

AGENDA

Cabinet

Date: **Thursday 10 April 2014**

Time: **2.00 pm**

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

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

For any further information please contact:

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Agenda for the Meeting of the Cabinet

Membership

Chairman

Councillor AW Johnson

**Councillor H Bramer
Councillor JW Millar
Councillor PM Morgan
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.

Item No	Title	Portfolio Responsibility	Scrutiny Committee	28 Day Notice Given
6	West Mercia Adoption Service	Young People and Children's Wellbeing	Health and Social Care Overview & Scrutiny	Yes
7	Change of Internal Audit Provider	Corporate Strategy and Finance	General Overview Scrutiny	No. 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 13 March 2014.

7 - 10

4. 2014/15 DELIVERY PLAN

To agree the projects and measures within the 2014/15 corporate delivery plan.

11 - 38

5. CORPORATE PERFORMANCE REPORT 2013/14: END OF FEBRUARY 2014

To review performance for the first 11 months of 2013/14 and to agree any further actions arising to address performance issues.

39 - 52

6. WEST MERCIA ADOPTION SERVICE

To approve the future operating model for a West Mercia Adoption Service.

53 - 78

7. CLOSEDOWN OF HEREFORD FUTURES

To obtain approval to the arrangements put in place to accomplish the close down of Hereford Futures Ltd (HFL) on a solvent basis and to manage the effective operation of ongoing projects.

79 - 84

8. CHANGE OF INTERNAL AUDIT PROVIDER

To agree future service delivery arrangements.

85 - 94

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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 13 March 2014 at 2.00 pm

Present: Councillor AW Johnson (Chairman)

Councillors: H Bramer, JW Millar, PM Morgan, GJ Powell, PD Price and EPJ Harvey

In attendance: Councillors WLS Bowen, A Seldon, P Rone, J Stone and ACR Chappell

Officers:

73. APOLOGIES FOR ABSENCE

There were no apologies for absence from Cabinet Members.

Apologies for absence were received from Councillors: JA Hyde, Cabinet Support Member, JG Jarvis, Chairman Health and Social Care Scrutiny Committee, AJW Powers, Group Leader It's Our County.

74. DECLARATIONS OF INTEREST

There were no declarations of interest made.

75. MINUTES

RESOLVED: That the Minutes of the meeting held on 23 January 2014 be approved as a correct record and signed by the Chairman.

76. BUDGET MONITORING REPORT - JANUARY 2014

The Chief Financial Officer informed Cabinet that Council was now forecast to spend within its budget, an improvement of £2.4m compared to the October forecast reported to December Cabinet. The overall position in directorates remained broadly the same but the forecast position had improved due to the successful bid for a capitalisation directive for use on one-off transformation expenditure. . In addition the integration of Public Health Services within the Council had led to joint working creating efficiencies in Public Health, Adults Wellbeing and Children's Wellbeing.

The Leader thanked Members for their support in setting the budget and the Chief Executive, the Chief Financial Officer, Directors, Cabinet Members and the wider team for their work. In response to a question asking for assurance on capacity within the Adult Wellbeing budget, the Cabinet Member, Health and Wellbeing advised that Members were aware of the decisions made to provide capacity and did not feel that any further assurance could be provided than had already been given. He added it should not be forgotten the significant contribution that other directorates had made in reducing the overspend which had helped change the budget situation. In response to a question on revenue improvements the Director, Economy, Communities and Corporate advised that planning applications had increased and usage of car parks was ahead of what had been anticipated.

RESOLVED

THAT:

- a) Cabinet noted the Council is projected to spend on budget, an improvement of £2.4m on the October position; and**
- b) Cabinet agreed the arrangements for future budget monitoring.**

77. HOME TO SCHOOL TRAVEL

The Cabinet Member, Young People and Children's Wellbeing reminded Cabinet of the discussions following the February Council meeting, when there had been confusion over the decision of Council. He advised of the 12 month delay that had been agreed to allay any confusion. He reminded Cabinet that it had been agreed not to bring changes in for children in their GCSE year. However, following Group Leader discussions the changes would now take effect per year as children entered primary school at age four and high school at age 11 and would not affect those children already in school. The Council had approved one off funding to maintain the current situation with the policy changes coming into effect in 2015. Members welcomed the 18 month breathing space given, which would allow schools, parents and bus companies to work together to make new arrangements.

Additionally, the Cabinet Member advised of the continued lobbying that had been carried out to get fairer funding for rural schools. Currently Herefordshire was the thirty ninth lowest funded for schools in the country. He advised that government had announced today an increase in funding for the lowest funded authorities, which for Herefordshire meant 2.9% increase from April 2015. This amounted to an extra £124 per pupil. The Leader expressed his thanks to all those involved in the lobbying. It was noted that although Herefordshire was still below the national average for funding, the gap had been reduced by 50%.

