

# AGENDA

## Cabinet

Date: **Thursday 16 May 2013**

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Time: **2.00 pm**

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Place: **The Council Chamber, Brockington, 35 Hafod Road,  
Hereford**

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Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

**Sally Cole, Governance Services**

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Email: [scole@herefordshire.gov.uk](mailto:scole@herefordshire.gov.uk)

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# **Agenda for the Meeting of the Cabinet**

## **Membership**

**Chairman**

**Councillor JG Jarvis**

**Councillor H Bramer  
Councillor RB Hamilton  
Councillor AW Johnson  
Councillor PM Morgan  
Councillor RJ Phillips  
Councillor GJ Powell  
Councillor PD Price**

**AGENDA**

Pages

**HEREFORDSHIRE COUNCIL**

Notice has been served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

<b>Item No</b>	<b>Title</b>	<b>Scrutiny Committee</b>	<b>28 Day Notice Given</b>
5	Section 75 Partnership Agreement	Health Overview and Scrutiny Committee	4 April 2013
4	Service Budget Reductions and Future Financial Planning	General Overview and Scrutiny Committee	30 April 2013 (General Exception)

**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.

**3. MINUTES**

To approve and sign the minutes of the meeting held on 18 April 2013.

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**4. SERVICE BUDGET REDUCTIONS AND FUTURE FINANCIAL PLANNING**

To progress the Council's change programme, to report on the service plan reviews for 2013/14 conducted in March/ April aimed at de-risking identified areas of weakness to ensure the Council's plans are resilient and remain within its overall funding envelope of £150.296 million, and to seek Cabinet agreement on next steps.

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**5. SECTION 75 PARTNERSHIP AGREEMENT BETWEEN HEREFORDSHIRE COUNCIL AND HEREFORDSHIRE CLINICAL COMMISSIONING GROUP**

To approve the financial schedule between Herefordshire Council and Herefordshire Clinical Commissioning Group for 2013 to 2014 attached as Appendix D to the Section 75 and agree the extension to the existing Section 75, until the 30 June 2013, whilst work continues to develop a 'fit-for-purpose' new Partnership Agreement for 2013/16.

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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 18 April 2013 at 2.00 pm**

**Present:** Councillor JG Jarvis (Chairman)

Councillors: H Bramer, RB Hamilton, AW Johnson, PM Morgan, RJ Phillips, GJ Powell and PD Price

**In attendance:** Councillors

**Officers:**

**86. APOLOGIES FOR ABSENCE**

There were no apologies for absence from Cabinet.

**87. DECLARATIONS OF INTEREST**

5. Rising to the Challenge and Root and Branch Review Programme.  
Councillor P Rone, Disclosable Pecuniary, Director of South Wye Regeneration Partnership..

**88. MINUTES**

**RESOLVED:** That the Minutes of the meetings held on 27 February and 14 March 2013 be approved as a correct record and signed by the Chairman subject to the following amendments.

**Minutes 27 February 2013 – Minute No: 3**

Assistant Director's comments, bullet point 7 be amended to read – *Cabinet was advised that Appendix C to the report outlines the draft community infrastructure preliminary charging schedule proposed for consultation.*

Cabinet comments, bullet point 7 be amended to read – *In referring to the Enterprise Zone and its importance it was emphasised there would also be enterprise hubs in the market towns and rural communities. It was important that everyone realised that Hereford City was not the only place driving the economy of the county.*

Minutes 14 March - Minute No: 85

The first paragraph be amended to read – *The Cabinet Members for Environment Housing & Planning and for Education and Infrastructure presented reports in respect of the urban village/link road compulsory purchase order, and the associated side roads order.*

**89. BUDGET MONITORING REPORT**

The Cabinet Member Financial Management presented the Chief Officer Finance & Commercial report which covers the period to the end of February and includes revenue, capital and treasury management positions. The following points were made:

- The current position is £3.5m overspend, a slightly improved position on last month. However, should this continue the overspend will need to be funded from general fund balances.
- A key pressure area remains Adult Services where the delivery of the improvement plan is taking longer than estimated.
- It is anticipated that there will be spending of around £38m on capital schemes in 2012/13, which is largely financed by grants and contributions from central government in addition to capital receipts and the use of prudential borrowing.
- There is a projected underspend of £776k through delaying borrowing, capitalisation of interest and using short term arrangements with other local authorities.

During discussion the following points were made:

- Concern was raised over contingency funding and that it was not clearly defined in the report. Cabinet was informed that the summary table at Appendix A outlined contingency funding.
- In response to a query on projects using capital or revenue funding Cabinet was informed that capital schemes were not set up on revenue funding.

## **RESOLVED**

### **THAT:**

- a) the report and forecast position be noted;**
- b) the treasury management report at Appendix C to the report be noted.**

## **90. RISING TO THE CHALLENGE AND ROOT AND BRANCH REVIEW PROGRAMME**

The Deputy Chief Executive presented his report on Rising to the Challenge and Root & Branch Review Programmes and advised of three aspects Cabinet needed to consider:

- Closure of the Rising to the Challenge programme;
- Progress on the implementation of the Root & Branch reviews; and
- Outstanding actions from the Root & Branch reviews and proposals for the Herefordshire 2020 review.

In discussion the following points were made:

- It was felt that communication was needed with grass roots employees for everyone to buy into the process.
- Concern was raised over discretionary spend.
- Need to ensure that all Members are aware of the issues.
- Cannot continue working as currently are with the possibility of 50% reduction in funding.
- Parish Councils are being informed of cuts. Members need to provide help and support to their Parish Councils. It was felt that Parish Councils were not aware of the urgency of the 2020 Review.
- Review taking place on discretionary spend in directorates.
- Need to agree care services that can be provided effectively and efficiently.
- Post 16 travel – moving towards full cost recovery, however, looking to minimise the costs to families as much as possible.

- In response to a question on the Local Enterprise Partnership / Hereford Enterprise Zone the Cabinet Member Environment, Housing and Planning advised that an overall redesign and restructure was proposed and work on this was being carried out with colleagues using government funding and match funding.
- It was noted that the consultation on the proposed move to fortnightly waste collection had received an even spread of views from residents and negotiations to move to fortnightly collections were currently being carried out. If successful this would create a significant saving for the Council.
- In referring to the key point summary of the report concern was raised over the delivered savings of £21m. It was felt the Council was not delivering on the behavioural changes referred to at paragraph 10.6 of the report.
- Concerns were also raised over the transformation team and the potential risk in having the team as part of Hoople. Cabinet noted that transformational change of how to deliver services was difficult, but also a key area of work.
- Cabinet was reminded that the Council was in unprecedented times and all local authorities were having to deal with a similar financial situation. There needed to be a refocus to provide a smaller number of services well. This needed to be reflected to the public clearly as Herefordshire could face government cuts of up to 50% of funding. Proposals for the new smaller service provision would be clarified by the end of April and a timetable put together for the next three years.
- General Overview and Scrutiny recommendations, which were in agreement with the recommendations of the Cabinet report, were noted.

## **RESOLVED**

### **THAT:**

- a) the achievements and lessons learned from the Rising to the Challenge Programme as set out at Appendix 1 to the report be noted;**
- b) progress with the implementation of the Root & Branch Reviews as set out in Appendix 2 to the report be noted;**
- c) the relevant directors be authorised to jointly produce and implement delivery plans for the phase 2 and 3 reviews and report to Cabinet or Cabinet Member(s) as appropriate; and**
- d) it be agreed that the scope of the Herefordshire 2020 Review be extended to include all remaining work from the review programme as set out in paragraphs 10.8 to 10.14 of the report.**

## **91. DIGITAL STRATEGY**

The Cabinet Member Corporate Services presented the report of the Assistant Director People, Policy and Partnership and reiterated the relevance and importance of the cost savings needed and noted the recommendations of the General Overview and Scrutiny Committee (GOSC).

In discussion the following comments were made:

- Important to use technology in the best way possible in the challenging financial situation as root and branch reviews were dependant on technology to make the savings.
- Worked being carried out on consolidating a number of systems with more to be done.

- Residents indicating that their communications with the Council were getting better.
- Looking at consolidation of accommodation and enabling staff to work more flexibly and efficiently.
- Looking at cheaper ways of storing information other than on a network.
- Need to consider moving to personal gateways where people can set up their own web page and access information on services and link with partner organisations to deliver services differently.
- It was requested that the budget for the digital strategy was ring fenced.
- It was also stated that the Council needed to ensure that those people without access to digital equipment did not feel excluded.

**RESOLVED**

**THAT:**

- a) **the Digital Strategy 2013/18 be approved; and**
- b) **the Commercial & Commissioning Board ensure that the principles with the strategy inform future commissioning arrangements.**

The meeting ended at 3.30 pm

**CHAIRMAN**

<b>MEETING :</b>	<b>CABINET</b>
<b>DATE:</b>	<b>16 MAY 2013</b>
<b>TITLE OF REPORT:</b>	<b>SERVICE BUDGET REDUCTIONS AND FUTURE FINANCIAL PLANNING</b>
<b>REPORT BY:</b>	<b>CHIEF OFFICER FINANCE AND COMMERCIAL</b>

### 1. Classification

Open

### 2. Key Decision

This is a Key Decision because it is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates.

It is also a Key Decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the County.

Notice has been served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 under Regulation 10, General Exception.

### 3. Wards Affected

County-wide

### 4. Purpose

To progress the Council's change programme, to report on the service plan reviews for 2013/14 conducted in March/ April aimed at de-risking identified areas of weakness to ensure the Council's plans are resilient and remain within its overall funding envelope of £150.296 million, and to seek Cabinet agreement on next steps.

### 5. Recommendation(s)

**THAT: (a) Cabinet agrees the change programme approach, as set out in the report, to initially focus on additional actions required in 2013/14, to ensure the Council stays within budget in 2013/14; and further, to progress the re-shaping of Council services to ensure sustainability in the medium-long term**

**(b) Cabinet accepts the timetable outlined in the report for the 2014/15 Budget and Medium Term Financial Plan.**

## **6. Key Points Summary**

- In common with normal good practice, the new Chief Executive conducted a review of all service plans to identify and de-risk potential areas of delivery weakness.
- The review identified an £8.432 million net gap in the ability to deliver a balanced budget. This comprises £7.402 million in Peoples Services and £1.032 million of procurement savings.
- The reviews have brought forward some schemes which were due to commence later in the year, where possible proposals have been identified which enable the Council to take action this year to address some of the reducing government grant allocations for the next two years.
- Planning for the next budget cycle and Medium Term Financial Plan will commence in May 2013. This will include a review of core Council services and functions, to consider how the Council can successfully meet the challenges of the following two years which require a further £23 million of reductions.

## **7. Alternative Options**

- 7.1 There is no alternative to ensuring that services operate within total Council budget limits, however there are alternatives to approaches that may be taken to continue services and functions that the Council may be unable to fund in future.

## **8. Reasons for Recommendations**

- 8.1 The Council must stay within its available resources to ensure it does not deplete its reserves and delivers financial stability in the light of ongoing Government reductions in funding.

## **9. Introduction and Background**

- 9.1 Herefordshire Council has made budget reductions of £21.1 million over the last two years, and needs to plan further reductions of £32.2 million over the next 3 years, starting with 2013/14. This is the challenging environment that all Councils are working in at present, and it is important that Herefordshire Council's plans are as resilient as possible.
- 9.2 Whilst these funding reductions are challenging for the organisation, they also present the opportunity for the Council to position itself strongly for the future, as a 21<sup>st</sup> Century Council. The Council will continue to secure core community services, but the opportunity now exists for the Council to be more focussed and to include consideration of how those services that the Council may be unable to support in the future may be taken on by local communities, or other organisations as has happened with the Youth Service, community asset transfers and community libraries.
- 9.2 Whilst the Council will need to set out which of its functions and services to local communities will remain core and be fully sustainable, there are also significant opportunities to advance economic development within the County as a means of improving not only economic conditions but also relieving pressure and demand for Council services. These will be fully pursued. The Council will be open to new partnerships with the public, private and third sectors and the community.

## 10. Key Considerations

- 10.1. The Chief Executive undertook a review of budget and service plans in March. This review assessed the delivery plans and the financial outlook. Proposals were developed in April to ensure the Council has resilient plans to stay within its budget envelope and has a programme of actions to begin to address the financial position for the next two years.
- 10.2. The overall net budget of £150.296 million represents the total amount available for all Council services.
- 10.3. The financial risks are acute if the Council does not stay within its means. This arises from a combination of increased pressure for services and funding reductions that require the delivery of a cumulative total of £53.3 million savings in the five years to 2015/16.
- 10.4. The Chief Executive and senior management teams, working with the Chief Finance Officer, identified a net budget gap totalling £8.4 million, as detailed in Appendix B. It is appropriate that this is addressed quickly in the financial year.
- 10.5. During April directorates worked with cabinet members to identify further reductions in costs to a wide range of services, amounting to at least £8.4 million to meet the position outlined in paragraph 10.4. The approach now follows two parts:
  - The urgent operational revenue issues to reduce costs in-year by £8.4 million; and
  - From May onwards, to re-shape, re-focus and reduce Council services to ensure it operates within its reduced funding limits by focussing on its core business.
- 10.6. The appendices to the report cover the proposals to reduce costs by £8.4 million, the projected position for the general reserve, and the breakdown of the shortfall.
- 10.7. Whilst addressing identified risk in the 2013/14 budgets we must also prepare for the next three year medium term financial plan. Appendix C outlines the key dates. The overall position will be further refreshed after the spending review announcement due on 26 June 2013.
- 10.8. Given the anticipated further Government funding cuts expected to be announced on 26 June difficult decisions are also necessary now in preparation for the likely reductions. The response to the review of our delivery plan means that risk is being minimised going forward into a period of further financial reductions. The approach being taken puts the Council on a stronger footing to meet future reductions in government funding.
- 10.9. The review has formed part of the new financial control process that places an emphasis on controlling expenditure. The overall approach to budget management will be further strengthened from May onwards by a monthly Financial Control session for each directorate. These sessions, to be chaired by the Chief Finance Officer will require the senior team from each directorate to review service expenditure against budget. The sessions will have particular focus on exceptions, variances from planned expenditure and areas where expenditure can be reduced. The sessions will discuss exceptions, the potential for further savings, and identify corrective action where it is required to redress any over-spends.
- 10.10. It is important to acknowledge that there are some beneficial changes to the way the Council thinks about meeting need. Enabling people who use adult social care and children's services to have more choice and control (often known as personalisation) is a key priority for Herefordshire Council. Personalisation is recognised nationally as one of the only ways to respond to increasing demand, within the context of a future of limited public funds whilst

maintaining quality services Personalisation recognises and promotes the potential for people to look after their own health and well-being, collectively and individually.

