

**Chief Executive's Office**

Chief Executive: CJ Bull

**To: All Members of Cabinet:**  
**RJ Phillips (Chairman)**  
**LO Barnett**  
**AJM Blackshaw**  
**H Bramer**  
**JP French**  
**JA Hyde**  
**JG Jarvis**  
**PD Price**  
**DB Wilcox**

Your Ref:

Our Ref: CJB/SAHC

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28 April 2009

Dear Councillor,

**MEETING OF CABINET**  
**THURSDAY 7 MAY 2009 AT 2.00 PM**  
**THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD**

**AGENDA (09/14)**

**HEREFORDSHIRE COUNCIL - NOTICE UNDER REGULATION 15 OF THE LOCAL  
 AUTHORITIES (EXECUTIVE ARRANGEMENTS((ACCESS TO INFORMATION) REGULATIONS  
 2000 (AS AMENDED)**

Notice is hereby given that the following report contains a key decision. When the decision has been made, Members of the relevant Scrutiny Committee will be sent a copy of the decision notice and given the opportunity to call-in the decision.

<b>Item No</b>	<b>Title</b>	<b>Portfolio Responsibility</b>	<b>Scrutiny Committee</b>	<b>Included in the Forward Plan Yes/No</b>
6	Office Accommodation Strategy Options Appraisal	Corporate Strategy and Finance/Resources	Strategic Monitoring Committee	No
7	Office Accommodation Strategy Options Appraisal (exempt)	Corporate Strategy and Finance/Resources	Strategic Monitoring Committee	No



**1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

**2. DECLARATIONS OF INTEREST**

To receive any declarations of interest by Members in respect of items on the Agenda.

**GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS**

The Council's Members' Code of Conduct requires Councillors to declare against an Agenda item(s) the nature of an interest and whether the interest is personal or prejudicial. Councillors have to decide first whether or not they have a personal interest in the matter under discussion. They will then have to decide whether that personal interest is also prejudicial.

A personal interest is an interest that affects the Councillor more than most other people in the area. People in the area include those who live, work or have property in the area of the Council. Councillors will also have a personal interest if their partner, relative or a close friend, or an organisation that they or the member works for, is affected more than other people in the area. If they do have a personal interest, they must declare it but can stay and take part and vote in the meeting.

Whether an interest is prejudicial is a matter of judgement for each Councillor. What Councillors have to do is ask themselves whether a member of the public – if he or she knew all the facts – would think that the Councillor's interest was so important that their decision would be affected by it. If a Councillor has a prejudicial interest then they must declare what that interest is and leave the meeting room.

**3. MINUTES**

To approve and sign the minutes of the meeting held on 2 April 2009. (*Pages 1 - 10*)

**4. ANNUAL AUDIT AND INSPECTION LETTER 2008**

To note the Audit Commission's Annual Audit and Inspection Letter for 2008 and approve the response to each of the five action points raised. (*Pages 11 - 42*)

**5. RESPONSE TO THE REVIEW OF COMMUNITY ENGAGEMENT IN COMMUNITY SAFETY AND DRUGS PARTNERSHIP**

To consider a response to the Community Services Scrutiny Review of Community Engagement with the Community Safety and Drugs Partnership. (*Pages 43 - 62*)

**6. OFFICE ACCOMMODATION STRATEGY OPTIONS APPRAISAL**

To consider a report on the Office Accommodation Strategy Options Appraisal. (*Pages 63 - 76*)

**EXCLUSION OF THE PUBLIC AND PRESS**

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In the opinion of the Proper Officer, the next item will not be, or is likely not to be, open to the public and press at the time it is considered.

**RECOMMENDATION:**

That the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act as indicated below.

**7. OFFICE ACCOMMODATION STRATEGY OPTIONS APPRAISAL (EXEMPT) (TO FOLLOW)**

To consider an exempt report on the Office Accommodation Strategy Options Appraisal.

**Not for publication this item discloses information relating to the financial or business affairs of any particular person (including the authority holding that information).**

Yours sincerely,



**CJ BULL  
CHIEF EXECUTIVE**

Copies to: Chairman of the Council  
Chairman of Strategic Monitoring Committee  
Vice-Chairman of Strategic Monitoring Committee  
Chairmen of Scrutiny Committees  
Group Leaders  
Directors  
Assistant Chief Executive



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- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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# **HEREFORDSHIRE COUNCIL**

**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of CABINET held at THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD on Thursday 2 April 2009 at 3.00 pm**

**Present:** Councillor RJ Phillips (Chairman)

Councillors: AJM Blackshaw, H Bramer, JP French, JA Hyde, JG Jarvis, PD Price and DB Wilcox

**In attendance:** Councillors ACR Chappell, PJ Edwards, TM James, RI Matthews, SJ Robertson, WU Atfield, MAF Hubbard, AM Toon, JD Woodward and AT Oliver

**102. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor LO Barnett, Cabinet Member Social Care Adults.

Apologies were also received from Councillor WLS Bowen, Vice-Chairman of Strategic Monitoring Committee

**103. DECLARATIONS OF INTEREST**

Councillors DB Wilcox and PJ Edwards declared a personal interest in item 6 : Hereford Open Retail Market during discussion of the item, as Hereford City Councillors.

**104. MINUTES**

**RESOLVED: That the Minutes (both open and confidential) of the meeting held on 19 March 2009 be approved as a correct record and signed by the Chairman.**

**105. SWIMMING PROVISION FOR PRIMARY SCHOOLS IN HEREFORD CITY**

The Leader reminded Cabinet that Swimming Provision for Primary Schools in Hereford City had been considered by Cabinet in the Autumn of 2008, and as had been agreed was being referred back for consideration by Cabinet prior to Easter 2009.

An additional report by John Argent (Chief Executive, HALO) was tabled entitled 'Short Term Impact on not Re-Opening the LEA Pool', together with its appendix which outlined pool programmes.

The Cabinet Member for Economic Development and Community Services introduced the item and drew Members' particular attention to the findings of the Amateur Swimming Association (ASA) Officer on the condition of the LEA Pool. The ASA Officer was of the view that the costs of refurbishments were such that it would not be economically viable to invest in repairs or refurbishment of the Pool. The tabled report outlined the impact of the LEA Pool closure and the response, both immediate and on-going, by HALO to support the provision of both school and public

swimming.

The Chairman of SMC, having presented the Leader with a letter, was invited to address Cabinet and, in outlining the strategic importance of the LEA pool to the county raised a number of points which included; concerns regarding the limited information provided within the report for a decision to be reached (including lack of recent financial costings); the definition of the decision as non key; the evidence to support the achievement of curriculum targets and swimming attainment; the need for assurance that availability of public swimming will not be adversely affected whilst ensuring the well being and safeguarding of children.

Responding to issues raised, the Interim Head of Culture and Leisure underlined the current poor condition of the pool, which had been verified by the ASA Officer who had visited the LEA Pool accommodation at the invitation of local residents, clubs and local members. It was stated that the LEA Pool was losing 30m<sup>3</sup> of water per day due to a crack in the middle of the pool, the repair of which (in the form of a pool liner) would cost £200k. The insertion of a pool liner would not guarantee increased longevity for the pool, therefore posed a financial risk. Additional works to the superstructure of the building would require additional funding. The view of the ASA Officer was that the Council should not be investing further monies into the fabric of the LEA Pool.

The Cabinet Member Economic Development and Community Services advised Cabinet that the finite resources available needed to be used effectively to deliver the best possible service for the county's residents. He commended the work of HALO who had been recognised by other local authorities for their partnership working. It was acknowledged that there was work to be progressed between HALO and the authority in the short term, and in the longer term, consideration would be given to the development of the county's cultural strategy to determine the detailed requirements for the next 15-20 years and to consider how the objectives would be met; this work was currently active and under consultation. The preference of the Cabinet Member would be to invest monies into the development of new assets. Members' attention was particularly drawn to para 10 (page 3) of the report, which stated that no business case had been received regarding community management of the LEA pool. Additionally, para 18 (page 3) outlined the considerations of the Schools Forum which recommended the use of revenue funding, previously used to contribute to the running of the LEA Pool, to be delegated to schools.

John Argent (HALO) assured Cabinet that HALO had the ability to satisfy the needs of the schools in the provision of swimming. He acknowledged that the beach pool had not been designed with the teaching of swimming in mind and provided a guarantee that, through the amended pool programme, the beach pool would not be used as an area for lessons. Mr Argent additionally stated that the diving pool would continue to be used for lessons as its relative smaller size provided an environment within which children's confidence and competence would be developed to allow them in time to move into the larger pool. The use of the waterspace available to support schools and the public had been considered and solutions produced to accommodate the needs of both sets of users.

In discussion the following points were raised and responded to:

The Labour Group Leader stated that local Members and the community had done everything that was asked of them by the Cabinet Member in seeking to retain the LEA Pool. He referred to an additional point raised by the ASA Officer that opportunities were available to submit a bid for monies to support the building of a new learner pool which would need to be associated with a school. The Labour Group Leader questioned whether HALO fully understood the challenges of dealing

with the different requirements of schools and referred to a recent incident which occurred during a school swimming lesson at in the HALO pool. It was asserted that fewer swimming badges were currently being attained. He called either for monies to be invested in the LEA pool or for a new learner pool to be built elsewhere.

The Leader informed the meeting of the need to consider, at an appropriate time, possible future options of developing wet and dry facilities alongside each other. It was emphasised that in considering any options, it was essential to factor ongoing revenue costs in addition to the capital costs of the scheme.

The Chairman of the Children's Services Scrutiny Committee emphasised that that much effort had been given to this issue by the local community and that whilst an initial business case had been developed, it was no longer viable due to the larger than anticipated repair figures which had been received. The Councillor expressed concerns about safeguarding, attainment of badges and the impact to the public on the swimming provision in HALO facilities.

There was a consensus by Members of the view that to consider losing a pool was a difficult decision, however the financial realities of the situation needed to be emphasised, with the authority's finances tight it was essential to use the authority's resources wisely.

The consultation regarding future culture and leisure provision would be considered in a holistic manner by the relevant Cabinet Members to ensure the delivery of services.

The Cabinet confirmed that the report provided sufficient information to reach a decision on the recommendations

Members considered HALO to be doing a good job and were successfully delivering a valued service for a large amount of users within the available facilities and recognised that HALO received the highest accreditation from the ASA's quality scheme for swimming for all their pools within the county.

To support the development of effective partnerships with schools, it was suggested that an appropriate forum be established between headteachers and HALO to discuss swimming arrangements. Mr Argent confirmed that such a forum was being considered, based on school clusters around pools.

The Cabinet and the Chief Executive emphasised that the expectations of the Authority in relation to meeting safeguarding standards was of the highest order, both in and out of school time and it was confirmed that both the Director of Children's Services and Mr Argent from HALO were members of the Safeguarding Board.

The Liberal Democrat Group Leader stated that provision of swimming lessons for school children was a service expected of the authority by its residents, in his view closing the LEA Pool would deliver less of a service.

The Independent Group Leader stated that parents were reconsidering the value for money of the current swimming provision. He additionally expressed regret for the lack of maintenance received by LEA Pool in recent years and stated that current arrangements should be considered as merely a stopgap whilst alternative options for a dedicated teaching pool were considered. In his view, the risk associated with a pool liner failing was minimal.

Cabinet confirmed that works required of the HALO pool to address its new

requirements would be undertaken.

Mr Argent, HALO, in referring to the incident emphasised the positive intervention of staff and stated that was necessary to acknowledge that whilst not all risks could be removed, they needed to be managed effectively and appropriately. Mr Argent additionally referred to the independent external assessment by ASA of HALO and confirmed that all swimming pools in the County under HALO's management passed this assessment, the first time, at the highest level. This would be further built upon through the development of an aquatic strategy with the authority's Sports Development Team. It was confirmed that Halo was considering establishing meetings with schools based on clusters around pools and that consideration was being given to introduce individual development plans for pupils at key stage two which would assess ability, progress and provide reports about each child.

The Leader in his closing remarks stated that he was aware that the issue was emotive, it was important to develop a longer term robust strategy whilst recognising that future Comprehensive Spending Reviews would be challenging and would require difficult decisions to be made about future budget allocation and spend.

The Labour Group Leader presented a letter to the Cabinet Member from a parent regarding the LEA Pool issue.

**RESOLVED that:**

- (a) The LEA pool remain permanently closed and disposal of the site be considered as part of the Council's property strategy;**
- (b) HALO continue to work closely with schools to deliver safe, cost effective, quality assured swimming provision that will enable support achievements of curriculum targets; and**
- (c) The Council, in partnership with HALO, develop a long term strategy to support the development of swimming provision across the county.**

**106. WORKFORCE STRATEGY**

The Cabinet Member Corporate and Customer Services and Human Resources introduced the report which outlined the joint workforce strategy for Herefordshire Council and NHS Herefordshire for 2009-12.

The Assistant Chief Executive HR and OD outlined key points of emphasis from within the report including the five objectives of the Workforce Strategy for 2009-12; (i) Recruitment; (ii) Talent Management; (iii) Retention; (iv) Training and Development and (v) Workforce Planning, all of which were underpinned by a series of deliverables and indicators of achievement. Members were advised that the NHS Herefordshire Board had considered the Strategy at their meeting of 25 March and had, subject to the inclusion of reference to older people, endorsed the Strategy.

Members welcomed the Workforce Strategy for 2009-12 and emphasised its importance to underline the success of both organisation's future.

During discussion the following issues were raised and responded to:

- Assurance was sought and provided with relation to the provision of support from the local authority for looked after children in providing assistance in areas such as filling in application forms, accompanying letters etc. Members

were additionally informed that support was provided to school pupils.

- Whilst it was stated that retention levels would be expected to improve due in large part to the current economic climate, it was recognised that the authority faced a challenge (as with other local authorities) in recruiting to Children's Services posts due to the negativity surrounding recent events. This situation was an organisational risk which would need to be addressed through a number of activities.
- Good communication and decent opportunities would be important to encourage young people to return to the County.
- Members were advised that, in general terms, most employees of organisations would leave due to career development or job change. Further work would be undertaken on the current exit questionnaires to assist in providing a greater level of detail as to reasons for leaving.

**RESOLVED:**

**That the Workforce Strategy for 2009-12 be endorsed**

**107. HEREFORD OPEN RETAIL MARKET**

The Chairman of the Community Services Scrutiny Committee presented the report which outlined the outcome of the Call-In by his Committee of Cabinet's decision of 19 February 2009, which endorsed the recommendations of Cabinet. He thanked the Cabinet Member Economic Development and Community Services for taking on board the comments of the Community Services Scrutiny Committee.

The Cabinet Member Economic Development and Community Services advised Cabinet of five specific areas of specific changes which would be further considered in relation to the relocation of the Hereford Open Retail Market:

- (i) the relocation would be for an initial one year trial
- (ii) the strategy for new stalls including their location, would be revisited and adjusted where necessary (in consultation with Hereford City Partnership).
- (iii) A software package, Experion (measuring footfall), would be procured to assess the potential impact of the relocation of the Open Retail Market to the Butter Market. This would also assess the impact to the Butter Market of other markets held within High Town.
- (iv) A review in detail of stall allocation would be carried out in conjunction with Hereford City Partnership.
- (v) A retail impact study would be conducted as soon as would be practicable.