RESOLVED

THAT:

- a) the implementation date for the policy changes agreed by Cabinet in December 2013 be amended to September 2015, having the following effect:**
- b) to withdraw the Herefordshire free home to school transport policy eligibility based upon nearest and catchment school and replace with eligibility based upon:**
 - i) nearest suitable school with places;**
 - ii) where the nearest suitable school is in Wales, transport will be provided to that nearest school or the nearest school in England;**
- c) to withdraw from September 2015 free transport for Herefordshire post 16 years with SEN and replace with the requirement for all post 16 years with SEN to pay the same contribution as all other post 16 students;**
- d) to apply the policy change in b) only to those children newly entering a school from September 2015; and**

- e) the implications of these policy changes are reviewed annually or sooner in the event that the impact of the proposed changes is materially worse than anticipated.

78. RETENDERING OF ARTS COMMISSION GRANTS FOR 2014/15

The Cabinet Member Contracts and Assets reminded Cabinet that following the February Council decision; the previously withdrawn arts grant funding had now been reinstated for one year only. He informed Cabinet it would only be open to those arts groups that fitted the Councils core priorities and would only be for one year.

Members welcomed the change and felt it would be of great benefit to arts groups in order to help them become sustainable and aid them in accessing funding from other organisations.

RESOLVED

THAT:

- a) the arts commissioning grant budget be allocated in a single bidding round open only to those organisations which received funding from Herefordshire Council in 2013/14; and
- b) tenders for the commissions are prioritised on the basis of the proportionate impact upon groups with protected characteristics, contribution to achievement of the Council's priorities and degree to which the applicants can demonstrate how the funding will be used to support the organisation move to sustainability without future funding from Herefordshire Council.

The meeting ended at 2.30 pm

CHAIRMAN



MEETING:	CABINET – CORPORATE SERVICES
MEETING DATE:	10 APRIL 2014
TITLE OF REPORT:	2014/15 DELIVERY PLAN
REPORT BY:	DIRECTOR ECONOMY, COMMUNITIES & CORPORATE

1. Classification

Open

2. Key Decision

This is not a key decision.

3. Wards Affected

County-wide.

4. Purpose

To agree the projects and measures within the 2014/15 corporate delivery plan.

5. Recommendation(s)

THAT:

- (a) the corporate delivery plan be approved;
- (b) performance monitoring and delivery assurance arrangements are noted; and
- (c) assurance has been provided by directors that appropriate performance management systems are in place across all services, the Performance Plus corporate system is decommissioned.

6. Alternative Options

- 6.1 It is open to Cabinet to amend or revise the proposals, but in doing so regard must be made to ensuring any changes continue to demonstrate how the corporate plan is to be implemented and that the proposals can be delivered within the agreed budget.

7. Reasons for Recommendations

- 7.1 Cabinet is asked to approve the projects that will be used to demonstrate how the priorities for the council are to be delivered. Quarterly reports will be presented to Cabinet on performance against delivery of the agreed projects and achievement of the measures, as well as a financial summary for each directorate.
- 7.2 Directorates will brief the relevant overview and scrutiny committee on performance issues on a quarterly basis.

8. Key Considerations

- 8.1 The draft delivery plan is attached at Appendix A; however the plan will remain a live document and will continue to evolve through the year. This will enable Cabinet to assure itself that resources are being appropriately applied to meet priorities.
- 8.2 The delivery plan has been aligned to the corporate priorities agreed in the Corporate Plan 2013-15. The delivery plan is at Appendix A.
- 8.3 A number of proposed measures are currently being defined and resources being identified in some circumstances. Targets are being established to support performance monitoring; some of these rely on the availability of year-end outturns to better inform the target setting process. The year-end performance report is due to be presented to Cabinet on 15th May. In addition, a set of measures and associated actions are being developed to cover the area of health & safety, which will demonstrate the council's ability to provide its staff with a safe working environment.
- 8.4 Sitting above the delivery plan will be a corporate performance dashboard, comprising of a high level set of measures that will demonstrate the council's progress towards achieving its priorities, and which will form the basis of the quarterly performance report. The dashboard is at Appendix B. The first quarter's performance report is now scheduled for Cabinet on 31st July, and the second quarter on 13th November. Dates for further reports will be scheduled in the executive rolling programme.
- 8.5 This approach is reliant upon services and teams having robust performance management systems that will provide assurance that their performance is being delivered. Teams have a service plan and performance mechanisms in place to support the delivery of the organisation's corporate plan. Their performance will be monitored through directorates.
- 8.6 **Performance Assurance**

The attached appendices demonstrate the golden thread running from the council's priorities, how it will achieve them, how success will be measured and the key project milestones to be achieved within the overall plan.

Performance is a critical area of focus for the organisation which includes not losing control over the significant achievement made this financial year on budget control; there is however a step change in performance improvement required in the next twelve months that the chief executive and management board are focussed on.

Performance assurance will focus on a number of key areas which are outlined in the table below. The culmination of these activities will assure performance and report to Cabinet on key performance indicators, progress against change milestones, performance against budget, risk and Health & Safety. Performance against key performance indicators will be published on our website on a monthly basis.

