now a need to have a clear risk management strategy that provides a consistent and co-ordinated approach, ensuring that there is documentation to demonstrate accountability and openness.

Because the Council already has business planning and financial planning processes in place, a more formalised risk management approach can be included seamlessly into these processes and managed as part of the current reporting mechanisms.

2. Purpose

The purpose of the Council's Risk Management Strategy is to establish a culture throughout the organisation whereby:

- There is a positive approach to risk
- Opportunities are taken to take managed risks
- All risks are properly identified and managed / mitigated effectively

3. Types of risks/hazards facing local authorities

Strategic: Those which have been identified as potentially damaging to the achievement of the Council's objectives and departmental service business plans. These are risks that need to be taken into account in judgements about the medium-to long-term goals and objectives of the Council. Strategic risk management is a task for the Chief Executive, Corporate Directors and Assistant Chief Executive in close liaison with elected members. (See Appendix 1)

Operational: Risks which managers and staff are likely to encounter in the day-to-day work situations. Operational risk management should be managed by Heads of Service and other managers who will be responsible for operating and maintaining services. (See Appendix 1)

Operational risks can be split into two further categories:

Corporate – operational risks that apply across the whole Council e.g. failure of Computer systems.

Departmental – operational risks that apply specifically to one department e.g., network security issues

4. Aims and objectives

Best practice advises that the Council's Risk Management Strategy should have the following aims and objectives:

- Integration of risk management into the culture of the Council.
- Raising awareness of the need for risk management by all those connected with delivery of services, including partners.
- Introduction of a robust framework and procedures for identification, analysis, assessment and management of risk and the reporting and recording of events, based on best practice.

To achieve these aims and objectives, the following strategy is proposed: -

- Ensure that across the Council there is clarity and accountability for risk management and ownership of risk
- Key members and managers will acquire and develop the necessary skills and expertise
- Compile a risk register which will identify strategic and operational risks (corporate and departmental), provide assessment and appropriate measures to manage those risks
- Provide for regular risk assessments in all decision-making and review processes of the Council
- Ensure there is appropriate consideration of risk for all proposals for new activities or methods of work
- Develop arrangements to measure performance of risk management activities against the Council's aims and objectives
- Develop the need for a shared understanding of risk and its management at all levels in the organisation with partners and key stakeholders, combined with consistent treatment of risk across the organisation.
- Ensure that across the Council there is clarity and accountability for risk management and ownership of risk

The Council has a Risk Management Officer (under the restructure proposals) who is responsible for implementing and developing the Council's approach to Risk Management. However, responsibility for the day to day management of specific risks lies with the Council's managers and staff, as they are the people directly responsible for different business activities. Risks cannot be managed unless they are owned. The focus must be on ensuring that consideration of hazards and risks is embedded into policy approval and departmental service delivery.

Within Corporate Governance members have a responsibility to understand the strategic risks that the Council faces and how these risks should be managed. The Audit Commission management paper "Worth the Risk" suggests roles for members. The Council will need to decide the role that members will play in risk management, and review that role from time to time.

- Key members and staff to acquire and develop the necessary skills and expertise

It is important that members, directors and senior managers within the Council understand the definitions of business risk. The difference between inherent and residual risk and the level of risk and control that it is willing to bear i.e. the level of risk that is acceptable to the organisation based on the cost v benefit considerations. Inherent risk is before any control measures have been put into place and residual risk is the risk remaining after control measures have been applied.

Externally facilitated risk management workshops will be arranged in order to address the above. The workshops will enable members, directors and senior managers to identify key risks to the Council and to understand how to prioritise and manage the risks effectively. The data we receive from these workshops will help us to compile the Council's risk register.

- A risk register to be prepared, maintained and reviewed

From the work carried out at the risk management workshops we will be able to compile the Council's risk register. This register will identify strategic and operational risks, provide assessment of the risks and record the measures to be taken to manage those risks. Strategic risks affecting the organisation to be identified by March 2006 and managers will be responsible for identifying operational risks by June 2006. The register will be available via the Council's Intranet to all who need it. New risks will be notified for inclusion via committee reports and individual risk assessments.

- Provide for risk assessment in all decision-making processes of the Council

Risk needs to be addressed at the point at which decisions are being taken. Where members and managers are being asked to make decisions they should be advised of the risks associated with the recommendations being made. A risk assessment should have been carried out, and all relevant reports should include an explicit section on the risks associated with a decision and the steps to be taken to manage those risks. New risks will be passed to the Risk Management Officer for inclusion in the risk register.

- Develop arrangements to measure performance of risk management activities against the Council's aims and objectives

It will be necessary to develop and monitor the impact of risk management activities and the success of the risk management strategy. Individual indicators will need to be developed to measure achievement of the aims and objectives.

- Develop the need for a shared understanding of risk and its management at all levels

It is the responsibility of every line manager to implement this strategy. Management at every level is responsible and accountable for managing the risks to which its area is exposed. However, all employees need to be aware of risk management and the role that they can play in promoting better risk

management within the Council. We will increase awareness and promote the benefits of risk management by arranging facilitated workshops, seminars, staff newsletters, poster campaigns etc. To help generate and maintain momentum we will report our successes to show that positive returns are attainable.

Action for identifying and managing risks should be included within management plans. Managers will need to identify the risks within their own area and the likelihood and impact on the service and ultimately the organisation.

4. The Risk Management Cycle

The cycle of risk management involves four processes

- **Identification** of each risk
- **Evaluation** of each risk
- **Control** of each risk
- **Monitoring**

Identification

This process will be achieved by:

- Specifying the risks to which the Council is exposed, both strategic and operational
- Analysing past claims and other losses
- Analysing past corporate incidents/failures

Evaluation

Having identified areas of potential risk, they need to be analysed by:

- An assessment of impact
- An assessment of likelihood

Control

Following evaluation, there are four main control options. The four 'Ts':

- **Tolerate** accept the risk
- **Treat** take cost effective in house actions to reduce the risk
- **Transfer** let someone else take the risk (by insurance or outsourcing non-core activities)
- **Terminate** agree that the risk is too high and will not proceed with the project or activity

Monitoring

Effective risk management requires a reporting and review structure to ensure that risks are effectively identified and assessed and that appropriate controls and responses are in place. Regular audits should be carried out and performance

standards reviewed to identify opportunities for improvement. Changes in the Council and the environment in which it operates must be identified and appropriate modifications made to systems.

The monitoring process should provide assurance that there are appropriate controls in place for the Council's activities and that the procedures are understood and followed.

We need to: -

- Develop ongoing processes which should be embedded within the Council's overall business operations, and addressed by senior management, which monitor the effective application of policies, processes and activities related to internal control and risk management.
- Ensure that these processes monitor our ability to re-evaluate risks and adjust controls effectively in response to changes in our objectives, our business and the external environment.
- Ensure appropriate communication to members and senior managers on the effectiveness of the ongoing monitoring processes on risk and control matters.
- Develop mechanisms to ensure that we learn from past experience both locally and from elsewhere to enable us to be more aware of risks and the necessary response in terms of actions and decision-making.

6. Risk Assessment and Risk Matrices

To assist in the risk management process an assessment will need to be undertaken of each risk and the impact and likelihood of risk occurring. This can be done by completing a risk assessment form (Appendix 2), recording the results using the risk matrix and following the nine risk matrix steps:

RISK ASSESSMENT MATRIX

↑ Likelihood of occurrence ↓	HIGH	Low Impact High Likelihood 4 Tolerate / Treat	Medium Impact High Likelihood 7 Treat/Transfer	High Impact High Likelihood 9 Treat/Transfer/ Terminate
	MEDIUM	Low Impact Medium Likelihood 2 Tolerate / Treat	Medium Impact Medium Likelihood 5 Treat/Transfer	High Impact Medium Likelihood 8 Treat/Transfer/ Terminate
	LOW	Low Impact Low Likelihood 1 Tolerate	Medium Impact Low Likelihood 3 Tolerate / Treat	High Impact Low Likelihood 6 Treat/Transfer
		←———— Impact on the Business —————→		

The High, Medium and Low categories for impact and likelihood are defined as follows:

Impact

- High – have a catastrophic effect on the operation/service delivery. May result in significant financial loss, major service disruption or impact on the public
- Medium – will have a noticeable effect. Will cause a degree of disruption and may impinge on the budget.
- Low – where the consequences will not be severe and any associated losses and or financial implications will be low. Negligible effect on service delivery. However a number of low incidents may have a significant cumulative effect and require attention.

Likelihood

- High – very likely to happen
- Medium – likely to happen infrequently and difficult to predict
- Low – most unlikely to happen

This produces a risk rating score which will enable risks to be prioritised using one or more of the four T's

- Tolerate
- Treat
- Transfer
- Terminate

Score of 1 – Tolerate
Score of 2, 3 or 4 - Tolerate or Treat
Score of 5, 6 or 7 - Treat or Transfer
Score of 8 or 9 - Treat, Transfer or Terminate

Risk assessment and risk matrices provide a powerful and easy to use tool for the identification, assessment and control of business risk. It enables managers to consider the whole range of categories of risk affecting a business activity. The technique can assist in the prioritisation of risks and decisions on allocation of resources. Decisions can then be made concerning the adequacy of existing control measures and the need for further action. It can be directed at the business activity as a whole or on individual departments/sections/functions or indeed projects.