The Legal Practice Manager advised Cabinet that the provisions of Section 5 of the Hereford Markets Act 2003 provided for a consultation exercise to be undertaken prior to any proposed relocation of a Charter Market. The General Market, being under consideration in the Cabinet report was such a Charter Market. The Legal Practice Manager indicated that officers from the markets and fairs section of the Council had undertaken such a statutory consultation process. A point had however been subsequently developed in correspondence received from Hereford City Council to the Chief Executive, to the effect that Section 4 of the same Act required *consent* to be obtained from any person whose "rights, privileges or powers" might be affected by any proposed relocation. It was contended by the City Council that such persons included those who traded in or near High Town. Counsel's opinion had been sought by the Assistant Chief Executive (Legal & Democratic). The opinion had been considered. The view of the Assistant Chief Executive (Legal &

Democratic) was that the commercial activities of those retailers referred to by the City Council did not amount to them having either "rights, privileges or powers" of the sort referred to in the Markets Act and as such obtaining their consent was not a legal requirement.

A local ward member in attendance apologised that the legal issue raised by Hereford City Council had not been raised as part of the Community Services Scrutiny Committee deliberations.

The Chief Executive stated the need for the authority to rely on senior legal advice provided by its officers.

The Leader emphasised that during debate held in a previous meeting of Cabinet on this issue, consideration had been given to risks associated with the Hereford Open Retail Market, including both the option of the relocation of the Open Market to High Town, or the alternative option which was to retain the Open Market at its current site, with the likelihood it would fail. The Leader stated that Hereford City Council had a right to an alternative view on the matter, however it was imperative to secure increase footfall to the city centre and that it would be disappointing if the agreed way forward did not progress as it may contribute to the collapse of the current open market.

The Cabinet Member Economic Development and Culture was commended on his contribution to the BBC1 Countryfile programme which portrayed the county in a positive light.

**RESOLVED:**

**That the resolutions of the Community Services Scrutiny Committee be considered**

**RESOLVED:**

**That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Schedule 12(A) of the Act as indicated below.**

**108. WASTE COLLECTION CONTRACT**

Cabinet received a confidential report concerning the selection of a new waste collection contractor for Herefordshire Council.

**RESOLVED:**

**That Focsa Services (UK) Ltd be approved as the preferred supplier of Herefordshire's Waste Collection contract.**

The meeting ended at 4.55 pm

**CHAIRMAN**

Document is Restricted





## ANNUAL AUDIT AND INSPECTION LETTER 2008

### PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

7 MAY 2009.

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#### Wards Affected

County-wide

#### Purpose

To note the Audit Commission's Annual Audit and Inspection Letter for 2008 and approve the response to each of the five action points raised.

#### Key Decision

This is not a Key Decision.

#### Recommendations

##### THAT

- (a) the Audit Commission's Annual Audit and Inspection Letter for 2008 be noted, and;
- (b) the response to the action points in paragraph 9 of the Annual Audit and Inspection Letter for 2008 be approved.

#### Reasons

1. The Council needs to respond appropriately and promptly to the action points identified by the Audit Commission in order to demonstrate improvements that will be reflected in their subsequent reports on audit, inspection and performance assessment.

#### Considerations

2. The Annual Audit & Inspection Letter provides an overall summary of the Audit Commission's assessment of the Council. It draws on the Commission's audit, inspection and performance assessment work over the last year. Many of the comments will therefore be familiar as this report summarises the key points of previous Audit Commission reports, such as the Use of Resources.
3. The Audit Commission has identified five issues that it feels need action. These are set out in paragraph of the Letter as follows:
  - (a) Ensure that the developing joint management arrangements between the Council and PCT result in the setting and monitoring of shared targets that clearly state the improved outcomes that local people can expect to experience as a result of the closer working of the two organisations.

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Further information on the subject of this report is available from  
David Powell, Director of Resources on (01432) 383519

- (b) Ensure that responses being developed to address delays in carrying out timely assessments for children’s social care are effective and sustainable.
  - (c) Monitor the Safer Road Partnership’s response to the recommendations from our recent assessment.
  - (d) Continue to actively pursue a satisfactory conclusion to waste management as soon as possible.
  - (e) Ensure that processes are put in place to drive out the expected benefits of Herefordshire Connects, including financial savings.
4. The assessment contained in the Annual Audit and Inspection Letter is positive, with the council assessed to be “improving well” and this is reflected in the performance in most priority areas. The overall assessment of the council’s position is summarised in the CPA scorecard as follows:

<b>Element</b>	<b>Assessment</b>
Direction of Travel judgement	Improving well
<b>Overall</b>	
Corporate assessment/capacity to improve	2 out of 4
Previous corporate assessment/capacity to improve, as included in overall CPA judgement in 2007.	3 out of 4
	<b>Current performance</b>
Children and Young people *	2 out of 4
Social Care (adults) *	2 out of 4
Use of Resources *	3 out of 4
Housing	3 out of 4
Environment	3 out of 4
Culture	2 out of 4
Benefits	4 out of 4
<i>(Note: * these aspects have a great influence on the overall CPA score) (1 = lowest; 4 = highest)</i>	

5. The Direction of Travel judgement confirms the council’s improvement since last year and the letter notes improvement in most priority areas. Over a three-year period, the council’s performance remains in line with similar councils with 66% of performance indicators improving over that period. In 2007/08, 61% of performance indicators improved. Overall Use of Resources improved from level 2 to 3 and that assessment noted the council’s priority of targeting funding at priority and under-performing services.
6. The key points evident in the Annual Audit and Inspection letter are as follows:
- (i) The linkages between Corporate Plan themes and the council’s top priorities are acknowledged in the letter. The improvement to services for children and the measures to improve timelines of referrals and assessments is also indicated in the letter.
  - (ii) The changes to service delivery patterns in adult health and social care are beginning to deliver improvements. Whilst the Commission for Social Care Inspection (CSCI) rating for outcomes remained ‘adequate’, three outcome judgements improved from ‘adequate’ to ‘good’.

- (iii) Progress is confirmed around developing the local economy and improvements in services, contributing to sustainable communities. However, the delivery of services to a widely dispersed community remains a challenge.
- (iv) Partnership working is focussed on the delivery of outcomes and is seen as 'strong' with a particular strength being joint working with the voluntary and community sector.
- (v) The council's ability to understand and engage with the needs of diverse groups is gradually improving, supported by organisational arrangements that have been assessed at level 3 of the Equality Standard, compared with level 2 last year.
- (vi) The council is a relatively low cost authority with adequate arrangements for providing and managing Value for Money (VFM). Whilst improvements have been made to secure value for money, these are not yet consistently improvement outcomes. The letter notes the good progress around procurement and the achieving of efficiency savings.
- (vii) The serious concerns around corporate governance have been addressed with 'good progress' noted.
- (viii) The accounts received an unqualified opinion, with a strong performance noted around the quality and timelines of the progress.
- (ix) The Audit Commission was able to conclude that the Authority has put in place proper arrangements for securing Value for Money.
- (x) The Use of Resources assessment was positive, with an improvement from level 2 to level 3 (performing well). Financial reporting was assessed as 'performing strongly' and given the highest possible score of 4.
- (xi) The Safer Roads Partnership (SRP) in West Mercia builds on the earlier work of the Safety Camera Partnership. The SRP requested the Audit Commission to take an overview of the partnership and assess it against the Audit Commission's "Changing Lanes" publication. The review found a lack of a clear strategy.
- (xii) The letter noted the council's partnership approach with Worcestershire around its PFI contract for waste management. The contract remains in "standstill" pending the provision of a waste treatment facility. The requirement to conclude discussions means this is a risk.

#### **Comprehensive Area Assessment**

7. The new Comprehensive Area Assessment (CAA) framework will provide an overall local area assessment drawing on the findings of various public service inspectorates. The results will be published in autumn 2009 and in the future the areas covered by the Annual Audit and Inspection Letter will be part of the CAA reporting framework.
8. A response to each of the five action points in the Annual Audit and Inspection Letter has been drafted (Appendix 2). The timing of the submission of the Annual Audit and Inspection Letter meant that the Audit & Corporate Governance Committee were not able to receive an action plan.

## **Financial Implications**

9. None arising as a direct result of this report.

## **Risk Management**

10. The response to the issues identified by the Audit Commission in their Annual Audit and Inspection Letter 2008 will underpin an improvement in the Council's audit, inspection and performance assessments over the next 12 months.

## **Alternative Options**

11. There are no Alternative Options.

## **Consultees**

The Audit and Corporate Governance Committee has been consulted on the Annual Audit & Inspection Letter for 2008.

## **Appendices**

Appendix 1 – The Annual Audit & Inspection Letter 2008.

Appendix 2 – The draft response to the action points in the Annual Audit & Inspection Letter.

## **Background Papers**

None identified.

# Annual Audit and Inspection Letter

Herefordshire Council

Audit 2007/08

February 2009



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## Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

# Summary

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### Key messages

- 1** Herefordshire Council is improving well. Performance has improved in most priority areas. Good outcomes are being secured for children although assessments for social care and reviews of child protection are slower than average. Exam results and safeguarding of vulnerable children have improved. Most areas of adult social care have improved steadily with waiting times for assessments reduced and more people helped to live at home. The Rother was access road is a springboard for future development although a slowdown in progressing planning applications weakens regeneration efficiency. More waste is recycled and composted but waste collection and disposal costs continue to increase. Housing demand is rising. Responses to this are developing. The Council contributes positively to community outcomes and works well in partnership to reduce crime and engage diverse communities. Services are more accessible. Use of resources has improved although measuring and reporting value for money is inconsistent. Plans are clear and capacity to deliver them is good. Delivery of outcomes for the public is strengthened by the innovative Council and Primary Care Trust joint management structure. Response to previous governance failings in ICT is good.
- 2** We gave an unqualified opinion on the accounts. The quality of the statement of accounts and working papers was very good.
- 3** For Use of Resources (an assessment of financial management), the Authority has been assessed as performing well, an improvement from the previous year. Of the five themes included in the assessment, one (financial reporting) was assessed as strong, two (financial standing and financial management) were assessed as performing well and two (value for money and internal control) were assessed as adequate. We also concluded that the Council's financial position remains sound.
- 4** The future delivery of waste management within the County continues to be uncertain. There has been considerable commitment and effort in the last year to try to come to a solution which will reduce the amount of waste going to landfill. Progress has included the establishment of governance and project management arrangements to help drive the development of waste treatment facilities. However a solution is yet to be agreed and as a result there continues to be a risk of contract termination.
- 5** The Council has responded well to our previous recommendations regarding the IT transformation programme, Herefordshire Connects. The key issues now for the Council are to ensure that processes are put in place to drive out the expected benefits, including financial savings, and that the relationship with the Council's strategic partners is managed effectively
- 6** The arrangements for ensuring data quality were again assessed as adequate. The Authority is now demonstrating a much stronger commitment to securing and using quality data.

- 7 Partners in the Safer Roads Partnership (of which the Authority is the lead member) are committed to working together to improve road safety in the area. But the transition from the earlier successful safety camera partnership has been slow and is still incomplete. The Partnership does not use the information available to identify the best approach to improving road safety.

<b>Recommendations</b>	
<b>R1</b>	Ensure that the developing joint management arrangements between the Council and PCT result in the setting and monitoring of shared targets that clearly state the improved outcomes that local people can expect to experience as a result of the closer working of the two organisations.
<b>R2</b>	Ensure that responses being developed to address delays in carrying out timely assessments for children's social care are effective and sustainable.
<b>R3</b>	Monitor the Safer Road Partnership's response to the recommendations from our recent assessment.
<b>R4</b>	Continue to actively pursue a satisfactory conclusion to waste management as soon as possible.
<b>R5</b>	Ensure that processes are put in place to drive out the expected benefits of Herefordshire Connects, including financial savings.



# Purpose, responsibilities and scope

- 8 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the findings and conclusions from the audit of the Council for 2007/08 and from any inspections undertaken since the last Annual Audit and Inspection Letter. We have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. We have made recommendations to assist the Council in meeting its responsibilities.
- 9 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk). In addition, the Council is planning to publish it on its website.
- 10 Your appointed auditor is responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, your appointed auditor reviews and reports on:
  - the Council's accounts;
  - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
  - whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 11 This letter includes the latest assessment on the Council's performance under the CPA framework, including our Direction of Travel report and the results of any inspections carried out by the Audit Commission under section 10 of the Local Government Act 1999. It summarises the key issues arising from the CPA and any such inspections. Inspection reports are issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.
- 12 We have listed the reports issued to the Council relating to 2007/08 audit and inspection work at the end of this letter.

# How is Herefordshire Council performing?

13 The Audit Commission’s overall judgement is that Herefordshire Council is improving well and we have classified the Council as two stars in its current level of performance under the Comprehensive Performance Assessment. These assessments have been completed in all single tier and county councils with the following results.

**Figure 1 Overall performance of county councils in CPA**



Source: Audit Commission

## How is Herefordshire Council performing?

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### Our overall assessment - the CPA scorecard

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**Table 1 CPA scorecard**

Element	Assessment
Direction of Travel judgement	Improving well
<b>Overall</b>	
Corporate assessment/capacity to improve	2 out of 4
Previous corporate assessment/capacity to improve, as included in overall CPA judgement in 2007	3 out of 4
Current performance	
Children and young people*	2 out of 4
Social care (adults)*	2 out of 4
Use of resources*	3 out of 4
Housing	3 out of 4
Environment	3 out of 4
Culture	2 out of 4
Benefits	4 out of 4

(Note: \* these aspects have a greater influence on the overall CPA score)  
(1 = lowest, 4 = highest)

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### The improvement since last year - our Direction of Travel report

#### What evidence is there of the Council improving outcomes?

**14** Performance has improved in most priority areas. The Council's ranking in its benchmarking group has improved from 29 last year to 16. Over a three year period Herefordshire's performance remains in line with similar councils with 66 per cent of performance indicators improving over that period. This is within the average range for all single tier councils. However the rate of improvement across all services as measured by the Audit Commission basket of indicators in 2007/08 has slowed in comparison to last year. 61 per cent of all national performance indicators improved which is marginally below the average range for single tier councils. The number of performance indicators in the best quartile remains at 26 per cent, behind the national average. Overall use of resources has improved from 2 to 3. Resources are being targeted at priority and under performing services and some improvements are being made.

- 15** The Council's top priorities are linked to its corporate plan themes of Children and Young People; Health and Wellbeing; Older People; Economic development and enterprise; Safer and Stronger communities and organisational improvement and greater efficiency. The top priorities are: the best possible life for every child; safeguarding vulnerable children and improving educational attainment; reshaped adult health and social care, so that more older and other vulnerable people maintain control of their lives; the essential infrastructure for a successful economy enabling sustainable prosperity for all; affordable housing to meet the needs of local people and better services, quality of life and value for money particularly by working in partnership with the PCT and other local organisations.
- 16** Services for children are improving. OFSTED's overall annual performance rating remains at 'adequate'. Secondary school pupils are achieving well and performance continues to improve year on year. GCSE and Key Stage 2 results have improved and Key Stage 3 performance remains strong. Targeted work to improve key stage 1 performance is in place and work to reduce absence in secondary schools is being prioritised by the Education Welfare Service. Continued improvement has been made in safeguarding vulnerable children. Provision of placements for looked after children is good and further progress has been made in their GCSE pass rates. The Council remains in the best quartile for ensuring that care leavers are in education, employment or training. Adoptions of looked after children have risen from the worst to the best quartile. However work to improve timeliness of referrals and assessments and of reviews of the child protection register is ongoing and performance is still lower than average.
- 17** Major ongoing changes to the delivery of adult health and social care are beginning to deliver improvements for users and carers. The new Shop4Support scheme gives users the ability to directly choose and control their social care services. The Commission for Social Care Inspection (CSCI) rating for outcomes has remained as 'adequate' but with three outcome judgements improving from adequate to good. Changes to services to help older people and adults with mental health problems and with learning disabilities to live at home have led to slightly improved performance. Vulnerable people have greater access to support through the new mental health 'Just checking' service and the 'Roving night' service. Progress to help disabled adults live at home has improved over three years but performance dipped slightly over 2007/08. Recognising the need to transform residential provision for people with learning disabilities the Council has appointed a new service provider. More households are receiving home care (7.4 per thousand up from 6.4 in 2006/07) and the waiting times for assessment packages have reduced. Support for carers has improved with the establishment of the Carers' Hub and network. Provision of new care packages and of intensive home care for older people has also improved. New Community Warden schemes are providing additional support for isolated older people, helping them to remain in their own homes. Equipment to help people to retain their independence is delivered very quickly.