- 10.11. Personalisation means thinking about public services and social care in a different way, starting with the person, their individual circumstances and the community they live in rather than the services that are available. As we manage within an ever decreasing budget, our priority is to bring together health, social care and broader council functions and practitioners including housing to focus on early intervention and prevention. The starting point will be on encouraging people to draw on assets within the community rather than always looking to organisations to deliver services.
- 10.12. The council employs and manages 1,042 full time equivalents (FTEs) directly. In addition, around 265 full time equivalents are seconded to the Wye Valley and Together NHS Trusts. This report deals with the impact on the workforce in terms of full time equivalent which is a smaller number than the actual number of jobs because two or more part time jobs may be added up to make a single full time equivalent.
- 10.13. Over the past two years the Council has responded to the financial challenges by significantly reducing the number of staff employed by 280 posts. Based upon the savings already planned for 2013/14 a further 100 to 120 full time equivalent reductions were estimated. The additional savings now planned are expected to reduce the number of full time equivalents by around an additional 280. These further reductions will impact during 2013/14 and 2014/15 and will need to be adjusted to reflect any changes identified through the process of stakeholder consultation.
- 10.14. It is important to note that these reductions will be achieved in a number of ways including effective vacancy management, voluntary mutually agreed resignations, potential TUPE transfers and redundancy. The table below shows the service areas where proposed budget reductions will impact on posts.

<b>Function</b>	<b>Proposed FTE reduction</b>
<b>Peoples directorate</b> The majority of the proposed reductions will impact staff seconded to Wye valley NHS Trust providing adult social care services with some smaller reductions in commissioning and early help services	140
<b>Places directorate</b> The proposed reductions will impact on a number of functions including culture, leisure and environmental services	50
<b>Corporate directorate</b> The proposed reductions will impact in the areas of Information Technology, Communication, HR, Information Management, Research, Equality, Finance, Property Services, Legal, Health & Safety, Emergency Planning, Customer Services and Democratic Services. Hoople Ltd fte reductions are included in these figures.	100

- 10.15. The timetable for handling these reductions will vary depending upon the nature of the function and the extent to which stakeholder consultation is required about the proposed change. Where the proposed change is clear and no external stakeholder consultation required staff consultation can commence immediately after a cabinet decision on the 16<sup>th</sup> May 2013. Other areas will need longer to develop more detailed proposals and engage in stakeholder

consultation which may of course impact the proposals and therefore change the financial and workforce implications.

10.16. Looking forward as agreed by Cabinet in April 2013 we will be focussing on the future shape of the council and its core functions as we progress through this year, in order that we have a clear plan to sustain good core services through the next two years of £23 million cuts. This may lead to further contraction and job losses in future years.

10.17. Looking forward the five priorities for 2013/14 and the next three years are as follows:

- Delivering a balanced budget and staying within financial resources.
- In parallel with delivering these cuts, the Council needs to re-shape its services and downsize the organisation to reduce costs by a further £23 million in the following two years, and be ready to face the future years' impacts.
- Alongside this, the Council faces the major challenge of raising inadequate performance in Children's Safeguarding, strengthening performance in Adults Services and modernising and transforming the approach to meeting need.
- The Council's main route to direct Whitehall funding of economic growth, is through an effective Local Enterprise Partnership (LEP). Currently steps are being taken to strengthen the LEP.
- Our customers are likely to have an expectation of the Council continuing to provide its current range of services in future. This is now unrealistic and the Council must explain and consult where appropriate on the need for changes as well as the nature of these changes.

## **11. Community Impact**

11.1 The Corporate Plan agreed by Council in November 2012 has two broad priorities: supporting the development of a successful economy and improving quality of life for the people of Herefordshire. The Council remains committed to ensuring public services are prioritised to meet the needs of the most vulnerable. However, the proposals in this report will have an impact on some Council services and this will be assessed as part of the next steps.

11.2 It is also important that the collective impact of budget reductions on parts of the community (for example in market towns or rural areas) is understood. This will be undertaken in conjunction with our partners (for example changes to health care) where appropriate.

## **12. Equality and Human Rights**

12.1 Reducing inequalities is a stated outcome within the corporate plan and the Council's budget and charging principles reflect the need for fairness and support the targeting of resources towards those in most need. Equality impact assessments will be undertaken as an integral part of the planning and implementation of any proposals in this report which require a change to the service being delivered.

12.2 In addition, officers will further assess those elements which are perceived as engaging the Council's duties under the Equality Act 2010 and report further as necessary.

## **13. Financial Implications**

13.1 The financial implications of the report are covered within the contents.

## **14. Legal Implications**

- 14.1 The Council is required to ensure it stays within its overall resources. This includes the overall reserves position and it is important that steps are taken so that the reserves are sufficient to meet unexpected service expenditure requirements.
- 14.2 The overall net budget set by the Council in February remains unchanged. The constitution makes provision for in-year virement of resources between budget heads to be made under the authorisation of the Chief Finance Officer and/or Cabinet Member.
- 14.3 Where appropriate relevant consultation will take place before specific decisions are taken and acted upon.
- 14.4 The report recognises that equality impact assessments and further consultation with stakeholders (and staff) will need to be undertaken before any final decisions on service changes or service reductions are made. It is important that this further work is undertaken appropriately in order both to inform the final decision making process and to mitigate the risk of legal challenge to individual service changes, or the wider change programme. In particular, consultees must be given sufficient information and adequate time to allow them to reach an informed view on the proposals; and all decision makers must have sufficient time to consider the consultation responses thoroughly before any final decisions on service changes are taken.
- 14.5 The impact assessments and consultation responses need to be considered from a corporate (whole organisation) perspective, to ensure that all groups of stakeholders are treated fairly. Depending upon the outcome of the consultation process, it may be necessary to put forward alternative proposals for savings, which may, in turn, require further consultation with those affected.

## **15. Risk Management**

- 15.1 The reduced funding envelope for local government has created additional risks to those normally associated with budget setting.
- 15.2 Unless Directorates' action plans for delivery of savings are regularly managed and overseen corporately there is a risk that the totality of the risks (financial, legal, reputational, safety) to the organisation are not understood by decision makers nor mitigated against.
- 15.3 The requirement to ensure compliance and to avoid legal challenge may lead to delay and slippage to the financial savings being achieved and will require the need for contingency plans to be made

## **16. Consultees**

- 16.1 Extensive engagement with residents and others took place during 2012/13 as part of the approval process for the Corporate Plan and the Budget 2013/14. The 'Your Community, Your Say' engagement process included the Quality of Life survey; locality based engagement events during Autumn 2012; and a subsequent consultation in January 2103 regarding particular proposals to reduce service delivery in some areas.
- 16.2 The consultation process was set within the context of significant financial cuts resulting in major changes in the way that public services are commissioned and delivered. The results from the consultation were reported to Cabinet and Council before decisions were made. The detailed consultation responses are now being used by officers as part of the implementation of the budget proposals.

- 16.3 This evidence base will also be used to assess the impact of the proposals in this report, **but** this will be supplemented, where required and appropriate, by additional consultation with service users and other affected residents and groups, to ensure that the full potential impact is assessed and taken into account before final decisions are made or implemented. We will also continue to engage with residents, community groups and partners as part of the further work on reshaping the Council.
- 16.4 Subject, to Cabinet's decision, consultation will also be undertaken with staff as appropriate, as outlined above.

## **17. Appendices**

- 17.1 Appendix A – Council's Reserves
- 17.2 Appendix B – Outcome of the Chief Executive's Review of 2013/14 service delivery plans
- 17.3 Appendix C - List of service reductions and cost savings
- 17.4 Appendix D – Budget process timeline for 2014/15

## **18. Background Papers**

- 18.1 Budget 2013/14 and Medium Term Financial Strategy: Council 18 February 2013.



## Council Reserves

As part of the budget setting process the level of reserves was reviewed. Given the financial pressures the Cabinet agreed that the General Fund Reserve would be increased as follows:

2013/14	£2m	addition
2014/15	£1m	addition
2015/16	£1m	addition

It is recommended this approach (as a minimum) continues to be part of our financial management. At the beginning of 2012/13 the General Fund Reserve was £6.1 million. This compares with our policy to have a minimum General Fund Reserve of 3% of net budget (£4.5 million in 2013/14). It is important that the Council has an appropriate level of reserve to absorb unforeseen events and emerging pressures. The projected opening reserve for 2013/14 is as follows:

2012/13 General Fund	£6.1m
<b>Less</b> provisional 2012/13 overspend	(£3.5m)
<b>Add</b> budgeted addition	£2.0m
Projected 2013/14 General Fund	<b>£4.6m</b>

In addition the revenue account has a £0.77 million contingency arising from central government redistributions announced late in the budget cycle.

The Council also has specific reserves. However the majority are schools related. The largest non-school reserve is the Waste Disposal reserve of £2.65 million after a budgeted £0.25 million addition. This reserve is likely to be needed to support the joint waste contract with Worcestershire.

The summary of available resources outlined above should not be seen as an indication of additional funding in 2013/14. A reasonable level of reserves must be maintained and this is a matter for the Council to receive advice on from the Section 151 Officer. As indicated current policy is to hold 3% of net budget as a General Fund Reserve; this equates to £4.5 million. If the Council's reserves go below this by the end of 2013/14 reserves would need to be topped up as part of budget setting unless the policy on reserves is changed.

The Section 151 Officer must also assess whether the Council has sufficient resources to meet its commitments and take steps if this is not the case.



## Outcome of the Chief Executive’s Review of 2013/14 Service Delivery Plans

The overall net gap in the ability to deliver a balanced budget totalled £8.4 million and comprises the following:

	£m
Procurement savings at risk	1.03
Learning Disabilities Grant	3.80
Savings shortfall and new pressures	3.60
	<u>8.43</u>

The £8.432 million overall net gap comprised £7.402 million in Peoples Services and £1.032 million of procurement savings. The £7.402 million in Peoples Services includes a £3.8 million service specific grant that is now included in our direct grant from government. This money from central government was “passported” to Peoples Services to cover the loss of grant but the grant remained in the budget as an income line. This income will not be received so therefore it becomes an additional savings requirement.

The Chief Executive instructed the Chief Finance Officer to investigate the cause and consequences of the error. A review was immediately conducted by our auditor (KPMG). The review has provided some key learning points, but it is important to note KPMG’s confirmation that the incorrect treatment of the £3.8 million had no impact on the Council’s net budget total that forms the basis of setting the Council Tax.

The requirement to address the identified £8.432 million risk in 2013/14 has been met by the following (detail contained in Appendix C).

	£m
Adult Services	3.538
Children’s Services	0.977
Public Health	0.097
Places and Communities`	1.442
Corporate Services	2.699
	<u>8.753</u>



**BUDGET SAVINGS 2013/14**  
**DIRECTORATE: PEOPLE**  
**Version Control (Date): 03 May 2013 v1.0**

Budget Area	Existing Budget (£'000)	Total Saving ('000)	Saving 2013/14 (£'000)	Saving 2014/15 (£'000)	Saving 2015/16 (£'000)	Proposal
<b>Adult Social Care</b>						
<b>Contract Review - Major Contracts -</b> Negotiations and Integrated Pathway Transformation	12,511	1,150	416	734		ASC has a number of large contracts with the independent sector and the NHS. Improved efficiency and value for money on existing contracts will be delivered through contract management via contract variations through negotiation and new contracts. In addition the current Supporting People contract will be ended and only those with substantial and critical needs will receive on going support from adult social care
<b>Contract Review - Major Contracts -</b> Increased focus on statutory responsibilities through Personal Budgets	212	92	58	34		A number of contracts with the voluntary and independent sector have ended or are to end in the near future. These contracts will not be replaced, communication and transition arrangements where required will be put in place. Contracts which have already ended have been communicated with and transition plans are being worked through where organisations wish to continue without council funding <b>Cabinet Decision Required:</b> The contract with the provider for some Village Wardens also terminates on the 31/03/2013. The original plan was to reduce the cost of the contract, and fully withdraw Adult Social Care funding by March 2014. Cabinet is asked to approve not putting in place any contract for 13/14 and therefore if local communities wish to retain Village Wardens alternative sources of funding will need to be identified.
<b>Reducing Cost of Care Packages -</b> Increased use of prevention such as telecare, reablement and the resource allocation system/Personal Budgets to be aligned to overall budget for adult social care	35,046	500	500			This includes a series of interventions that are part of national policy to deliver personalisation and accelerate self directed support with more people receiving personal budgets and having choice and control. In addition the proposal includes ensuring that the available money for community services is allocated across all adult service user groups with substantial and critical needs fairly and transparently and nationally recognised pricing tools such as the Care Funding Calculator are routinely applied. The proposals also include a commissioning and contract model for home care services which a new rate to be implemented during this financial year
<b>Increased Income -</b> Continued application of the Fairer Charging Policy approved in 12/13 and improved business process for debt recovery	2,896	211	211			This continues and will deliver a full year financial impact of the Fairer Charging Policy. In addition transport charges introduced as part of that process will now be applied as set out in the policy. In recognition of the anticipated increase in people wishing to take Direct Payments, a DP administration service generating small amount of income is to be developed and operated from within the Welfare Rights and Financial Assessment Team which will be at a reduced rate to that currently available in the market.
<b>Demand Management -</b> Reduction of numbers of people supported through Adult Social Care with a focus on those people who meet eligibility and their carers	As cost of care above	507	507			This proposal is based on enabling more people to live at home longer and ensuring that those people who receive a personal budget have substantial and critical needs as per the published eligibility criteria.
<b>Commissioning and Integrated Pathways</b> <b>Reorganisation -</b> The shift away from block contracts, the acceleration of self directed support and national policy for councils to be system leaders and commissioners of the adult social care system requires current organisational structures to be reviewed	10,550	1,596	896	700		The contractual s75 arrangements with Wye Valley ends in September 13 for the management of the social work and care delivery teams with the end of secondment arrangements for social care staff to the NHS. The changes in national policy and service users increasingly wishing to have more choice and control over how they spend their personal budget requires a new pathway and organisational structure to be put in place and some functions and services may in the future be commissioned from other organisations or not directly provided by the council. Integrated pathways with health and housing are priorities for adult social care and a Next Stage Integration programme of work will oversee these changes. Service users and their families views will be a key part of the development in these pathways. In addition, the shift from block contracting requires a review of commissioning and contracting capacity. These proposals are anticipated to deliver a potential headcount reduction of 130 fte and will be subject to formal consultation and then a cabinet decision for approval in July 2013.
Utilisation of Grants	N/A	700	700			Maximise use of available grants