Steps in Risk Assessment

Using the Risk Identification and Assessment form we:

- ✓ Identify the business activity/function/ or project the assessment is to be focused on
- ✓ Decide the level of focus – is it Strategic or Operational?
- ✓ Specify the business objective
- ✓ Identify the threats to the objective
- ✓ Identify the likelihood and severity of the impact of the risk on the business objective
- ✓ Plot the risk score on the risk matrix
- ✓ Identify the risk control measures
- ✓ Early warning indicators and embedded monitors (e.g. an indicator for potential arson attacks may be an increase in incidents of petty vandalism or intruders to Council premises)
- ✓ Reassess the level of residual risk after control measures are listed and re-plot residual risk on the risk matrix. This will give a measure of the effectiveness of the various control measures and help raise awareness of their importance

The residual score should be at a level that is acceptable to management. The completed form should be signed and forwarded to the Risk Management Officer for inclusion in the Risk Register. The risk assessment process involves all managers and should be repeated at least annually (more frequently if there are changed circumstances) to monitor the effectiveness of the risk control measures implemented.

Risk assessments are relatively easy to do and will provide us with an overall and graphic view of the risks we face, which are affecting the business activity. By doing so we will be better placed to rely on the strategic and operational decisions taken by the organisation.

7. Implementation

How are we going to get there?

It is critical to engage officers, councillors, management and staff in the risk management process and it is important to demonstrate that this is not just “another

initiative". It will, if adopted enthusiastically, be a success driver, a route to a reduction in bureaucracy, and an agent for positive change.

Employing the services of a risk management consultant, it is proposed that we commence with a series of workshops:

Workshop 1 - Member Training

This would involve a facilitated, interactive training session for members to raise their understanding of risk management and its development at the Council. The workshop would cover:

- What is risk management
- Why it is important
- An opportunity to identify risks from a member perspective
- Prioritisation and action planning of risks
- The role of the member in risk management

Workshop 2 - Risk Management Awareness Training for Risk Champions

This interactive training workshop for Risk Champions would provide:

- An awareness and understanding of risk management, both in general and specifically within the Council and the role of Risk Champions within this.
- Tools and templates to help them identify, prioritise and manage risks.
- An understanding of the potential barriers to this approach and how risk management can be effectively embedded across the Council.

Workshop 3 - Strategic Risk Workshop

This would involve a facilitated workshop with the Corporate Management Team (CMT) to identify the top strategic risks facing Bromsgrove District Council. In doing so, the CMT would be asked to consider those risks that may stop the organisation from achieving its vision and key priorities.

Risk scenarios would be created and the team would then be asked to prioritise these risks in readiness for action planning.

The outcome from the workshop would be an identification of the top strategic risks facing Bromsgrove District Council, agreement on their priority and an understanding of the next steps required to manage them effectively. It is intended that the risk register will be available to all who need it via the Council's Intranet.

Senior managers will be asked to undertake an assessment of the operational risks associated with their own areas of activity, using the techniques learned during the two workshops and for these to be added to the risk register by June 2006. The Risk Management Officer will be able to offer support, advice and guidance to managers.

Further briefings will be held for remaining staff, because every employee has a risk management responsibility and so that they can be fully involved in the process. The briefings will be used to introduce risk management to staff, to sell the benefits and

to create awareness. It will then be the responsibility of individual managers and staff to ensure that risk management plays an active role within their own work area.

To reinforce the risk management message and to generate and maintain momentum we propose to further promote risk management via the Council's staff newsletter, intranet and poster campaigns.

Summary

Every organisation faces risks and threats to its success. Local Government faces a particularly wide-ranging set of risks because of the diverse range of its activities and the extensive changes taking place under the Government's modernising agenda. The need for effective risk management in local government has probably never been greater as public expectations increase and tolerance of failure by public service organisations reduces by the day.

Risk management should be a continuous and developing process that runs through the Council's strategy. It should address all the risks surrounding the Council's activities. It must be integrated into the culture of the Council with an effective programme led by the most senior management. Responsibility should be assigned throughout the organisation with each manager and employee responsible for management of risk as part of their job description. Risk management supports accountability, performance measurement and reward, thus promoting operational efficiency at all levels.

Strategic Risk

Identify **significant** risks under each heading that need to be taken into account in judgements about the medium-to long-term goals and objectives of the Council.

Political – Those risks associated with a failure to deliver either local or central government policy or to meet the local administration’s manifesto.

Economic – Those risks affecting the ability of the Council to meet its financial commitments, such as internal budgetary pressures or the consequences of proposed investment decisions.

Social – Those risks that relate to the effects of changes in demographic, residential or socio-economic trends on the Council’s ability to deliver its objectives.

Technological – Those risks associated with the Council’s capacity to deal with the pace/scale of technological change or its ability to use technology to address changing demands. This may also include the consequences of internal technological failures on the Council’s ability to deliver its objectives.

Legislative – Those risks associated with current or potential changes in national or European law. This would include compliance with legal or regulatory requirements such as the Data Protection Act, Human Rights Act, Disability Discrimination Act and Health and Safety.

Environmental – Those risks relating to the environmental consequences of progressing the Council’s corporate objectives, for example in terms of recycling, energy efficiency, pollution etc.

Competitive – Those risks affecting the competitiveness of the service (in terms of cost or quality) and/or its ability to deliver Best Value.

Customer – Those risks associated with the failure to meet the current and changing needs and expectations of customers. Has the Council got the ability to adapt?

Reputational – Those risks associated with the failure that impact on the reputation of the Council – be it from the public or from partners/other agencies

Operational Risks

In conjunction with the Corporate Management team, Directors will identify the significant risks under each heading which managers and staff are likely to encounter in the day-to-day work situations.

Professional - Those risks associated with the particular nature of each profession.

Financial – Those risks associated with financial planning and control and the adequacy of insurance cover.

Legal – Those risks associated to possible breaches of legislation.

Physical – Those risks related to fire, security, accident prevention and health and safety, for example hazards/risks associated with buildings, vehicles or equipment.

Contractual – Those risks associated with the failure of contractors to deliver services or products to the agreed cost or specification.

Technological – Those relating to a reliance on operational equipment, for example IT systems.

Environmental – Those risks relating to pollution, noise or energy efficiency of ongoing service operations.

Capacity – those risks relating to the organisational capacity to deliver the expected services / outcomes

Terms of Reference of the Steering Group (Risk Managers)

Proposed as follows:

- To develop and continually review an effective and appropriate Risk Management Strategy.
- To develop an integrated culture of good risk management across the Council.
- To mentor and provide support and guidance to the departmental Risk Officers
- To keep abreast of Government initiatives, best practice and requirements outlined in guidance and legislation.
- To consolidate a Strategic Risk Register.
- To provide a link with the Civil Contingencies Act 2004 requirement for the preparation of Business Continuity Plans for all services.
- To keep the Executive Cabinet briefed and up to date on risk management issues and to actively encourage involvement/input from all Members.
- To organise appropriate training for Risk officers and Members.
- To raise awareness of Risk Management throughout the Council.

Terms of Reference for Risk Officers

Proposed as follows:

- To attend training as required.
- To complete departmental risk registers.
- To contribute to the preparation of the Corporate Risk Register.
- To provide and promote sound risk management processes in their own departments.
- To liaise with their named mentor Risk Management Manager.

The first meeting of the Steering Group has been scheduled for Wednesday 23rd February 2005 at 2.00pm in the office of the Corporate Director – Resources.

IMPLEMENTATION PLAN FOR THE INTRODUCTION OF RISK MANAGEMENT

		Dec	Jan	Feb	Mar	Apr	May	Jun
1	Resurrect the Risk Management Steering Group (RMSG) & refer to previously issued information and documentation.							
2	Group members to consider what the key risk areas and the way forward e.g. finance, legal etc.							
	(i) Agree the terms of reference for the RMSG.							
	(ii) Ensure a corporate approach is adopted by allocating departmental responsibilities to RMSG members as Risk Managers (RM).							
	(iii) Identify and appoint departmental Risk Officers (RO) and agree terms of reference.							
	(iv) Consider the need for Elected Member involvement at strategic Cabinet level.							
3	To review and update the existing Risk Management (RM) strategy.							
4	Research 'best practice' and agree on a scoring matrix for RM in the Council.							
5	To raise the awareness of RM for officers and elected members.							
6	Identify possible external sources for professional guidance and training for Risk Managers and Risk Officers. (best practice)							
7	Establish staff educational programme and suitable methodology (e.g. Grapevine, workshops, intranet etc.)							
8	To identify risks and prepare a strategic risk register.							
9	To identify risks and prepare departmental and corporate risk registers.							
10	To agree a suitable monitoring and review process to 'embed' RM into the culture of the Council. E.g. Business Plans, SMT/OMT Chairmen's Group, Executive Cabinet.							
11	Agree & timetable date for future annual reviews							

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

18TH JANUARY 2006

BENEFITS OVERPAYMENTS POLICY

Responsible Portfolio Holder	Councillor Miss D. H. Campbell J.P.
Responsible Head of Service	Head of Financial Services

1. SUMMARY

1.1 This report requests the adoption of the attached Benefit Overpayment Policy for the Revenues and Benefits section of the Council

2. RECOMMENDATION

2.1 It is recommended that the attached policy relating to recovery of overpaid Housing and Council Tax Benefits at Appendix A are adopted by the Council.