## How is Herefordshire Council performing?

- 18** Progress has been made on developing the local economy. This was demonstrated by the Council's success in the Enterprising Britain Awards 2008. The opening of the Rotherwas access road has helped to create the infrastructure for future planned economic development and work to deliver the Edgar Street Grid project has progressed with the selection of a retail developer and a housing development partner. Performance on determining major planning applications has deteriorated in 2007/08, weakening the Council's ability to provide a timely response to developer requests and the Council acknowledges that achieving the target in the current year will be difficult due to staffing changes and the impact of the economic downturn but still expects to do so.
- 19** There have been some improvements in services contributing to sustainable communities, although pressures on delivery, due to the Council's widely dispersed and often sparsely populated communities, remain a challenge. The proportion of waste recycled or composted continues to increase and the Council is consistently reducing the amount of household waste collected. Maximising access to kerbside recycling is problematic in Herefordshire but performance has continued to improve more quickly than most although customer satisfaction with the service decreased. The cost of waste collection and disposal continue to increase and securing reductions through new contracts remains a priority. Despite difficulties, caused by a range of external pressures, improvement was made in housing as recognised by an improved Housing CPA score. More affordable housing units were built. Although the Council did not meet its own target last year its monitoring indicates that the target will be achieved in 2008/09. Increased demand for housing from homeless people has resulted in the average length of stay in hostel accommodation increasing, whilst use of bed and breakfast and hostel accommodation improved from 15 weeks in 2006/07 to five weeks in 2007/08. Internal monitoring suggests that changes to processes have led to a decrease in homelessness acceptances during the current year. The Council is prioritising the search for innovative responses to the rising demand for temporary accommodation and plans to use private sector leasing to help reduce its use are being implemented. The Council continues to fund a mortgage rescue package with a local housing association to enable vulnerable households to avoid repossession.
- 20** Work to build safer communities is effective. Herefordshire is a very safe place to live. 86 per cent of the basket of safer and stronger PIs improved since last year which is above the average range for all single tier authorities. The number of domestic burglaries, robberies and vehicle crimes all reduced as did the number of people killed or seriously injured on the roads. Even though instances of violent crime and criminal damage increased only marginally the Council and its CDRP partners are prioritising responses to these issues alongside working to reduce public levels of fear of crime which do not reflect the actual level of crime.

- 21** Delivery of the organisational improvement and greater efficiency priority was boosted by some positive developments. The Council's use of resources score improved from 2 to 3 and the ambitious and innovative joint management arrangements for the Council and PCT are in place. The proportion of employees from an ethnic minority community and of top paid staff that are women or from an ethnic minority increased. Staff sickness marginally increased, potentially harming the Council's ability to deliver services, although performance remains in the second quartile. The Herefordshire Connects project has been reviewed and work to deliver it has now started. This is at an early stage and benefits for the public and efficiencies are not yet apparent.
- 22** Partnership working is strong and focused on delivering outcomes that are important to local people. Small scale but effective joint tasking arrangements to tackle anti social behaviour have been developed with the Police, Housing Associations and other agencies and work to develop this approach through the creation of an Anti Social Behaviour Team is ongoing. Joint working with the voluntary and community sector through the Alliance is a particular strength in Herefordshire. It was rated as strong in CSCl's assessment and this helps to build the capacity of groups and volunteers to deliver important complementary services, especially in rural areas. Partnership working to deliver improved outcomes for communities has been strengthened by new performance management arrangements. The Local Strategic Partnership has been fundamentally reviewed and a revised structure has been implemented. The Council's own monitoring indicates that the majority of Local Area Agreement (LAA) targets are either on course or progressing towards achievement.
- 23** The Council is improving its ability to understand and engage with the needs of diverse groups across the county and access to services is improving gradually. With support from Improvement and Efficiency West Midlands the Council is working to establish the Herefordshire 100 network of groups to improve engagement within BME communities to supplement other consultation activity and it has supported the establishment of 2 new community organisations for BME groups. Further work has been done to develop understanding of the needs of the Eastern European migrants in the county. This is particularly important due to the rural economy's reliance on seasonal and migrant labour. Results are being used in service planning. Organisational arrangements supporting the approach to equality have improved with the Council accredited at level 3 of the Equality Standard from 2 last year. Involvement in planning and provision of services for carers and service users has improved. Services are being made more accessible to the public although technical problems have slowed the impact of changes. Customers can now access benefits details on the internet. To simplify access for users front office services have been established for Planning and Environmental Health and Trading Services. The transfer of Council tax enquiries to the Contact Centre was initially problematic for users and improvement work is ongoing. Overall levels of satisfaction with the Council have not changed significantly. Through its annual satisfaction surveys and follow up work with the Citizens Panel the Council is working to understand the reasons for the relatively poor satisfaction with the Council and how this relates to the generally better results for satisfaction with services.

## How is Herefordshire Council performing?

**24** Arrangements to provide and manage value for money continue to be adequate. Costs remain relatively low. The Council is making improvements to its arrangements to define and secure vfm and to manage costs but these are not yet resulting in consistently improved outcomes. Good progress continues to be made in procurement and in the achievement of efficiency savings. Developments in benchmarking and measuring and reporting VFM should help to secure future improvements. There is a strong corporately led focus on budget management.

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## How much progress is being made to implement plans to sustain improvement?

- 25** Good progress has been made on the development of joint plans and strategies and capacity to deliver them has been strengthened through the establishment of innovative structures.
- 26** Corporate plans are clear and linked to those of partners. The corporate plan 2008/11 outlines the Council's actions in support of the delivery of the community strategy and explains how the closer working between the council and the PCT will develop over the period of the plan. This provides a framework against which progress towards shared priorities can be measured and managed although targets in the corporate plan are not yet consistently SMART. Partnership working is strong and focused on delivering shared objectives.
- 27** Capacity to deliver plans has improved well. The Council is investing in priority areas – chiefly Adult Social Care. Capacity to deliver in partnership has been boosted by the implementation of the single management structure for the Council and PCT. This unique arrangement demonstrates the commitment shared by the Council and PCT to develop new approaches to providing and commissioning services. It is leading to better joint working and delivery of outcomes in priority areas such as children's services. The OFSTED and CSCI annual reports both confirm that management capacity to deliver has improved and their scores for capacity to improve have increased to 'promising' as a result.
- 28** Performance management has been strengthened for the Council and for key partnerships. A performance improvement cycle has been introduced that integrates all aspects of corporate, directorate, service, financial and workforce planning. It demonstrates the link between the ambitions in the Herefordshire Sustainable Community Strategy and the Council's Corporate Plan and the service objectives and actions to deliver those ambitions as set out in directorate, service and other more detailed plans. Each indicator has a red, amber or green rating. This enables councillors and senior officers to track and manage performance towards joint targets and outcomes across the range of council and partner activities. Performance management frameworks are also aligned with those of key partners. The Herefordshire Partnership performance management process mirrors the Council's, ensuring clarity of ownership and monitoring of delivery of LAA targets.

- 29** Stretching targets are set although delivery against them is mixed. Good progress has been made in hitting stretch targets in economic development and enterprise and performance, in areas of historic under achievement in adult social care, is improving steadily. Efficiency savings targets were exceeded. Improvements in processing times for new Housing and Council Tax Benefit claims and changes of circumstances have contributed to an improved CPA Benefits score of 4. However, in some historically strong areas such as NNDR collection there has been deterioration in performance against targets and although education performance is generally strong the Council did not meet its targets for attendance and achievement. Although it has been prioritising the work, the Council has under performed in providing timely assessments for children's social care. A recruitment and retention strategy for social workers is being implemented in response to staff shortages and difficulties in recruiting although it is too early to gauge its impact.
- 30** Good progress is being made to respond to previous serious flaws in corporate governance. The response to the Crookhall report has been built in to corporate performance monitoring arrangements and progress on completion of actions is good. Revised procurement arrangements are becoming embedded and are well understood across the Council. Work to review and amend key service delivery partnerships is ongoing. The failure to find a final solution to the waste management contract continues to be an area of weakness.



# Audit of the accounts

**31** We gave an unqualified opinion on the accounts in September 2008. The accounts presented for audit were free of material misstatements and were supported by very good working papers. Finance staff responded very promptly and positively to all requests for further information which resulted in the whole process going very smoothly. We made only two recommendations in the Annual Governance Report presented to Members in September. The first was in relation to improving controls in the system used to pay nursing homes and the other was to review pooled budget arrangements with the PCT including ensuring governance arrangements are updated with signed agreements.

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## Whole of Government accounts

**32** Central government has embarked on a programme leading to the preparation of consolidated accounts for the 'whole of government', including local government. The Authority is required to submit a 'consolidation pack' to the Department for Communities and Local Government and we undertake a range of procedures and report on the pack.

**33** We were able to report that the 'consolidation pack' was consistent with the financial statements on which we gave an unqualified audit opinion by the deadline of 1 October 2008.

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# Use of resources

**34** We are required to:

- conclude whether the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion; and
- assess how well the Authority manage and use financial resources by providing scored judgements on the arrangements on five specific themes.

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## Value for money conclusion

- 35** We concluded that the Authority has proper arrangements in place to secure economy, efficiency and effectiveness in the use of resources.
- 36** The conclusion is considered against twelve national published criteria which also link across to the Use of Resources themes. In addition, we considered the results of our review of data quality.

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## Review of data quality

- 37** As part of our work on the value for money conclusion, we carried out a review of data quality. We considered whether the Authority has proper arrangements in place to ensure the accuracy of key performance data, following up our detailed work in previous years.
- 38** Following last year's audit, twelve recommendations were made for improving the Council's corporate arrangements for Data Quality. A detailed action plan was drawn up by the Performance Improvement Network to address all these issues and progress is being monitored by Cabinet and the Audit and Corporate Governance Committee. We have seen that improvements have been made in response to our recommendations, but, as arrangements were generally not in place until after 31 March 2008, the full effect of improvements will not be evident until next year's assessment.
- 39** A significant improvement has been noted in respect of Data Quality Policies and Procedures this year. A Data Quality policy is now in place and accessible to all staff.
- 40** In addition, a Herefordshire Public Services Information Management Group (IMG) has been established to promote greater awareness and knowledge of Data Quality.
- 41** We have also seen evidence from the detailed review of individual indicators of improvement in systems and processes this year. Internal Audit reviewed 12 Performance Indicators (an increase from the five reviewed last year) and concluded that there is a 'good' control level on over half the reports and 'satisfactory' on the remainder. There were no changes required to the reported data. We carried out detailed checks on four performance indicators and found all to be correctly stated.

## Use of resources

- 42 An action plan has been agreed to address the recommendations in our detailed report.

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### Use of Resources scores

- 43 We assessed the Authority's arrangements on five themes and scored each theme from 1 to 4 (1 = inadequate performance, 2 = adequate performance, 3 = performing well and 4 = performing strongly).
- 44 The Council is performing well. Given the issues identified last year, this is a marked improvement. The investment the Council has put into enhancing the overall arrangements for delivering value for money is clearly visible and this has been reflected in the increase in score across several themes as well as the overall score. Of particular merit was the very good performance in financial reporting in 2008, which lead us to award the Council the highest possible score. The Council now needs to focus more on demonstrating the positive outcomes delivered from having these arrangements which will be a key feature of the new style of assessment next year. The Use of Resources assessments we made are set out in the table below.

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**Table 2 Use of Resources scores**

Theme	Assessment
Financial reporting	4 out of 4
Financial management	3 out of 4
Financial standing	3 out of 4
Internal control	2 out of 4
Value for money	2 out of 4
Overall assessment of the Audit Commission	3 out of 4

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- 45 The assessments showed a continuation of performance that was assessed as 'above minimum requirements - performing well'. We identified several areas of best practice.

#### Financial Reporting

- 46 The Council produces accounts to a very good standard, on time and in accordance with agreed protocols. The Council has continually monitored the standard of working papers supporting the accounts and has responded well to advice on how these can be improved. The working papers provided for this year were very good. There were no significant errors to the accounts.

- 47 The Director of Resources provides a good commentary which supports the accounts provided to the Audit and Corporate Governance Committee and the Committee are very robust in their scrutiny of the accounts prior to adoption.
- 48 The Council's website is good, with immediate access to the accounts. The Council provides a very good summary booklet which includes an annual review and summary accounts. This booklet has a wide distribution, is accessible to the public and provides easy to understand information.

### Financial Management

- 49 The Council has a good Medium Term Financial Management Strategy (MTFMS) and this is linked to key strategic objectives and is updated regularly. Budget management and monitoring of both capital and revenue budgets are robust.
- 50 There are good links between the Corporate Plan and MTFMS. The Corporate Plan takes account of stakeholder consultation. The Council needs to consider including all revenue implications of significant projects within the Corporate Plan.
- 51 The Council has continued to improve its management of performance against budgets. The budget is reported to Members bi-monthly and is part of the Integrated Performance Report (IPR) which provides both qualitative and quantitative information. The standard of reporting of budgets to Officers is good, monthly reports are provided which allow Officers the opportunity to review and provide action plans to address possible over or under spends. Training has improved and could now be considered strong.
- 52 The Asset Management Plan has been updated during 2007/08. There are clear linkages between the Capital Strategy, Corporate strategy and MTFMS. Property reports are submitted to the appropriate monitoring committees. There is an annual programme of planned maintenance and the level of backlog maintenance has been assessed. The Council can improve the reporting of data regarding efficiency, effectiveness and running costs within its asset register.
- 53 Investment decisions are now made based on a more thorough and robust appraisal. We reported in 2006/07 that there was not initially a full options appraisal for Herefordshire Connects. The Council has taken on board our recommendations regarding Herefordshire Connects and the latest proposals include options appraisal to Members.

### Financial Standing

- 54 The Council has a good track record of achieving financial balance. The Council has consistently under-spent against its budget and in 2007/08 this was by only £591k. The Medium Term Financial Management Strategy (MTFMS) has improved the management of reserves with revenue reserves being more clearly aligned to specific service areas. There is a clear policy on reserves with general reserves intended to not go below £4.5 million.
- 55 Capital and Revenue reserves have reduced in 2007/08 with Capital Reserves standing at £17.9 million and Revenue Reserves £23.2 million at 31 March 2008. This compares with prior year reserves of £22.4 million and £27.8 million respectively. Within this, Schools balances reduced by £2.5 million to £5.7 million.

## Use of resources

- 56 Debt monitoring has improved. In 2006/07 we reported that there was still significant debt that was over five years old. There has been some movement, notably the monitoring and management of debt has improved. Aged Council Tax debt has reduced and the Council has set targets to reduce the debt further.
- 57 The Council's share of the pension fund deficit grew to £132 million at 31 March 2008 from £88 million. The deficit on the scheme will be made good by increased contributions over future years as assessed by the scheme actuary.