Commissioning Workforce redesign	1,320	250	250			Redesign commissioning workforce
<b>TOTAL ASC SAVINGS</b>		<b>5,006</b>	<b>3,538</b>	<b>1,468</b>	<b>-</b>	

**BUDGET SAVINGS 2013/14**  
**DIRECTORATE: PEOPLE**  
**Version Control (Date): 03 May 2013 v1.0**

Budget Area	Existing Budget (£'000)	Total Saving ('000)	Saving 2013/14 (£'000)	Saving 2014/15 (£'000)	Saving 2015/16 (£'000)	Proposal
<b>Children's Safeguarding</b>						
Review and Reduce Placement Costs (mitigation of pressure)	2,506	400	400			No Cabinet decision required. Work will involve reviewing placements, identifying alternatives and moving children and young people within the legal and best practice frameworks.
Reduce staffing capacity in Children in Need, FAST and Children with disability teams	2,200	65	65			The proposal is to reduce staffing capacity across the children's fieldwork social care teams, and focus particularly upon reducing spend on agency staff.
Reduce the teaching support for looked after children to term time only	131	23	23			80% of looked after children are in good or outstanding schools and all are in at least adequate schools. Explore option of funding from the DSG.
<b>Prevention and Early Help</b>						
Reconfigure early years support and development	189	96	96			Changing requirements for early years will require a new model and consultation. Following consultation, a cabinet decision will be brought forward in July 2103.
Offset family support costs in early help teams	795	110	110			The Council has received an additional grant from the Government to improve adoption services. The proposal is to use 110k of the Adoption Grant to offset the costs of family support workers in early help teams and enable outstanding life story work for adopted children to be completed
Reduction in locality services	59	59	59			Currently a sum of money is available for lead professionals to spend on low level interventions to meet identified needs early and quickly. 36k available for this will be removed. £23k had already been released in delivering youth service savings.
<b>Children with Disabilities and Special Educational Needs</b>						
Fund independent travel trainer from Dedicated Schools Grant	68	11	11			Developing independence on public transport is an important element of work to enable young people to be more independent and also reduces the cost of Home to School transport. This will require the agreement of the Schools Forum
<b>Commissioning Capacity</b>						
Reduction in posts focused on work for children and young people	240	63	63			delivered
Improvement and contingency funding. Director held budget	212	150	150			Funding had been identified to undertake external case file audits and further improvement activity this year. Alternative methods of getting external scrutiny of case file quality will need to be identified. This saving has been delivered.
<b>TOTAL CHILDREN AND DIRECTORATE SAVINGS</b>		<b>977</b>	<b>977</b>			



**BUDGET SAVINGS 2013/14**  
**DIRECTORATE: PEOPLE**  
**Version Control (Date): 03 May 2013 v1.0**

Budget Area	Existing Budget (£'000)	Total Saving ('000)	Saving 2013/14 (£'000)	Saving 2014/15 (£'000)	Saving 2015/16 (£'000)	Proposal
<b>Public Health</b>						
Utilisation of PH grant to support LA services	7,753	97	97			
		-				
		-				
<b>TOTAL PUBLIC HEALTH</b>		<b>97</b>	<b>97</b>	<b>-</b>	<b>-</b>	

TOTAL PH Budget £7753k - Ring Fenced Grant



**BUDGET SAVINGS 2013/14**  
**DIRECTORATE: PLACES AND COMMUNITIES**  
**Version Control (Date): 3 MAY 2013**

Budget Area	Existing Budget (£'000)	Total Saving ('000)	Saving 2013/14 (£'000)	Saving 2014/15 (£'000)	Saving 2015/16 (£'000)	Proposal
Culture and Leisure (including Arts, Libraries, Heritage Services, Tourism, Halo)	3,009	1,431	611	674	147	Recognising the statutory duties within the area, the next step is to engage with partners, stakeholders, service users and staff on alternative delivery models that will enable services to be sustained with little or no Council subsidy. The full range of options will be explored from community led delivery to income generation opportunities and selective closures, service reductions and reduced opening hours. A detailed Cabinet report is expected in September 2013 and some of the management changes can be implemented in advance of the Cabinet decision.
Community and Regulatory Services (including Community Protection, CCTV, Car Parking, Conservation, Archaeology and other Planning services)	2,006	986	296	690		The next step is to produce detailed delivery plans for generating income opportunities and/or efficiency savings which may involve significant staff reductions around each of these services, cutting red tape and integration with other services. This work will consider the full range of options including reducing / ceasing certain services, community or partner delivery and income generation. A detailed Cabinet report will be produced once this work has been completed and is expected in September 2013. We are able to implement a significant proportion of these changes in advance of the Cabinet decision.
Environment (including Countryside, Parks, Waste, Toilets)	10,979	1,256	607	489	160	The next step is to develop detailed proposals for contract management savings, increasing charges and the potential further transfer and/or integration of services. This work will consider the full range of options including reducing / ceasing certain services, community or partner delivery and income generation. The delivery of these savings is linked to a Cabinet decision currently scheduled for July 2013 on the Energy from Waste Site. Individual Cabinet Member decisions will be required on all of the other matters by the end of July 2013.
Management and efficiency savings		238	78	88	72	All of these savings are capable of being delivered without any further Cabinet decisions or external consultation.
<b>SUB TOTAL</b>		<b>3,911</b>	<b>1,592</b>	<b>1,941</b>	<b>379</b>	*Equality Impact Assessments, an assessment of our legal requirements and consultation will be carried out prior to implementation on all of the above proposals.
<b>SAVINGS TARGET NOT YET IDENTIFIED</b>		<b>-</b>	<b>150</b>	<b>150</b>		
<b>ADDITIONAL SAVINGS</b>		<b>3,761</b>	<b>1,442</b>	<b>1,941</b>	<b>379</b>	



**BUDGET SAVINGS 2013/14**  
**DIRECTORATE: CORPORATE SERVICES**  
**Version Control (Date): 3 MAY 2013**

Budget Area	Existing Budget (£'000)	Total Saving ('000)	Saving 2013/14 (£'000)	Saving 2014/15 (£'000)	Saving 2015/16 (£'000)	Proposal
Customer Services	1,638	880	80	360	440	Customer services currently provided through the info shops and council telephone call centre will where appropriate be provided on-line (agreed by Cabinet 18/4/13). The next stage is to consult stakeholders regarding future service levels in market towns.
Law, Governance & Resilience	2,889	438	379	59		Reduction in the cost of services, including: Democratic Services costs (fewer meetings and changing how meetings are serviced); Members Services budget; Registration Service costs; emergency planning and health and safety.
Finance, Commercial Services & Property	1,164	900	775	125		Reduction in property maintenance spend and restructuring of property services.
Hoople Contract	8,262	1,400	725	675		Reductions in Hoople contract for corporate support services (human resources, information technology and finance)
People, Policy and Partnerships	3,072	954	807	147		Reduction in corporate support functions including: communications, research, equalities, information management, information technology (non pay budgets) (to be considered in conjunction with Hoople Ltd reductions).
Staff (DCE)	504	175	130	45		Post deletion
Council Wide		667	517	150		Increased income from advertising and sponsorship. Savings from changes to employee terms and conditions; consultation underway
<b>SUB TOTAL CORPORATE DIRECTORATE SAVINGS</b>		<b>5,414</b>	<b>3,413</b>	<b>1,561</b>	<b>440</b>	
Savings targets held in budget but not yet identified (Herefordshire 2020 review)		-	714	-		
<b>TOTAL CORPORATE DIRECTORATE SAVINGS</b>		<b>4,700</b>	<b>2,699</b>	<b>1,561</b>	<b>440</b>	



## Budget Process Timeline for 2014/15

April 2013	Budget modelling based on refreshed assumptions
April/May	Closing existing budget gap in FRM
May 2013	Leader's Briefing on Budget Planning Process and Principles including levels of reserves and capital programme priorities
May 16 <sup>th</sup>	Report to Cabinet on Budget Planning Process and Principles
May 2013	Budget pressures collected Leadership Team to review outcome
June 26 <sup>th</sup>	Spending Review published
June/July	Financial plan refresh for Spending Review
June onwards	Budget Consultation review and refresh if required
19 <sup>th</sup> Dec 2013	Budget and Medium Term Financial Strategy (MTFS) to Cabinet
7 <sup>th</sup> Feb 2014	Budget and MTFS to Council
13 <sup>th</sup> Feb 2014	Cabinet to receive Council's comments
7 <sup>th</sup> March 2014	Council Tax setting at Council

The above does not include the Overview and Scrutiny contribution which will be determined in consultation with the Committee as part of the development of their work plan



<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>16 MAY 2013</b>
<b>TITLE OF REPORT:</b>	<b>SECTION 75 PARTNERSHIP AGREEMENT</b>
<b>REPORT BY:</b>	<b>ASSISTANT DIRECTORS CHILDREN'S AND ADULTS SERVICES – PEOPLE'S SERVICES DIRECTORATE</b>

### 1. Classification

Open

### 2. Key Decision

This is a Key Decision because it is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates.

It is also a Key Decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the County.

Notice has been served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

### 3. Wards Affected

County-wide

### 4. Purpose

To approve the financial schedule between Herefordshire Council and Herefordshire Clinical Commissioning Group for 2013 to 2014 attached as Appendix D to the Section 75 and agree the extension to the existing Section 75, until the 30 June 2013, whilst work continues to develop a 'fit-for-purpose' new Partnership Agreement for 2013/16.

### 5. Recommendation(s)

THAT:

- (a) **The financial schedule for 2013/14 in Appendix D page 26 is approved on behalf of the Council**
- (b) **An extension and novation of the existing Section 75 is agreed until June 30 2013**

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Further information on the subject of this report is available from Chris Baird 01432 260264  
or Marie Seaton 01432 260232

- (c) **The work in progress on a new Section 75 Agreement is endorsed, with a final document to be approved by 1 June.**

## **6. Key Points Summary**

- The Section 75 Agreement provides the legal basis for the Council and Herefordshire Clinical Commissioning Group (HCCG) to design and deliver services within the budgets available to meet the needs of the people of Herefordshire. The Section 75 Agreement removes organisational barriers which may get in the way of effective commissioning. This Section 75 is completely separate from the Section 75 agreements with Wye Valley and 2gether.
- The Section 75 agreement will support the delivery of Herefordshire's Health and Wellbeing Strategy, allowing long term arrangements to be developed and put in place. The agreement covers lead commissioning, integrated provision, pooled budgets.
- The Section 75 builds on the previous work of the Council and the Primary Care Trust, which enabled integrated commissioning of a range of adults, children and family health and local authority services. It also enabled joint commissioning of private and third sector providers. A number of these arrangements continue, but the changes in the NHS and the creation of the HCCG provide an opportunity to develop a new relationship between the council and health in commissioning services.
- Section 75 arrangements are designed to ensure that 'partnerships' are properly constructed and supported within the legislation that permits their use. They cover purpose, governance and accountability, to avoid issues of liability or responsibility being unclear at the point of individual assessment or care when staff of one agency act for another body in carrying out its duties, whilst under instruction.
- Flexibility across health and social care budgets allows resources to be used where they are most needed. For instance health money could be used for preventative community services. The legal freedom for partners through the Section 75 has the potential to make service design more tailored to local population needs.
- A Section 75 partnership provides an opportunity to develop integrated care pathways and locally tailored services focused on individual needs. This allows a seamless transition between service providers e.g. intermediate care services. The arrangements allow commissioning for existing or new services, as well as the development of provider arrangements, to be joined-up. They were previously referred to as Section 31 (1999) Health Act flexibilities. The Section 75 should be used to develop services which deliver against the priorities of the Health and Wellbeing Strategy.
- The specific objectives for implementing Section 75 agreements are:
  - to facilitate a co-ordinated network of health and social care services, allowing flexibility to fill any gaps in provision
  - to ensure the best use of resources by reducing duplication (across organisations) and achieving greater economies of scale; and
  - to enable service providers to be more responsive to the needs and views of users, without distortion by separate funding streams for different service inputs.
  - Appendix C sets out the Financial Arrangements between the two parties, including areas of underspends, overspends and termination of service.