Delivery Challenge	Assurance
Leadership	<ul style="list-style-type: none">• Performance improvement to be a key objective for every member of the Management Board; led by the Chief Executive.• Assessment against what good performance management looks like in each of the directorates in order to address any issues and to share best practice.• At least monthly review of directorate delivery plans at DMTs with exceptions reported to management board. Management Board

	<p>will review performance by exception at least once a month and take action including redirecting resources to ensure targets and milestones are achieved.</p> <ul style="list-style-type: none"> • Monthly update with Cabinet Members. • Quarterly performance report to Cabinet. • Directorates to brief Scrutiny on performance issues on a quarterly basis. • Managers to be responsible for ensuring that their staff are focused on delivering improvements in performance in the priority areas for both the directorate and the council. • Clarity around these arrangements will enable the council to focus on delivering performance improvement.
Project & Programme Management	<ul style="list-style-type: none"> • There are numerous project milestones to be delivered in 2014/15 (see Appendix A). Directors are responsible for ensuring the best project approach and that assurance arrangements are in place to assure delivery. • • This will need to take account of the fact that we have to manage both services that we deliver directly in-house, as well as those that we commission externally. • This is potentially a complex assurance picture which involves safeguarding boards, joint project arrangements with key partners and internal project/programme structures. It is important that each of these boards has assurance to meet its needs; one size does not fit all. • Cabinet have identified the key programmes of work for which they expect to see at least quarterly assurance updates.
Capacity & capability	<ul style="list-style-type: none"> • Performance roles have been restructured and capability developed/recruited to ensure we have the required skills to assist managers with performance management. • Transformation resources have been embedded within directorates and have direct reporting lines to senior managers who are accountable for change/performance improvement. Management Board has agreed a project management toolkit outlining key roles and responsibilities and a common language and framework. Directors will ensure that the toolkit is universally applied across projects and programmes. • Additional external capacity and expertise will be brought in on business case basis as required.
Profiling savings	<ul style="list-style-type: none"> • To date the budget report has been reported alongside the performance report; this will be more closely integrated. • Savings will be profiled month by month to allow monitoring and early identification of any risks to delivery. • This process will be supported by Internal Audit.
Individual Performance Management	<ul style="list-style-type: none"> • The individual performance management framework has been implemented and is based upon good practice which encourages an individualised approach and includes; regular performance conversations about performance, competencies/behaviours assessed and jointly scored, development needs identified, aspirations/motivations considered. • The Chief Executive has set specific expectations for each member of the Management Board. • HR Resourcing and Managing Performance policy has been changed to: <ul style="list-style-type: none"> ○ deal with underperformance more swiftly and fairly;

Further information on the subject of this report is available from Geoff Hughes, Director for Economy, Communities & Corporate on Tel (01432) 383514

	<ul style="list-style-type: none"> ○ deal with conduct issues more swiftly and fairly; ○ provide a wider range of recruitment and retentions tools to attract and retain talent. ● On line training providing access to learning across a range of development areas is now available.
Risk management	<ul style="list-style-type: none"> ● Risk management is embedded in project approaches and Directorate and Cabinet performance reviews.

- 8.7 The attached appendices describe a large programme of change to deliver the council's priorities. Much of this change critically requires activities to be co-ordinated across teams and organisations in order to deliver. Therefore, it is important to enable specific programmes of work the flexibility within the expected performance management frameworks; individual, directorate and organisation to operate most effectively.
- 8.8 The council needs to transform and modernise its operations, including rationalising the number of services, buildings and other overheads. This programme of transformation and efficiency also needs to include improving and reducing the number of ICT systems in use within the council.
- 8.9 These new performance arrangements reinforce the fact that the council must place an emphasis on delivering radical improvements in priority areas and reducing costs all across the organisation. We need to ensure that the council is consistently focused on delivering the key outcomes we are committed to.
- 8.10 Performance Plus was introduced in 2008 as the standard performance management tool used across the council. As part of our transformation and efficiency programme we need to increasingly manage performance jointly with other agencies, particularly across the health and social care interface. Performance Plus is not used by any of our partner agencies and is therefore not appropriate as a performance management tool for our future required. It is recommended that it is no longer used as the council's performance management system. The implementation of P+ was managed through the Herefordshire Connects IT programme; capital costs amounted to £463k and there have been ongoing revenue costs of £27k per annum; which would be saved following its decommissioning. Alternative, lower cost arrangements will be put in place, utilising the improved functionality of MS Office products which are common to all partners. There are now a wider and more flexible range of technical tools available that are much more specific to the needs of individual services. This can be demonstrated through projects such as the improvement of our website which have instead adopted an agile project management approach (supported by Pivotal Tracker). For traditional style projects, MS Project enables greater functionality in developing and tracking performance. Products such as MS SharePoint are also helpful in enabling further collaborative working.

9. Community Impact

- 9.1 The delivery plan demonstrates how the council intends to achieve its vision for the people of Herefordshire and continues to draw from the evidence base available through Understanding Herefordshire.