## Internal Control

- 58 There have been significant improvements within internal control of the Council. In last year's assessment we placed significant emphasis on issues in relation to ICT. These have been addressed and the Council must now fully embed the arrangements that they have put in place.
- 59 Risk Management continues to improve and the partnership with the Primary Care Trust should see risk management improving still further. Risks are linked to strategic objectives, however some consideration should be given to including all significant risks, such as the Edgar Street Grid (ESG), within the Corporate Risk Register. We have been informed that the ESG will be included in the next register produced.
- 60 The Member responsible for risk does not have specific terms of reference. Minutes from meetings where risk is discussed did not provide assurance that any discussion had taken place.
- 61 The Council has improved its internal control arrangements throughout 2007/08 and into 2008/09. The Council has a robust and challenging Audit and Corporate Governance Committee which has continued to improve. Issues addressed in the Crookhall report have also been or are being addressed through Cabinet.
- 62 A Corporate wide Business Continuity Plan is now in place and this is embedding into Council culture.
- 63 The Council has tightened up the reconciliations of financial systems. Scrutiny needs to continue to develop. For example, the Children's and Community Scrutiny Committee made a recommendation regarding children's dental health which has not been followed through into later meetings.
- 64 The weaknesses identified in 2006/07 in relation to gifts and hospitality and the recording of them have been addressed. The Council has updated its constitution, including the Code of Conduct, Financial Procedures and Whistle-blowing Policy. The Gifts and Hospitality Register is reviewed by the Monitoring Officer and there are six monthly reminders sent to all key staff to ensure that they are aware of their responsibilities. These changes will need to embed into the culture of the Council.
- 65 The Council has improved the way in which it disseminates information to staff but there are still improvements to be made. For example, the Whistle-blowing Policy is not easily accessible to staff or the public via the internet. The Council has ensured that Members and Officers are aware of their ethical responsibility. A training session was held in May 2007 and the Audit Commission's 'Your Business at Risk' tool has been used in Summer 2009. The survey highlighted the need to ensure staff are made aware of policies and strategies such as the IT security policy and anti-fraud strategy.

### Value for Money

- 66** The Council remains a generally low cost authority with a mixture of performance. Areas of higher spending are broadly in line with stated priorities. In some areas this results in improved services (eg in Education). In others the Council is directing higher spending to improve outcomes (Adult Social Care) and long term resource commitment is continuing to help poor performance improve (waste disposal). There has been continued improvement in some priority areas since 2006/07. In Education - the Council's largest area of spend - overall performance compared to all councils is generally good and improving. In Environment Planning and Transport, value for money remains reasonable. Spending in Children and Adult Social Care has increased as a result of in depth analysis of needs, putting both now in line with the average. Overall performance in these areas remains average with improvements being made in some services although this is not consistent yet. In Benefits and Local Taxation, costs remain low and some improvements have been made in performance. Overall satisfaction with Council services has not improved significantly
- 67** The Council is in the process of making improvements to its arrangements to define and secure value for money (VFM) and to manage costs but these are not yet resulting in consistently improved outcomes. The Council still does not bring together the comparative data that it has with cost data to measure VFM internally or in comparison with other councils. Work to fill in the gaps and inconsistencies in benchmarking is ongoing. Processes for reviewing and improving VFM are developing but there is not yet a consistent approach to measuring and reporting VFM. The Council is improving and expanding its information on the needs and views of different community groups and this is starting to influence service planning. However its approach to collating and analysing cost information still does not yet consistently contain an analysis of equity across the community. The Council's strategy to deliver Gershon targets has been successful and targets have been exceeded. It is extending its procurement through partners and the joint working with the PCT aims to deliver improved VFM.

### Herefordshire Connects

- 68** The success of the Herefordshire Connects project is vital to the delivery of the Council's medium term financial strategy.
- 69** In July 2007 we carried out an in depth review of the programme. While this highlighted strengths in terms of project and risk management arrangements, it also emphasised the need for more clarity in how the project would deal with new joint working arrangements with the PCT and highlighted the short timescale for the successful implementation of the business-critical social care system. We further recommended that Members should re-focus and clarify the purpose, outcomes and actions of Herefordshire Connects. Formally considering in a short paper what other options were still open to the Council including the costs, benefits and risks of each option and how the programme fitted with the new joint working arrangements with the PCT. With the exception of the Social Care element, the project was put on hold while issues of affordability and priority were resolved.

## Use of resources

- 70** Good progress has since been made with these recommendations. An option appraisal was carried out with Deloitte, as the Council's strategic partners for Connects, to ensure that the vision for Herefordshire Connects was fit for purpose, update the business cases to take account of current and future needs and identify those benefits already achieved and ensure that governance arrangements were robust and appropriate. As a result three strategic service improvement programmes, led by the responsible Joint Management Team members and supported by the Connects Programme have been created:
- Integrated Customer Services Business Case;
  - Integrated Support Services Business Case; and
  - Performance Management and Risk Management Business Case.
- 71** The individual programme boards include joint appointees and PCT directors and relevant reports will go to the PCT Boards as well as Cabinet which will help to ensure more effective joint working.
- 72** It was agreed to rationalise the number of ICT applications and carry out evaluations of the available options. Following sound evaluation processes, the Council has now selected solutions for Environment and Planning, Integrated Support Services and Performance Management and Risk Management and plans are in place to deliver these.
- 73** The Social Care element of the programme, based on the implementation of Core Logic, was delivered successfully, on time and on budget, in November 2008. It has been well received in the relevant directorates and should help drive service improvement.
- 74** The key issues for the Council are to ensure that processes are put in place to drive out the expected benefits, including financial savings, and that the relationship with Council's strategic partners is managed effectively.

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## Safer Roads Partnership

- 75** The Safer Roads Partnership in West Mercia (SRP) was launched on 1 April 2007 with the aim of reducing road casualties across the region. Herefordshire Council is a core partner. The Partnership builds on the earlier successful work of the Safety Camera Partnership in West Mercia. The Partnership, to its credit, invited us to take an overview of the Partnership's approach to issues raised and the improvement framework in the Audit Commission publication 'Changing lanes'. Our review in April 2008 considered:
- the strategy and governance of the Partnership;
  - how actions are identified and projects developed;
  - whether the right data is being analysed in the right way;
  - the effectiveness of the Partnership's engagement with the community;
  - how performance is managed in the Partnership; and
  - how value for money is managed and assessed

- 76** At the time of the review, partners in the SRP were committed to working together to improve road safety in the area. The transition from the earlier successful safety camera partnership had been slow and was still incomplete. The Partnership did not fully use the information available to identify the best approach to improving road safety. However the number of people killed or seriously injured on Herefordshire roads in 2008 was the lowest recorded.
- 77** The majority of the Partnership's work was enforcement activity although it was increasing its awareness raising work. Police data was used effectively to identify activity but the opportunity to use data held by other partners had not yet been explored. There was some good joint working on individual publicity campaigns and the communication sub-group was looking at ways to expand this activity. The SRP did not make use of partners' existing links to engage effectively with the community to both inform its work and communicate its messages.
- 78** Performance management was limited by the lack of a clear strategy. The Partnership monitored the contribution of safety cameras to road safety targets and assessed the costs of these against the savings from reducing accidents. However it did not assess whether the activity is delivering the best value for money from the resources committed.
- 79** The Partnership Board is reviewing progress against the detailed recommendations in our report at its March 2009 meeting. The Authority should ask the SRP to update it on progress made against the action plan.

### Waste Disposal

- 80** The Council is seeking with its partner Worcestershire County Council to vary its PFI contract for waste management which will allow both parties to meet national targets for recycling and reductions in landfill tonnages and specifically reducing the amount of biodegradable municipal waste (BMW) which ends up in landfill sites.
- 81** The Government has set councils exacting targets for recycling which are above those agreed for the current contract. Targets for reducing landfill have also been set. The driver for achieving these targets is landfill tax, which is set to increase year on year providing an incentive for councils to divert waste from landfill. The consequence of not reducing landfill tonnages will be increased costs and increasing pressure on the medium term financial strategy.
- 82** Targets for the amount of BMW which can be landfilled first impact in 2010 when BMW going to landfill needs to fall to 75 per cent of that produced in 1995 and subsequent targets become increasingly hard to meet. Failure to meet such targets could result in significant extra costs.
- 83** The waste management contract is currently awaiting the provision of a waste treatment facility. Whilst the contract remains in 'standstill' and does not have a waste treatment facility the Council has to make short-term decisions to reduce its financial exposure to failure to meet its BMW targets. The financial impact of these decisions is likely, in the long term, to be higher than the provision of a waste treatment facility. Therefore the Council needs to be aware of the financial implications of delay.



## Use of resources

- 84** Until the discussions with the contractor are finally concluded, there remains a risk that the contract could terminate. Contract termination could have a significant impact on the financial standing of the councils, because termination clauses in the contract require the council to make severance payments eg shareholder equity in exchange for bringing waste management assets and facilities back in-house. In such a situation the councils are also likely to have to enter into a new contract in order to achieve the objectives of the Waste Management Strategy. Re-procurement costs are likely to be significant and the councils would be unlikely to secure the level of government PFI funding that was made available for the existing contract.

### Other performance work

- 85** We will shortly be finalising our review of Adult Social Care which was included in the 2007/08 audit plan. This timing of this work was changed at the request of the Council to better fit with the Council's own work in this area.

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# Looking ahead

- 86** The public service inspectorates are currently developing a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.
- 87** CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate area assessment and reporting performance on the new national indicator set, together with an organisational assessment which will combine the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of service performance.
- 88** The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new National Indicator Set and key aspect of each area's Local Area Agreement.

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# Closing remarks

- 89** We have discussed and agreed this letter with the Chief Executive and Director of Resources. We will present the letter at the Audit and Governance Committee in March 2009 and I will provide copies to all Authority members.
- 90** Further detailed findings, conclusions and recommendations on the areas covered by audit work are included in the reports issued to the Authority during the year.

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**Table 3      Reports issued**

<b>Report</b>	<b>Date of issue</b>
Audit plan	March 2007
Report to those charged with governance	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Use of Resources	January 2009
Annual Audit and Inspection letter	February 2009

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- 91** The Authority has taken a very positive and constructive approach to all the audit and inspection work. I wish to thank officers for their excellent support and cooperation during my first year.

**Mary-Ann Bruce**

Comprehensive Area Assessment Lead

February 2009

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# The Audit Commission

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**Action Plan Template – March 2009**

<b>ANNUAL AUDIT LETTER RECOMMENDATION</b>	<b>RESPONSIBLE OFFICER</b>	<b>CURRENT POSITION</b>	<b>IMPROVEMENT ACTIONS</b>	<b>STATUS INCLUDING COMPLETION DATE</b>
<p>Ensure that the developing joint management arrangements between the Council and PCT result in the setting and monitoring of shared targets that clearly state the improved outcomes that local people can expect to experience as a result of the closer working of the two organisations.</p>	<p>Interim Deputy Chief Executive</p>	<p>A joint strategy for Herefordshire Public Services (HPS) is being developed by the council and PCT.</p>	<p>The strategy will set out the key targets and actions to be achieved by the deep partnership, including those for improved experience and outcomes for local people. The initial focus will be on developments in 2009-10, but, in the context of the long-term ambitions and ultimate measures of success. The strategy will show how HPS will contribute to the achievement of the vision and objectives of the Herefordshire Sustainable Community Strategy (HSCS)</p>	<p>It will be finalised alongside the refresh of HSCS in June 2009.</p>
<p>Ensure that responses being developed to address delays in carrying out timely assessments for children's social care are</p>	<p>Head of Safeguarding and Vulnerable Children</p>	<p>An independent review of safeguarding was completed in December 2008, from which a robust action plan has been developed, including specific</p>	<p>Implement staff training and support in respect of Frameworkki (July 2009).</p>	<p>Dates for completion against actions of Action Plan are in line. RAG rated.</p>

**Action Plan Template – March 2009**

ANNUAL AUDIT LETTER RECOMMENDATION	RESPONSIBLE OFFICER	CURRENT POSITION	IMPROVEMENT ACTIONS	STATUS INCLUDING COMPLETION DATE
effective and sustainable.		recommendations and actions around referrals and assessments. The action plan is monitored monthly by the Directorate Leadership Team and quarterly by the Herefordshire Safeguarding Children Board.	Implement agreed approach to data and records management (April 2009). Continue recruitment and retention strategy to achieve full establishment (May 2009). Implement and monitor identified process improvements, including transfer of cases between teams (Monthly).	Monitoring at HSCB.
Monitor the Safer Road Partnership's response to the recommendations from our recent assessment.	Interim Transportation Manager	Herefordshire Council currently has a place on the SRP Board and is able to influence the SRP at a strategic level. Officers are also engaged in SRP sub groups including Education, Training and Publicity and Data. Funding for the SRP now comes through the ABG which is determined initially by the Community Safety and Drugs Partnership (CSDP – this is supported by the Environment and Culture Directorate) and ultimately by Herefordshire Partnership.	The Community Safety and Drugs Partnership is currently confirming future funding with the SRP and is seeking greater clarity on what the SRP delivers in Herefordshire and how this contributes to reducing road traffic casualties. The CSDP is likely to confirm the need for the	

**Action Plan Template – March 2009**

ANNUAL AUDIT LETTER RECOMMENDATION	RESPONSIBLE OFFICER	CURRENT POSITION	IMPROVEMENT ACTIONS	STATUS INCLUDING COMPLETION DATE
Continue to actively pursue a satisfactory conclusion to waste management as soon as possible.	Michael Hainge Director of Environment & Culture	The council and its partners have established new governance arrangements to drive the development of waste treatment facilities, which will reduce the amount of waste going to landfill. Whilst a solution has not yet been agreed, the project management processes underpinning the new governance arrangements are reducing	SRP to provide quarterly reports providing outputs specific to Herefordshire confirming progress against stated objectives and contributions to accident reductions. The Council will also be seeking updates on how the SRP proposes to meet the recommendations set out in the Audit Commission report to Herefordshire Council of February 2009.  Appropriate Project Management resources are in place to deliver a treatment facility to enable the two authorities to meet our 2013 LATS Targets and also meet the outcomes of the	Project Board in place. Consultation on JMWMS started and due to be completed w/c 06/07/09. Report on Waste Disposal PFI Contract considered

**Action Plan Template – March 2009**

ANNUAL AUDIT LETTER RECOMMENDATION	RESPONSIBLE OFFICER	CURRENT POSITION	IMPROVEMENT ACTIONS	STATUS INCLUDING COMPLETION DATE
Ensure that processes are put in place to drive out the expected benefits of Herefordshire Connects, including financial savings.	Director of Resources /Interim Deputy Chief Executive	the risks of contract termination.	revised Joint Municipal Waste Management Strategy (due Sept 09).	by Cabinet 22/01/09..
		The Benefits Board is part of the established governance arrangements of the Herefordshire Connects Programme. It is chaired by the Director of Resources and meets monthly. A benefits register is maintained and has been through a challenge process and is supported by Deloitte. The cashable benefits are included in the council's Medium Term Financial Management Strategy (MTFMS).	The individual project boards will take ownership of the benefits related to their workstream. In April, a further challenge process will take place. The Benefit Board's role will change to one of oversight and challenge.	The challenge process will be completed by mid-May 2009.



# RESPONSE TO THE REVIEW OF COMMUNITY ENGAGEMENT IN COMMUNITY SAFETY AND DRUGS PARTNERSHIP

## PORTFOLIO RESPONSIBILITY: ENVIRONMENT AND STRATEGIC HOUSING AND CORPORATE & CUSTOMER SERVICES & HUMAN RESOURCES

CABINET

7 MAY 2009

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### Wards Affected

County-wide

### Purpose

To consider a response to the Community Services Scrutiny Review of Community Engagement with the Community Safety and Drugs Partnership.

### Key Decision

This is not a Key Decision.

### Recommendation

**THAT the proposed response to the recommendations arising from the Scrutiny Review be approved.**

### Reasons

1. The Review produced a number of recommendations for consideration by the Executive, aimed at improving community engagement with the Community Safety & Drugs Partnership.

