

BOARD MEETING OF WEST MERCIA PROBATION TRUST

Meeting: West Mercia Probation Trust Board

Date, time: Wednesday 17th June, 10.00am

Venue: Training and Development Suite, Leswell Street, Kidderminster



West Mercia Probation Trust

MINUTES

Members in attendance:	Keith Austin; Libhin Bromley; Peter Davidson; Martin Foley; Elaine Hickman; Kenneth Hockenhull; James Kelly (Chair); David Chantler (Chief Executive); Derek Muhl (until 1.00pm); Leon Murray; Bridget Nisbet and Valerie Reynolds.	
	Grant Patterson (External Auditor) and Shirley Bury (Board Accountant) also attended the meeting in connection with agenda item 37 (Annual Report and Accounts).	
Assistant Chief Officers in attendance:	Helen Allen Alec Rudd Graham Mallinson	Head of Interventions Head of Human Resources Head of Business Services & Organisational Development
Officers :	Secretary to the Trust Board: Treasurer to the Trust Board: Clerk to the Trust Board:	Norman Stott Mike Weaver Lynne Coombes

32.	Apologies for Absence (Agenda Item 1)	Andrew Strong (Board member) and Julie Masters (Head of Offender Management) HH Judge McCreath and Mark Johnson were not in attendance.
33.	Declarations of Interest (Agenda Item 2)	In connection with possible partnership working, Bridget Nisbet declared an interest as a non-executive member on the Worcestershire Mental Health Trust.

<p>34.</p>	<p>Confirmation of Minutes (Agenda Item 3)</p>	<p>It was resolved that the Minutes of the Trust Board meetings held on Wednesday 1st April 2009 and Friday 29th May 2009 be agreed as an accurate record with the Chair being authorised to sign as such.</p>
<p>35.</p>	<p>Matters Arising from the Minutes (Agenda Item 4)</p>	<p>(a) Bridget Nisbet asked that the Action Sheet include a 'By When' column.</p> <p>Action:</p> <p>(i) Future Action Sheets to include a 'By When' column.</p> <p>(b) The Secretary reported that comments had been submitted to NOMS on the most recent version of the Trust Governance Handbook. A response to those comments had been received on 16th June 2009, but NOMS had still not clarified the status of the new Trusts. This is still a live issue and will have profound implications for the governance framework. The Secretary indicated that he proposed raising concerns about the lack of clarity at the next meeting of the National Secretaries' Group.</p> <p>Action:</p> <p>(i) The Board to impress on the Probation Association the need for clarity to be secured, as a matter of urgency, on the status of Trusts.</p> <p>(c) The Head of Business Services & Organisational Development gave an update on the tendering process. Three interested parties had been invited to tender and bids had been received from Company 'A' and Company 'B' who presented to an Evaluation Panel. Company 'A' had not fully understood the full specifications required. Company 'B' had a better understanding and had subsequently been offered the contract. Company 'B' was also felt to represent a better value for money proposition. Company 'A' had received verbal feedback but had not registered a formal complaint following the fourteen day cooling off period.</p> <p>The Chair thanked the Evaluation Panel members for their input.</p> <p>(d) The Head of HR said that following a recent meeting with Ian McNair of the MRPTC, there are still issues around the new training framework and that no assumptions should be made that West Mercia Probation Trust would necessarily use MRPTC for future training requirements. The Chief Executive said that different partnership arrangements may be used in future to meet on-going challenges in training requirements flexibly.</p> <p>Resolved that:</p>