10. Equality and Human Rights

- 10.1 Increasing equality of opportunity and access, and reducing inequalities are clearly articulated outcomes within the agreed corporate plan. Individual elements of activity within the delivery plan undergo equality impact assessments as an integral part of their planning and implementation.

- 10.2 In demonstrating due regard to the council's Public Sector Equality Duty, in our decision making processes we will ensure that individual directorates and service areas assess the potential impact of any proposed project, leading to fairer, transparent and informed decisions being made.

11. Financial Implications

- 11.1 Proposals within the draft delivery plan will be delivered within the 2014/15 budget agreed by Council in February 2014, and include projects and activity to deliver the savings required for a balanced budget.

12. Legal Implications

- 12.1 In taking its decision in relation to the delivery plan, Cabinet will be aware that the implementation of these projects may have an impact on the affected users. However it is not committing itself to the implementation of specific policies or projects until it has carried out a full and detailed assessment of the likely impact as and where necessary. Those decisions will in turn address further equalities, consultation and practical matters without their outcome having been predetermined by the approval of either this delivery plan or the budget agreed by Council.

13. Risk Management

- 13.1 The corporate plan and its delivery plan are integral elements of the council's risk management framework. Risks associated with each objective and project are entered onto the relevant service or directorate risk register and escalated to the corporate register as appropriate. The corporate risk register is reviewed by the leadership team at the regular performance meetings and any significant risks are reported to Cabinet as part of the quarterly performance report.
- 13.2 The financial challenge and capacity to deliver the transformation necessary to both improve outcomes for people and deliver savings remains the most significant risk; performance and delivery monitoring and assurance processes have been strengthened, and the support of the Overview and Scrutiny Committees in the assurance process would be welcomed.

14. Consultees

- 14.1 The consultation undertaken immediately before Council set the budget in February provided a range of views which included insights into opportunities for meeting the budget pressures as well as ways in which proposals may need to be implemented to minimise any adverse impacts; these views will continue to inform delivery planning and implementation through the year and will be further enhanced by specific stakeholder consultations on individual projects as appropriate.

15. Appendices

- 15.1 Appendix A – Draft Corporate Delivery Plan 2014/15
- 15.2 Appendix B – Draft Performance Dashboard

16. Background Papers

- 16.1 None identified.

HEREFORDSHIRE COUNCIL

CORPORATE DELIVERY PLAN 2014/15

Herefordshire Council is continuing to work towards achieving the priorities as described in the corporate plan.

The following pages provide an overview of the priorities from the corporate plan for each of the directorates. It describes what each of the directorates aims to achieve over the coming year, along with an outline of the key actions that will be taken to achieve these goals, along with how success against the aims and the actions will be measured.

Progress will be reported on a quarterly basis and published in a transparent and open manner. Any challenges will be explained and any changes that are needed to be made to any actions will be reported and published.

**ADULTS WELLBEING
DIRECTORATE PRIORITIES 2014 -15**

<p>Corporate Plan Priorities</p> <ul style="list-style-type: none"> • Enable Residents to be independent and lead fulfilling lives • Create and maintain a successful economy <ul style="list-style-type: none"> ○ Encourage individuals, communities and organisations do more for themselves and for their local area ○ Good quality housing to meet everyone’s needs ○ People are physically and mentally healthy and stay safe for longer ○ Increased equality of opportunity and access to reduce inequality in health and wellbeing outcomes ○ Public services are prioritised to support those in need of services to maintain their independence of stay safe ○ People are active in their communities and look out for the more vulnerable so they can live more independently <p>Key Outcomes</p> <ul style="list-style-type: none"> • <i>More vulnerable people living safely, independently and remaining healthy (HC.01)</i> • <i>The proportion of people who use services and carers who find it easy to find information about support (HC.02)</i> • <i>Build homes for all tenures (HC.09)</i> • <i>Value for money will increase (HC.03)</i> 	
<p>What we want to achieve</p> <p>Reduce demand on Adult Wellbeing Services – Providing good information and advice <i>(Aligned and contributes to Public Health and Children’s Wellbeing priorities)</i></p>	<p>Key actions</p> <p>Development of coordinated and accessible face to face, telephone and web based information, advice and guidance provision across Herefordshire that builds on local community and third sector existing resource and a commissioning and procurement plan implemented for 1st April 14 with a specific focus on:</p> <ul style="list-style-type: none"> • Improving access and provision for Troubled Families, Disabilities and children in care/Care Leavers • Developing a e market place for care, information and advice • Through redesign ensure compliance with new duties as a result of the Care Bill, and the Childrens and Families Bill • Develop and locate a range of advice and guidance services and locate within communities e.g. Welfare rights clinics at doctors surgeries • Reduce those registered for rehousing through signposting to alternative options
	<p>How success will be measured:</p> <p>ASCOF – 3D - The proportion of people who use services and carers who find it easy to find information about support LOCAL</p> <ul style="list-style-type: none"> • People are able to access information and advice through a range of communication channels • A high performing information and advice service is in place and proactively monitored and evaluated • People are able to access a range of advice services within their communities • % reduction of those registered on Home point