- The Financial Schedule within the attached report (Appendix D) demonstrates the key service areas which are jointly funded by the CCG and HC for the financial period 2013/14. These services have been identified as priority areas for joint funding arrangements and aim to serve the people of Herefordshire with seamless, cost effective, quality services. In terms of Appendix D the financial schedule demonstrates the areas covered by Section 256, which allows the CCG to make payments to the Local Authority towards expenditure on Community Services.
- Memorandum items are outside the Section 75 in financial terms but are listed as issues which are being addressed by HCCG and the council. The second pooled budget is a proposal only at this stage for short breaks for children which should come into effect in October – the figures included are indicative full year figures and an in year variation will have to be agreed for 6 months later in the year when the commissioning of the service has been completed

## **7. Alternative Options**

- 7.1 The Council and the HCCG could decide not to pursue a Section 75, and have separate approaches to commissioning and service provision. This would however not be in the best interests of people in Herefordshire, with the potential to create fragmented services, and inefficient use of resources. This would also make it more difficult to deliver the Health and Wellbeing Strategy.

## **8. Reasons for Recommendations**

- 8.1 To ensure that the Council and the HCCG have a legal basis for joint, effective commissioning.

## **9. Introduction and Background**

- 9.1 Herefordshire Council had a Section 75 Agreement between the Council and the Primary Care Trust (PCT) from 2009. This provided the legal agreement for the Council to carry out functions on behalf of the PCT, and for the PCT to do likewise on behalf of the Council. This led to integrated arrangements which provided a single approach, benefiting individual service users and providers and making an effective use of resources available. The creation of HCCG and the demise of the PCT require a new section 75 to be put in place. The extension and novation of the existing Section 75 Agreement provides an opportunity for the Council and the CCG to agree design principles; outcomes and robust governance arrangements for the new Section 75, which is attached as a draft to this report
- 9.2 In order for joint working to be effective, decision making needs to be timely, transparent, and unambiguous. Where organisations work together the requirements of their separate governance structures and ways of working can inhibit these outcomes. To counter this it is essential to maximise the alignment of decision making processes.
- 9.3 Appendix B sets out the overall governance structure for the S75. Central to this will be the operation of the S75 Board. This will comprise the Director of People's Services, the Herefordshire CCG Accountable Officer and support functions to be agreed. The remit of the Board will cover performance management and monitoring the Agreement and it will report through the CCG Board and Cabinet to the Health and Wellbeing Board. This will be an improvement on previous arrangements and will provide greater transparency and oversight of effectiveness.

- 9.4 Joint commissioning groups (JCGs) will be responsible for delivering each aspect of the S75 using whatever flexibilities are deemed appropriate by the Partners. Commissioners will focus on outcome based commissioning in the planning and development of services; prepare business cases that outline proposed services, activity and financial implications with identified cashable savings or cost avoidance measures. A consistent business case template will be used across the partnership, and will only be presented to the JCG after financial and performance have validated the assumptions used. The JCG's Adults and Children's and Families will endorse any proposals, which will then be presented to the S.75 Board for onward approval through the governance process of the Council and CCG: Cabinet/CCG Board. The JCG's will implement the strategy, priorities and any approved service developments. The JCG's will provide regular monitoring reports to the Sec 75 Board. The summary schedule is included in Appendix D.
- 9.5 The Board will initially review any changes in year to the S75 agreement and these will be approved, where material, by the CCG Board and Cabinet. Further escalation will be made where necessary to the Health and Wellbeing Board.

## **10. Key Considerations**

- 10.1 Children, young people, adults, families and carers benefit by having integrated services which maximise understanding and common delivery across a range of service areas. Providers of services benefit from having single conversations with commissioners at a local level, and resources can be used most effectively when combined around common aims. The Health and Wellbeing Strategy establishes the overarching aims to improve the lives of people in Herefordshire and a joint commissioning approach between two of the main commission public organisations provides a powerful vehicle to delivery within the finances available.
- 10.2 Without a novation agreement in place the CCG would not be able to release funding to the Council to enable them to discharge services. This potentially poses a risk to current service delivery.
- 10.3 The Council has duties and powers to commission and provide care to people resident within Herefordshire (the "Resident Population"): under s.74 of the National Health Service Act 2006 (the "2006 Act") which requires local authorities to make services available to NHS bodies acting in its area so far as is reasonably necessary and practicable to enable the NHS body to discharge its functions under this act and under the Local Government Act 2000 the Council has "Well Being Power" which allows it to do anything it considers likely to promote the economic, social and environmental well-being of the area unless explicitly prohibited elsewhere in legislation. In guidance, Local Authorities and previously, Health Trusts, have been encouraged to consider partnership working by using flexibilities under Section 75 of the 2006 Act. These partnership arrangements will in future be made between Local Authorities and the Clinical Commissioning Groups.
- 10.4 A partnership agreement enables Herefordshire Council and Clinical Commissioning Group to contribute to the delivery of the Health and Wellbeing Strategy's Vision. This will be achieved by strategically aligning resources and redesigning services. This facilitates more fundamental change through a redoubling of effort to manage the demand for formal health and social care interventions: help people who may be at risk of needing health and social care support to remain independent for as long as possible; build the capacity of communities to support people in new ways; prioritise the development of services that support people's recovery after an accident or episode of ill-health (including reablement, intermediate care, crisis response and telecare); ensure that personalisation works for those with on-going needs so they are able to plan and direct their own support and have a choice of cost effective solutions.

- 10.5 The legal flexibilities provide a clear opportunity for the Herefordshire Council and the Clinical Commissioning Group (CCG) to commission and develop integrated services. The legislation is versatile, leaving localities to shape new systems of governance and provision to suit the capacity of local partners and the needs of their populations. National evidence suggests that integrated services have several beneficial outcomes for users and can make efficiency savings by avoiding duplication.
- 10.6 A new Section 75 Agreement allows both the CCG and Herefordshire Council the opportunity to revise all services currently within the agreement that was originally created by Herefordshire Council and Herefordshire Primary Care Trust in 2011. It allows the opportunity to assess whether these remain key priority service areas for both partner organisations,, whether they are now aligned to other external partner organisations, if there are better ways of working as key business partners i.e. less transactional processes equates to less administration proving more cost effective. Additionally, it allows for priorities to be aligned with the Health and Wellbeing Board with the intention of increased flexibility of working together in Partnership to deliver the right outcomes for the People of Herefordshire over the three year period.

## **11. Community Impact**

- 11.1 The Section 75 will have significant community impact. Many of the service areas are particularly targeted at those with additional needs, or who are vulnerable. A number of the service areas focus specifically on early intervention, to support children, adults, families and carers and to prevent the reliance on higher cost, more specialised services, some of which exist outside of Herefordshire. Specific service areas are detailed in the agreement
- 11.2 There are promising indications from individual projects that joint working leads to positive outcomes for service users. The impacts of integrated care pathways have been highly commended in localities and include: improved accessibility to intermediate care, occupational therapy, physiotherapy and district nurses; faster rates of assessment, provision of care and installation of home equipment; and reduced use of acute hospital services, meaning improved outcomes for the people of Herefordshire.

## **12. Equality and Human Rights**

- 12.1 Services commissioned under the section 75 will have due regard to the need to
- eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under this Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it." in terms of service delivery and in commissioning of the services themselves, including contract monitoring and management.

## **13. Financial Implications**

- 13.1 The agreed financial commitments are £904k due from the CCG to the local authority and £555k payable from the authority to the CCG, excluding section 256 funding (which allows the CCG to make payments to the Local Authority towards expenditure on Community Services) of £3,152k which is pass ported to the authority via the CCG. Details of the components of these amounts are set out in the Section 75 and financial schedule.
- 13.2 Within the current services covered by the section 75 arrangement most services are fixed

cost contributions by one partner to the other, but the variable costs of the Complex Needs pooled budget risks are shared in ratio to the current agreed contributions which are 3/7<sup>th</sup> local authority/ 3/7<sup>th</sup> education and 1/7<sup>th</sup> CCG.

## **14. Legal Implications**

- 14.1 Set out any identified legal implications of the proposal.
- 14.2 Under the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 there are a number of criteria which have to be fulfilled before a partnership agreement can be entered into.
  - a) The partnership must be likely to lead to an improvement in the exercise of NHS and/or Local Authority health functions.
  - b) The partnership arrangements must fulfil the objectives of the health improvement plan of the Health Authority in whose area the partnership is to operate. With the abolition of Strategic Health Authorities it is not clear if this criterion remains relevant.
  - c) The partners must undertake a joint consultation of persons likely to be affected by the proposed arrangements. Therefore the Council and the CCG should consider whether any persons are likely to be affected by the arrangement or if it is purely an administrative measure with no effect on service users or staff.
- 14.3 The current version of agreement included in the Appendices is very much a first draft and concentrates primarily on the Council and the CCG's aspirations for the services. The final version will be legal document in a standardised format with specific detail on the services included, their operation and funding.

## **15. Risk Management**

- 15.1 The Section 75 will be overseen by the Director of People Services on behalf of the Council, and by the Chief Operating Officer on behalf of the HCCG. The Director of Finance for the Council will monitor the financial performance of the Section 75 and promote action as required.
- 15.2 Operational and financial risks would increase if a Section 75 was not in place as it would create a twin track independent approach to service delivery and commissioning by both the Council and Clinical Commissioning Group

## **16. Consultees**

- 16.1 To date key stakeholders/ consultees in the development of the Section 75 are:  
Herefordshire Council - Chief Finance Officer, Adults and Children's Assistant Directors.  
Herefordshire Clinical Commissioning Group – Head of Commercial Development  
Public Health –Director and Consultant

## **17. Appendices**

- 17.1 Section 75 between Herefordshire Council and the Herefordshire Clinical Commissioning Group and accompanying financial schedule.

## **18. Background Papers**

18.1 None identified.



1 **SECTION 75**

2  
3 Partnership Arrangements under Section 75  
4 of the National Health Service Act 2006  
5 relating to the Commissioning and Delivery of Services  
6 in the County of Herefordshire  
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9

10 **PARTNERSHIP FRAMEWORK**  
11 **AGREEMENT**

12 **Between**  
13 **Herefordshire Council**  
14 **And**  
15 **Herefordshire Clinical Commissioning Group**  
16 **2013/16**  
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**SECTION 75 PARTNERSHIP ARRANGEMENTS**

**1. NAMES OF STATUTORY PARTNERS**

Herefordshire Council  
Herefordshire Clinical Commissioning Group

**2. DATE OF AGREEMENT**

March 2013

**3. DATE WHEN PARTNERSHIP IS INTENDED TO START**

**1<sup>st</sup> April 2013**

**4. TITLE OF OFFICER RESPONSIBLE FOR THE PARTNERSHIP**

Director of People’s Services  
Herefordshire Council  
Accountable Officer  
Herefordshire Clinical Commissioning Group

**5. CONTACT NAME**

Chris Baird – Herefordshire Council  
Mike Emery – Herefordshire Clinical Commissioning Group

**6. CONTACT TELEPHONE NUMBER**

01432 260264 (Herefordshire Council)  
01432 263787 (Herefordshire Clinical Commissioning Group)

**7. WHICH FLEXIBILITIES ARE BEING USED**

- Lead Commissioning (LC)
- Integrated Provision (IP)
- Pooled Budgets (PB)

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## Summary

Section 75 arrangements are designed to ensure that ‘partnerships’ are properly constructed and supported within the legislation that permits their use covering essential matters of purpose, governance and accountability, thus avoiding issues of liability or responsibility being unclear at the point of individual assessment or care when staff of one agency act for another body in carrying out its duties whilst under instruction.

Flexibility across health and social care budgets allows resources to be used where they are most needed. For instance health money could be used for preventative community services. The legal freedom for partners through the Section 75 has the potential to make service design more tailored to local population needs.

A Section 75 partnership provides an opportunity to develop integrated care pathways and locally tailored services focused on the individual needs. This allows a seamless transition between service providers e.g. intermediate care services. The arrangements allow commissioning for existing or new services, as well as the development of provider arrangements, to be joined-up. They were previously referred to as Section 31 (1999) Health Act flexibilities.

The specific objectives for implementing Section 75 agreements are:

- to facilitate a co-ordinated network of health and social care services, allowing flexibility to fill any gaps in provision
- to ensure the best use of resources by reducing duplication (across organisations) and achieving greater economies of scale; and
- to enable service providers to be more responsive to the needs and views of users, providing integrated services that are not distorted by separate funding streams for different service inputs.

Section 75 partnership agreements, legally provided by the NHS Act 2006, allow budgets to be pooled between health and social care planners/providers, as well integration of resources and management structures Most NHS Trusts, Care Trusts and councils have some form of pooled funding arrangements, with pooled funds amounting to around 3.4% of the total health and social care budget.

Legislation was drafted nationally and followed the previous (1999) Health Act. Joint working and the use of legal flexibilities, such as the Section 75 Partnership Agreement, were encouraged through national policy agendas such as World Class Commissioning, ‘Strong and Prosperous Communities’ (2006), ‘Our Health, Our Care, Our Say’ (2006), ‘Putting People First’ (2007) and ‘Transforming Community Services’ (2009).

The benefits are highlighted, for example, for people with long term conditions where community services rather than residential care settings have most potential to be developed through pooled budgets and joint action plans. Such services have been seen to enhance access to community health professionals such as physiotherapists and speed up the assessment process and distribution of assistive technologies within people’s homes.

There is much consensus that setting up a partnership agreement and implementing organisational change is a complex, labour intensive task which presents challenges for differing organisational cultures whilst roles and responsibilities are redefined. However,

154 evidence of efficiencies gained by use of Section 75 flexibilities gives incentives to embark  
155 upon the route of aligned budgets and integrated arrangements.