		(i) Papers 4.1, 4.2 and 4.3 be noted.
36.	Notice of Any Items of Other Business (Agenda Item 5)	<p>(a) To consider West Mercia Probation Trust making a film, 'Thought Leadership', for the LGA Safer Communities Conference.</p> <p>To be discussed under Any Other Business.</p> <p>(b) To consider the implications of a Social Impact Bond.</p> <p>To be discussed in the Closed Session.</p>
37.	Annual Report and Accounts (Agenda Item 6)	<p>(a) Annual Report, Part 1, including Accounts</p> <p>The Treasurer reported that last year's accounts had ended in balance with a provision of £235,000 for restructuring purposes, and that there was an audit trail from the statutory accounts to the management accounts. Appendix C detailed the budget variances, the most significant being staff travel and pension obligations. The pension fund value of £41 million had reduced from last year because of changes to actuarial variations and the financial climate. The Treasurer explained that the pension scheme was a statutory scheme and the Board could not opt out. He suggested that the Board write to the Ministry of Justice raising their on-going concerns.</p> <p>Ken Hockenhill said the Trust Board had to be seen to take a strategic overview on pensions and that he was not convinced this had been done to date. He agreed that the Board should write to the Ministry of Justice to demonstrate that the Board was taking its responsibilities seriously.</p> <p>The Chief Executive suggested that rather than keep coming back to the Board any updates that may be necessary regarding pensions should be channelled in the first instance through the HR or Audit & Scrutiny Committee as appropriate.</p> <p>Keith Austin stated there had been a debate in the Resource & Performance Committee on 3rd June regarding the fluidity of the financial situation which noted the need to take a long term view but also recognised current concerns. He also felt that the Treasurer and his team had done an excellent job in closing the accounts on time.</p> <p>The Chair extended his thanks to the Treasurer and the financial team for their efforts.</p> <p>Grant Patterson, the External Auditor, spoke to the tabled Annual Governance Report and echoed the statement of thanks to the Treasurer and his team. He confirmed he was waiting for information from Worcestershire County Council in order to produce</p>

the final review. He stated the accounts were free from error and there were no major issues to be raised. He confirmed that the redundancy provision was appropriately accounted for and that the Trust, following advice taken from NOMS, had taken a satisfactory approach to VAT from an audit perspective. He suggested that in future the Trust should check the information provided by the actuary. With regard to the actuarial valuations, he was required to look at the assumptions and had commissioned an external review. He confirmed the figures were within the predicted ranges. Concerns had been raised around procurement arrangements but he stressed there were no issues around value for money and noted that new arrangements were now in place.

After signature the accounts would be submitted to NOMS. Grant Patterson also mentioned that following his recommendations, an action plan would be finalised and circulated.

The Chief Executive said that it was unfortunate that action in connection with procurement/ contract management arrangements had gone into a second financial year but stressed that the Trust had adopted interim procurement management arrangements designed to offer best value and not leave the service exposed to undue risk.

With regard to the current year, the Treasurer said that after two months the situation was challenging but manageable. There had been changes to the way in which capital budgets were being handled, including the funding for Internal Audit, but at no detriment to West Mercia.

The Secretary suggested that the Board formally adopt the recommendations in the report.

(b) Annual Report Part 2 (Draft)

The Chief Executive said that Parts 1 and 2 of the Annual Report would be combined to create a service document and that different versions would be generated for different audiences.

Elaine Hickman said the report was positive and focused but suggested that the diagram be laid out differently as it was hard to follow across two pages. She also suggested that the 'golden thread' analogy was introduced earlier in the document.

Valerie Reynolds suggested the Chair's statement be broken down into shorter, more readable, paragraphs and sentences. Derek Muhl said that he felt the Chair's report had captured the essence of the organisation but that both the Chair's and Chief Executive's statements should be at the start of the document.

		<p>The Secretary said that whilst it was possible to go into more depth on how the Board operates at a practical level, there was a need to strike a balance and to recognise that the Annual Report was essentially a strategic document. Bridget Nisbet asked if it was appropriate to include such detail on Board Members. The Chair suggested that it was necessary because they were key contributors.</p> <p>Martin Foley suggested that Magistrates be included as Service Users.</p> <p>The Chair and Chief Executive noted the suggested amendments and confirmed that the document would be re-edited to reflect the comments made.</p> <p>Actions:</p> <ul style="list-style-type: none">(i) The Board to send a letter, signed by the Chair, to the Ministry of Justice about pension concerns.(ii) Annual Draft Report Part 2 to be re-edited in line with agreed amendments and additions.(iii) When necessary any updates regarding pensions should be channelled in the first instance through the HR or Audit & Scrutiny Committee as appropriate.(iv) The HR Committee to consider the implications of the recent changes to the pension scheme. <p>Resolved that:</p> <ul style="list-style-type: none">(i) Papers 6.1 and 6.2 be noted.(ii) The Annual Accounts 2008/ 09 were noted and approved.(iii) The tabled Annual Governance report was noted.
<p>38.</p>	<p>Performance (Agenda item 7)</p>	<p>(a) The Chief Executive gave an overview of performance focusing on the current rather than the historic position. He said that West Mercia had previously been criticised in their Trust Bid for not demonstrating a performance culture. He noted the problems around the Information and IT systems and suggested that the organisation concentrated on how to use information rather than hardware and software issues.</p> <p>There was further discussion on specific issues in the Closed Session.</p>