### Considerations

2. At its meeting on 12<sup>th</sup> December 2008 the Community Services Scrutiny Committee concluded a review regarding community engagement in the Herefordshire Community Safety and Drugs Partnership (HCSDP). The Review identified a number of possible improvements to the Partnerships approach to community engagement. The Committee agreed a set of recommendations to be forwarded to the Cabinet Member for Environment and Strategic Housing who has responsibility for HCSDP. A number of the review recommendations (items three, eight and nine specifically) relate to the portfolio of the Cabinet Member for Corporate and Customer Services and Human Resources.
3. A suggested response to the recommendations is set out below with an attached action plan on the implementation of the recommendations.

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Further information on the subject of this report is available from  
Natalia Silver, Head of Economic and Community Services on (01432) 260732

## **Legal Implications**

4. There are no legal requirements.

## **Financial Implications**

5. None immediately arising from the recommendations of this report.

## **Risk Management**

6. The risk that the Community Safety and Drugs Partnership does not fully engage with the Community is mitigated by the actions proposed in response to this review.

## **Alternative Options**

7. To do nothing. This however would fail to deliver improvements in community engagement.

## **Consultees**

Herefordshire Partnership Team / HCSDP Team.

## **Appendices**

Appendix 1 - Review of Community Engagement in Community Safety and Drugs Partnership by the Community Services Scrutiny Committee.

Appendix 2 - Action Plan for the delivery of recommendations of the Community Services Scrutiny Review of Community Engagement in Community Safety and Drugs Partnership.

## **Background Papers**

None



# **Review of Community Engagement in the Herefordshire Community Safety and Drugs Partnership**

## **Report by the Scrutiny Review Group December 2008**

**For presentation to the Community  
Services Scrutiny Committee on  
12 December 2008**

*Working in Partnership for the People of  
Herefordshire*



# **Review of Community Engagement in the Herefordshire Community Safety and Drugs Partnership**

**By Review Group of Community Services Scrutiny Committee**

## **1. Introduction**

At its meeting on 17th December 2008, the Community Services Scrutiny committee resolved to add a review of Community Engagement in the Herefordshire Community Safety and Drugs Partnership to its work programme.

This review examined one aspect of the work of the Community Safety and Drugs Partnership – the way communities are engaged in shaping policy and practice in reducing and preventing crime, and a scoping statement for the Review (Appendix 1), including terms of reference, was approved by the Community Services Scrutiny Committee at its meeting on 18th April 2008. It was agreed that the Review Group would comprise of six Members: Councillor PM Morgan (Chairman); Councillor PGH Cutter; Councillor DW Greenow and Councillor KS Guthrie.

The Review took place between 18 July 2008 and 9th October 2008. This report summarises its findings concluding with its recommendations to the Community Services Scrutiny Committee and Cabinet.

## **2. Methodology**

The review group consisted of members from the Community Services Scrutiny Committee chaired by Councillor PM Morgan. The key activity was the interview of representatives from organisations involved in community safety and community engagement (see Appendix 1 for list of interviewees). The interviews were supported by:

- Observation visits by members of the review group – Multi Agency Tasking group; drug and alcohol forums in Ledbury, Bromyard and Leominster; Domestic Violence Forum
- Focus Group for town councils, including Hereford City Council
- Written evidence from Government Office
- Supporting reports, policies and documents
- Attendance at PACT meetings

(A focus group for parish councils was organised but cancelled due to lack of attendance).

The focus for the review was on community engagement by the Community Safety and Drugs Partnership, however the review did touch on the wider crime prevention agenda and wider engagement in shaping policy and practice. This is reflected in the report.

## **3. Background**

### **What is the community safety partnership?**

It is a statutory requirement of the Crime and Disorder Act (1998) to have a community safety and drugs partnership operating in a local authority area. In summary the partnership aims to create benefit by different agencies and organisations working together to address the root and branch of crime.

The Herefordshire Community Safety and Drugs Partnership is directed by a Strategy Group who consist of representatives from:

- Herefordshire Council (member and officer)
- Hereford and Worcester Fire and Rescue Service
- Herefordshire Housing (representing residential social landlords)
- Herefordshire Primary Care Trust
- Hereford and Worcester Youth Offending Service
- West Mercia Constabulary
- West Mercia Police Authority
- West Mercia Probation Trust

Based on available data and consultation the Strategic Group have prioritised five areas where resources are targeted:

- Reducing Crime through Offender Management and other interventions
- Reducing drugs and alcohol harm
- Promoting and delivering increased road safety
- Providing community reassurance in anti-social behaviour, disorder and crime
- Multi-agency and community dynamic tasking and co-ordination

Two other themes have been identified as having such impact across all other areas, that they should be considered within each of the other five groups priorities. They are:

- Young people – (victims and offenders)
- Violent crime

Linked to each of the priorities is a sub-group chaired by a member of the Strategy Group. Each of these sub-groups produces an action plan that relevant partners have a role in implementing.

### **Community Engagement Requirement**

A key element of the work of the partnership is community engagement which is the basis of the scrutiny review work. The HCSDP has agreed to define its work using the Local Government Associations definition of community safety which has community engagement at its heart.

The definition is: “**community safety is defined as promoting the concept of community based action to inhibit and remedy the causes and consequences of criminal, intimidation and other related anti-social behaviour. Its purpose is to secure sustainable reductions in crime and the fear of crime in local communities**”.

There are three important references that can be taken from this definition:

1. Community safety should involve community based action
2. To address the causes of crime, not just the crime itself
3. Reduce crime itself and fear of crime

### **The work of the Community Safety and Drugs Partnership Team**

Supported by a range of grant funding, Herefordshire Council employs a team of officers (13 fte posts) to administrate the partnership. Their role is to ensure the added benefit of organisations working together is realised. Key activities include:

- Facilitate priority groups and ensure the delivery of the action plans
- Commissioning drug and alcohol reduction activity
- Gathering and presenting data
- Reporting performance to funding agencies
- Joint promotion and marketing activity
- Facilitate drugs and alcohol forums
- Keeping abreast of regional and national policy and guidance that informs the work of the partnership
- Be part of the national network of community safety partnerships
- Produce the Three Year Strategic Plan and Strategic Assessment

In terms of the Three Year Plan the latest document was launched in April 2008. This will be updated annually through a strategic assessment, which gathers the evidence base to ensure the plan and its priorities are still relevant.

## **4. Review Findings**

### **Requirements of Strategic Assessment**

Information gathered to inform the Strategic Assessment took place between October 2007 and January 2008 to include:

- Trailer-tour to the market towns and Hereford City
- Survey results from the West Mercia Constabulary and Herefordshire Council
- Data from partners

- Desktop analysis of all the available data.

The Strategic Assessment document also mentions that focus groups took place with “hard to reach” groups but acknowledges that improvement can be made in this area.

226 people responded to the community consultation that contributed to the Strategic Assessment. The table below outlines priority areas:

<b>What problems or issues encountered</b>	<b>Number of respondents</b>
Alcohol/Drugs	65
Anti-Social Behaviour	39
None	32
Lack of Police Presence	25
Road/Traffic Safety	25
Crime* <sup>1</sup>	18
Litter	10
Youths Miscellaneous	7
Immigrants	1
Environment	1
Other	3
<b>Total respondents</b>	<b>226</b>

The quality of the Strategic Assessment and Three Year Plan is assessed by Government Office and is judged against meeting the “Hallmarks”. One of the requirements of the Hallmarks is to hold at least one public meeting. As part of the annual refresh of the Strategic Assessment in October 2008 the HCSDP ran three public events in collaboration with West Mercia Police. A role of these public meetings is to feedback figures on crime and the community safety activity. Comments made by the public at the meetings will inform the revised strategy, along with contributions from public consultation held at Tesco Superstore in the centre of Hereford on the 24th October 2008.

As ascertained as part of the review process consultation takes place beyond preparing for the Strategic Assessment. This either relates to regular contact with target groups e.g. drug users through the Drugs Intervention Programme, or for specific projects – see case studies.

### **Community Support Officers (West Mercia Police)**

As discovered during the course of this review there is many forms of community engagement, with many levels of involvement. This can range from “shallow” engagement in completing a questionnaire, to “deep” involvement in being part of a police operation. Community Support Officers are an important link between the community and the partnership – they are a direct route for members of the public to become involved in crime reduction.

The Community Support Officers know the issues affecting their “patch” and can report safety issues directly through their chain of command. They have a wider role in bringing partner organisations together to solve a problem that is multi-faceted e.g. linked to housing, school attendance, family support, health. They are members of some of the key groups within the community and can bring awareness of crime matters but also respond to the concerns that groups are raising. They also play a key role in the success of drug and alcohol forums (discussed later).

### **Neighbourhood Watch**

The Review Group were impressed with the inroads West Mercia Police have made in Neighbourhood Watch. A database of 25,000 households are registered with Neighbourhood Watch, reaching approximately one third of the population, with 662 individual groups. The coverage of the

<sup>1</sup> Crime: relates to a range of crime experiences such as burglary, criminal damage to vehicles, assault (victim of hate crime), vandalism and theft.

watch groups range from a street to a parish with the common aim of creating safer communities and more aware individuals.

A watch officer monitors their “patch” and has close contact with Community Support Officers. The Review Group heard the quality of the watch and involvement of the community did hinge on the watch officers being proactive. The attendance at the recent neighbourhood watch AGM was disappointing with 42 local co-ordinators attending out of a potential of 662. Initial recruitment is a challenge, but also retaining interest and enthusiasm is difficult.

The ambition is for the whole county to be covered by neighbourhood watch. Early next year a road show will be visiting locations in the county to generate interest in the watch scheme. In addition to neighbourhood watch there is farm watch, pub watch and rural watch. A youth watch is in the pipeline and initial contact with the secondary school head teachers has been positive.

### **Involvement of Town and Parish Councils**

The current involvement of town and parish councils is either through surveys, parish plans or where intervention needs to take place. It is unrealistic to expect the partnership team to attend each parish and town council meeting, even once a year, but the town and parish councils provide a ready resource of local knowledge, contacts, manpower and even finance. At a minimum the councils need to know the work of the partnership.

The review group found that the most proactive areas are those with parish and town councillors who were actively involved, and the more they became involved the stronger the commitment to addressing community safety.

A focus group was arranged for Parish Councils but the lack of attendance could be a demonstration that community safety and wider crime reduction is not a strong issue for the parishes; or the Parish Councils had not heard of the HCDSF and did not see the relevance of attending a focus group.

### **Drug and Alcohol Forums**

Drug and Alcohol Forums operate in each of the five market towns. The forums consist of representatives of key organisations. This membership varies from group to group but can include town councillors, the police and sometimes the PCT – the groups are facilitated by members of the partnership team. Their effectiveness is in the bringing together of local knowledge and expertise to form solutions and actions at a very local level. During the course of the review members were able to attend the Bromyard and Leominster forums, and at the Town Council Focus Group a member of Ledbury Drugs Forum was able to share his involvement in the local forum. All these groups were considered effective in implementing projects, although it is difficult to measure the impact of schemes.

The forums were able to demonstrate that the £3,000 awarded to them via the partnership was making a real difference in working locally. The financial support was not the most important factor, but the confidence to be able to tackle drug abuse with knowledge and understanding. It was clear the forums operated in different ways with different approaches. This is to be welcomed as it demonstrates the forums are responding to the distinct needs of the local community.

The operation and effectiveness of Drug and Alcohol Forums is inconsistent in the county and depends on local commitment. The funding for the forums comes from Pooled Adult Treatment and is restricted to being spent on drug misuse or alcohol linked misuse. This creates a tension as members of the forums see that drug misuse is often linked to other crime, and a joint solution is needed not a narrow one. This does not stop the forums addressing other forms of crime and disorder, but this is not funded activity and is not the key purpose of the forums.

A consideration is to change the nature of the forums to become “Local Community Safety and Drug Forums”, and as such extending the remit to include all aspects of community safety and crime reduction. The grant would need to be increased to reflect the wider remits, and potentially led by Community Support Officers. A stronger involvement of the Town Council may be profitable. That the partnership team provides information on “areas” to feed back to the groups and these forums can come together for an annual meeting to share good practice to add to the current quarterly meetings of the chairs of the groups.



## **Parish Plans**

Parish Plans are action plans developed at a local level, with every member of the community having an opportunity to contribute. They set out a vision for the future and list what actions will need to take place to achieve that vision. Some of the activity can be conducted by the local community, but more often the ambitions have implications for public services (most often Herefordshire Council). There is a great deal of work involved in producing a parish plan, including community consultation.

To date 45 parish plans have been produced out of a potential of 142, which compares favourably to national completion rates. Also, 14 are group plans representing 53 parishes. Town Councils are also able to produce parish plans as well as Hereford City Council. Since 2006 Herefordshire Council has allocated funding to support the survey and analysis work that is required. There is also support to guide parishes through the planning process. This is especially in response to some of the early plans not receiving the guidance required to ensure plans were well considered, robust and achievable.

The Review Group heard there is a lack of co-ordination and resource to make the plans as effective as they could be and in particular influence policy. The evidence suggests that a wealth of information is gathered, but actions are often not acted upon with no mechanism in place to monitor implementations of plans.

In terms of the profile of community safety in parish plans there was a strong dominance of road safety, specifically reducing speeding through villages. In response a signal indicator device (SiD) has been purchased with the support of the partnership.

## **Partners and Communities Together (PACT)**

Local Area Forums were introduced in 1999, and changed to Community Forums in 2005 with nine pilot areas, to eventually become twelve areas. From February 2008 the forums became known as Partners and Communities Together - or PACT meetings.

The aim is to allow members of the public to raise issues from their own communities with representatives from Herefordshire Council and West Mercia Police. The meetings give a brief update on progress made towards addressing the issues raised at the previous meetings, as well as providing the opportunity to raise new issues. Meetings take place in each of the twelve PACT areas at least four times a year. They are open to anyone living, working or spending time in the area.

The Review Group heard some strong reservations regarding the PACTs in terms of purpose and format. The PACTs have a potential role in galvanising interest in community safety and addressing the fear of crime. To maximise that potential the Review Group felt the following points apply:

- That feedback from Herefordshire Council and the Police is given on an area at the start of the meeting including key issues regarding community safety (not feedback on the last meetings issues – these can be posted on the website or even directly sent to people)
- That people are welcomed to the PACT meetings by local members as local people's representatives but also to give local members a sense of involvement and ownership in the PACTs
- That parish and town councils have joint ownership of the PACTs with their representatives contributing key agenda items reflecting local issues
- That the chairperson is from the area who can share local knowledge and understanding
- To have agenda items and presentation of key issues affecting the area e.g. a new development being presented to Planning Committee, etc.
- That the meetings are more proactively promoted including through village newsletters

## **Public Consultation and Engagement**

A key issue raised during the review was that community engagement, real engagement not surveys and questionnaires, could have a positive effect on perceptions of crime. From the data available the perception of crime is higher than the reality in Herefordshire, and it is perception that will restrict peoples quality of life and involvement in the community.

The studies and government guidance the Review Group has seen makes this point clear. Through the interview process the review group members heard that when people are engaged through activities such as neighbourhood watch or forums, there is a sense of empowerment and control, and as a result overcome the fear of crime. There is little fact based data to support this view, and though

national guidance points to the positive side of community engagement examples of good practice were not readily available (attempts were made to interview a “good practice” authority but it proved difficult to identify a partnership strong in community engagement and available for interview).

In terms of consultation a key theme that emerged during the course of the review is the need to feedback to the public. This is to let people know the results of surveys they complete, or the difference their intervention made to reduce crime. Also, that their activity is making a difference and they are part of the wider “community safety family” alongside the members of the community safety partnership.

The review group heard that a MORI poll<sup>2</sup> had shown that of the total population only 6-7% were engaged in community issues, whilst 20% would get involved and the rest were regarded as apathetic. This conflicts with the government commissioned review entitled “Engaging Communities in Fighting Crime” that “75% of the public would be prepared to play an active role in tackling crime”<sup>i</sup>.