156

157 There are promising indications from individual projects that joint working leads to positive  
158 outcomes for service users. The impacts of integrated care pathways have been highly  
159 commended in localities and include: improved accessibility to intermediate care,  
160 occupational therapy, physiotherapy and district nurses; faster rates of assessment,  
161 provision of care and installation of home equipment; and reduced use of acute hospital  
162 services.

163

164 The legal flexibilities provide a clear opportunity for the Herefordshire Council and the  
165 Clinical Commissioning Group (CCG) to commission and develop integrated services. The  
166 legislation is versatile, leaving localities to shape new systems of governance and provision  
167 to suit the capacity of local partners and the needs of their populations. National evidence  
168 suggests that integrated services have several beneficial outcomes for users and can make  
169 efficiency savings by avoiding duplication.

170

171 This partnership agreement enables Herefordshire Council and Clinical Commissioning  
172 Group to contribute to the delivery of the Health and Wellbeing Strategy's Vision and Guiding  
173 Principles:

174

175 **Vision:** Herefordshire residents are resilient; leading fulfilling lives; are emotionally  
176 and physically healthy and feel safe and secure.

177

178 **Overall Outcome:** To increase healthy life expectancy, and reduce differences in life  
179 expectancy between communities.

180

181 We will do this by strategically aligning our resources and redesigning services. This  
182 facilitates more fundamental change through a redoubling of effort to manage the demand  
183 for formal health and social care interventions by: promoting prevention, self health and  
184 reablement; helping people who may be at risk of needing health and social care support to  
185 remain independent for as long as possible; building the capacity of communities to support  
186 people in new ways; prioritising the development of services that support people's recovery  
187 after an accident or episode of ill-health (including reablement, intermediate care, crisis  
188 response and telecare); ensuring that personalisation works for those with on-going needs  
189 so they are able to plan and direct their own support and have a choice of cost effective  
190 solutions.

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192

## 193 1 **National and Local Context**

194

195 1.1 The 2012 Health and Social Care Act, the 2012 NHS Outcomes Framework, the  
196 2012 NHS Mandate and the Care and Support Bill 2012 emphasise that collaboration  
197 between local government and the NHS is crucial to the future success of clinical  
198 commissioning, as part of the wider health and care system locally.

199 1.2 Health and Wellbeing Boards play a critical role in bringing together councillors, local  
200 authority chief officers, CCGs, the NHS Commissioning Board, Local Area Teams  
201 and local communities in partnership to improve health and care outcomes for the  
202 local population. This is achieved through collaboration and integrated approaches  
203 that tackle the wider determinants of health such as transport, housing and  
204 education. In Herefordshire the Health and Wellbeing Board is the system leader,  
205 and will hold the Council and the CCG to account through an outcome based  
206 approach to strategic commissioning.

207 1.3 In October 2012 the Local Government Association and the National Commissioning  
208 Board signed a Concordat. Together they identified three priorities for 2012/13 and  
209 beyond:

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- shared system leadership
- joint planning
- sector led improvement and innovation.

215 1.4 Running through all three priorities is a theme of integration – both integrated delivery  
216 of services and integrated commissioning of services for children, young people and  
217 adults. The aim is to enable partners to join together to design and deliver services  
218 around the needs of service users, carers and communities. It is important to ensure  
219 that a holistic, whole life course approach is used to commission services. There is  
220 evidence that the closer integration of resources can secure long term gains in  
221 efficiency, quality and productivity. The Operating Framework for the NHS in England  
222 2012/13 is explicit about an expectation that the NHS and local government should  
223 work together to achieve cashable savings and efficiency gains over the longer term.  
224

225 1.5 In Herefordshire commissioning arrangements have previously been within the  
226 framework of a “deep partnership arrangement” between the Primary Care Trust  
227 (NHS Herefordshire) and the local authority. These arrangements provide enable a  
228 sound foundation for partnership working between the CCG and Council, by  
229 establishing ‘fit-for-purpose’ commissioning capacity which is well placed to respond  
230 to current and future challenges. Service users, their carers and the wider  
231 communities of Herefordshire will continue to experience integrated services that  
232 effectively meet their needs whilst making best use of resources. The CCG and  
233 Herefordshire Council are committed to sustaining this effective partnership to deliver  
234 improved outcomes for local people over forthcoming years.  
235

236 1.6 The authorisation of the Herefordshire Clinical Commissioning Group as the statutory  
237 commissioning body in April 2013; the development and the implementation of the  
238 Health and Well-Being Strategy; personalisation in Adult Social Care and Children  
239 with Disabilities all provide an opportunity for effective commissioning that delivers  
240 integrated, cost efficient, high quality and sustainable support for the citizens of  
241 Herefordshire.  
242

243 1.7 The purpose of the Authorisation process currently being undertaken by the NHS is  
244 to establish Clinical Commissioning Groups as the new statutory health bodies that  
245 will have duties and powers to provide care services and to commission health  
246 services on behalf of their resident populations. The Herefordshire Clinical  
247 Commissioning Group will have these duties in respect of the residents of  
248 Herefordshire.  
249

250

## 251 **2. Legislative Framework: Partnership Arrangements**

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253 2.1 The Council has duties and powers to commission and provide care to people  
254 resident within Herefordshire (the “Resident Population”): under S.74 of the National  
255 Health Service Act 2006 (the “2006 Act”) which requires local authorities to make  
256 services available to NHS bodies acting in its area so far as is reasonably necessary  
257 and practicable to enable the NHS body to discharge its functions under this act.  
258 Under the Local Government Act 2000 the Council has “Well Being Power” which  
259 allows it to do anything it considers likely to promote the economic, social and

260 environmental well-being of the area unless explicitly prohibited elsewhere in  
261 legislation. In guidance, Local Authorities and previously, Health Trusts, have been  
262 encouraged to consider partnership working by using flexibilities under Section 75 of  
263 the 2006 Act. These partnership arrangements will in future be made between Local  
264 Authorities and the Clinical Commissioning Groups.  
265

266 2.2 The arrangements, which have been in use since April 2000, allow for the joining up  
267 of commissioning for existing or new services and similarly for the development of  
268 integrated provider arrangements. The arrangements are commonly referred to as  
269 Section 75 flexibilities and include:

- 270 • Lead Commissioning
- 271 • Integrated Provision
- 272 • Pooled Budgets
- 273
- 274

275 2.3 The purpose of this Agreement is to provide a robust framework under which  
276 Herefordshire Council and Herefordshire CCG can undertake partnership working to  
277 jointly commission and ensure provision of integrated health and social care services.  
278 This will ensure the agreed strategic direction can be implemented in 2013/14. Local  
279 priorities will be agreed in line with the Health & Well Being Strategy allowing longer  
280 term improvements and approaches to be put in place that promote and maintain the  
281 health of the population of Herefordshire.  
282

### 283 **3. Objectives**

284 3.1 The objective of this Framework Agreement is to secure better outcomes through  
285 effective integrated commissioning of Education, Social Care and Health Services for  
286 the population. By doing so, the Partners aim to:

- 287 • promote the independence of people (applies to children and families too)  
288 through a strategic shift to, health promotion, prevention, early intervention  
289 and supported self-management to produce better outcomes and greater  
290 efficiency for the health and social care system;
- 291 • focus on helping people who may be at risk of needing health and social care  
292 support to remain independent for as long as possible;
- 293 • prioritise the development of services that support people's recovery after an  
294 accident or episode of ill-health (including reablement, intermediate care,  
295 crisis response and telecare);
- 296 • ensure that personalisation works for those with on-going needs so they are  
297 able to plan and direct their own support and have a choice of cost effective  
298 solutions;
- 299 • tailor interventions and support services which better understand and respond  
300 to the needs of the whole person and those of their carers;
- 301 • make access to education, social care and support services as easy as  
302 possible for the people with assessed eligible needs;
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- 312 • ensure that each person who needs education, social care and support  
313 services can identify a single professional who has overall responsibility for  
314 the arrangements being made to help them, and who is in a position to deal  
315 rapidly and effectively with changes in the person's circumstances;
- 316
- 317 • ensure that decisions about the level and nature of the services are made in a  
318 manner that is fair and easy to understand, importantly these will be jointly  
319 agreed so there is no dispute about one party making decisions which affect  
320 the other over such issues as eligibility for care
- 321
- 322 • promote wide involvement of voluntary and community organisations, patients  
323 and service users, professionals and other staff in the development of  
324 approaches that promote well-being and prevent the need for acute and  
325 intensive interventions;
- 326
- 327 • facilitate the development of a skilled and motivated health and social care  
328 and early intervention workforce, with easy access to high quality training and  
329 development opportunities, with clearly defined pathways and  
330 communications between health and social care to ensure a seamless  
331 customer journey;
- 332
- 333 • actively involve people using the service and their carers in decisions about  
334 their care and proposed developments of services
- 335
- 336 • maintain good governance and transparency to drive effective partnership  
337 working;
- 338
- 339 • make the most effective possible use of the overall funding and resources  
340 available in responding to service users' needs;
- 341
- 342 • ensure the interdependencies of each partner's strategic plans are addressed  
343 in the delivery of better outcomes:
- 344
- 345 • ensure there is clarity on decision-making and accountabilities for effective  
346 operation and management of the partnership
- 347

#### 348 **4. Care Groups Served by the Framework Agreement**

349 4.1 Initially, it is intended that this agreement relates to the development of elements that  
350 we must do together. The agreement we develop from this set of principles will be  
351 used as a template for all future joint working arrangements e.g eligibility for  
352 Continuing Health Care or social care funding, particularly governance  
353 arrangements, for additional joint working arrangements which may in future include  
354 out of hospital/Community Services/community teams for the following group of  
355 individuals:

- 356 • Mental Health Services – all ages
- 357 • Substance Misuse (Drugs and Alcohol) – all ages
- 358 • Learning Disabilities
- 359 • Children and Young people with additional and complex needs, SEN and the  
360 commissioning and provision of equipment
- 361 • Older People – 65+ but covering some 55+ years
- 362
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- 365 • Carers – all ages
- 366 • Physical and Sensory Disability – all ages
- 367 • Children and Young People’s Services including early help and support such
- 368 as paediatric therapies

369  
370 4.2 It is proposed that this document provides an overarching agreement in principle  
371 between Herefordshire Clinical Commissioning Group and Herefordshire Council  
372 under which all jointly commissioned services between the partners will be  
373 undertaken.

## 374 375 376 **5. Nature and purpose of Joint Working**

377  
378 5.1 The Herefordshire Council and the Herefordshire CCG wish to continue to achieve  
379 integrated arrangements through a process of alignment and joint working rather  
380 than through the appointment of a lead body and the delegation of functions via a  
381 joint commissioning team or through a single formal contract for commissioning  
382 services. This framework is intended to signal an ambition to facilitate the strategic  
383 shift towards preventative approaches and a commitment to the further development  
384 of effective joint working. Clarity of roles, responsibilities and accountabilities and  
385 collaborative ways of working allows the two organisations to work together efficiently  
386 and effectively towards their common aims.

387  
388 5.2 The 2012 Health and Social Care Bill requires the establishment of a Health and  
389 Wellbeing Board to bring together local commissioners of health and social care,  
390 elected representatives and representatives of Health Watch to agree a joint strategy  
391 for improving local health and wellbeing. It places a duty on both organisations to  
392 consider integrated approaches to meet this objective. The Health & Wellbeing Board  
393 will operate at a strategic level approving plans and priorities and promoting strategic  
394 coherence.

## 395 396 397 **6. Content of framework**

398  
399 6.1 This framework sets out:

- 400
- 401 • A commitment to working together and creating a joint culture and vision
- 402 • Expectations of ways of working
- 403 • Mechanisms in support of joint working including governance
- 404 • Opportunities for developing further and arrangements for reviewing

### 405 Creating a Culture

406  
407  
408 6.2 Developing a shared vision and culture and environment to support and encourage  
409 joint working is a key factor in achieving effective arrangements. The Herefordshire  
410 CCG vision is for a ‘high quality, sustainable and integrated Herefordshire health  
411 economy with the public and patients at the heart of everything we do’. As stated in  
412 the Strategic Delivery Plan for Transforming Adult Services 2012-2015, Herefordshire  
413 Council’s vision for health and wellbeing is:

414  
415 ‘Working with people in Herefordshire to live independently and to be safe and well’

416 'We will do this by encouraging people, and their communities, to help themselves  
417 and, where necessary, ensure access to advice, care and support which is financially  
418 sustainable, of high quality, timely, accessible and innovative'.  
419

420 6.3 Herefordshire's Yes We Can Plan to support children, young people and families  
421 contains the partnership vision:  
422

423 "Our vision in Herefordshire is for children and young people to grow up healthy,  
424 happy and safe with supportive families and carers and to make sure they have the  
425 best education and opportunities."  
426

427 The vision for joint working is that by working together, both organisations are  
428 stronger; can achieve more together; and effectively drive forward the delivery of the  
429 strategic aims of the Health and Wellbeing Board.  
430

431 6.4 Herefordshire Council and NHS have a history of integrated working developed over  
432 the last three years.  
433

434 6.5 The GPs working as the Herefordshire Clinical Commissioning Group will be taking  
435 on responsibility for commissioning most health services from 1 April 2013 whilst  
436 local Public Health is transferring and becoming the Council's responsibility. It is  
437 therefore both timely and necessary to review and refresh the joint working  
438 arrangements to reflect the organisational arrangements that will be in place from 1  
439 April 2013 and to ensure that they are fit for purpose to deliver best outcomes in  
440 future.  
441

442 6.6 This agreement therefore acts as a partnership framework and sets out some  
443 principles for joint working which bring together the commissioning of key services for  
444 Adults, Children and Young People. This will ensure we are maximising our ability to  
445 promote positive lives for everyone in our communities and working together to  
446 ensure that people receive the services they need, provided in a joined up way  
447 around them and their families.  
448

449 6.7 This framework expresses a clear aspiration to extend and further develop the joint  
450 working arrangements including the use of pooled budgets over time to deliver better  
451 outcomes for our population.  
452

453 6.8 It is proposed therefore that the Council and CCG establish a Section 75 Board. This  
454 will oversee the operation of all joint working arrangements, pooled budgets and  
455 proposals for further development of the framework, as well as acting as a route to  
456 escalate disputes if necessary. The arrangements proposed will ensure that each  
457 organisation can fulfil its statutory obligations and also continue to collaborate with  
458 other key partners as appropriate. The core membership of this Board will be the  
459 Chief Officer of the CCG and the Director of People Services supported by  
460 Commissioning leads and other functions such as finance and performance.  
461

## 462 **7. Mechanisms to support Joint Working**

463 7.1 Under the following arrangements both the Herefordshire Council and the  
464 Herefordshire CCG retain their statutory functions. No responsibility or authority is  
465 delegated from one party to another.  
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### 468 Leadership

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- 7.2 The Section 75 Board will be established to oversee the operation of all joint working arrangements with the terms of reference to be agreed. This Board will report on a bi-annual basis to the CCG Board and the Cabinet and then to the Health and Wellbeing Board.