<p>Reduce demand on Adult Wellbeing Services – Introducing the FACE Assessment and Resource allocation System</p>	<ul style="list-style-type: none"> • Replace the existing departmental assessment pro formas with the FACE RAS assessment tool • Ensure FACE RAS is accurately calibrated against an existing cohort of service users and integrated into our present IT Systems • Ensure all staff are trained to a competent standard to use the new system • Monitor and evaluate the implementation • Evaluate the impact on spend pattern throughout the year • Implement a clear policy on FACS criteria to ensure equitable delivery of service and resources are targeted in those most in need • The new policy <i>Community Care and Meeting Your Needs</i>; offer of service is near completion - Ensure the policy is ratified and all staff, public and relevant stakeholders are aware of the policy and implement it consistently across service user groups 	<p>ASCOF -1C – Proportion of people using social care who receive self-directed support, and those receiving direct payments LOCAL</p> <ul style="list-style-type: none"> • The assessment will be more rigorous and consistently linked to assessed needs. • The allocation of financial resources will be more consistently equitable between people. • Assessments outcomes of need will be cleared and realistically linked to the resource base of the department thereby reducing the overspend
<p>Reduce demand on Adult Wellbeing Services – Streamlining the customer Journey and satisfaction from first point of contact with the Assessment and Referral Team through to allocation of care package</p>	<ul style="list-style-type: none"> • Analyse the existing customer journey from first point of contact to approval and implementation of the complete range of provision • Undertake detailed business and planning process to ensure the most efficient route from first point of contact to service delivery • Ensure that the process enables speedy referral to key providers • Redesign brokerage process and procedures in order to ensure efficient and effective implementation of care packages • Rapid response services to enable hospital discharge have been undertaken for many years by the handyperson service, and need to be embedded within the analysis work 	<p>ASCOF – 3A – Overall satisfaction of people who use services with their care and support LOCAL</p> <ul style="list-style-type: none"> • People making contact with the Assessment and Referral Team who are eligible for a service will be identified more quickly • Waiting lists for assessment and service will be reduced. • Assessments and service/spend approval will take place more quickly. • More cases will be processed within the appropriate Performance Indication guideline • Speed from care package authorisation to delivery to the service user

<p>Reduce demand on Adult Wellbeing Services - Homelessness Prevention <i>(Aligned and contributes to Public Health and Children's Wellbeing priorities)</i></p>	<p>Ensure that a range of housing options and advice services are available so that, together with our housing partners, we prevent homelessness and its associated impacts wherever possible with a specific focus on:</p> <ul style="list-style-type: none"> • Troubled Families, Disabilities all ages and Looked after children/Care Leavers 	<p>LOCAL</p> <ul style="list-style-type: none"> • No more than 55 households in temporary accommodation at any one time. • No households in B & B (excludes use as a result of an emergency e.g. flooding/fire) • No more than 15 rough sleepers as reported to DCLG (Department of Communities and Local Government)
<p>Reduce demand on Adult Wellbeing Services – Improving our rapid response assessment and short term care services to prevent people being unnecessarily admitted to hospital and to ensure speedy, safe and effective discharge</p>	<ul style="list-style-type: none"> • Undertake an analysis of how our rapid response services operate in a variety of contexts (including hospital discharge) • Analyse ways in which the service can become more flexible and responsive in relation to local demand • Implement the necessary changes within the established resource base • Active contribution to system wide urgent care commissioning and procurement plans 	<p>ASCOF – 2C- Delayed transfers of care from hospital, and those attributable to adult social care</p> <p>LOCAL</p> <ul style="list-style-type: none"> • The service is redesigned to meet clearly identified points of demand. • Service reconfiguration completed. • Service complies with improved measures of responsiveness.
<p>Reduce demand on Adult Wellbeing Services – Clearly define our approach to people who are able to pay for their own care independently</p>	<ul style="list-style-type: none"> • Draft and ratify the necessary policy and procedure consistent with the necessary statutory framework • Ensure all staff are aware of the policy and can advise service users in a consistent way • Prepare for Care Bill implementation and financial model • Monitor compliance with policy and procedures once implemented 	<p>LOCAL</p> <ul style="list-style-type: none"> • The Policy is ratified as required within Departmental Governance arrangements. • All staff receive a copy of the policy • All staff are briefed on the application of the policy • Budget spend is reduced. • Recovery of payments increases
<p>Reduce demand on Adult Wellbeing Services – Support for Carers <i>(Aligned and contributes to Public Health and Children's Wellbeing priorities)</i></p>	<ul style="list-style-type: none"> • Increase the services available to carers to support them in their caring role and in their everyday lives, including specialist information and advice services. • Involve carers (all ages) in the design and implementation of new health, housing and adult social care services • Commissioning of a range of short break services for carers 	<p>ASCOF – 1D – Carer reported quality of life</p> <p>ASCOF – 3C – The proportion of carers who report that they have been included or consulted in discussions about the person they care for</p>