Whilst consultation is an important part of policy setting there is potential for “consultation overload” and not everyone wishes to become engaged in community activity. Where consultation and engagement takes place it should be relevant and tailored to the community it targets, and linked to existing forms of community involvement.

### **Vulnerable People**

Sometimes referred to as “hard to reach groups”, vulnerable people are often those closest and most affected by crime. General surveys, open meetings, public forums, often do not capture the voice of these groups and creative solutions need to be found to reflect the issues and concerns of the whole of the community. Some inroads have been made in attempting to reach groups who are not currently engaged and who may be excluded, for example consultation at Eastern European shops, through the drugs intervention programme and drug users involvement in sessions. Attempts to reach groups should not be done by the partnership alone and should link to other council, partner and voluntary sector initiatives.

## **5. Key Considerations**

The review group learnt about the different methods of community engagement either undertaken by the partnership or available to the partnership. These ranged from paper surveys to small local groups. The review group considered that there is a wealth of activity taking place and information available.

Emerging from the review process was six areas of concern and consideration:

- Need to make better use of the current community engagement activity and the networks already in existence – including through town and parish councils, PACTs and forums
- Improve feedback to communities as a method of improving engagement and as an opportunity to address perceptions of crime
- That engagement with “hard to reach” and vulnerable people had improved, but innovative ideas are always needed
- A balance needs to be struck between resource implication and the amount of community consultation / engagement
- Measuring the quality and success of community engagement is difficult. That national guidance points to community engagement as having a positive effect but without hard and fast data to support this. Currently available data can be included to indicators concerned with:
  - Crime figures
  - Percentage of people who feel they can influence decisions in their locality
  - Perceptions of crime
- The review group found through individual case studies and anecdotal evidence that community engagement is a valuable tool in addressing crime and perception of crime.

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<sup>2</sup> The Consultation Institute 2007

<sup>i</sup> June 2008

## 6. Recommendations

- Improve relationship with Town and Parish Councils taking into consideration resource implications and likely outcome.
- Town Council Champions created as the anchor between the partnership and newly formed Local Community Safety and Drugs Forums.
- PACT meetings could be a valuable tool, but the review had deep concerns as to how well they are working. A separate review should be undertaken, possibly via Local Area Member Briefings to improve PACT meetings.  
Items to be considered:
  - “Ownership” – should PACT meetings be owned by Herefordshire Council, Police, Town or Parish Councillors or a combination of all four?
  - Improving feedback and using this as an opportunity for communication
  - More effective advertising of meetings
- The Drug and Alcohol Forums become the Local Community Safety and Drugs Forums with a lead Community Support Officer, and additional funding sought for the forums to address the wider issue of reducing crime.
- That partnership officers are involved in the parish plan process to ensure community safety is included in the production of effective plans.
- To continue engagement with “hard to reach” groups and investigate linkages with other council, partner and voluntary sector consultation initiatives.
- That the new community pride grants for the county include support for small initiatives that aim to design out crime.
- The importance of feedback is emphasised to all officers and partners both to improve community engagement and to address perception of crime. All opportunities for giving feedback should be exploited e.g. PACT meetings, Parish Councils, Neighbourhood Watch.
- Public engagement is a valuable tool to improve public safety and public services by truly understanding the needs of residents. A separate review should be undertaken to evaluate the quantity and quality of the consultation and public engagement events that are taking place or likely to take place within the whole Council.

### **Case Study 1: Anti Social Behaviour in Clehonger**

Raised through the HCSDP Community Safety Officer attending weekly meetings with the Police was the increased and ongoing anti-social behaviour in the Clehonger area.

This included criminal damage to the youth shelter, anti social driving in the village hall car park, underage drinking and stone throwing at the bus windows (the evening bus has now been rerouted to stop outside the village due to consistent damage).

As a short-term measure HCSDP and Community Safety Team produced and disseminated a poster asking for any information on the offenders who caused criminal damage. A3 Posters were also located in hotspot and community areas such as village hall, youth shelter, etc.

HCSDP's Community Safety Officer attended the local Parish Council and through this meeting it was agreed community consultation would take place to find out the route cause of ASB issues. Four community consultations were organised in the January period of 2008. Two meetings were specifically aimed at young people and two for the rest of the community. Separate meetings allowed for resident's views to be heard without the fear of reprisals. A trained facilitator chaired the meetings to ensure the meetings were proactive and constructive as possible. A confidential box was also set up.

Interventions that were agreed consisted of improving the youth shelter and the area where it was situated. Also established was a stakeholders group consisting of local representation with the young people as the main lead.

To date the stakeholder group has been successful in submitting and achieving an approved £15,000 application by the Youth Opportunities Fund for a new vandal proof youth shelter and swings. The group is currently progressing the project by looking at new sightings for the shelter, timescales, ordering of equipment etc and it looks hopeful that the shelter will be installed in early 2009. To also encourage children to use the playing field young people requested that swings were situated on the site so that the area was as user friendly as possible.

There has been a dramatic decrease in the report of criminal damage, starting at the first week of the consultation.

### **Case Study 2 - Blake Gardens, Ross-on-Wye**

An issue at Blake Gardens was raised by a Community Support Officer at the Ross on Wye Drug Forum that there was a number of incidents regarding alcohol related disorder and underage drinking. The Drug Forum agreed that a small working team should meet to look at solutions.

2 community consultations were held, with feedback and regular communication kept residents updated on activity as well as receiving information on what to do if there was a problem. Targeted work took place with some year 9 children in the summer on alcohol education as part of another project by the Drug Forum. The police increased their visibility by adding the area to their beat route around Ross on Wye. The CSO's walk the area regularly with police with visibility increased to at least 2 hours a week. 2 residents have been made into capable guardians and they are encouraged to report any ASB to the police. Young people appear to have stopped gathering in this area as the main perpetrators have been reprimanded by the police.

As a result of the intervention there have been no verbal or formal reports of problems at Blake Gardens since February 2008.

Key:

ASB – anti-social behaviour

CSO – Community Support Officers

HCSDP – Herefordshire Community Safety and Drugs Partnership

PACT – Partners and Community Together



<b>REVIEW:</b>	<b>Community Engagement in Herefordshire Community Safety and Drugs Partnership</b>	
<b>Committee:</b>	Community Services Scrutiny Committee	<b>Chair: Councillor P M Morgan</b>
<b>Lead support officer:</b>	Natalia Silver, Head of Economic and Community Services	

**SCOPING****Terms of Reference****The objectives of this review:**

- To understand the mechanism in which communities currently engage in the Herefordshire Community Safety and Drugs Partnership.
- To look at models of engagement in other merged partnerships through desk research and interviews in relevant parties, e.g. Government Office and best practice elsewhere.
- To recommend ways, if required, of enhancing community engagement that is effective for the partnership and productive for the community in addressing local crime.
- To align these recommendations with national and regional guidance and practices.

**Desired outcomes**

- To gain an understanding of current practice for community engagement in Herefordshire Community Safety and Drugs Partnership.
- For community engagement to address the issue of perceptions of crime and contribute to address key issues of community safety impacting on the County.
- To recommend ways of enhancing community engagement if required, and methods of promoting that engagement to enable local delivery of community safety.

**Key questions**

- How are communities able to engage in the work of HCSDP?
- How are the opportunities for engagement promoted?
- What influence does the consultation and involvement of the community have in influencing strategy or local activity?
- What, if any, are the barriers to communities becoming involved, influencing and shaping community safety policy and activity?
- How does the engagement of community marry with national and regional guidance in operating Herefordshire Community Safety and Drugs Partnership?
- Are there other areas of good practice that can be used in Herefordshire?
- What are the best mechanisms for community engagement considering resources available, relevance to the work of the HCSDP and best utilisation of individuals / communities time?

**Corporate Plan Priorities**

Stronger and Safer Communities

**Timetable (some of the facilities are only open seasonally and will influence the time table)**

<i>Activity</i>	<i>Timescale</i>
Agree approach, programme of consultation/research/provisional witnesses/dates (first meeting with members)	June 08
Collect current available data	July to August 08
Analysis of data	September 08
Final confirmation of interviews of witnesses	July / August / September 08
Carry out programme of interviews	September / October 08
Update to Scrutiny Committee	To be confirmed

Final analysis of data and witness evidence	November 08
Present Final report to Scrutiny Committee	January 09
Present options/recommendations to Cabinet	February 09
Cabinet response	March 09
Implementation of agreed recommendations	April 09 onwards

<b>Members</b>	<b>Support Officers</b>
Councillor PGH Cutter	Laura Tyler, Community Safety Officer
Councillor DW Greenow	
Councillor KS Guthrie	

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## Review of Community Engagement in Community Safety and Drugs Partnership

### Action Plan

<b>Recommendation No. 1</b>	Improve relationship with Town and Parish Councils taking into consideration resource implications and likely outcome.			
<b>Executive's Response</b>	This recommendation is accepted.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Arrange a presentation to councils via HALC on the work of the partnership	CSDP Marketing Officer	Oct 09	Greater understanding and engagement by councils	
Explore raising the work of the HCSDP in parish magazines	CSDP Marketing Officer	Ongoing	Higher profile of HCSDP at parish level	
Work with the Parish Liaison Officer to feature HCSDP with town and parish councils	CSDP Marketing Officer	July 09	Profile in town and parish council newsletter	
<b>Recommendation No. 2</b>	Town Council Champions created as the anchor between the partnership and newly formed Local Community Safety and Drugs Forums.			
<b>Executive's Response</b>	This recommendation is accepted.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
To produce an outline of expectation of a Town Council Champion	CSDP Partnership Manager	July 09	Outline produced	
To write to Town Councils requesting feedback on the recommendation and asking for a nomination	CSDP Partnership Manager	July 09	Nomination received	

APPENDIX 2

<p><b>Recommendation No. 3</b></p>	<p>PACT meetings could be a valuable tool, but the review had deep concerns as to how well they are working. A separate review should be undertaken, possibly via Local Area Member Briefings to improve PACT meetings. Items to be considered:          "Ownership" – should PACT meetings be owned by Herefordshire Council, Police, Town or Parish Councillors or a combination of all four?          Improving feedback and using this as an opportunity for communication          More effective advertising of meetings          This recommendation is accepted.</p>				
<p><b>Executive's Response</b></p>	<p>This recommendation is accepted.</p>				
<p><b>Action</b></p>					
<p>A review will be undertaken and reported to Cabinet</p>	<p>Head of Partnership Support</p>	<p>June 2009</p>	<p>Review Completed</p>	<p>Progress</p>	
<p>Implementation of Revised arrangements</p>	<p>Head of Partnership support</p>	<p>September 2009</p>	<p>Review Implemented</p>	<p>Progress</p>	
<p><b>Recommendation No. 4</b></p>	<p>The Drug and Alcohol Forums become the Local Community Safety and Drugs Forums with a lead Community Support Officer, and additional funding sought for the forums to address the wider issue of reducing crime.          This recommendation is accepted.</p>				
<p><b>Executive's Response</b></p>	<p>This recommendation is accepted.</p>				
<p><b>Action</b></p>	<p>Community Safety Manager</p>	<p>On going</p>	<p>Potential funding identified</p>	<p>Progress</p>	
<p>To pursue funding for the forums to retain current activity (as allocation is due to finish in April 2009), and explore additional funding to extend role and support for the groups.</p>	<p>Community Safety Manager</p>	<p>On going</p>	<p>Potential funding identified</p>	<p>Progress</p>	
<p>To discuss extending the role of the forums with the existing groups.</p>	<p>Community Safety Manager</p>	<p>July 09</p>	<p>Agree on extended role at next forum chairs meeting</p>	<p>Progress</p>	

APPENDIX 2

<b>Recommendation No. 5</b>	That partnership officers are involved in the parish plan process to ensure community safety is included in the production of effective plans.			
<b>Executive's Response</b>	This recommendation is accepted.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
That an information / tips sheet regarding community safety matters is produced for parishes involved in the parish planning process	Community Safety Policy Manager	Nov 09	Produce information for distribution	
That closer working takes place with the Parish Planning Implementation Officer to ensure integration with the parish planning process	Community Safety Policy Manager	On going	Profile of community safety in parish plans	
<b>Recommendation No. 6</b>	To continue engagement with "hard to reach" groups and investigate linkages with other council, partner and voluntary sector consultation initiatives.			
<b>Executive's Response</b>	This recommendation is accepted.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
To review consultation with "hard to reach" groups conducted as part of the Strategic Assessment for 2009 and consider improvements if necessary.	CSDP Performance and Data Officer	May 09	Review completed with recommendations for future engagement	
<b>Recommendation No. 7</b>	That the new community pride grants for the county include support for small initiatives that aim to design out crime.			
<b>Executive's Response</b>	This recommendation is accepted.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
To include "design out crime" initiatives into the new community pride grants operational from April 2009.	Grants and Programmes Manager	April 09	Criteria produced to include design out crime.	

APPENDIX 2

<b>Recommendation No. 8</b>	The importance of feedback is emphasised to all officers and partners both to improve community engagement and to address perception of crime. All opportunities for giving feedback should be exploited e.g. PACT meetings, Parish Councils, Neighbourhood Watch.			
<b>Executive's Response</b>	This recommendation is accepted.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Review Council/PCT Customer Services and Insight Strategy	Head of Customer Services & Corporate Programmes	September 2009	New strategy adopted by Cabinet	
<b>Recommendation No. 9</b>	Public engagement is a valuable tool to improve public safety and public services by truly understanding the needs of residents. A separate review should be undertaken to evaluate the quantity and quality of the consultation and public engagement events that are taking place or likely to take place within the whole Council.			
<b>Executive's Response</b>	This recommendation is accepted.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Review of Customer Services and Insight Strategy	Head of Customer Services & Corporate Programmes	September 2009	New strategy adopted by Council	

# OFFICE ACCOMMODATION STRATEGY OPTIONS APPRAISAL

## PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY & FINANCE AND RESOURCES

CABINET

7 MAY 2009

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### Wards Affected

County-wide

### Purpose

To note the outcome of the options appraisal for back office accommodation and approve the recommendation of Plough Lane as the preferred option; to reaffirm the decision previously taken by Cabinet to acquire buildings and land at Plough Lane and to approve the procurement of the development of the site at Plough Lane for shared office accommodation.

### Key Decision

This is a Key Decision because it is likely to result in the Council incurring expenditure above agreed budgets for the service or function (shown as a line in the budget book) to which the decision relates but allowing for virements between budget heads and savings within budget heads of up to £500,000.

It was not included in the Forward Plan, however inclusion in the agenda gives the required notice in accordance with Section 15 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000.

### Recommendations

#### THAT:

- (a) progress made in the development of a business case supporting an integrated back office accommodation strategy for the council and NHS Herefordshire be noted;
- (b) Plough Lane be endorsed as the preferred option;
- (c) the decision taken by Cabinet in 2005 to purchase Plough Lane be reaffirmed in light of the findings of the recent options appraisal, and authority be delegated to the Chief Executive to conclude negotiations for the property acquisition;

- (d) **the Chief Executive be delegated authority to proceed with the preparation of a detailed design, specification for and the development thereafter of shared office accommodation at Plough Lane; and**
  
- (e) **the overall Accommodation Strategy be brought to Cabinet by the end of 2009.**

## **Reasons**

1. The council has determined to rationalise its existing office accommodation and to provide a suitable, modern office environment to support the delivery of back-office services to the council and NHS Herefordshire (NHS).