#### Aligned Decision Making

- 7.3 In order for joint working to be effective, decision making needs to be timely, transparent, and unambiguous. Where organisations work together the requirements of their separate governance structures and ways of working can inhibit these outcomes. To counter this it is essential to maximise the alignment of decision making processes.

- 7.4 The Health and Wellbeing Board will have a system wide focus for Herefordshire and will approve strategic plans and priorities, including those for substantial service change to benefit the whole population.

#### Shared and Coordinated Management Arrangements

- 7.5 Appendix B sets out the overall governance structure for the S75. Central to this will be the operation of the S75 Board. This will comprise the Director of People's Services, the Herefordshire CCG Accountable Officer and support functions to be agreed. The remit of the Board will cover performance management and monitoring the Agreement and it will report through the CCG Board and Cabinet to the Health and Wellbeing Board.

- 7.6 Joint commissioning groups will be established consolidating the governance structures of both the CCG and the LA and these will be responsible for delivering each aspect of the S75 using whatever flexibilities are deemed appropriate by the Partners. Commissioners will focus on outcome based commissioning in the planning and development of services; prepare business cases that outline proposed services, activity and financial implications with identified cashable savings or cost avoidance measures. A consistent business case template will be used across the partnership, and will only be presented to the JCG after financial and performance have validated the assumptions used. The JCG's Adults and Children's and Families will endorse any proposals, which will then be presented to the S.75 Board for onward approval through the governance process of the Council and CCG: Cabinet/CCG Board. The JCG's will implement the strategy, priorities and any approved service developments. The JCG's will provide regular monitoring reports to the Sec 75 Board. A standard template containing all the detail for each Section 75 has been developed and an example of this can be found in Appendix E of this Agreement for Children's Services. The summary schedule is included in Appendix D.

- 7.7 The Board will initially review any changes in year to the S75 agreement and these will be approved, where material, by the CCG Board and Cabinet. Further escalation will be made where necessary to the Health and Wellbeing Board.

#### Financial Framework

- 523 7.8 The Herefordshire Council and the Herefordshire CCG will continue to retain  
524 separate accountability for their use of financial resources and will have separate  
525 director level finance representation and audit arrangements. Apart from pooled  
526 budgets where agreed, health and social care funding will be held in separate  
527 budgets, although these may be managed in an aligned way to facilitate joint  
528 approaches.  
529
- 530 7.9 Where practical and cost-effective, shared or hosted financial arrangements,  
531 including policies, procedures, processes and staffing will be developed. Audit  
532 outcomes will be shared, where they relate to joint areas of responsibility and where  
533 this would be beneficial in delivering improvements. It is important that resources are  
534 identified for inclusion in the S75 at the time of its sign off. However the deployment  
535 of these resources will be subject to the normal service development processes  
536 within both partner organisations centred around the approval of robust business  
537 cases.  
538
- 539 7.10 The following principles will be applied in reaching a decision on joint working of any  
540 type which has a financial impact on one or both parties, and are specified in  
541 Appendix C:  
542
- 543 • The proposed arrangement should bring qualitative, productivity or direct financial
  - 544 benefits which demonstrate a sound return on any investment required
  - 545 • The sharing of the benefits between the parties is clearly articulated and agreed
  - 546 • The balance of risk between the parties is clearly articulated along with plans for
  - 547 mitigation or sharing of risk
  - 548 • The mechanism for either party to withdraw from the arrangement and the allocation
  - 549 of responsibility for exit costs and residual liabilities are explicit.
  - 550 • The financial principles, mechanisms and frequency of reporting and reviewing
  - 551 financial and performance are included at Appendix C, and the financial position
  - 552 reported quarterly to the Section 75 Board.
- 553
- 554 Alignment of Business Support Systems  
555
- 556 7.11 Where possible, future arrangements should provide an opportunity to maximise the  
557 efficiency and effectiveness of commissioning arrangements by simplifying cross-  
558 organisational working and delivering value for money.  
559
- 560 7.12 Appendix A contains further detailed information on the arrangements and  
561 mechanisms to support joint working, namely:  
562
- 563 • Care Governance
  - 564 • External Inspection and Monitoring
  - 565 • Eligibility Criteria
  - 566 • Community Engagement, Consultation and Communication
  - 567 • Complaints and investigations
  - 568 • Insurance
  - 569 • Legal Liabilities and Indemnities
  - 570 • Data protection and Information Sharing
  - 571 • Freedom of Information
  - 572 • Anti-discriminatory and Equal Opportunity
  - 573 • Publicity
  - 574 • Variations

- 575 • Disputes
- 576 • Legal Advice
- 577 • Termination Provisions
- 578 • Miscellaneous

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**8. Conclusion**

- 8.1 It is intended that this framework will be in place until such time as the Herefordshire CCG and Herefordshire Council decide otherwise. The framework and its supporting schedules will be reviewed annually by the S75 Board.
- 8.2 This document reflects the aspiration and commitment of the Herefordshire Council and Herefordshire CCG to maximise the benefits of joint working, and sets out both the intent around joint working and the mechanisms by which this can be achieved. The operation and development of the Framework will be reviewed annually by the Section 75 Board.

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## Appendix A

### 1.CARE GOVERNANCE

The partners will make arrangements to ensure that all service users are safeguarded and their welfare is promoted. The Partners will lead and support the organisation and development of the Herefordshire Safeguarding Children Board and the Herefordshire Safeguarding Adults Board. They will ensure services commissioned have clear safeguarding policies with policies/procedures agreed by the Herefordshire Safeguarding Children Board and the Herefordshire Safeguarding Adults Board.

Partners will ensure services commissioned adhere to safeguarding policies, and procedures which will be made clear in all contracts and framework agreements. These will be monitored and action will be taken where breaches occur.

The Partners will also be able to demonstrate that they have:

- Clear priorities for early intervention (including the use of Common Assessment Framework), safeguarding and promoting the welfare of children, young people and vulnerable adults in their strategic plans
- A clear commitment by senior managers to the importance of early intervention, safeguarding and promoting children, young peoples and vulnerable adult's welfare and the need to work across organisations to be effective in safeguarding the public.
- That the responsibilities to safeguarding and promoting the welfare of children, young people and adults are integral to each member of staff's work and are integrated into Corporate Plans.
- A culture of listening to and engaging dialogue with children, young peoples and vulnerable adults seeking their views in ways appropriate to their age and competency and taking account of these in individual decisions and the establishment or development and improvement of services
- Clear plans (whether corporate or for individual service users) which demonstrate that personalised care is central to all clinical or social interventions
- Clear lines of accountability and governance across the organisation for the provision of services which take account of early intervention, safeguarding and promoting children, young peoples and vulnerable adult's welfare
- Arrangements to work effectively across organisations including clear policies and protocols regarding sharing information to enable staff to safeguarding and promoting the welfare of children, young people and vulnerable adults
- Clear policies to safeguard and promote the welfare of children, young people and

vulnerable adults including effective complaints policies, whistle blowing policies and procedures for dealing with allegations against a member of staff or volunteers which members of staff/volunteers are made aware of.

- There are clear care pathways and care plans for times of transitions for children/young people and adults who receive treatment both within and outside Herefordshire.
- Arrangements to ensure all staff receive the appropriate training (and refresher training) to equip them to carry out their responsibilities with regard to safeguarding effectively
- That there is an effective complaints process in place and available to all staff
- That there is a clear equality and diversity statement in place and training is available to staff.
- There is a process for recording incidents, concerns and referrals in relation to children, young people and vulnerable adults and the actions that result from these
- Effectively implemented mental health legislation including the Mental Health Act 2007 and the Mental Capacity Act 2005 and have a system for reporting on the effectiveness of the processes.

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## **2.EXTERNAL INSPECTION AND MONITORING**

The Partners will ensure that commissioning arrangements with providers will ensure providers:

- comply with any statutory inspection requirements in relation to Services and will liaise as required with the Care Quality Commission, Monitor, Ofsted and/or other relevant regulatory bodies;
- provide commissioners with appropriate information and data to support the production of any self-assessment or review required by regulators
- provide appropriate access and information to any external body empowered by statute to inspect or monitor the discharge of the Services;

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## **3.ELIGIBILITY CRITERIA FOR THE PROVISION OF CARE AND HEALTH SERVICES**

The Partners will when commissioning:

- ensure that the Government's Guidance on "Fair Access to Care" is fully implemented and that the Eligibility Criteria Thresholds as agreed by the Council are consistently applied
- ensure that they comply with the Eligibility Criteria Threshold for the provision of care services which can only be changed in agreement with the Cabinet
- ensure that the current National Framework and any regional Guidance on Continuing Care and Funded Nursing Care is fully implemented and consistently applied;

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- ensure that the criteria for the provision of Continuing Care and funded nursing care are in line with the NHS Continuing Care Guidance and good practice
- ensure compliance with legislation and policy surrounding Child Protection, Deprivation Of Liberty and Safeguarding and the Mental Capacity Act
- Ensure effective discharge of the statutory responsibilities of the Director of People's Services role.

#### **4.COMMUNITY ENGAGEMENT, CONSULTATION AND COMMUNICATION**

From the Commencement Date the Partners will retain their individual responsibility for statutory consultation in relation to Services.

Where any proposed consultation relates to services provided by the Partners outside this Agreement, they agree to work together to establish the arrangements under which such consultation takes place.

The Section 75 Board will consider whether the Partners should undertake joint arrangements for statutory and other consultation which relates exclusively to Services commissioned under this Agreement and the responsibility for any additional costs involved.

The Partners will consult each other before communicating with representatives of the media, Members of Parliament and the public generally in relation to any issues which might arise in relation to the Services. Where any action or omission of the CCG or the Council relating to Services is, or is likely to be, the subject of media comment, the Partners will endeavour to consult each other prior to making any response to the media, Member of Parliament or the public.

The Partners will work to the principles and definitions set out in the Community and Public Involvement Strategy for Herefordshire in all aspects of public involvement in commissioning and service development.

The Partners will work to principles of best practice in all commissioning and contracting with external agencies including the principles and definitions set out in the Voluntary Sector Compact in all aspects of work with the Third Sector.

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#### **5.COMPLAINTS AND INVESTIGATIONS**

Subject to statutory requirements, the Partners will deal with complaints about Services commissioned in accordance with the complaints procedures of the Host Partner of the Services concerned (which shall include where appropriate the jointly agreed protocol for PCT and ASC in 2009 in line with the new legislative requirements) and the procedures of the CCG for the Purchase of NHS-Funded Nursing Care. Complaints made in respect of

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Continuing Healthcare and about health care staff shall be dealt with in accordance with the Complaints Procedure of the CCG.

Upon notification of an investigation to be undertaken by any Ombudsman, each Partner will use their best endeavours to ensure that the provider of the Services responds to requests for information and/or interview within time limits set by the Ombudsman and provide access to relevant records.

The Partners will ensure that all safeguarding complaints are investigated in line with the Partners statutory responsibilities and best practice. The outcomes of the complaints and the investigations will be reported to the appropriate bodies, including progress against any remedial actions.

The Partners will keep these arrangements under review with the aim of establishing a fully integrated process for handling all complaints about Services.

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## **6.INSURANCE**

The Partners shall follow the Guidance and Protocol which was issued by the Department of Health in respect of claims associated with NHS bodies and local authorities implementing partnership arrangements under Section 31 of the Health Act 1999 and any future Guidance issued under Section 75 of the 2006 Act.

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## **7.LEGAL LIABILITIES AND INDEMNITIES**

In this section reference to a Partner includes its employees, agents or sub-providers/contractors.

### CLAIMS WHICH RELATE TO EVENTS BEFORE THE COMMENCEMENT DATE

The Partners shall not be responsible under this Agreement for any legal liabilities to third parties arising from the other's provision of Services prior to the 1<sup>st</sup> April 2013 except where such responsibility is transferred by statute.

### CLAIMS WHICH RELATE TO EVENTS DURING THIS AGREEMENT

Save in so far as otherwise prescribed by statute each Partner will keep the other indemnified against any damages, claims, liabilities costs and expenses arising from a breach of this Agreement or from negligence in the commissioning of Services for which they are the responsible Host Partner save to the extent that the damages etc. arose from the other Partner's negligence or breach of this Agreement.