		<p>LOCAL</p> <ul style="list-style-type: none"> Decrease in the number of referrals to services arising from the breakdown of carer support Increase in the number of Carer's Assessments
<p>Targeted Care and Support – Personal Budgets</p>	<ul style="list-style-type: none"> Ensure that all community based adult social care service users have a Personal Budget. Service users will have the option of taking this budget either as a Direct Payment, Individual Service Fund, Pooled Budget or a combination. Promote the benefits of direct payments through new DP Advisor roles within locality teams Implement better ways to manage Direct Payments, i.e. pre-paid cards Better use of the Direct Payment Monitoring service provided by Hoople Alignment and share learning with development and implementation of personal health budgets and those for transitions 	<p>ASCOF -1C – Proportion of people using social care who receive self-directed support, and those receiving direct payments</p> <p>LOCAL</p> <ul style="list-style-type: none"> 50% of direct payment services users have a pre-paid card Audit of direct payment monitoring with 90% compliance achieved
<p>Targeted Care and Support – Assistive Technology <i>(Aligned and contributes to Public Health and Children's Wellbeing priorities)</i></p>	<ul style="list-style-type: none"> Ensure telecare becomes part of the core prevention offer for people who are at risk of hospital admission or when residents are discharged from hospital Re-commission telecare services to ensure services meet the needs of residents and the implementation of the service include telecare advisors to increase the take up of telecare services Encourage those who fund their own care to use telecare services as part of their own health and social care plans through information, advice and guidance services Ensure the telecare core offer address all ages with a specific reference to children with disabilities Review of safeguarding practice and function Support vulnerable adults to remain living within their communities and those living in care homes by putting in place a robust system of protection for those who are at risk of 	<p>ASCOF – 2B – Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services</p> <p>LOCAL</p> <ul style="list-style-type: none"> 70% of support plans containing elements of assistive technology
<p>Targeted Care and Support – Safeguarding Adults to ensure that people are free from physical and emotional abuse, harassment,</p>		<p>ASCOF – 4B – Proportion of people who use services who say that those services have made them feel safe and secure</p> <p>ASCOF – 4C – Proportion of completed</p>

<p>neglect and self-harm</p>	<p>exploitation or harm and do not have capacity to make decisions for themselves</p> <ul style="list-style-type: none"> • Ensure that there are robust Deprivation of Liberty Safeguards processes in place • Development and implementation of Adult Safeguarding Board and improvement plan 	<p>safeguarding referrals where people report they feel safe</p> <p>LOCAL</p> <ul style="list-style-type: none"> • Performance monitoring and reporting for all participant partners on safeguarding adult measures to be reported to the Safeguarding Board • Percentage of investigations which were concluded within 28 days of the decision to investigate
<p>Targeted Care and Support - Home and Community Support</p>	<ul style="list-style-type: none"> • Commission a range of community based interventions, including domiciliary care, day opportunities or building based day support for people with complex care needs using a framework approach. This will provide service users and carers with choice and flexibility and also promote a higher level of diversity in the market including micro providers and larger organisations, third sector and community interest companies 	<p>ASCOF – 3A – Overall satisfaction of people who use services with their care and support</p> <p>LOCAL</p> <ul style="list-style-type: none"> • The new Home and Community support framework contains a diverse mix of providers to enable choice for service users and their families
<p>Targeted Care and Support. Review the current arrangements for local welfare fund provision in order to ensure the best method of utilisation and management to meet local demand.</p>	<ul style="list-style-type: none"> • Consult with key stakeholders on current policy and provision to establish best utilisation of the fund. • Develop a clear interface between foodbanks, welfare advice and emergency services with a prevention focus • Ensure the revised policy is ratified and implemented consistently. • Ensure that the public and relevant stakeholders are also aware of the policy 	<p>LOCAL</p> <ul style="list-style-type: none"> • Audit trail of relevant consultations has taken place • Clear policy on the management of future unspent funds • Review of SLA completed • Arrangements in place and monitored • Ensure wider publicity and briefing of stakeholders
<p>Targeted Care and Support – Devise a clear deferred payment policy in order to enable service users choice in managing their assets</p>	<ul style="list-style-type: none"> • Implement new policy incorporating the implementation of an Administration Fee • Ensure the policy is ratified and all staff are aware of the policy and implement it consistently across service user groups • Ensure that the public and relevant stakeholders are also aware of the policy and that it is accessible on the internet 	<p>LOCAL</p> <ul style="list-style-type: none"> • Policy completed and ratified • Audit trail of all managers and staff briefed on the policy • Publicity and audit trail of stakeholder briefing