3. BACKGROUND

3.1 This is a new policy to formalise current guidelines that have been used by the Revenues and Benefits section.

3.2 It is best practice to adopt formal policies to ensure a standard approach to recovery benefit overpayments.

4. FINANCIAL IMPLICATIONS

4.1 There are no financial implications as a direct result of this report.

5. LEGAL IMPLICATIONS

5.1 None as a direct result of this report.

6. OTHER SUB HEADINGS

6.1 None

BACKGROUND PAPERS

None

CONTACT OFFICER

Name: Jayne Pickering (Head of Financial Services)

Email: j.pickering@bromsgrove.gov.uk

Tel: (01527) 881207

Name: Leigh Butler (Revenues and Benefits Manager)

E Mail: l.butler@bromsgrove.gov.uk

Tel: (01527) 881234



bromsgrove council
www.bromsgrove.gov.uk

Bromsgrove District Council

BENEFITS OVERPAYMENTS POLICY

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BENEFIT OVERPAYMENT – PROCEDURES

AIM *‘To discharge the Council’s statutory duties in relation to Housing/Council Tax Benefit Overpayment and to maximise recovery of overpayment’*

To achieve this the Council aim to:

- invoice accurately and as soon as practically possible.
- minimise Housing/Council Tax Benefit Overpayment arrears and maximise collection by taking timely recovery action, in line with a set recovery timetable. Target is reviewed annually in line with Best Value Performance Indicator number 79B.
- correctly classify Housing Benefits / Council Tax Benefit overpayments to ensure that the correct subsidy is received from Central Government.
- act quickly when payers fall into arrears.
- liaise with other bodies including, but not exclusively, the Department of Works and Pensions (DWP), Citizens’ Advice Bureau, other Council sections to help maximise income.
- take action according to individual circumstances, judging every case on its merits, and entering into arrangements wherever possible, either before or after Court action.
- be firm, and consistent, whilst following regulations.
- recover the debt by means of County Court action as a last resort.

BACKGROUND

Responsibilities for collection of Benefit Overpayments

Bromsgrove District Council follows the statutory requirements to determine a Benefit Overpayment. The Benefit Assessment Officer within the Benefit Section of Bromsgrove District Council will be responsible to determine whether an overpayment has occurred. They are also required to determine the amount and the period of the overpayment. They will classify and record the overpayment to ensure the correct rate of subsidy is paid. The Benefit Assessment officer will also decide if an overpayment is recoverable. The Benefit Assessment Officer will check this and will issue the overpayment determination notice, or set up deductions from ongoing Housing Benefit entitlement, usually at a statutory rate of £8.55 per week for 2005/06.

There is also the option to recover any Housing Benefit Overpayment from a direct payment to the landlord for a different tenant. At the point of a 'Reconsideration' being received from the debtor, this will be dealt with by the Overpayments/Appeals Officer. If payment is not received, the Overpayments /Appeals Officer will then commence recovery action against the debtor. The Overpayments/Appeals Officer is responsible to ensure Reminder Notices and Final Notices are issued in accordance with the Recovery Timetable. The Overpayments/Appeals Officer and/or Customer Service Advisors will deal with all telephone and written correspondence regarding any reminder or final notice, and make arrangements with debtors, where possible. If payment is not forthcoming, the Overpayments/Appeals Officer and/or Customer Services Advisors will undertake a debt evaluation of each outstanding account and make a decision with regard to the next course of action being taken. (A full explanation of these actions are covered later in the notes).

There are many causes for an overpayment. The most common are:

A Claimant Error (e.g. change in circumstances of the claimant or household).

Non fraudulent error or non disclosure of information by a claimant; receipt by claimant of arrears of income or advance payment of rent allowance. This category of overpayment is eligible for subsidy at a rate of 40%.

A Local Authority Error

Incorrect assessment of Benefit or failure to act on a notification of a change of circumstances. This category is eligible for subsidy. With Local Authority Error Overpayments, Benefit overpaid as a result of departmental error is only recoverable where the claimant or person to whom the Benefit was paid could reasonably have been expected to know that they were being overpaid at the time the overpayment occurred.

A DWP Error

These arise from mistakes, whether in the form of an act or omission made by an officer of the Department of Works Pensions. Such overpayments can occur, for example, on initial processing of claims, eg incorrect notice of assessment of Income Support entitlement or incorrect notice of entitlement to the Authority.

The DWP cannot be held responsible for Housing and Council Tax Benefit overpayments that occur because Income Support has ceased, due to a change of claimant circumstances. The onus is on claimants to report any changes that effect their entitlement to Housing Benefit/Council Tax Benefit to the Authority that administers their benefit. Even if claimants have notified the DWP, they must tell the Authority of the change.

Therefore, any overpayment that arises for the period between the date of the change and the date when either the DWP or the claimant or, in certain circumstances, will be classified as 'claimant error'. Any overpayment arising after the DWP has notified the Authority of the change will be Local Authority error because once the Authority is aware of a change of circumstances it is expected to act on it.

Other Error

Non fraudulent error or non disclosure of information by the claimant; receipt by claimant of arrears of income or advance payment of rent allowance.

Fraud overpayments

- is classified as fraudulent by a designated fraud officer, **and**
- occurs as a result of a payment of HB or CTB arising from a:
 - A breach of Section 111A or 112(1) of the SSAA1992, **or**
 - A person failing to report a relevant change of circumstances contrary to regulation 75 of the HB Regs or regulation 65 of the CTB Regs with intent to obtain or retain HB or CTB either for themselves or someone else. This is also an offence under Section 112 and 111 of the Social Security Administration Act 1992.

There are many reasons for an overpayment, the most obvious are:

- Claimant error
- Local Authority official error
- DWP local office error
- Fraud
- Technical overpayments

Whichever category into which the overpayment falls, the Council apportions and classifies each case. Accurate records must be maintained to ensure subsidy is correctly paid.

Action on Overpayment of Benefit to Claimants

In some instances, Benefits or extra Benefits will have been obtained from the Council where there is no entitlement. This may have been done without planning, but with knowledge that the changes in personal circumstances may affect Benefit entitlement and that the change should have been reported to the Council.

Under these circumstances, the Council will consider the particulars of the individual case and, where the client could reasonably be expected to know that the failure to report the change in circumstances would cause a fraudulent overpayment of Benefit, the Council will consider prosecution under the Social Security Administration Act 1992 (Section 111a and/or 112), subject to the Council's own policies and procedures.

Where appropriate, the Council will consider applying a 30% overpayment penalty (Administrative penalty) as an alternative to prosecution or issuing a Local Authority caution.

In some circumstances, it will not be in the public interest to take action against a person who has made either a false claim, or has failed to report a change in circumstances which has resulted in them obtaining Benefit to which they were not entitled. Under these circumstances, the Council will seek to recover any overpaid Benefit. It would not be the Council's intention to place any client into hardship, but in such circumstances the Council would take note of all the relevant circumstances and determine the appropriate course of action to take. This may even result in a recommendation for write-off.

Action on Overpayment of Benefit to Landlords

Payments of Housing Benefit are often made directly to Landlords on behalf of the client. In some cases, Landlords falsify claim or assist clients to falsify claim for Benefits. Landlords who commit an offence under the Social Security Administration Act 1992 (Section 111a and 112), may be prosecuted by the Council. Landlords who are receiving Benefit directly are also obliged to report any changes in their tenant's circumstances. When a Landlord fails to do this, they may be paid more direct Benefit than they are entitled.

The Council makes Landlords aware of their duty to report known changes, and failure to do so is an offence under the Social Security Administration Act 1992 (Section 111a and 112). Where an offence has been committed, the Council will consider prosecution and will recover any overpaid Benefit either directly from ongoing payments of Benefit to the Landlord or through civil recovery action via the Courts.

The Council will prosecute any persons involved in planned fraud involving more than one person, in line with prosecution policies.

The Council will use all the powers granted to the Council by the Secretary of State for Social Security under the Social Security Administration (Fraud) Act 1997 and Social Security Fraud Act 2001. These include the powers of inspection and power to obtain information from Landlords, Employers and Banks or Credit Agencies.

Whilst the Council recognises that the majority of the Landlords in the District are honest and fair, it also recognises that some do defraud, or attempt to defraud, the Housing Benefit system. Therefore, the Council will expect the Investigation Officer to use the powers under the Housing Benefit (Supply of Information from Landlords) Regulations 1997 to obtain information from landlords.

These powers will be used reasonably and in compliance with the regulations. Landlords will be expected to comply with requests for information or they may be fined. The Council's authorised officer will work with other Local Authorities to ensure that, wherever possible, Landlords do not have to supply information more than once and also to seek to ensure that there is consistency in application by adjacent Authorities.