### **Background**

2. On 23 June 2005, and taking account of the views expressed by Strategic Monitoring Committee following call in of the decision, Cabinet confirmed its decision to progress the purchase of the Plough Lane site as part of the then current accommodation strategy. Given changes in ownership of the site, and the subsequent need to revise the accommodation strategy to take account of changing circumstances, this decision has not yet been implemented.
3. In May 2008, the views of Strategic Monitoring Committee (SMC) were sought regarding the proposed process for developing an integrated office accommodation strategy for the Council and NHS, and on 13 June 2008 SMC recommended that a full options appraisal be undertaken on a number of specified sites. Knight Frank, consultants, were selected and appointed to carry out the appraisal and began work in July 2008.
4. A series of consultation meetings was held during July 2008 with senior managers of the council and NHS and Members, in addition to the appraisal process.
5. The report contains:
  - (a) An assessment of the demand requirements of the council and NHS, giving commentary on better ways of working, space requirements and the relationship between the back office and other related accommodation matters.
  - (b) An assessment of the supply of accommodation, using the existing accommodation as a baseline against which to compare the other site options.
  - (c) An assessment of the running costs for the existing accommodation, including backlog maintenance and an estimate of the potential running costs for new provision.
  - (d) An assessment of market worth of the existing sites which may become surplus to council requirements. In view of the change in financial markets since the report was issued, the indications of worth should be treated with caution.
  - (e) A financial analysis of each option, based on the Net Present Cost of construction of a new building and ongoing running costs over a 25 year period.
  - (f) A non-financial assessment of each option based on a number of specified

criteria.

(g) A risk analysis of the deliverability of each option.

(h) A commentary on procurement methods and funding options.

(i) A recommended method of procurement.

6. Six short-listed options (location maps at Appendix 1) were appraised:

- Option 1: Base Case - retain the existing properties, purchase Plough Lane offices and sell Rotherwas East site;
- Option 2: Bath Street redevelopment with car parking on Gaol Street, sell surplus properties & sites;
- Option 3: Gaol Street redevelopment with Bath Street levelled to provide car parking, sell surplus properties & sites;
- Option 4: Plough Lane existing offices purchased and refurbished, additional offices built on land to be purchased, sell surplus properties & sites;
- Option 5: Rotherwas East developed, sell surplus properties & sites;
- Option 6: Blackfriars Education Centre redeveloped with additional offices built on land to be purchased, sell surplus properties & sites.

#### **Outcomes of the Options Appraisal**

7. The report identifies a need for a new building to accommodate 1,275 workstations to accommodate some 1,600 full time equivalent staff (an average ratio of five staff to four workstations, achievable through improved flexibility in working practices). The overall space requirement is approximately 12,500 square metres, to include meeting space, a large “business centre” with drop-in provision for remote workers, training rooms, Member and Non-Executive Director accommodation.
8. The sites were assessed on their capacity to take a building of the required size, plus car parking of 314 spaces, this total being based on one car space per 40 square metres of accommodation.
9. In accordance with the council’s priority for sustainable development, the build design cost has assumed a Building Research Establishment Environmental Assessment Method (BREEAM) standard of “very good” aspiring to “excellent” with a low carbon footprint.
10. The financial model has assumed there is no capital contribution from NHSH towards the cost of the development, rather a rental element payable by NHSH for occupation of space and use of the shared accommodation.

#### **Financial Analysis**

11. Once acquisition costs are included, the relative estimated costs of the options are ranked as follows:

Option 1: Base Case	Base
Option 2: Bath Street	4
Option 3: Gaol Street	3

Option 4: Plough Lane	1
Option 5: Rotherwas East	2
Option 6: Blackfriars Education Centre	5

12. The report goes on to identify potential revenue savings, including all current running costs, achievable from each option against the existing accommodation provision. Each of the options (other than base) shows revenue savings against the current running costs for the existing accommodation. In addition to these financial savings, there are estimated to be further non-physical savings for each option, to be achieved through, for example, reduction in leased line networks, internal courier services and inter-office travel costs. The ranking of revenue savings for the options is as follows:

Option 1: Base Case	Base
Option 2: Bath Street	4
Option 3: Gaol Street	4
Option 4: Plough Lane	1
Option 5: Rotherwas East	2
Option 6: Blackfriars Education Centre	2

13. To help decision making, the appraisal utilises a Net Present Cost (NPC) Discounted Cashflow model, which estimates a cost for each option over a period of 25 years. The options were compared with the baseline case of retaining the existing accommodation, and produced the following ranking:

Option 1: Base Case	Base
Option 2: Bath Street	4
Option 3: Gaol Street	5
Option 4: Plough Lane	1
Option 5: Rotherwas East	2
Option 6: Blackfriars Education Centre	3

14. The provision of car parking is a particular issue at Rotherwas and, while the appraisals have all been calculated on the provision of 314 car spaces, the location of Rotherwas on the outskirts of the city, with poor existing public transport infrastructure, has raised a major risk. The consultants believe that up to 590 additional car spaces would be needed at Rotherwas. This would breach planning policy and also significantly increase the cost for that option.



15. On the basis of the revenue savings identified in the report, only Plough Lane and Rotherwas are currently affordable without identification of further savings. However, if additional car parking is needed at Rotherwas, then it is no longer affordable and only Plough Lane would meet the criteria.
16. Current funding of £17m has been identified within the Medium Term Financial Management Strategy consisting of capital receipt reserves of £2.3m and prudential borrowing of £14.7m over three years.

#### **Non-financial Analysis**

17. The appraisal also looked at aspects of the site locations and development which do not result in clearly identifiable cash savings. However, some of these aspects have tangible benefits for improved service delivery, quality of environment, sustainability and other factors.
18. An evaluation matrix was created and the criteria were scored for each option, including the baseline case. This assessment provides information on the comparative suitability of each option. The full evaluation is shown in Appendix 2.

#### **Procurement**

19. The report discusses a number of alternative funding methods to traditional procurement, and tested the NPC of two of them: Sale and Leaseback and traditional leasing. These are the two main alternatives to outright ownership which are used in development funding, however the NPC of both was in excess of £20m higher than using a traditional procurement approach.
20. The procurement of any of the options will involve the Official Journal of the European Union (OJEU) process. It is estimated that a period of between 9 and 12 months is needed to complete that process.
21. As already indicated, the council has identified £17m of capital reserves and prudential borrowing to contribute towards the cost of the development. The remainder of any funding gap will have to be met from further prudential borrowing, using the savings to be generated from the rationalisation.

#### **Option Appraisal Conclusions**

22. The work concluded that:
  - a) Maintaining the base position is the least viable option.
  - b) All the options are capable of meeting the space needs.
  - c) Provision of car parking spaces is an issue. The city centre and edge of centre (Plough Lane) options are better able to deal with demand for spaces in excess of the 314 spaces proposed, than is Rotherwas.
  - d) Three of the options show a lower NPC than the baseline case, with Bath Street and Gaol Street being more expensive options than the base case. However, there is a risk over the cost of Rotherwas (as noted in paragraph 13).
  - e) Only Plough Lane and Rotherwas are affordable without identification of further savings or additional capital funding. However, there is a risk over the cost of Rotherwas (as noted in paragraph 13).
  - f) Gaol Street and Blackfriars produce the greatest level of non-financial benefits.

- g) With appropriate phasing of the developments, space should be available to decant staff from Plough Lane in December 2010, which will mitigate against timetabling issues.
23. The report recommended taking three options forward to the procurement process. This course of action was recommended to mitigate against any potential option proving to be unfeasible during evaluation. If a single option was chosen, then the OJEU process could be abortive and would have to start from the beginning with an attendant delay of several months.
  24. The Plough Lane option is clearly the most beneficial in financial and deliverability terms. The other options have restrictive time constraints relating to the need to vacate Plough Lane by December 2010. In addition there may be interest from other public sector partners in sharing a back office facility which would deliver additional benefits in terms of affordability and service improvement.
  25. The current owners of Plough Lane have confirmed in principle agreement to sell the Plough Lane site, along with part of the storage capacity to the north of the site. This warehouse area would be demolished as part of the sale price. In addition, car parking at the end of Plough Lane will be included, along with the right to vehicular and pedestrian access from Yazor Road. However, the council would need to build any road if this is pursued in the future.
  26. The options appraisal has been reviewed by the council's independent financial advisors CAPITA and they conclude that the assumptions, estimates, conclusions and recommendations in the report are reasonable.

### **Accommodation Strategy**

27. The accommodation strategy is a major programme of work for the council and NHSH that, in addition to provision of back office accommodation (target date 2011/12), incorporates a number of associated projects which are closely linked to this project and all of which are inter-related. These include:
  - a) The replacement of the Hereford Info Centre at Garrick House and provision of a new public services front office, working with NHSH and West Mercia Constabulary to create a shared presence in Hereford City Centre, with potential for use by a wider range of local partners
  - b) Locality offices – a major examination of drop-in provision for remote workers across the County in council and NHSH accommodation. This will also include the proposed decentralisation of a substantial number of staff in Children and Young Peoples Directorate
  - c) ICT data centres – an interim solution is currently being progressed to improve the current Thorn data centre, but the accommodation strategy will need to address data centre requirements in the longer term
  - d) A review of the future use of Shire Hall and Town Hall to ensure continued effective use of these two landmark buildings
  - e) A replacement public records centre, both for public access in the City centre and remote storage
  - f) Provision of new facilities for the Modern Records Unit to replace the inadequate facility in leased accommodation at Harold Street

28. The overall strategy will be brought back to Cabinet by the end of 2009. External support will be secured to progress the development of the strategy, facilitated by the existing Accommodation Strategy Board consisting of senior officers from the council and NHH.

## **Legal Implications**

29. The Council will be required to comply with the EU procurement rules in relation to the tender and award of the contract for the development of this site.

## **Financial Implications**

30. The current available funding totals £17m, being made up of capital receipts reserves of £2.3m and prudential borrowing of £14.7m. The costs of prudential borrowing are included in the council's Medium Term Financial Management Strategy (MTFMS).

## **Risk Management**

31. It is noted that none of the new build options can provide all of the space needs by December 2010. However, by phasing of development, the risk is mitigated.
32. The Council currently has an agreed period of occupation at Plough Lane until 2010; acquisition of the site would remove the risk associated with the lease not being renewed.

## **Alternative Options**

33. The three city centre sites are within conservation areas. If any of these options are taken forward a full series of specialist surveys and archaeological investigations will need to be commissioned. These investigations could uncover finds of historical or archaeological interest which would significantly increase the timetable and cost of taking forward a development

## **Consultees**

34. None identified.

## **Appendices**

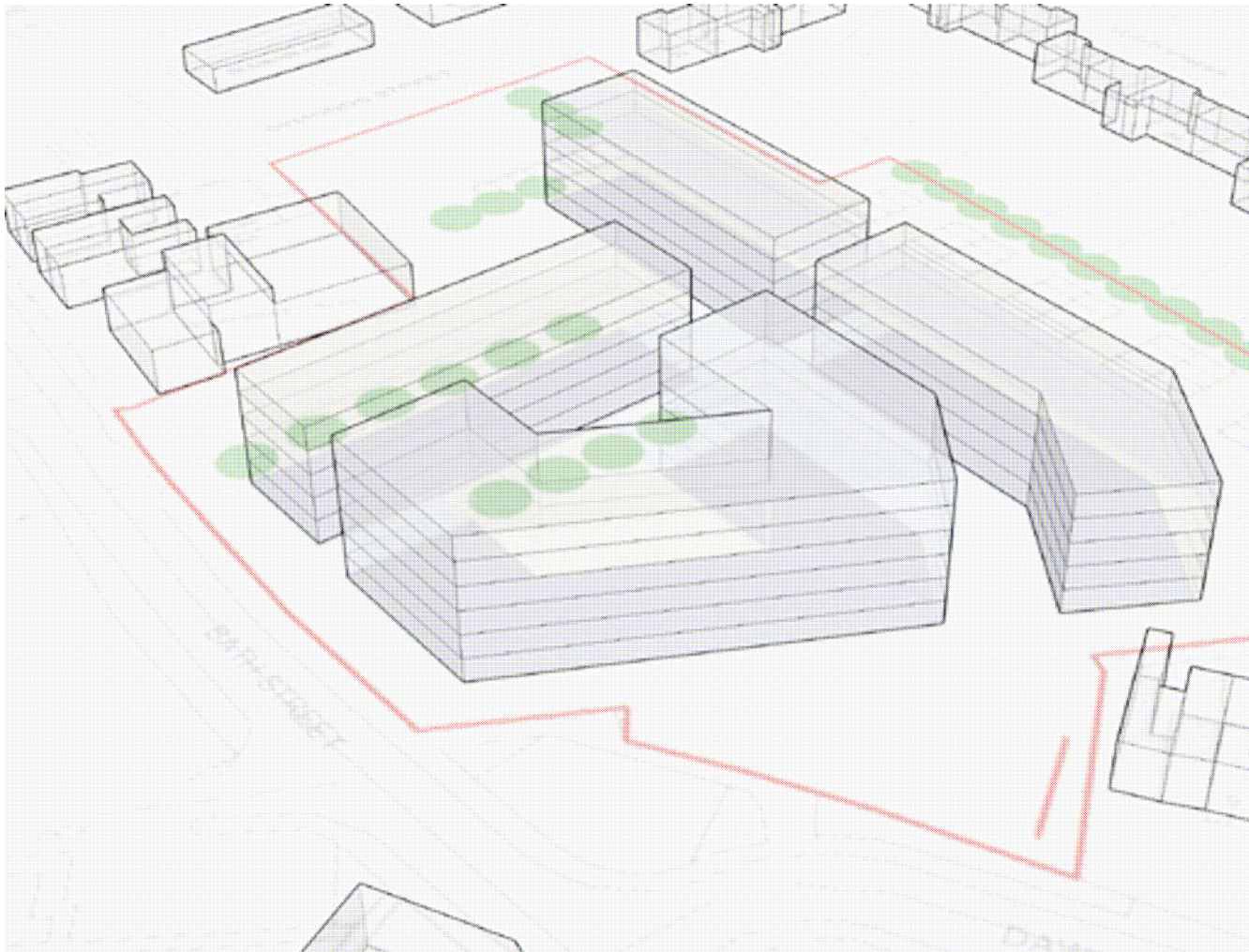
Appendix 1 – Location plans

Appendix 2 – Non-financial evaluation matrix

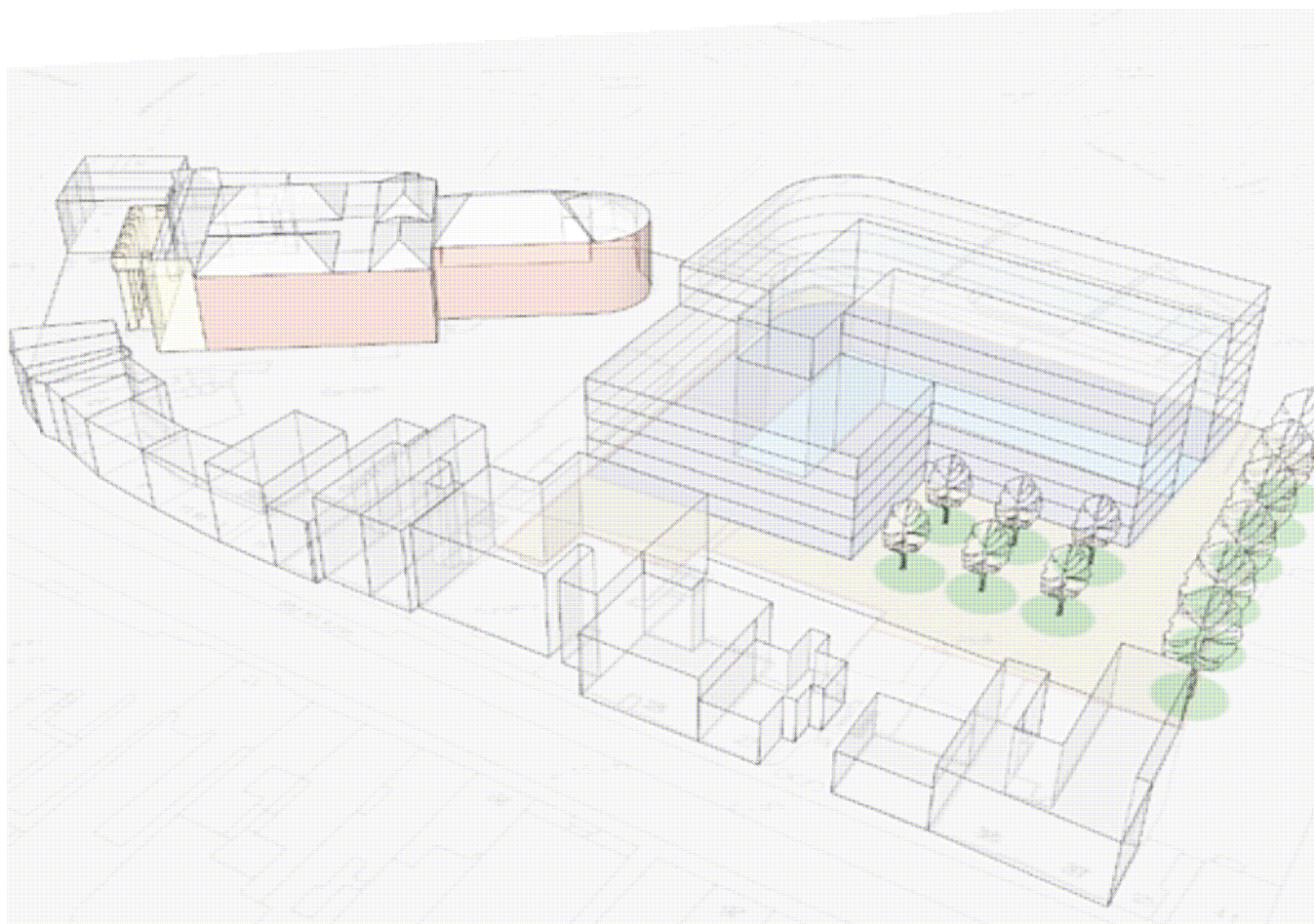
## **Background Papers**

- Report prepared by WM Enterprises dated September 2008 on the economic impact of a city centre and out of city centre office accommodation development.