<p>Managing the provider market - Market Management</p>	<ul style="list-style-type: none"> Reshape the provider market through a three year commissioning plan thereby enabling service users and carers to exercise choice and control. Providers, large and small will be able to develop sustainable business models, and we will seek economies of scale through encouraging local partnerships and consortiums. Development and publication of our Market Position Statement and ongoing provider forums to further develop the market collaboratively. 	<p>ASCOF – 3A – Overall satisfaction of people who use services with their care and support LOCAL</p> <ul style="list-style-type: none"> Market Position Statement 2014 approved and published Delivery of Commissioning Programme 2014 within timescales and budget
<p>Managing the provider market - Specialist Housing Supply and Independent Living</p>	<ul style="list-style-type: none"> Coordinate a range of supported and specialist housing across Herefordshire with specific reference to increasing the housing options available for older people and people with a physical disability in partnership with private developers and affordable housing providers. Encourage private developers to build mixed developments to balance the housing market creating lifetime communities, to reduce overcrowding, the use of temporary accommodation, increased housing choice for older people and vulnerable households 	<p>LOCAL</p> <ul style="list-style-type: none"> Number of homes built for older and vulnerable persons in line with demographic need 140 new affordable homes built and acquired Clear housing needs assessment for all vulnerable groups to inform commissioning plan Review of older persons housing needs assessment completed
<p>Managing the provider market – Safe, Warm and Affordable Homes to live in</p>	<ul style="list-style-type: none"> Support the development of affordable housing in communities, taking forward interventions that reduce fuel poverty and through Disabilities Facilities grant funding enable people to maximise their independence and reduce reliance on social care through housing adaptations Strategic review of Home Improvement Agency and Handypersons services 	<p>LOCAL</p> <ul style="list-style-type: none"> % increase in the provision within agreed timescales of DFGs Maximise use of HIA and Handypersons statutory and prevention services Ensure 100% of all affordable is built to lifetime homes Ensure that all affordable homes are built to the minimum level of code for sustainable homes Tool kit developed for the assessment of need and delivery of affordable homes in rural communities

<p>Increased integration – Integrated Commissioning <i>(Aligned and contributes to Public Health and Children's Wellbeing priorities)</i></p>	<ul style="list-style-type: none"> Development and implementation of an integrated commissioning plan, which reflects the joint priorities that are identified through in the JSNA and is supported by a joint investment and disinvestment model aligned to the Better Care Fund 	<p>LOCAL</p> <ul style="list-style-type: none"> Robust needs data for all vulnerable client groups to inform the commissioning plan
<p>Increased integration – Better Care Fund programme <i>(Aligned and contributes to Public Health and Children's Wellbeing priorities)</i></p>	<p>Development of a joint delivery programme between Health and Social Care utilising the Better Care Fund. Further scoping/definition work underway but will include:</p> <ul style="list-style-type: none"> Care closer to home project Transformation of communities hospitals Promotion of ambulatory care Development and implementation of 7 day services Implementation of all ages mental health pathway Review of acute and primary care 	<p>LOCAL</p> <ul style="list-style-type: none"> A greater proportion of people aged 18 and over suffering from a long term condition feeling supported to manage their condition. % reduction in avoidable hospital admissions for both adults & children

**CHILDRENS WELLBEING
DIRECTORATE PRIORITIES 2014 -15**

<p>Corporate Plan Priorities</p> <ul style="list-style-type: none"> ● Enable Residents to be independent and lead fulfilling lives <ul style="list-style-type: none"> ○ Protecting children and giving them a great start in life ○ Access to excellent education and learning opportunities at all levels ○ Outcomes for children and young people improve ○ Increased equality of opportunity and access to reduce inequality in health and wellbeing outcomes ○ Public services are prioritised to support those in need of services to maintain their independence of stay safe ○ People are active in their communities and look out for the more vulnerable so they can live more independently <p>Key Outcomes</p> <ul style="list-style-type: none"> ● <i>Proportion of pupils attaining 5 GCSE's A-C including English and Maths (Top quartile nationally by 2016) (HC.04)</i> ● <i>The attainment gap at age 16 between free school meal pupils and their peers (Top quartile nationally by 2016) (HC.05)</i> ● <i>Improve Ofsted rating of Safeguarding Children to be good by 2016 (HC.06)</i> ● <i>Value for money will increase (HC.03)</i> 	<p>Key actions</p> <ul style="list-style-type: none"> ● Develop school to school support carried out in partnership with the Herefordshire School Improvement Partnership ● Further develop the 'Closing the gap approach' so children/young people identified as vulnerable and/or who are not achieving are tracked. Where settings are not confident that the child/young person will meet the expected level at the next key stage, a multi-disciplinary plan is put in place and monitored. 	<p>How success will be measured:</p> <ul style="list-style-type: none"> ● An annual report on attainment and progress which includes analysis of all vulnerable groups and schools – target next quartile up by end of 2014/15 (annual) ● Percentage of pupils attending a school and or setting that is good and or outstanding <ul style="list-style-type: none"> ○ 2014/15 % target – Primary 85% Secondary 90% ○ 2015/16 % target - Primary 90% Secondary 95% <p>PHOF 1.02 School readiness of all children but also those on free school meals (% achieving a good level of development at the end of reception; % of year 1 pupils achieving expected level in phonics)</p>
<p>What we want to achieve</p> <p>Education Outcomes</p> <p>Improve the educational attainment and progress so that Herefordshire is in the top quartile in 2016.</p> <p>This includes Looked After Children and other vulnerable groups particularly in relation to progress gaps compared to their peers <i>(Aligned to Public Health)</i></p>		