The Council also has powers under the Housing Benefit (General) Regulations of 1987 under Regulation 93 (3) and 94 (1b) to classify landlords as 'not fit and proper'. In this case no direct payments can be made to the landlord. The Council will only use these powers after a full investigation of the circumstances has been carried out.

Working in Partnership with Other Organisations

Where necessary, the Council will work in co-operation with other organisations, such as the Police, DWP, Pension Service, Job Centre Plus Home Office, Revenue and Customs, as well as other Local Authorities, in order to combat organised Benefit fraud.

Academy Fraud Information System

The Council's Housing Benefit Investigation Unit will use a computerised fraud system, which will interface with the Housing Benefit Computer System. This will assist officers by aiding the proper management, monitoring and recording of relevant claims.

The Data Protection Act

The Council will be correctly registered under purpose 058 of the Data Protection Acts 1984 and 1998. Where required, the Council will use exemption 28, in order to protect those organisations that may have information to supply to the Council in support of its investigation of fraud.

Child Support, Pensions and Social Security Act 2000

The Human Rights Act 1998 came into force on 2 October 2000. In order to comply with Article 8 (the right to respect for private and family life) the Council must now have regard to the Child Support, Pensions and Social Security Act 2000, which came into effect on 2 April 2001.

This Act has introduced changes to the statutory powers given to officers of both the DWP and Local Authorities, to enable them to continue to require Employers to provide information concerning their employees. The power to require this information arises where reasonable grounds exist to suspect that Benefit fraud is being or has been committed. (Authorised Officer Powers, section 109a, 110a 109b and 109c)

Code of Conduct

The Council will require **all** Council officers involved in the administration of Benefits to report to the Head of Financial Services details of any claims for benefit to which they have some connection. Examples are claims for Benefit where the officer is the landlord, the client, a partner, or non-dependent on the application.

If a Benefits officer has knowledge of any claim where they are a close family member, as described by Schedule 2 of the Housing Benefit and Council Tax Benefit General Regulations, then the officer must report this case to the Head of Financial Services. (A close relative is a parent, step parent or parent in law, a brother or sister, son, son in law, daughter, daughter-in-law, step-son, step-daughter or the partner of any of the above).

Interest in a Benefit claim must be registered in the Code of Conduct, in accordance with agreed procedures.

Any Council officer found to be involved in an offence under the Social Security Act 1992, or any other criminal offence involving claims of Benefit, either at this Council, any other Council or the DWP, will be subject to the Council's Disciplinary Procedures. This will be in addition to any prosecution proceedings that may occur.

Duties and Considerations of Elected Members

The Council will require **all** elected Members to report to the Head of Financial Services, details of any claims for Housing or Council Tax benefit to which they have some connection. This may be a claim for benefit where the Member is the Landlord, the claimant, a partner, or non-dependant on the application.

Benefit Administration and Counter Fraud Action

The Council believes that it is important to deter and prevent fraud from taking place in the first instance. The Council will continue to exercise vigorous procedures for the verification of claims, as required by the Verification Framework. The Council will also seek to achieve the minimum standards for verification, as set out by the Department of Work and Pensions Verification Framework within the next twelve months and maintain adherence to these standards. However, although claims for Benefit will be subject to close scrutiny, the Council is committed to delivering Benefit within the official government time scales. Assistance will be given to clients in completing and applying for Benefit and to maximise take up.

The Council's application form for Housing Benefit/Council Tax Benefit will include questions and instructions in plain language, giving the client clear directions as to what is required of them. The form will carry warnings and information, so that clients will understand the risks to them, should they choose to misinform the Council of their personal circumstances. The form will contain all the information the client will require to understand their rights.

The Housing Benefit/Council Tax Benefit application form will be reviewed regularly to ensure that it asks plain language questions that help the clients in obtaining Benefit. Consultation will also take place with clients to ensure this. At the same time, the form will make clear to the client that misinformation will not be acceptable and could result in the client being prosecuted. Mandatory questions will need to be filled in by the client or their agent. Failure to respond to a mandatory question will result in the form being returned to the client.

The Council will maintain systems which will allow the client to request assistance to complete their application form and to inform the Council of changes to their circumstances.

The Council is committed to controls designed to prevent fraud being perpetrated by its own staff. Therefore, all staff employed in Benefits Administration and Investigation Units will be rigorously vetted prior to appointment. If misrepresentation is found to have occurred on the application form or interview, disciplinary procedures will be implemented.

Administrative Penalties

Section 155A of the Social Security Administration Act 1992, as amended by Section 15 of the Social Security Administration (Fraud) Act 1997, allows the Local Authority to apply a penalty as an alternative to prosecution at 30% of the total overpayment. Upon accepting the penalty, the claimant has 28 days to change their mind. If a penalty is not accepted or is withdrawn, the Local Authority must be prepared to prosecute, therefore all cases must be up to prosecution standard.

Administrative penalties will generally be considered for determined recoverable, fraudulent overpayments of between £500 and £1500. The following criteria will be followed:

- It was a first offence;
- The offence was an act or omission on the part of the offender and grounds exist for instituting criminal proceedings;
- Where prosecution is a possibility, but not the preferred option, with regard to the individual merits of the case.

Administrative Penalties will **not normally be considered** when:

- Where the recoverable overpayment caused by the offence is over £1,500.00;
- The period of the alleged offence is in excess of twelve months;
- Where the person has previous convictions;
- Where an Administrative Penalty has already been agreed for a previous offence;
- Where the offender was in a position of trust (i.e. member of staff).

Again the individual merits of each case will be considered before any sanction is given.

The decision whether to refer an administrative penalty lies with the Revenues and Benefits Manager, who will consider, in consultation with the Principal Investigations Officer. It should be noted that the offer of a Penalty should be made in a special interview. Penalties can only be offered if the case could be brought to prosecution.

The officer who conducted the interview under caution will not normally undertake the administrative penalty interview.

Formal Cautions

The purposes of a formal caution are -

- to deal quickly and simply with less serious offenders;
- to divert them from unnecessary appearance in the criminal courts;
- to reduce the chances of their re-offending;
- It is a deterrent for those persons at the lower end of Benefit fraud where criminal proceedings are not a first option and an administrative penalty is not appropriate;
- Usually issued for a determined, recoverable, fraudulent overpayment of less than £500 and the circumstances of the offence indicate a Formal Caution

Each case will be considered on its own merits.

Decision to Issue a Formal Caution

A formal caution is a serious matter. It should be recorded; and it should influence a decision whether or not to institute proceedings if the person should offend again. It may be cited in any subsequent court proceedings. In order to safeguard the offender's interests, the following conditions must be met before a caution can be administered: –

- there must be evidence of the offender's guilt sufficient to justify instituting criminal proceedings;
- the offender must admit the offence during Interview Under Caution and sign a document to show they admit;
- the offender must understand the significance of a caution and give informed consent to being cautioned;
- A check must have been made via DWP Solicitors for any previous convictions/sanctions

The Formal Caution, unlike the Administrative penalty, can only be issued when the Claimant has admitted the offence. It cannot be issued if the Claimant refutes or denies the charge. Any overpayment will be recoverable.

All Formal Cautions will be administered in accordance with the Police and Criminal Evidence Act and Home Office Guidance.

Write-off of monies where Fraud has been Committed but it is felt inappropriate to pursue recovery

Whilst rare, it may be necessary to recommend a fraudulently claimed Housing Benefit overpayment for write-off, due to a person's age, health or personal circumstances, which would make any prosecution or penalty unsuitable. In this respect, details of such cases, irrespective of amount, will be considered by the Head of Financial Services.

Equipment for Prosecutions

The Council should take every step to ensure the correct facilities and equipment is available for potential prosecution interviews.

Interviews under Caution will need to take place in a secure room without a protective screen and with tape recording facilities. Any interview room carrying out such interviews must comply with the Police and Criminal Evidence Act (PACE), which sets out a welcoming layout and no screen). Access to the room should also be taken into account, in addition to the security of Council staff. Generally these interviews will take place at The Customer Service Centre.

Internal Fraud

Investigation of suspected internal fraud should be carried out by the Council's Internal Audit Section.

Verification of Housing Benefit/Council Tax Benefit Claims

Appropriate claimants for Housing Benefit/Council Tax Benefit may be asked to attend an interview at the Council, or be visited at home by a visiting officer, at or near the beginning of the claim for Benefit. All claimants will be subject to a home visit at some point during the period of their claim, in accordance with the Verification Framework.

The information on the application form will be verified by Housing Benefit/Council Tax Benefit Staff or approved Council Officers and, where appropriate, Housing Benefit/Council Tax Benefit Visiting and Investigation Staff. All supporting documentation will be scanned and retained as an image on the document imaging system. All supporting documents will be verified by Benefits Officers, Visiting Officers or Investigation Officers

Whenever necessary, this will include contacting third parties or interviewing third parties under section 110 of the Social Security Administration Act 1992 and in line with the Police and Criminal Evidence Act. Evidence will be obtained in compliance with the Data Protection Act 1998 and the Police and Criminal Evidence Act 1985.