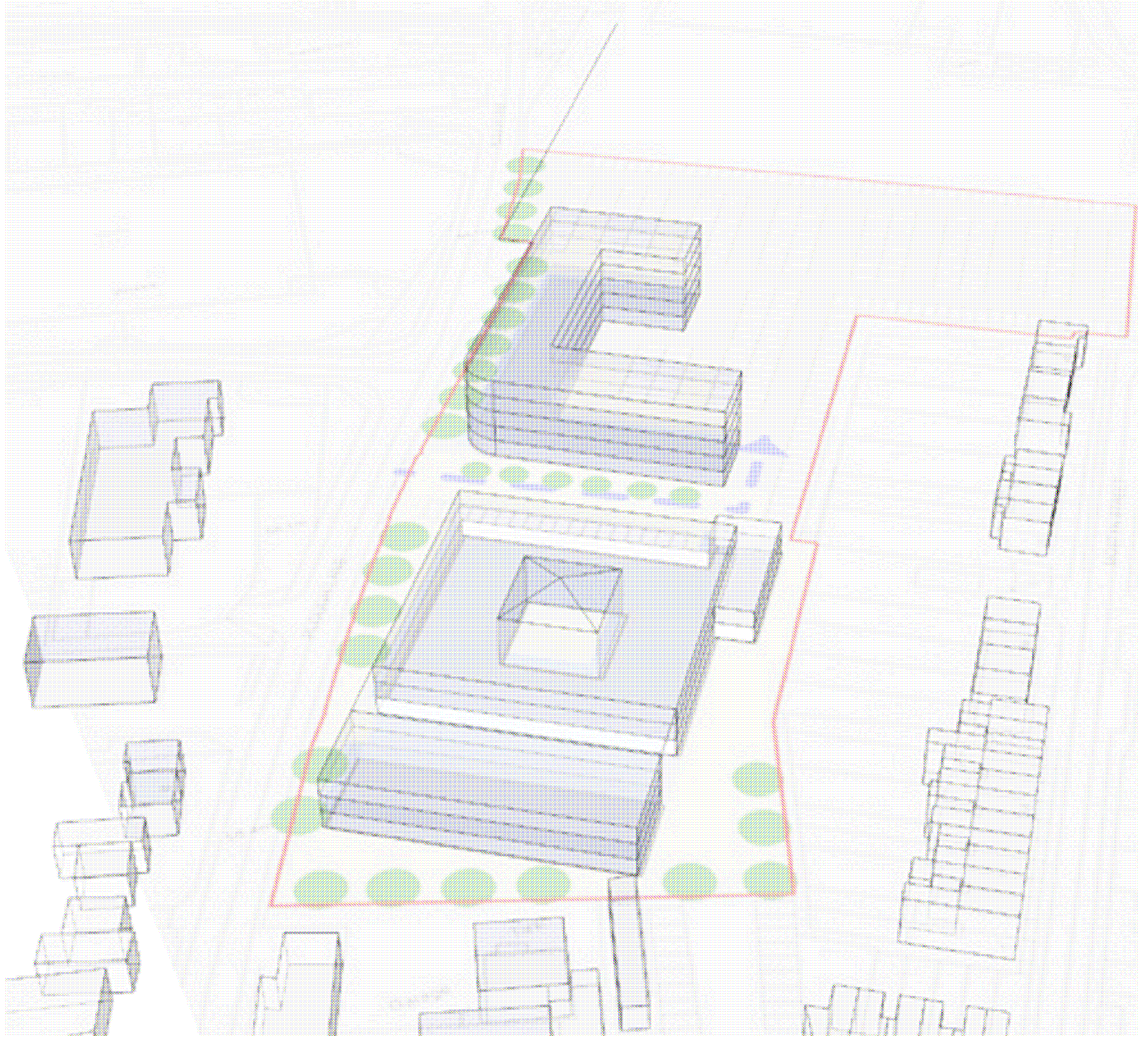
OPTION 2 – BATH STREET



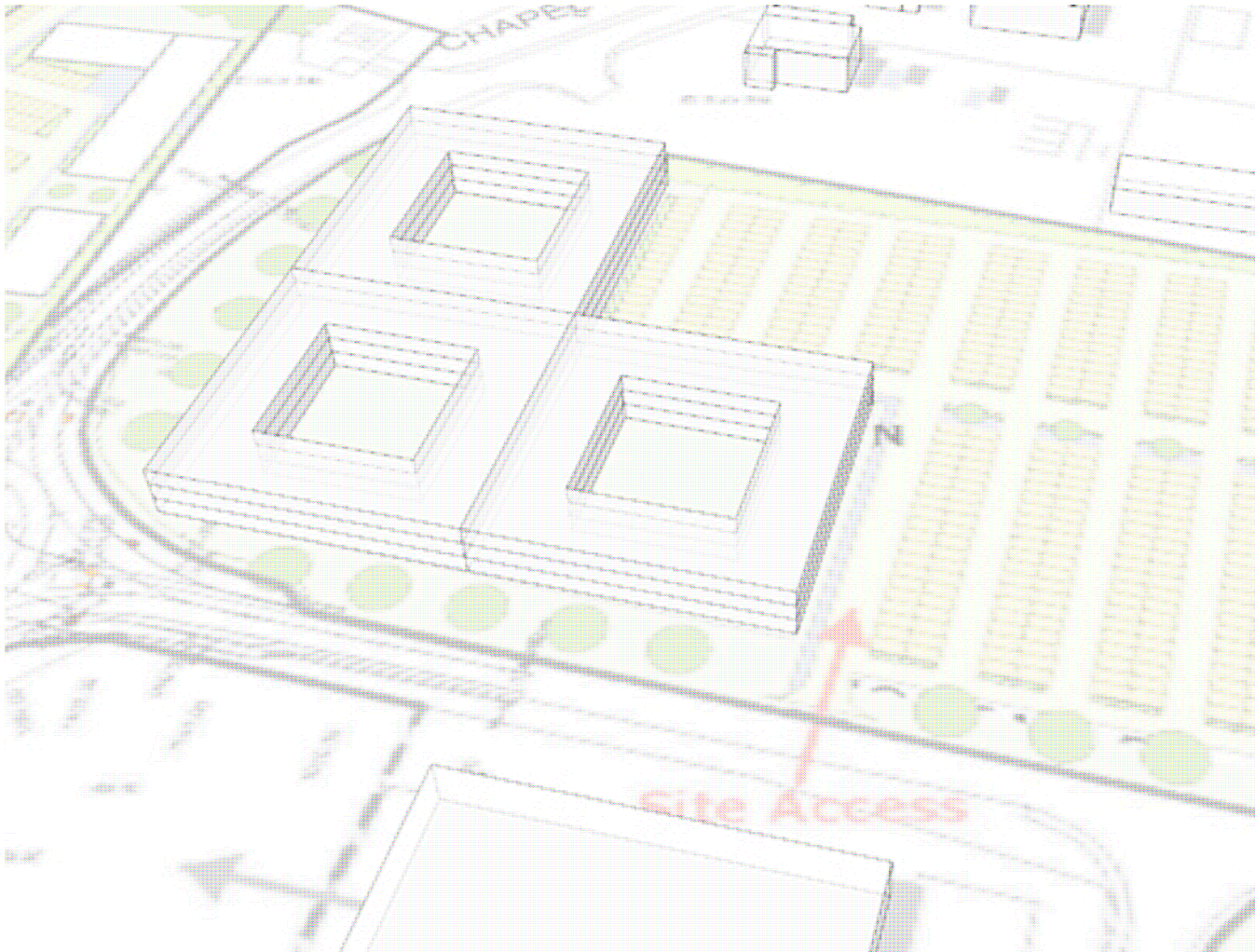
OPTION THREE – GAOL STREET CAR PARK



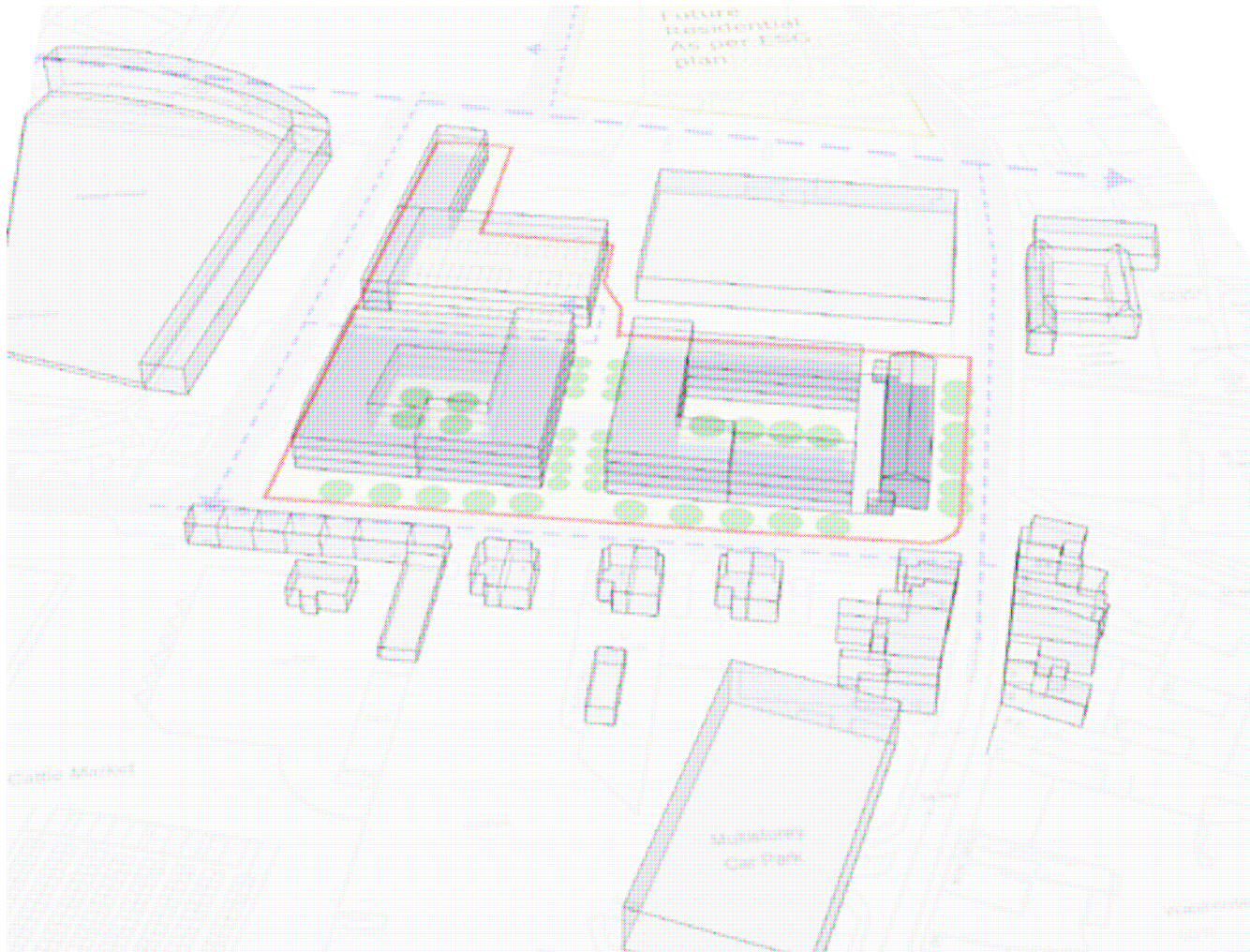
OPTION FOUR = PLOUGH LANE



OPTION FIVE – ROTHERWAS EAST



OPTION SIX – BLACKFRIARS





Criteria	Option						
Option number	1	2	3	4	5	6	Reasoning
Description	Base Case	Bath Street	Gaol St	Plough Lane	Rotherwas	Blackfriars	
Co-location	3	10	10	9	9	10	All the new build projects bring staff together
Supports Flexible Working	4	10	10	8	10	10	The majority of the current stock is inflexible for open plan working
Improved working and meeting environment	4	10	10	9	10	10	Whilst some of the current stock (Brockington) is pleasant to work in the majority of the space is dated
Business Continuity years 1 and 2	5	7	8	5	8	7	Under the Bath option staff would have to be housed within portakabins whilst new offices were built. In Base case and Plough Lane refurbishment would take place around staff
Environmental Sustainability	6	8	8	9	7	8	The current properties are not as environmentally friendly as a new new BREEAM excellent building would be. Rotherwas would encourage more car driving
Potential to increase economic activity in Hereford and surrounding areas	3	9	9	6	7	10	New build would mean new construction jobs. New offices in the city centre would concentrate staff spending power. A move to Rotherwas would draw over 1000 staff away from the city centre
Accessibility for Staff	8	8	8	8	5	8	Rotherwas would only be convenient to staff from the south
Staff satisfaction	4	8	8	7	8	8	Staff are likely to be more satisfied with new offices
Image and Branding	2	8	8	7	7	8	The current offices do not present a strong image for HPS.

Criteria	Option						
Option number	1	2	3	4	5	6	Reasoning
Description	Base Case	Bath Street	Gaol St	Plough Lane	Rotherwas	Blackfriars	
Deliverability by December 2010	3	6	6	6	6	6	It is envisaged that the new build would be done in phases so the Plough Lane staff could be accommodated by Dec 2010. However the whole building would be completed 2011
Future marketability of offices (whole or part)	6	7	7	6	6	7	Demand for offices is likely to be stronger in the centre than at Rotherwas
Cost Certainty	5	6	6	5	5	6	All costs at this stage are estimates
<b>Total Score (out of 120)</b>	<b>53</b>	<b>97</b>	<b>98</b>	<b>85</b>	<b>88</b>	<b>98</b>	