		<p>(b) The Head of Business Services & Organisational Development reported on the Performance Dashboard. He said it was the first Dashboard of the financial year and was Amber. He reported some performance issues in Public Protection and Interventions. He asked that members note that the data was from one month only and, as such, reliance on such small numbers may be misleading.</p> <p>He also reported that in People Results, staff turnover was ahead of target based on the staff reduction programme and was Red, indicating that the service may be de-skilling too quickly. The Training Plan completion rate was slightly ahead of schedule. There were no other major issues and most areas were Green.</p> <p>The Chief Executive reported that the threat of a formal dispute by the Trade Unions had now been withdrawn.</p> <p>Resolved that:</p> <p>(i) Papers 7.1 and 7.2 be noted.</p>
<p>39.</p>	<p>Risk Register (Agenda Item 8)</p>	<p>The Head of Business Services and Organisational Development highlighted the key points on the Risk Register. He said that the last Audit & Scrutiny Committee had discussed the National Risk Register and had identified four out of the top ten risks (i.e. Community Capacity, Financial Resources, Loss of Confidence and Public Protection) for further consideration. The Public Protection risk was not yet included in the Register as the risk had not yet been identified. Three risk ratings had been changed and there had been two more data losses since the last Board meeting.</p> <p>The Treasurer said that the Trust had been invited to join the Worcestershire Emergency Planning Group in order to demonstrate the Service's preparedness in the event of serious incidents, eg escalation of swine flu. The Chair asked that this also be an item for discussion at a future Executive Team meeting as West Mercia needed to ensure that key services would continue be available.</p> <p>Action:</p> <p>(i) Emergency planning procedures be discussed at a future Executive Team meeting.</p> <p>Resolved that:</p> <p>(i) Paper 8.1 be noted.</p>
<p>40.</p>	<p>Probation Association</p>	<p>(a) PA Meeting on 7th April 2009</p>