### CLAIMS WHICH RELATE TO EVENTS BOTH BEFORE AND AFTER THE COMMENCEMENT DATE

Where a claim is made after the 1<sup>st</sup> April 2013 in respect of a matter that relates to events both before and after the 1<sup>st</sup> April 2013, such a claim will be managed by the Host Partner for the Service concerned. Each Partner agrees to provide assistance, access to records

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(subject to the provisions of the Data Protection Act) and personnel free of charge within a reasonable time limit in connection with the claim. The Partners agree to use their best endeavours to reach agreement on the apportionment of any liability arising in consequence thereof and if they cannot agree the dispute resolution provisions of section 29 will apply.

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## **8. DATA PROTECTION AND INFORMATION SHARING**

When it obtains access to Personal Data (as defined in the Data Protection Act) obtained by or in the possession of any other Partner, each Partner and its employees will duly observe all their obligations under the Data Protection Act which arise in connection with this Agreement.

The Partners agree that any sharing of information about Service Users in order to improve the quality of care commissioned shall be subject to the Data Protection Act, the Information Sharing Memorandum of Understanding and the joint Generic Information Sharing Protocol between the Council, the PCT and the Trust, dated 24<sup>th</sup> January 2008 as amended from time to time by the Integrated Governance Committee. The Protocol applies to disclosures where consent has been obtained. (need to check that the information sharing protocol needs to be re-signed)

Guidance for disclosing without consent is contained in The Risk of Harm Protocol and/or The Crime and Disorder Protocol, and is posted on the intranets of both the CCG and Council, along with the agreed joint Information Sharing Policy.

Subject to the following provisions of this section the Partners shall work together to establish effective arrangements to permit and control the exchange of information to support the Partnership Arrangements.

Each Partner shall use its best endeavours to keep in strict confidence (and shall bind its employees and agents to keep in strict confidence) any personal or other information of a confidential nature relating to this Agreement.

Neither Partner shall use or disclose any such personal or confidential information other than as permitted by the Data Protection Act.

Without prejudice to any other provision of this Agreement, each Partner shall at times comply with the requirements of the Data Protection Act in respect of any personal data howsoever acquired or processed for the purposes of, or in the operation of, the Partnership Arrangements and no personal data collected or processed for any purposes connected with this Agreement will be disclosed to any other person otherwise than in strict accordance with the provisions of the Data Protection Act

Each Partner shall secure that it has notified the Information Commissioner in respect of any personal data processed by it for the purposes of this Agreement.

Each Partner shall ensure that in order to process any information for the purposes of this Agreement lawfully and fairly in accordance with the first data protection principle that it shall notify the subject of such personal information of the purposes for which it is gathered and for which it may be disclosed. Where necessary, the Partners will obtain the consent of Service Users and other data subjects to disclose personal information to be used for the purposes of this Agreement.

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Any data disclosed by a Partner to the other for use in carrying out the purposes of this Agreement will be held and processed strictly in accordance with the Data Protection Act and any common law obligation of confidentiality.

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## **9.FREEDOM OF INFORMATION**

The CCG and the Council both being public bodies are subject to the Freedom of Information Act 2000 (“the Act”). In compliance with the Act the Partners agree that requests under the Act will be dealt with as follows:

- When the request is received by a Partner (the Receiving Partner) that Partner is responsible for the reply to the request.
- However, if the request relates solely to information held by the other Partner the request will be transferred to that Partner for response;
- If the request relates to information being held by one Partner on behalf of another Partner the Partners will consult on the request but the responsibility for the request will remain with the Receiving Partner.

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## **10.ANTI-DISCRIMINATION AND EQUAL OPPORTUNITY**

In Commissioning the Services, the Partners shall:

- adopt and maintain anti-discriminatory and equal opportunity policies and practices and shall provide copies of all such policies to the other Partner promptly on request;
- take account of the Human Rights Act 1998 and in performing the Agreement not do anything in breach of that Act.
- Have due regard for the requirements of the public sector equality duty as contained in Chapter 1 Part 11 of the Equality Act 2010.

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## **11. VARIATIONS**

This Agreement may, following consultation with the Health and Wellbeing Board, be varied by the Partners at any time by agreement in writing and such variations may include the revision, deletion or addition of Schedules for the commissioning of Services. Any variation involving this Agreement arising from the Partners entering into a partnership arrangement for the commissioning of a new service, shall require the variation of Section 7 to include the functions required to be delegated for the commissioning of such new service.

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## **12.DISPUTES**

In the event of a dispute in relation to this Agreement which cannot be resolved by the S75 Board within 16 weeks of the dispute arising it will be referred for a resolution to the Chief Officers of either organisation.

Should the Chief Officers then consider it appropriate, they may refer the dispute to the Local Government Association or the Local Area Team (LAT) for a recommendation. If a Partner does not accept the recommendation or if one is not made only then may it commence legal proceedings.

Each organisation is accountable to its statutory body for all financial commitments in line with any identified risk sharing agreements. Any major issues that cannot be resolved equitably will be referred for resolution to the Local Government Association or the LAT.

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## **13.LEGAL ADVICE**

Either Partner may obtain their own legal advice on any aspect of this Agreement.

14.2 Under the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 there are a number of criteria which have to be fulfilled before a partnership agreement can be entered into.

- a) The partnership must be likely to lead to an improvement in the exercise of NHS and/or Local authority health functions.
- (b) The partnership arrangements must fulfil the objectives of the health improvement plan of the Health Authority in whose area the partnership is to operate. With the abolition of Strategic Health Authorities it is not clear if this criteria remains relevant.
- (c) The partners must undertake a joint consultation of persons likely to be affected by the proposed arrangements. Therefore the Council and the CCG should consider whether any persons are likely to be affected by the arrangement or that it is purely an administrative measure with no effect on service users.

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## **14.TERMINATION PROVISIONS**

Within 13 weeks of termination of this Agreement any surplus or uncommitted monies held in a Pooled Fund shall be returned to the Partners pro-rata their contributions to the Pooled Fund during the 12 months' period preceding termination subject to a retention or additional contributions of sufficient funds by Host Partners to:

- (a) meet continuing contractual commitments incurred under this Agreement;
- (b) make suitable alternative arrangements for Service Users and
- (c) subject to section 15.5 below and complying with their policies on finding suitable alternative employment within their organisations, to cover the costs of any unavoidable

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redundancies, the amounts of such retention or additional contributions to be determined in accordance with section 13 in the event of disagreement.

If a Partner grants the other Partner permission to use vehicles, equipment, furniture or other assets the permission will terminate at the end of this Agreement and the assets shall be returned to the Partner that owns them unless otherwise agreed. The Partners will have agreed inventories and schedules of condition for transferred assets and the assets will be returned at the end of this Agreement in as good a condition as at the start, fair wear and tear accepted or replacement assets will be provided.

Premises will be returned in accordance with the terms of the lease or licence for their use, including with the terms of the existing lease between the Partners of the premises at Belmont, Plough Lane and Brockington the terms of which are available from the Council's Legal section.

Confidentiality and data protection obligations shall survive termination of this Agreement.

In the event of termination, Partners will still be responsible for any indemnity given under this Agreement for a claim arising from a matter that occurred prior to termination.

The Partners will ensure that any alternative arrangements made with third parties for Service Users following termination of this Agreement will be in accordance with Guidance and Directions applicable to the transfer of employees and to the protection of pension rights.

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## **15.MISCELLANEOUS**

No forbearance or delay by either Partner in enforcing its respective rights will prejudice or restrict the rights of that Partner, and no waiver of any rights or of any breach of a contractual provision will be deemed to be a waiver of the right to subsequently enforce the same right in relation to a different matter or to enforce any other right or to be a waiver of any other breach.

Any notice required to be given under this Agreement shall be in writing and may be served by sending the same by hand delivery or by first class post to the other Partner at the address given in this Agreement, for the attention of their Chief Officer or at such other address as a Partner may notify to the other Partner for the purpose of such service.

This Agreement does not give rights to any other person under the Contracts (Rights of Third Parties) Act 1999.

Subject to the prior consent of the Partners, this Agreement and the documents referred to in it are made for the benefit of the Partners and their successors and permitted assigns, and are not intended to benefit anyone else.

Subject to Clauses 16.6, 16.7 and 16.8, neither Partner may assign, transfer, charge or otherwise dispose of any interest in this Agreement without the prior written consent of the other Partner.

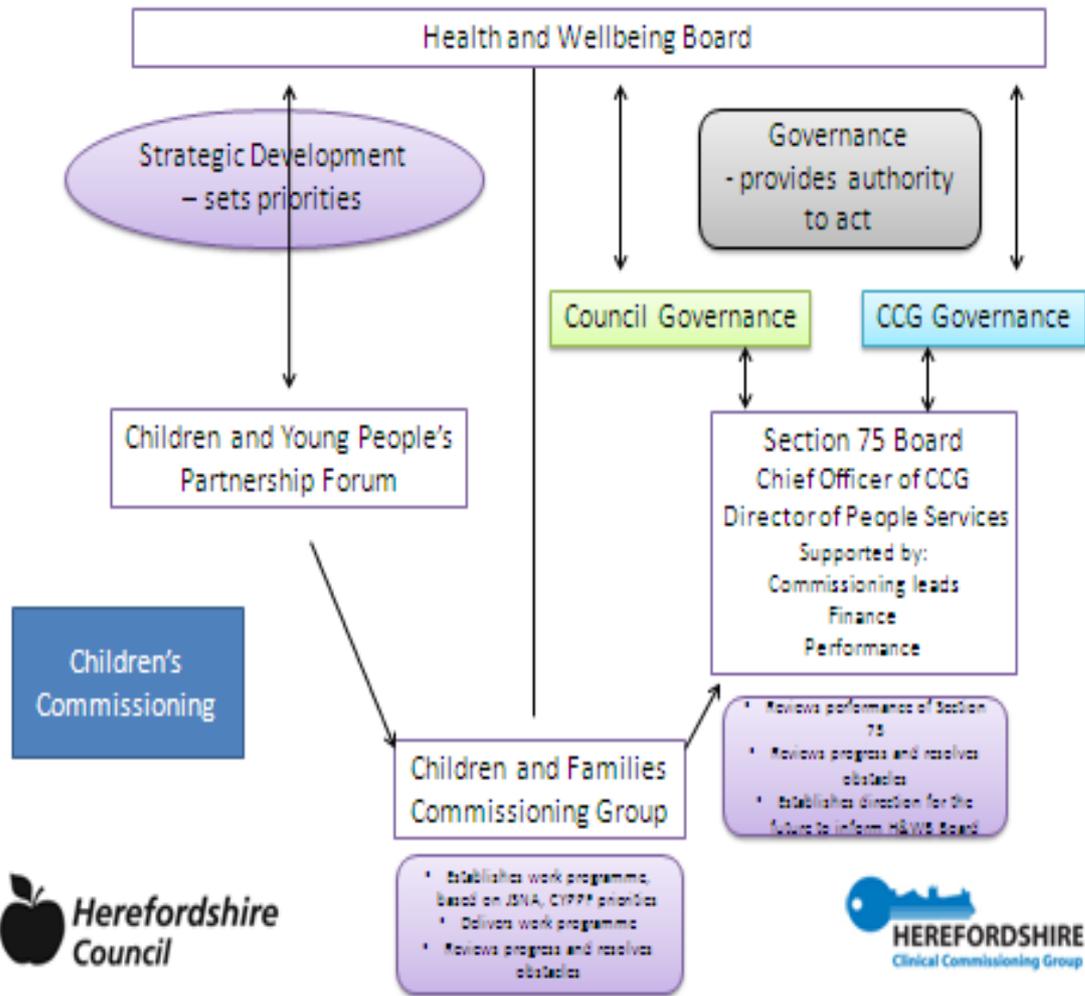
The CCG and the Council hereby acknowledge and agree that this Agreement and any other agreement in connection with these partnership arrangements to which both the CCG and the Council are a Partner shall be binding on, and shall ensure to the benefit of, the CCG and

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the Council and their respective successors and permitted transferees and assigns.

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**Appendix B**



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702 **Appendix C – Financial Arrangements**

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704 **1) Budget Setting**

- 705 a) Budgets will run for a full financial year from 1<sup>st</sup> April to 31<sup>st</sup> March and will be  
706 reviewed and agreed annually by both parties, and will be formally approved the  
707 authority and CCG 30 days prior to the start of each financial year.
- 708 b) The agreed budgets will be formally approved by both parties in accordance with the  
709 reporting arrangements outlined in this agreement preferably before the start of the  
710 financial year, but within 3 months of the start of the financial year.
- 711 c) Budgets agreed retrospectively will be deemed to be in effect from 1<sup>st</sup> April of the  
712 financial year unless an alternative commencement date is jointly agreed by both  
713 parties and ratified by the board.
- 714 d) In the event that internal cost reductions or efficiency schemes of either party will  
715 give rise to a reduction in contributions to the S75 agreement this should be notified  
716 in writing to the board and other partner no later than three months before the  
717 commencement of the financial year in which the reduction will take effect. This is to  
718 enable effective alternative financial arrangements to be put in place.
- 719 e) In the event that budgets are not jointly agreed prior to the start of the year financial  
720 year a provisional budget will be agreed and finalised within 3 months of the start of  
721 the financial year.
- 722 f) In the event that financial agreement cannot be reached on funding for a particular  
723 service within the period specified that service will cease to be part of the s75  
724 arrangements, at the end of the 3 month provisional budget period.
- 725 g) The joint budget setting discussions will consider and agree on the impact of the  
726 section 75 budgets of:
- 727 i) Inflation assumptions
- 728 ii) Demographic or other population assumptions
- 729 iii) Efficiency or cost savings requirements from either party
- 730 iv) Any other changes having a financial impact on the budget under consideration
- 731 h) The authority will provide details of planned expenditure on S256 funds within the  
732 same timescale to the HCCG to provide assurance that funds will be disbursed on  
733 activities of joint benefit to both health and social care.