CALCULATION

Overpayments are calculated in full weeks from the Benefit week in which the change in Benefit should have been effected, to the date it actually reduced or ended. Any amount found to be irrecoverable would be deducted from this figure.

Where an overpayment of more than 13 weeks has been caused by the claimant failing to declare or under-declaring capital, the overpayment will be calculated by means of the 'diminishing capital rule'.

To calculate Council Tax Benefit overpayments, the date on which the change occurred is compared to the day on which entitlement is entered onto a person's Council Tax account.

Is the Overpayment Recoverable?

Most overpayments are recoverable. However, this is not usually the case if it is due to a Council or official error. In these cases the Council will only recover where it is considered the claimant, at the time of being notified or on receipt of their payment, 'reasonably' (of which there is no definition) could have been expected to know an overpayment had been made.

There is one difference to the above rule, and that is regarding Rent Allowance payment on account. In these cases, as long as the notification letter of any Payment on Account sent to the claimant contains a notice to the effect that if, on subsequent determination of the claim, the person is not entitled to a rent allowance, or the determination is less than the amount of the payment on account, then the whole amount of the payment on account or the excess of that amount over the entitlement to an allowance, as the case may be, will be recoverable.

(See flowchart)

What is Best Practice in Recovery of Overpayments

Best practice must always be to prevent the overpayment from happening in the first place. The category of which we have total control is Local Authority error. This is usually caused by human error or by delays in processing. The first issue will always be addressed by training and quality checking, and the second by procedural/management controls and priorities. There is a comprehensive quality check control system in place as well as regular training on overpayments, e.g. Classifications.

Claimant error for overpayment of Benefit is the largest category. This is outside the Council's control. We do, however, have a responsibility to ensure all claimants, landlords and advice agencies are aware of their responsibilities to report changes in circumstances to ourselves. This is done through publicising of Benefit correspondence. We hold regular customer and landlord forums and liaise with advice agencies, e.g. Citizens' Advice Bureau. Verification Framework should and does reduce this category, due to the more frequent checks and reviews during the life of the claim. By doing this we also identify more overpayments.

As we are pro-active in fraud overpayment referral procedures, we are striving to maximise the Council's subsidy return, where possible.

Whenever a claim is cancelled, we ensure efforts are made to encourage the claimant to reapply and, if successful, any overpayment recalculated, offsetting any underlying entitlement to Benefit. When a new claim is received we ensure the data base is interrogated for earlier claims with outstanding overpayments, which we can recover from new entitlement.

Recovery of Overpayment

All overpayments are recovered by the Council which are not caused by an official error. When an overpayment is to be recovered, a notification is issued to the person responsible for repayment of the overpayment. The letter includes:

- A recoverable overpayment has occurred

- The period of the overpayment

- The amount of the overpayment

- The reason for the overpayment

- How it was calculated

- The weekly amount of deductions (in the case of ongoing Benefit)

- The rights to a written statement of the reasons

- The rights of appeal

- Any others matters e.g. the opportunity to make representation with regard to hardship

An overpayment of Benefit can be recovered from:

- The person to whom benefit was made

- The claimant

- The person who failed to disclose or misrepresented a material fact

A partner of the claimant provided they were members of the household at the time of the overpayment and when recovery was made.

If a Landlord notifies the Council in writing to advise of a suspected overpayment as a result of a fraudulent act or a deliberate failure by the tenant to report a change, then the overpayment will not be recovered from the landlord.

When should recovery be undertaken?

If there is doubt to the recoverability of the overpayment, the Assessment Officer will seek advice from the Benefit Overpayment/Appeals Officer. Each case is treated on its own merits and if for example the overpayment is so small it makes it uneconomical to pursue recovery action, the recommendation will be made by the Principal Benefit Officer to write off the debt rather than pursue.

We do not hold a blanket policy regarding the recovery of Benefit overpayments. However, we do have guidance notes laid down in within the Revenues and Benefits Write Off Policy document.

When an invoice /notification is issued, the debtor has one calendar month from the notice to appeal against the decision. Therefore, no further action is taken within one calendar month of the invoice being issued.

Remedies available for recovery

Recovery from future payments (also called “ongoing benefit”)

This involves reducing ongoing payments until such time as the debt is recovered (this includes recovery from underpayments where appropriate). The DWP issues guidance each year as to the maximum weekly deduction from Benefit for income support cases. General practice is to use this for all cases. However, it is guidance only and each case should be reviewed on its own merits. This is a very effective if sometimes lengthy method of recovery and, where used, the claimant should make up any shortfall in rent to the landlord.

The current maximum weekly deductions that can be made to recover an overpayment from ongoing Housing Benefit entitlement in fraud and non-fraud mirror those for IS and JSA(IB). From April 2005, this is £8.55 plus 50% of any earned income disregards, and in cases of fraud £11.20 plus 50% of any earned income disregards based on the same definition of fraud as set out in the Social Security (Payments on account, Overpayments and Recovery) Regulations 1988, as amended. The council cannot exceed these rates. After applying the above deductions the minimum amount of Housing benefit that must be left in payment is £0.50.

The unique nature of Council Tax Benefit, whereby the most common method of recovery is to add the CTB debt to the claimant's Council Tax liability, means that prescribing maximum weekly deductions for the recovery of an overpayment is not appropriate.

Recovery from other Welfare Benefits

In circumstances where it is not possible to recover from future payments, application can be made to the Secretary of State to recover from other Benefits payable by the DWP listed in Reg. 105, i.e. Income Support, Attendance Allowance, Job Seekers Allowance, Disability Living Allowance, Incapacity Benefit, Severe Disablement Allowance, Widows Pension, Industrial Death Benefit, Industrial Disablement Benefit, Invalid Care allowance, Maternity Allowance, Retirement Pension and Widowed Mothers Allowance. Two conditions must be met before making recovery.

- There must be a recoverable overpayment of housing benefit, caused by misrepresentation of or failure to disclose a material fact which cannot be recovered from ongoing deduction of HB and
- The claimant must be in receipt of a “sufficient” amount of a relevant Benefit.

If these conditions are met, there is no discretion to decline to recover. It is essential that the Appeals and Overpayments Officers build professional and personal links with the DWP recovery section in order to fully utilise this method.

Direct deductions from payments to landlords

The 1997 Fraud Act introduced the option of recovering a claimant's overpayment, as long as the original payments were made direct to the landlord, from other Benefit payments made to the same landlord. This option applies retrospectively to overpayments created prior to the Fraud Act itself. The risks of using this power inappropriately are that landlords will refuse to accept direct payments or refuse to accept tenants receiving Housing benefits, a course of action unacceptable to Local Authorities. Used appropriately it can be beneficial to landlords by reducing their administrative overheads. This is commonly known as the "blameless tenants" rule.

Arrangement Policy

The process of making an arrangement is a series of options to be made available to the debtor in various circumstances:

- a) Initially, inform the debtor that the only way to prevent further action is to pay the whole amount in full.
- b) If payment in full is not possible, the next option offered should to discuss a payment plan.
- c) In the absence of an arrangement being made the debtor will be advised that further action may be taken through the County Court.

Citizen Advice Bureau

The Overpayments Officer may refer the debtor to seek advice from the Citizen Advice Bureau if they have financial problems with significant debts.

Where an overpayment is uneconomical to pursue

Factors that should influence the decision whether an overpayment is economical to pursue are:-

- a) The size and age of a debt in relation to where it is in the recovery process and the cost of certain action which could be taken to try and secure recovery
- b) Any previous action taken on the case and the results
- c) Whether we know the current address of the debtor
- d) When was the last action taken to try and recover the overpayment?
- e) Are all documents in sufficient order to support the recovery of the overpayment?

From here, Council Officers will calculate how much it would cost the Council to proceed with certain action and whether it is economically viable to do so.

Where an overpayment is legally recoverable but the Council feels it inappropriate to pursue its recovery

As stated previously, at all times the decision to exercise the right to pursue a recoverable overpayment shall be based on the individual circumstances of each case. The power to recover monies is discretionary, unlike Council Tax and Non-Domestic Rate debts. Therefore, at any stage of the enforcement process, it may be considered appropriate to submit a debt for write off in accordance with financial regulations on the grounds of hardship, having regard to the following factors:-

- The claimant's age and state of health
- The claimant's financial position and responsibilities
- The claimant's diligence in reporting a change of circumstances (if applicable)
- The standard of advice and notification given to the claimant in respect of the overpaid amount
- Whether it is reasonable to expect the claimant or any other person affected to repay the overpayment
- Whether recovery will cause unacceptable hardship to the claimant or any other person affected

All requests will be supported by a report, detailing all appropriate evidence.

PERFORMANCE AND STANDARD MONITORING

Standards

- The Council will ensure that accurate invoices are issued
- Notification letters of Benefit Overpayments will adhere to Schedule 6 of the Benefit Regulations
- That clear responses are issued to all communication
- That reminders are issued in line with the Recovery Time Table
- That each case is considered on its own merits (within the Councils guidelines)
- All complaints will be acknowledged within three days and responded to in full within ten days, confirming the name and telephone number of the person investigating the complaint.