	<p>(Agenda Item 9)</p>	<p>Ken Hockenhull reported on the PA meeting held on 7th April 2009, and explained that there had been discussion on the progress of the Trust programme with some extreme views being aired. The PA had agreed that the Position Paper would stand and be sent to the Minster and Michael Spurr, but from a strong position had then backtracked to a weaker one. A toned-down document was now to be submitted to NOMS with just two or three leading requirements.</p> <p>There had been a discussion on Sonnex and the fact that Boards were not aware of their probation officer caseloads, and a presentation by Christine Lawrie which offered an indication of how Trade Union discussions had developed.</p> <p>The Chief Executive reported there had been no local press interest regarding Sonnex. The Treasurer said that the Audit Commission might investigate the Sonnex case and direct the external auditors to make some enquiries. He also suggested that a report be submitted to the Resource & Performance Committee on caseloads for frontline probation officers, with consideration of the methodology and the checks/ balances of the systems.</p> <p>Christine Lawrie had given an update on Trust mergers in relation to pension costs. She said that as NOMS were not prepared to underwrite pension costs when two areas merged; any deficit would potentially have to be met by the larger of the two areas, otherwise the merger may not go ahead.</p> <p>(b) PA Business Plan</p> <p>Ken Hockenhull reported that both the PA Board and the Council approved the Business Plan without comment.</p> <p>(c) PA Trust Position Paper</p> <p>Ken Hockenhull said the report was initially drafted from the comments of all 42 probation areas. Essentially it was a demand list of Trust freedoms and benefits with a list of frequently asked questions. This was, however, considered to be too strong and three or four lead issues had been highlighted in a letter to the Minister and Michael Spurr.</p> <p>The Chief Executive updated the Board on the outcome of the latest round of Trust applications. He understood that five areas had been unsuccessful, i.e. Merseyside, Devon & Cornwall, Avon & Somerset, Norfolk & Suffolk and Bedfordshire. Warwickshire had failed on Domain 2 and needed to produce further evidence.</p> <p>Action:</p> <p>(i) A report to be submitted to the Resource & Performance</p>
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		<p>Committee on caseloads for frontline probation officers for consideration of the methodology and the checks and balances of the systems.</p> <p>Resolved that:</p> <p>(i) Papers 9.1, 9.2 and 9.3 be noted.</p>
<p>41.</p>	<p>Probation Chiefs Association (Agenda Item 10)</p>	<p>The Chief Executive reported that following David Scott's resignation, the PCA had not appointed a new Chair.</p> <p>The Chief Executive also explained that he had attended the Local Government Association's enquiry on Justice and Communities where discussions had focussed on adult offender services based in local authorities.</p> <p>The Chair and Chief Executive had held an anniversary meeting with local MPs in Parliament. MPs were generally supportive of West Mercia Probation Trust. It was noted that after lobbying by NAPO, MPs were raising parliamentary questions and writing to Ministers.</p> <p>Resolved that:</p> <p>(i) The verbal updates be noted.</p>
<p>42.</p>	<p>Committees of the Trust Board (Agenda Item 11)</p>	<p>(a) Audit & Scrutiny Committee</p> <p>Ken Hockenhill asked Members to note that there has been an extension for the review of the service's policies, and that the deadline had been extended to 30th September 2009.</p> <p>The Chair's report and draft Minutes of the Audit & Scrutiny Committee meeting held on 20th May 2009 were noted.</p> <p>Resolved that:</p> <p>(i) Papers 11.1 and 11.2 be noted.</p> <p>(b) Resource & Performance Committee</p> <p>The Chair's report and draft Minutes of the Resource & Performance Committee held on 3rd June 2009 were noted.</p> <p>Resolved that:</p> <p>(i) Papers 11.3 and 11.4 be noted.</p> <p>(c) HR Committee</p>

		<p>The Chair said that the HR Committee had identified a number of risks at HR level, including the long term absence of a Board Member, which could reduce the numbers at future HR meetings. Members agreed that the Chief Executive should attend future HR Committee meetings to ensure a full complement of Members.</p> <p>The Chair's report and draft Minutes of the HR Committee meeting held on 30th April 2009 were noted.</p> <p>Resolved that:</p> <p>(i) Papers 11.5 and 11.6 be noted.</p> <p>(d) JNCC Board</p> <p>The draft Minutes of the JNCC Board meeting held on 30th April 2009 were noted.</p> <p>Resolved that:</p> <p>(i) Paper 11.7 be noted.</p>
<p>43.</p>	<p>Appointment of Committees 2009/2010 (Agenda Item 12)</p>	<p>The Chair proposed that the membership of the Committees of the Board remain unchanged for 2010 -2011. Members endorsed the proposal.</p> <p>The Chair suggested that a short life group be set up to consider governance structures, Best Value reviews and Scrutiny. The group would consist of the existing Committee Chairs and one Board Member. External input would be via Marianne Hiley and Colin Copus. Peter Davidson was nominated and agreed to become a member of the group which was expected to meet in July and September.</p> <p>The Chief Executive said he would write to Mark Johnson thanking him for his contribution to the Board from the user perspective and would then make further arrangements for service user input.</p> <p>Action:</p> <p>(i) The Chief Executive to write to Mark Johnson thanking him for his contribution and would then make further arrangements for service user input.</p> <p>Resolved that:</p> <p>(i) Paper 12.1 be noted.</p>
<p>44.</p>	<p>Trust Project Steering Group</p>	<p>The Chief Executive reported that two meetings of the Steering Group had been held. All Domains had been updated and saved as</p>