734 **2) Budget Monitoring and Reporting**

- 735 a) Each party has a duty to remain within the budget set. All parties will endeavour to  
736 maximise Value for Money and efficient and effective use of funds.
- 737 b) A quarterly finance and budget review meeting will meet to consider cumulative  
738 expenditure and income and projected expenditure and income for the remainder of  
739 the year for the S75 budgets.
- 740 c) The local authority will also provide a quarterly summary of actual and planned  
741 expenditure on the S256 funds passported from the CCG to the LA.
- 742 d) Where specific services have a monthly reporting schedule (eg Complex Needs)  
743 these reports will be distributed to partners and form part of the overarching quarterly  
744 finance report.
- 745 e) Prior to the quarterly finance meetings the responsible partner will produce a report  
746 detailing year to date income and expenditure vs budget and projected outturn

747 together with a narrative reporting on current financial performance and any  
748 anticipated movements. The report should flag any under or over spends as soon as  
749 they emerge with the reasons for the changes so that action can be taken to mitigate.

750 f) Following the quarterly finance meetings a consolidated finance report will be drafted  
751 for presentation to the next board meeting.

752 g) UNDERSPENDS

753 i) In the event that a service is likely to deliver an under spend this will be  
754 monitored and reported. At the end of the financial year the under spend will be  
755 shared between the partners in the ratio of contributions agreed for the service.

756 h) OVERSPENDS

757 i) No service is expected to overspend its budget but in the event that an over  
758 spend is predicted to arise the responsible partner should take whatever  
759 mitigating action is practicable to minimise the impact on the budget.

760 ii) In the event that the over spend (or income shortfall) cannot be fully mitigated the  
761 risk share arrangements must be agreed in the quarterly finance review meeting.  
762 The default will be that the risk share is in the ratio of partner's contributions to  
763 the service, unless the over spend has arisen through the specific demands of  
764 either partner in which case the partner responsible for the over spend bears the  
765 full additional cost.

### 766 3) Contract Variations

767 a) In year contract variations will be actioned where fixed budget contributions have  
768 been agreed by both parties to under / over spend.

769 b) In year contract variations will also be raised where both parties agree to the  
770 commencement of a new service from a date other than 1<sup>st</sup> April of the financial year.

771 c) Or termination of a service where both parties agree a service will change or  
772 terminate prior to the end of the financial year.

### 773 4) Payment of Contributions

774 a) All partners are expected to make contributions promptly (including transfer of S256  
775 moneys) ie within 30 days of commencement of financial year for pooled budget  
776 arrangements (or start date if not full year arrangement), or of receipt of funds (S256  
777 money).

778 b) All invoices to be settled within 30 days of issue. In the event that an invoice is  
779 disputed and remains unresolved after 60 days this should be raised for resolution at  
780 the next quarterly finance review.

781 c) Either party may reserve the right to charge late payment interest in the event of  
782 invoices not being paid by the due date

### 783 5) Year End and Audit Arrangements

784 a) Accounts will be produced under accruals accounting methodology.

785 b) Both parties will provide final financial reporting information in accordance with the  
786 financial reporting timetable and requirements of both parties.

787 c) A final outturn report for all S75 expenditure will be prepared and presented to the  
788 Board within 3 months of the year end.

789 d) Access to financial information will be made available to the auditors of either party  
790 as required.

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**6) VAT**

- a) The VAT regime applied will seek to maximise the recovery of tax incurred within these arrangements.
- b) The Parties will jointly endeavour to minimise the complexity of VAT and other taxation.
- c) The Parties shall comply with HM Customs and Excise guidance dated March 2003 in respect of the pooled fund. The Council shall consult with HM Customs and Excise to agree an appropriate scheme for recovery of VAT.

**7) Termination of Services**

In the event that one party gives notice to withdraw from contributing to a service included within the S75 arrangements notice must be given in writing and 3 months prior to any change taking effect. In the event that the withdrawal results in the necessity to make staff redundant or incurs other costs solely arising from the termination these costs will be borne by the partner withdrawing unless the agreement to terminate is mutual in which case the costs will be borne in ratio to the partners

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827 **Appendix D**828 **Section 75 Summary Financial Schedule between Clinical Commissioning Group and Herefordshire**  
829 **Council 2013/14**830 **Section 75 Summary Schedule – Agreed Value Arrangements**

Ref	Service Area	Description	Estimated Annual Value 20 13/14 (£)	Total Budget (Gross) (£)	Lead Responsible Officer
1	Adults	Carers Hub	50,000	225,380	HC Lead Commissioner
2	Adults	Community Equipment Store – CCG 30%	164,470	548,230	HC Lead Commissioner
4	Adults	Bed at Broomyhill	104,602	N/A	HC Lead Commissioner
6	Adults	Contribution to Adults Safeguarding Board	45,203	TBC	HSCB/HSAB Business Manager
7	Children	Complex Needs Solution	494,190	3,459,330	Head of Provider Services (Additional Needs)
8	Children	Contribution towards Children's Safeguarding Board	45,203	208,754	HSCB/HSAB Business Manager
	<b>TOTAL</b>		<b>903,668</b>		

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832 **Summary of funding received by CCG from Herefordshire Council**

Ref	Service Area	Description	Estimated Annual Value 2013/14 (£)	Total Budget (Gross) (£)	Lead Responsible Officer
27	Adults	Contribution towards MIND contract	152,463	TBC	CCG Lead Commissioner
28	Adults	Contribution towards Alzheimers contract	36,352	TBC	CCG Lead Commissioner
29	Adults	Kington Court	366,318	TBC	CCG Lead Commissioner
	<b>TOTAL</b>		<b>555,133</b>		

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Ref	Service Area	Description	Estimated Annual Value 2013/14 (£)	Total Budget (Gross) (£)	Lead Responsible Officer
24	Adults	Reablement DOH Passport funded	TBC	TBC	HC Assistant Director
25	Adults	To support Social Care DOH Passport funded	3,151,863	3,151,863	HC Assistant Director
26	Adults	Winter Pressures	TBC	TBC	HC Assistant Director

841 **S256 Arrangements – Funding from National Commissioning Board to Local Authority via Clinical Commissioning Group**

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845 **Pooled Budget Arrangements – Overall Budget Totals**

Complex Needs	Budget Value 13/14	Lead Responsible Officer
Education	1,482,570	Head of Provider Services (Additional Needs)
Children's Social Care	1,482,570	Head of Provider Services (Additional Needs)
Health as above	494,190	Head of Provider Services (Additional Needs)
<b>Total Budget CNS</b>	<b>3,459,330</b>	

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847 **Proposed Pooled Budget from October 2013 (indicative full year from Herefordshire Council)**

Short Breaks	Budget Value 13/14	Lead Responsible Officer
Children's Services	543,000	HC -Head of Children's Commissioning
Health	813,000	CCG - Clinical Programme Manager
<b>Total Budget Short Breaks</b>	<b>1,356,000</b>	

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850 **Key Points**

- 851 • Funding from CCG to local authority confirmed as £903,668 but may be in year  
852 variation for new pooled budget arrangements.
- 853 • Funding from local authority to CCG of £555,133, at 12/13 budget but inflation  
854 assumptions to be confirmed by CCG.
- 855 • Pooled budget for Complex Needs confirmed at £3,459,330.
- 856 • New pooled budget for short breaks services to be introduced from October 2013,  
857 indicative full year pooled budget £1.356m but subject to confirmation and in year pro  
858 rata adjustment.
- 859 • Still awaiting details of re-ablement funding for 13/14
- 860 • Interpreting costs now held by Local Area Team.
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**Appendix E – Example of Detailed Schedule**

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<b>SECTION 75 - TEMPLATE</b>								
<b>S75 Service Line reference and Description</b>	18	Children's						
<b>Lead Partner</b>	<b>Budget Holder</b>		<b>Annual budget</b>	<b>Reporting Period</b>				
Herefordshire Council	Herefordshire Council		£45,203	Apr-13				
<b>Overview of Service Provided</b>					<b>REPORT APPROVED BY</b>			
Herefordshire Clinical Commissioning Group has a statutory responsibility to resource Herefordshire Safeguarding Children Board, along with the Board's other partners, in terms of appropriate attendance and finance to enable HSCB to be strong and effective.					<b>Signature</b>			
<b>Details of main responsibilities within the service provision for each partner</b>								
<p><b>Financial:</b> The CCG, sharing its responsibility equitably with other member organisations, has an obligation to provide reliable financial resources to enable HSCB to be strong and effective.</p> <p><b>Personnel:</b> The CCG has an obligation to provide suitable personnel to progress the work of the Board and contribute fully to its meetings, including appropriate membership of its sub groups, agreed in discussion with the Board's Independent Chair.</p>								
Details of type and level of resources deployed (ie: staff; level of funding from each partner; buildings; equipment; grants to 3rd parties etc)								

<b>Financial:</b> The CCG should contribute to the Board at the level agreed by all parties, based upon the agreed budget for the year and the proportion of the budget made by health in previous years. Based on figures from previous years it is likely that the CCG will contribute 23-30% of the Board's total budget. In 13/14 this amounts to £45,203. Personnel: Members of HSCB should be people with a strategic role in relation to safeguarding and promoting the welfare of children within their organisation. They should be able to: - speak for their organisation with authority; - commit their organisation on policy and practice matters; and - hold their own organisation to account and hold others to account.										
<b>Details of monitoring mechanism</b>										
Financial Contributions to the Board are made once a year, in April and will be invoiced by the Board's Business Unit. Personnel Contributions will be monitored by the Board's Steering Group in terms of attendance and actions taken from meetings.										
<b>Details of payment mechanisms</b>										
The Board's Business Unit will invoice the CCG for their agreed contribution annually, in April.										
<b>Outcomes Expected</b>			<b>Outcome Measurement Criteria</b>				<b>Date:</b>			
		<b>Description</b>	<b>Measure Owner</b>	<b>Target measure</b>	<b>Frequency</b>	<b>Tolerance</b>	<b>Current Forecast</b>	<b>Achieved to Date</b>	<b>Balance to Achieve</b>	<b>RAG status</b>
Quantifiable	1	Annual Financial Contribution at a level agreed by the Board.	Dave McCallum	tba	Annually	0	-	-	-	Complete
Quantifiable	2	Regular attendance at Board meetings and appropriate sub groups	Jo Davidson	100%	Quarterly	80%	-	-	-	On track
Quantifiable	3									Behind target

Quantifiable	4									Not achieved
Quantifiable	5									Not started
			<b>Measure Owner</b>	<b>Success Criteria</b>	<b>Frequency</b>	<b>Tolerance</b>				
Qualitative	1									Complete
Qualitative	2									On track
Qualitative	3									Behind target
Qualitative	4									Not achieved
Qualitative	5									Not started
<b>ADDITIONAL INFORMATION</b>										
<b>RISKS</b>										

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## DRAFT SECTION 75 - TEMPLATE

<b>S75 Service Line reference and Description</b>		18	Children's						
<b>Lead Partner</b>	<b>Budget Holder</b>		<b>Annual budget</b>		<b>Reporting Period</b>				
Herefordshire Council	Herefordshire Council		£45,203		Apr-13				
<b>Overview of Service Provided</b>					<b>REPORT APPROVED BY</b>				
Herefordshire Clinical Commissioning Group has a statutory responsibility to resource Herefordshire Safeguarding Children Board, along with the Board's other partners, in terms of appropriate attendance and finance to enable HSCB to be strong and effective.					<b>Signature</b>				
Details of main responsibilities within the service provision for each partner									
Financial: The CCG, sharing its responsibility equitably with other member organisations, has an obligation to provide reliable financial resources to enable HSCB to be strong and effective. Personnel: The CCG has an obligation to provide suitable personnel to progress the work of the Board and contribute fully to its meetings, including appropriate membership of its sub groups, agreed in discussion with the Board's Independent Chair.									
Details of type and level of resources deployed (ie: staff; level of funding from each partner; buildings; equipment; grants to 3rd parties etc)									
Financial: The CCG should contribute to the Board at the level agreed by all parties, based upon the agreed budget for the year and the proportion of the budget made by health in previous years. Based on figures from previous years it is likely that the CCG will contribute 23-30% of the Board's total budget. In 13/14 this amounts to £45,203. Personnel: Members of HSCB should be people with a strategic role in relation to safeguarding and promoting the welfare of children within their organisation. They should be able to: <ul style="list-style-type: none"> <li>- speak for their organisation with authority;</li> <li>- commit their organisation on policy and practice matters; and</li> <li>- hold their own organisation to account and hold others to account.</li> </ul>									
Details of monitoring mechanism									
Financial Contributions to the Board are made once a year, in April and will be invoiced by the Board's Business Unit. Personnel Contributions will be monitored by the Board's Steering Group in terms of attendance and actions taken from meetings.									
Details of payment mechanisms									
The Board's Business Unit will invoice the CCG for their agreed contribution annually, in April.									
<b>Outcomes Expected</b>		<b>Outcome Measurement Criteria</b>				<b>Date:</b>			
		<b>Measure Owner</b>	<b>Target measure</b>	<b>Frequency</b>	<b>Tolerance</b>	<b>Current Forecast</b>	<b>Achieved to Date</b>	<b>Balance to Achieve</b>	<b>RAG status</b>
Quantifiable	1	Annual Financial Contribution at a level agreed	Dave McCartha	Annually	0	-	-	-	Complete
Quantifiable	2	Regular attendance at Board meetings and ap	Jo Davidso	100%	Quarterly	80%	-	-	On track
Quantifiable	3								Behind target
Quantifiable	4								Not achievable
Quantifiable	5								Not started
		<b>Measure Owner</b>	<b>Success Criteria</b>	<b>Frequency</b>	<b>Tolerance</b>				
Qualitative	1								Complete
Qualitative	2								On track
Qualitative	3								Behind target
Qualitative	4								Not achievable
Qualitative	5								Not started
<b>ADDITIONAL INFORMATION</b>									
<b>RISKS</b>									