Performance

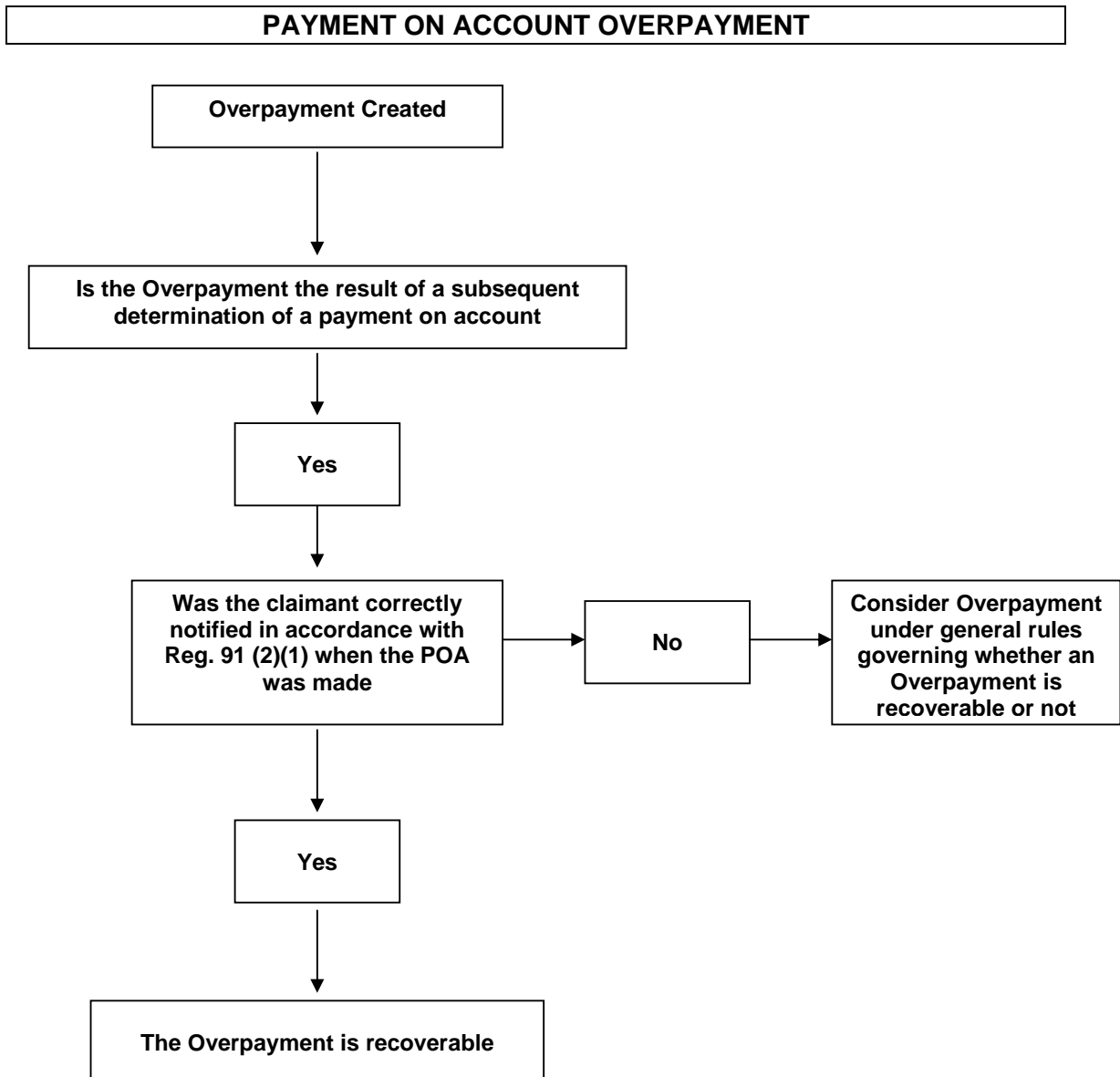
Performance is monitored as follows:

- Monies recovered through Private Tenant Overpayments
- Monies recovered through Invoicing
- Write Offs
- Collection monitored monthly and percentage obtained in respect of Benefit Overpayments raised

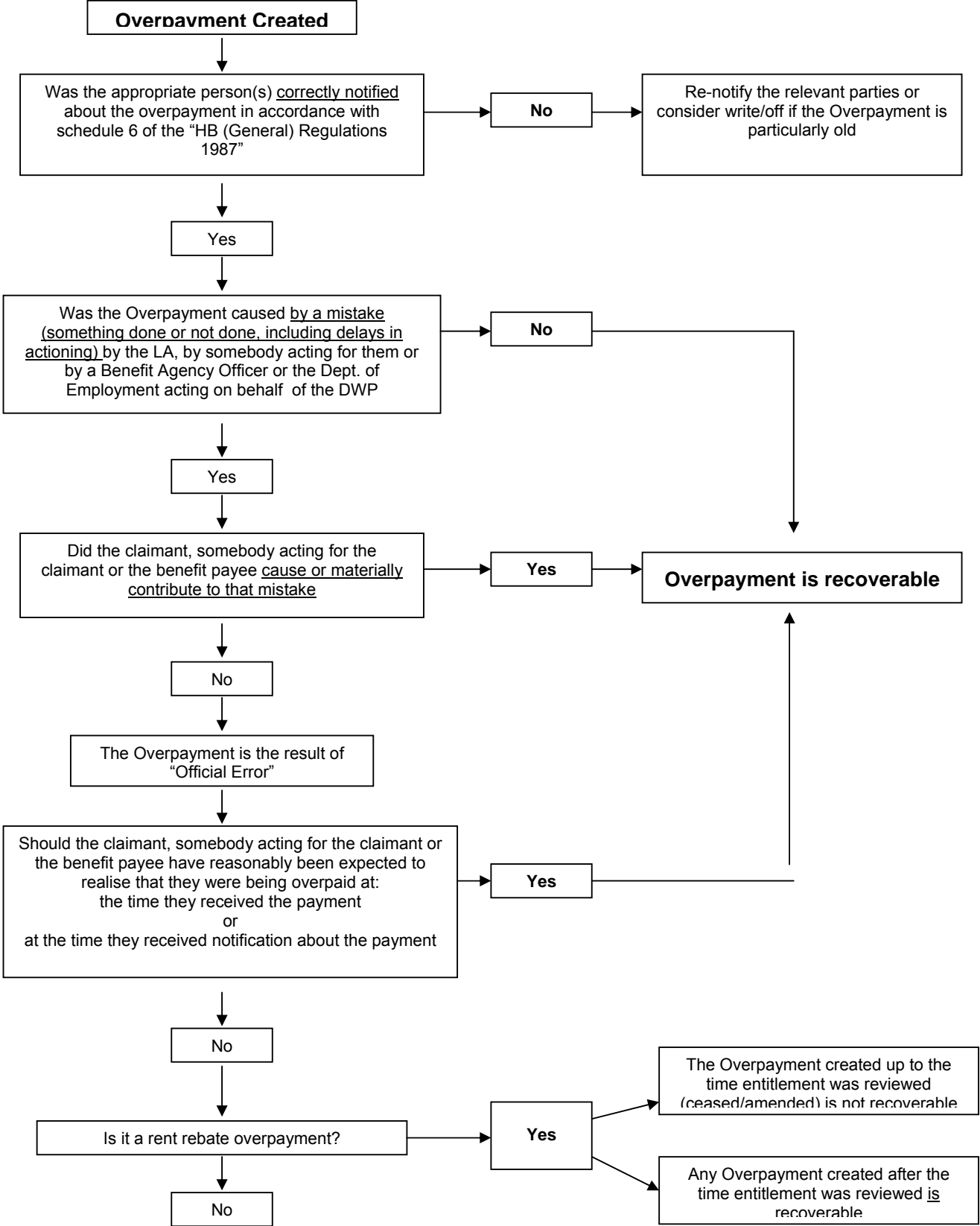
Flow diagram to illustrate processes for:

Payments on Account

Determining whether an HB Overpayment is recoverable



DETERMINING WHETHER A HOUSING BENEFIT OVERPAYMENT IS RECOVERABLE





The Overpayment is not recoverable

Feedback Form

Please Return to:

Mr Leigh Butler

Revenues and Benefits Manager

Bromsgrove District Council

The Council House

Burcot Lane

Bromsgrove

B60 1AA

FROM:

COMMENT:

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

18TH JANUARY 2006

RESOLUTION OF ICT ISSUES

Responsible Portfolio Holder	Councillor W. R. Newnes (Lead Member)
Responsible Head of Service	Chris Morrison

1. SUMMARY

- 1.1 This purpose of this report is to request the retrospective spend of IEG Capital funds required to resolve urgent ICT issues.

2. RECOMMENDATION

- 2.1 That £34,041 of IEG Capital funds are released to pay for the solution to ICT issues that were resolved in October 2005.