	<p>(Agenda item 13)</p>	<p>early drafts with tracked changes. The bid would be written and evidence collected by mid September which would then be submitted to a panel. This would give enough time for a rewrite, if necessary, prior to the submission by 6th November 2009. In the absence of Derek Muhl, Bridget Nisbet had joined the Steering Group to monitor processes and ensure they were done in a timely way.</p> <p>Resolved that:</p> <p>(i) Paper 13.1 be noted.</p>
<p>45.</p>	<p>Complaints Report (Agenda Item 14)</p>	<p>The Secretary gave a brief overview of the Annual Complaints Report. He said the number of complaints had increased but that there could be several reasons for this. The number of complaints upheld in whole or in part had also increased. The Chief Executive suggested that the nature of complaints had changed to being more technical.</p> <p>It was agreed that the Resource & Performance Committee should consider the figures in more detail and escalate to Board level when and if appropriate.</p> <p>Action:</p> <p>(i) The Complaints Report will be an agenda item for future Resource & Performance Committee meetings.</p> <p>Resolved that:</p> <p>(i) Paper 14.1 be noted.</p>
<p>46.</p>	<p>Discipline, Grievance & Capability (Agenda Item 15)</p>	<p>Members noted the report and agreed this should be an item for the HR Committee to consider in future.</p> <p>Action:</p> <p>(i) The Discipline, Grievance and Capability report will be an agenda item for future HR Committee meetings.</p> <p>Resolved that:</p> <p>(i) Paper 15.1 be noted.</p>
<p>47.</p>	<p>Policies (Agenda Item 16)</p>	<p>(a) Scheme of Delegation</p> <p>Resolved that:</p> <p>(i) Paper 16.1 be noted.</p>

		<p>(ii) The Scheme of Delegation was endorsed by Members and signed by the Chair.</p> <p>(b) JNCC Constitution</p> <p>Resolved that:</p> <p>(i) Paper 16.2 be noted.</p> <p>(ii) The JNCC Constitution was endorsed by Members and signed by the Chair.</p> <p>(c) Business Risk Management Policy</p> <p>Resolved that:</p> <p>(i) Paper 16.3 be noted.</p> <p>(ii) The Business Risk Management Policy was endorsed by Members and signed by the Chair.</p> <p>(d) Anti-Fraud and Corruption Policy</p> <p>Resolved that:</p> <p>(i) Paper 16.4 be noted.</p> <p>(ii) The Anti-Fraud and Corruption Policy was endorsed by Members and signed by the Chair.</p>
<p>48.</p>	<p>Risk Register (Agenda Item 17)</p>	<p>(a) Members agreed that the financial risk should be increased due to possible reduction in future budgets. The Chair of the Audit & Scrutiny Committee agreed there should be an increase in the rating.</p> <p>(b) Members agreed that the Trust Status risk should be increased as a result of the notification of the recent failed Trust bids and heightened anxiety around applications generally.</p> <p>Action:</p> <p>(i) The financial risk be increased due to the possible reduction in future budgets.</p> <p>(ii) Trust status risk be increased as a result of the notification of the recent failure.</p>
<p>49.</p>	<p>Any Other Business (Agenda Item</p>	<p>(a) Martin Foley requested some guidance on attendance at Supporting People meetings. The Chair said the role of Board Champions would be explored in the short-life working group to be</p>

	18)	set up. (b) Members discussed the five minute 'Thought Leadership' film on the Trust which would consist of interviews with key personnel and would be screened at the LGA Safer Communities Conference taking place at the Bristol Marriott on 13 th and 14 th October. The cost would be £9,750 and West Mercia would own the rights to the film. Members agreed it would be a good PR opportunity, a useful marketing tool for possible external funders and good evidence for the forthcoming Trust bid. Action: : (i) The role of Board Champions would be explored in the short-life working group to be set up. Resolved that: (i) Members endorse the production of the 'Thought Leadership' film to be screened at the LGA Safer Communities Conference in October.
50.	Date of Next Meeting (Agenda Item 19)	Wednesday 29 th July 2009, 10.00am, Police HQ, Hindlip.
51.	Meeting Ended	The meeting ended at 3.15pm.

Signed:
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Chair

Dated:
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