3. BACKGROUND

The Active Directory Service (ADS) was implemented approximately three years ago and was designed to hold people's network account information only (this includes login name, password and printer information). As time moved on the Active Directory Service was additionally used to hold large Graphical Information System (GIS) files and also the whole Authority's shared documents such as Word, Excel and Email files. While not designed for this type of use, the ADS servers coped for a while but overtime became over utilised – a problem that was compounded by the fact the servers were trying to replicate all their information onto a separate area for resilience. Without any tools to monitor the growing problem, it was not until major issues occurred that it was realised how bad the situation had become. By this time the main problems were as follows :-

- To replicate the information from one area to another took all night and some of the following working day.
- Often, information was changed (such as a word document amended) before the old one had been successfully copied into the new area.
- The servers became unable to cope with demand and often copied information in the wrong direction meaning new documents were overwritten with older versions.
- Peoples network account information could also have changes lost so passwords reverted to old versions and they were prevented from logging on successfully (the old passwords may have passed their 'change by' date).
- Peoples emails would also sometimes revert to a previous point in time, leaving the inbox, sent items and other folders in an unknown state.
- The server hardware became unstable and had to be restarted on regular occasions.
- The hardware was unbranded and therefore it was difficult to ensure the latest releases of the Microsoft Operating systems worked correctly.

The ICT section used internal resource and sought external advice to resolve the issues outlined in section 2.1. In summary the resolution was :-

- Replace the old ADS servers with new industry standard equipment from Hewlett Packard (HP).
- Purchase additional HP servers to service the GIS and shared information files (Word, Excel etc)
- Place the new servers in industry standard racks.
- Implement a new network device to link all the new servers to the existing Corporate Infrastructure.
- Transfer all the correct files into the new design.

4. **Financial Implications**

4.1 Resolution Costs

Item	Cost	Order No	Company
Hewlett Packard Servers and rack equipment *	£26,774	71739	Computacenter
Network Equipment	£2,867	71740	GFI Informatics
Design and Implementation Resource	£4,400	71741	GFI Informatics
Total	£34,041		

- Budgetary provision for this did not exist and as can be seen from above urgent action was required which was endorsed by the Corporate Director (Resources). This report seeks the retrospective release of IEG funds to cover the expenditure.

5. **Legal Implications**

5.1 This spend did not have any Legal implications

6. **Other Sub Headings**

6.1 This spend did not have any implications for the following :-

Personnel Implications
Governance/Performance Management Considerations
Community Safety Considerations
Risk Management Considerations
Policy Considerations
Environmental Considerations
Equalities Implications

Background Papers

None – all information is contained within this report.

Contact officer

Name Chris Morrison

E Mail: c.morrison@bromsgrove.gov.uk

Tel: (01527) 881256

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

18TH JANUARY 2006

DELEGATION FOR CHARITABLE COLLECTIONS

Responsible Portfolio Holder	Councillor P. J. Whittaker
Responsible Head of Service	Peter Allen, Interim Head of Planning and Environment Services

1. SUMMARY

- 1.1 To seek Officer delegation in granting permits for both Street Collections and House-to-House Collections.

2. RECOMMENDATION

- 2.1 That Members recommend to Standards Committee that the Scheme of Delegation be amended to authorise the Head of Planning of Environment to grant permits for both Street Collections and House-to-House Collections.

3. BACKGROUND

- 3.1 At present all applications for either a House to House Collection permit or a Street Collection permit for collections to take place outside of the Bromsgrove Town Centre are determined by the Council's Licensing Committee. In respect of collections taking place in the Bromsgrove Town Centre, Members will recall that in previous years it has been necessary to have a 'ballot' of Members during a Council meeting once a year, this is because the Council's policy restricts the number of permits issued in a year to fifteen, excluding the permit automatically granted to the Bromsgrove Hospital Carnival Committee for their collection undertaken as part of the Annual Bromsgrove Carnival. Any applications for the Town Centre area that are submitted after the ballot has taken place are presented to the Council's Licensing Committee for consideration.
- 3.2 During 2004, the Council only received 10 applications for permits for collections to take place in Bromsgrove Town Centre during 2005. In view of this, it was not necessary to have a 'ballot'. To date there have only been five applications for 2006.
- 3.3 In addition to the permits for the town centre a further 11 permits were granted for other areas in the District in 2005. The majority of these were for street collections.

- 3.4 In accordance with Council Policy a permit for either a Street Collection or a House-to-House Collection can only be granted if the organisation meets the following criteria:
- That all organisations, with the exception of local organisations raising funds for the benefit of Bromsgrove District or its residents, must be registered with the Charity Commission; and
 - Those organisations that are registered with the Charity Commission, must have filed a recent set of accounts with the Commission.
- 3.5 Furthermore, the current policy of granting a permit is always subject to the receipt of a satisfactory reference from the benefiting organisation confirming that the applicant has authority to collect on their behalf; and secondly, a copy of either a 'subject access certificate' (police check) or a 'disclosure' certificate from the Criminal Records Bureau, confirming that the applicant has no relevant criminal convictions.
- 3.6 Once a collection has been undertaken, the applicant is obliged to inform the Council how much money has been raised.
- 3.7 At present a calendar of forthcoming charitable collections is submitted to the Council's Licensing Committee, for information purposes, together with details of how much money has been raised. In the future this information will be available for viewing on the Council's Website and published in 'Briefly Bromsgrove'.
- 3.8 Consultation has taken place with other Councils in the County and they have confirmed that similar delegated powers have been granted to their Officers.

4. Financial Implications

- 4.1 There will be no financial implications as a direct result of this recommendation.

5. Legal Implications

- 5.1 The processes are covered by the Police, Factories, Etc (Miscellaneous Provisions) Act 1916 and the House to House Collections Act 1939.

Background Papers

None

Contact officer

Name: Sharon Smith, Principal Licensing Officer
E Mail: sharon.smith@bromsgrove.gov.uk
Tel: (01527) 881626

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

18TH JANUARY 2006

DRAFT LOCAL ALLOCATION CRITERIA AND RURAL LETTINGS POLICY FOR USE WHERE RURAL AFFORDABLE HOUSING SCHEMES ARE DEVELOPED UNDER 'EXCEPTION SITE POLICY.'

Responsible Portfolio Holder	Councillor P. J. Whittaker
Responsible Head of Service	Head of Strategic Housing

1. **SUMMARY**

- 1.1 In March 2005, the Executive Cabinet resolved that the 'Allocation Criteria and Rural Lettings Policy' attached at Appendix 1 be approved for consultation and comment with parish councils prior to final submission to the Executive Cabinet.
- 1.2 The policy has been specifically designed for the allocation of affordable housing that is to be developed in rural areas under 'exception site' policy.
- 1.3 With affordability being a major issue in many rural areas the proposal has regard for an applicant's connection with the area in which the affordable housing is developed. The aim of the policy is to enable people to remain or return to a locality with which they have an association, relating to current or past residence, family connections, or employment, in order to contribute to the development of sustainable communities in rural areas.
- 1.4 This report provides detail of the consultation responses received (Appendix II) and re-presents the policy (Appendix I) for approval by the Executive Cabinet.

2. **RECOMMENDATION**

- 2.1 That, subject to any final amendments suggested by the Executive Cabinet, the Draft Allocation Criteria and Rural Lettings Policy for Affordable housing developed on Rural 'Exception Sites' set out at Appendix 1 of the report, be approved and adopted.

3. **BACKGROUND**

- 3.1 The Council's Strategic Housing Team has been working closely with the County Rural Enabling Officer and partner RSL's (Registered Social Landlords) to identify suitable sites for the development of affordable housing in rural areas to meet the needs of local people. Local housing needs assessments have been carried out in a number of rural areas including Clent, Belbroughton, Beoley, Alvechurch and Stoke Prior all of which indicate significant local housing need.

- 3.2 With the aim of trying to meet some of the housing need the Council's officers, the Rural Housing Enabler and partner RSL's are going through a process of identifying possible sites and consulting local communities on their potential suitability for the provision of small pockets of affordable housing. Progress to date is most advanced in Belbroughton where planning permission has been approved for a scheme of 16 dwellings (rent, shared ownership and low cost) and a bid for development grant funding has been submitted to the Housing Corporation.
- 3.3 Ideally brownfield sites that have the minimum impact upon the Green Belt would be most favourable, however in rural location, these are rarely available.
- 3.4 Under Policy S16 of the Bromsgrove District Local Plan, proposals for affordable housing in rural areas, that meets local needs, may be granted as an exception to normal restrictions operating as a result of Green Belt constraints. Such affordable housing includes subsidised housing for rent, shared equity ownership or low cost market housing.
- 3.5 Schemes where housing for local rural communities is proposed will need to comply with a number of provisions including being accompanied by a local needs survey which shows conclusively that there is a genuine local need for the type, mix and scale of the proposed dwellings. These sites are often referred to as Rural Exception Sites.
- 3.6 It is for new development on Rural Exception sites that it has become necessary to develop a special lettings criteria and policy for the purposes of allocating any newly developed housing in rural areas that is allowed under special planning conditions. The allocation policy was formulated from lengthy consideration by a multi agency group of officers including the Rural Housing Enabler (Countryside Agency), the Head of Local Plans, the Head of Strategic Housing, RSL Development officers, RSL housing management officers and parish council representatives.
- 3.7 The District Local Plan specifies that on Rural Exception Sites, it is necessary to ensure that adequate occupancy controls are in place to reserve the affordable housing for local needs in perpetuity through use of conditions or planning obligations. A cascade approach is required whereby residents in housing need in the same parish will firstly be eligible for consideration after which if the housing remains unallocated the occupancy criteria will widen in geographical area. This is necessary in order to safeguard an adequate stream of revenue for those managing the development (i.e. dwellings cannot be allowed to be left void) whilst ensuring that people in local housing need take priority.
- 3.8 To ensure that the allocation of dwellings within any schemes that come forward for affordable housing on 'Exception Sites' are appropriately administered, the attached draft local allocation criteria and rural lettings policy has been developed.

The objectives of the Policy are to:-

- To enable applicants to move to/or remain in the locality because of family connections in order to give or receive support
- To enable applicants to move to/or remain in the locality in order to sustain or take up employment opportunities.

- 3.9 The draft policy firstly sets out a criteria that identifies a local connection or need to return to the parish within which the affordable housing is provided. Applicants who qualify under the criteria will then be financially assessed to establish that they are unable to afford open market housing in the Parish and also that if they are applying to purchase into a shared ownership or equity share dwelling, they can afford to do so. The final prioritisation is carried out using the housing needs points awarded under the Council' s normal allocation policy and where there are competing applications with the same award of points, dwellings will be allocated on the basis of length of residency in the parish.
- 3.10 The draft policy was considered by the Housing and Planning Policy Scrutiny Committee on the 10th March 2005. It was then considered by the Executive Cabinet on the 16th March 2005 when approval was given for the amendments recommended by the Housing and Planning Policy Scrutiny Committee to be incorporated and the policy be circulated for consultation purposes to Parish Councils, CALC, partner RSL's, and the Local Development Framework Working Group and the Countryside Agency.
- 3.11 This allocation policy is also being incorporated in a Supplementary Planning Document (SPD) on 'Affordable Housing' which is one of the key documents that the Council has agreed to produce under the new planning policy system – the Local Development Framework.
- 3.12 The allocation policy has since been amended in accordance with recommendations of the Housing and Planning Scrutiny Committee and the resolution made by the Executive Cabinet on the 16th March is set out at Appendix I.
- 3.13 Details of the responses received from the consultation exercise are attached at Appendix II.

4.0 **FINANCIAL IMPLICATIONS**

- 4.1 There are no financial implications associated with the development or implementation of the policy.

5.0 **LEGAL IMPLICATIONS**

- 5.1 In most instances planning conditions relating to affordable housing developed upon 'exception sites' will be enforced under a Section 106 agreement.

6.0 **OTHER SUB HEADINGS**

- 6.1 None

7.0 **BACKGROUND PAPERS**

- 7.1 None

CONTACT OFFICER

Name A.M. Coel
E Mail a.coel@bromsgrove.gov.uk
Tel 01527 881270

**CRITERIA AND ALLOCATIONS POLICY FOR THE LETTING AND
ALLOCATION OF RURAL AFFORDABLE HOUSING DEVELOPED UNDER
'EXCEPTION SITE' POLICY.**

The Registered Social Landlord (Housing Association) managing the affordable housing development will assess all applications made requesting the allocation of a dwelling on the scheme **in the following order:**

1. **All applicants wishing to be considered for Rented Housing within the proposed scheme must be registered on the Bromsgrove District Council Housing Register.** The Council will also nominate applicants registered on the Housing Register for consideration for Shared Ownership or Fixed Equity units where applicants have specified their wish to be considered when completing their application form.
2. **The following Local Connection Eligibility Criteria will be applied:**

(The first phase of eligibility will be considered initially, and only if insufficient applicants are eligible will the other phases be considered in order.)

The first phase of eligibility will be restricted to:

- i) Local residents within the parish, with a minimum term of residence who want to remain in the locality but cannot afford to do so.
- ii) Those who have previously resided in the parish for a number of years and who need to return to the parish but cannot afford to do so and who qualify as one or more of the following :
 - a) Those who need to return to the parish to provide or receive support to / from a close family member living in the parish.
 - b) Those who are employed within the parish.
 - c) People with a confirmed offer of employment in the parish but who are deterred by the difficulty of finding and affording suitable accommodation.

A second phase of eligibility would include applicants who live outside of the parish but within an immediately adjoining parish (within the District of Bromsgrove) who need to live in the parish but cannot afford to do so and who qualify as one or more of the following:

- a) Those who need to return to the parish to provide or receive support to / from a close family member living in the parish.
- b) Those who are employed within the parish.

- c) People with a confirmed offer of employment in the parish but who are deterred by the difficulty of finding and affording suitable accommodation.

A third phase of eligibility would include applicants who live outside of the parish but within the District of Bromsgrove who need to live in the parish but cannot afford to do so and who qualify as one or more of the following:

- a) Those who need to return to the parish to provide or receive support to / from a close family member living in the parish.
- b) Those who are employed within the parish.
- c) People with a confirmed offer of employment in the parish but who are deterred by the difficulty of finding and affording suitable accommodation

A fourth phase of eligibility would include applicants who live outside of the parish and outside of the District of Bromsgrove who need to live in the parish but cannot afford to do so and who qualify as one or more of the following:

- a) Those who need to return to the parish to provide or receive support to / from a close family member living in the parish.
- b) Those who are employed within the parish.
- c) People with a confirmed offer of employment in the parish but who are deterred by the difficulty of finding and affording suitable accommodation.

- 3. Applicants who qualify under the Local Connection Eligibility Criteria (Sect 2. Above) will then undergo an affordability assessment to establish that they are not in a position to afford an open market dwelling in the area. (The process will also establish an applicant's ability to afford shared ownership and fixed equity options).**

Completed forms will be assessed in accordance with:-

- o Current data on house prices and rents in The Parish;
- o Financial requirements of average mortgage lenders and their lending policies;
- o The availability of appropriate properties to meet identified needs e.g. accommodation to meet disabilities or health issues and tenure required.

- 4. Where applicants have both a relevant local connection (Sect 2 above) and fit the affordability criteria (Sect 3 above), their housing need will be prioritised in accordance with the Council's Allocations Policy & Housing Register Points Scheme, with the exception of:-**

- Any points awarded in the section headed Local Connection. These will be removed, as local connection will have already been assessed under Sect 2 above.
- Any points which were awarded for needs which will not be met by the offer of a dwelling in The Parish e.g. medical or welfare needs which would not be improved by living in The Parish;

Offers will be made in descending points order and where applicants have the same number of points, those with the longest local connection will have priority. Where applicants are purchasing an equity share but are unable to complete within a reasonable timescale they will be given a reduced priority.

5. Applications will be further prioritised in accordance with Bromsgrove District Council’s policy on the allocation of property by family size to property type/size (Section 5 of the Council’s Allocation Policy & Housing Register document).

In the event that no households can be identified from the above criteria within 3 weeks, allocations will be made to the most suitable applicants, having regard to their reasons for seeking a home in The Parish.

Definitions

The Parish	The Civil Parish within which the affordable housing is located.
Immediately Adjoining Parish	A Parish with a common boundary and immediately next to the parish within which the affordable housing is located.
Minimum term of residence	Normally 5 years.
Number of years	Normally 5 out of the past 15
Close Family Member	Means parents, siblings, grandparents and children and such relationships through adoption. In exceptional circumstances, at the discretion of Bromsgrove District Council, more distant relatives may fall within the definition if they give to the applicant a level of support normally associated with those listed above. (' In exceptional circumstances, at the discretion of Bromsgrove District Council, other parties may fall within the definition if they can provide evidence that they give the applicant a level of support normally associated with those listed above').
Want	A specific reason to reside in the Parish within which the affordable housing is located.

RESPONSES RECEIVED FROM THE CONSULTATION UPON THE DRAFT ALLOCATION

CRITERIA AND RURAL LETTINGS POLICY FOR USE WHERE RURAL AFFORDABLE

HOUSING SHEMES ARE DEVELOPED UNDER 'EXCEPTION SITE POLICY

Wythall Parish Council

Wythall Parish Council is of the opinion that, because affordable housing schemes are usually set in the Green Belt this means there would be restricted access to infrastructure and the people who would qualify would be the people who needed transport and other facilities. It appears there is a conflict between this policy and the District Council's lettings policy.

Miss P. Harrison – Clerk to the Council.

Romsley Parish Council

Romsley's areas for concern are:

- a) Difficulty in keeping control on inhabitants of such properties.*
- b) Under the cascade system, housing could be filled by anyone from within the District area if there are insufficient applicants from Romsley and adjacent Parishes.*
- c) Erosion and loss of Green Belt land.*
- d) Support for the selection of applicants for affordable housing upon their connection with the Parish providing it "also" applies to existing housing, e.g., Yew Tree Place and St Kenlems Court as it becomes vacant, and not as proposed in the Consultation document, "only" to future new housing developments.*

P.L. Taylor – Clerk to the Council

Clent Parish Council

Clent PC would like to make the following comments on the consultation documents:

- 1) There should be maximum input from the PC's*
- 2) Confirmation required that the DC has taken into account EU regulations regarding its prioritising policy in that it does not contravene legal regulations on discrimination.*

P. Harris – Clent PC