<p>Reduce the number of young people who are not in education, employment or training so we are in the top quartile of performance nationally and those whose destination is not known across Herefordshire to less than 2% locally <i>(Aligned to Public Health and Adults Wellbeing)</i></p>	<ul style="list-style-type: none"> Proactively monitor the implementation of the Marches Skills plan with particular reference to Herefordshire Review the experiences of young people and the impact of programmes to inform and develop practice on a monthly basis. Include evidence from public health lifestyles survey on those Not in Education Employment or Training For those with learning difficulties and disabilities, the development of a wider range of support into employment through the work of the 16-25 Development Group 	<ul style="list-style-type: none"> Percentage of young people not in employment education or training 5.5% target Percentage of young people whose destination is not known. 2% target Annual analysis of September Guarantee and Youth Contract. Number of Young People aged 16-25 with Learning Difficulties and Disabilities supported into employment. <p>PHOF 1.05 NEET (% of 16-18 year olds not in education, employment or training)</p>
<p>High quality, financially sustainable schools across Herefordshire</p>	<ul style="list-style-type: none"> Develop long term proposals for school provision to include capital options. Review implications for revised national school funding formula in particular its relevance to the demographics of Herefordshire. Review the demand and capacity for specialist places within the county 	<ul style="list-style-type: none"> Strategic Education Board review of finance Via termly reports on the numbers placed in specialist provision Measures – per capita spend and number of schools reporting deficit. Aim no more schools going into deficit
<p><u>Implementation of Childrens & Families Act/ Children with Disabilities</u> Develop and implement Children with Disabilities strategy that incorporates the delivery of the education, health & care plan <i>(Aligned to Adults Wellbeing & Public Health)</i></p>	<ul style="list-style-type: none"> Establish strategy and action plan, involving the Clinical Commissioning Group, Public Health, Adults Wellbeing and other partners May 2014 Implement personal budgets Development of a high quality 'Local Offer' of information, services/provision in collaboration families and providers in liaison with the development of information and advice guidance services with Adults Wellbeing 	<ul style="list-style-type: none"> Statutory requirement met for Education Health and Social Care plans (Central Government to determine) (Implementation Sept 2014) All eligible young people offered personal budget from Sept 2014 – target of 30 in 2014/15 Education health and care plans are produced to 20 week timescale from Sept 2014
<p>Redesign of a Children with Disabilities service that is fit for purpose and meets statutory requirements</p>	<ul style="list-style-type: none"> Establish scope of a transformed service to merge with complimentary services to provide an integrated model Implementation of Children with Disabilities service redesign to 	<ul style="list-style-type: none"> Support more young people in to local services A reduction in use of institutionalised

<p><u>Re-shaping integrated services for families</u> Redesign and full implementation of the families first (troubled families) programme across Herefordshire <i>(Aligned to Adults Wellbeing and Public Health)</i></p>	<p>ensure the appropriate targeting of services to meet the needs of the client group.</p> <ul style="list-style-type: none"> • Explore feasibility of community service to support families in South Wye with view to rolling out county wide • Improve data sharing, to provide greater understanding of needs to improve/commission services across the partnership • Plan for next 5 year programme and significant increase in the number of families needed to be identified, services to support and evidence of improvement. 	<p>care</p> <ul style="list-style-type: none"> • A reduction of spend in institutionalised care • Target 16-18 cases being worked on by each social worker • Number of families turned around – target of 184 families and amount of reward grant received target is £240k 2014/15
<p>Develop and implement a whole systems framework to manage family pathways from early help to statutory intervention. <i>(Aligned to Adults Wellbeing, Public Health and the Police)</i></p>	<ul style="list-style-type: none"> • Refresh level of needs and guidance including the use of the common assessment framework and re-launch • Consult develop and agree the priorities/actions needed to manage the family pathways • Market and community development to increase the effectiveness of universal services in dealing with family issues • Review and develop Information Advice and Guidance so families can help themselves • Ongoing review and evaluation of effectiveness of preventative / early intervention approach 	<ul style="list-style-type: none"> • 20% Reduction in the number of families being referred to higher level of need services • Increase in universal services and communities dealing with low level issues themselves • 16-18 cases being worked on by each social worker • 70% of audits demonstrate that there is a consistent application of thresholds across agencies
<p>The delivery of a 16+ service that is fit for purpose and meets statutory requirements <i>(Aligned to Public Health lifestyles survey)</i></p>	<ul style="list-style-type: none"> • Establish scope of a transformed service including the potential to merge with complimentary services to provide an integrated model • Implementation of an integrated youth support service to reduce duplication of service provision to young people; improving the quality and continuity of service provision. 	<ul style="list-style-type: none"> • A number of young people in appropriate housing, in employment education or training. • 80% of young people have access to dental services • 80% of young people have access to GP services • Number of Children accessing work experience and interview support provided by the businesses of Herefordshire

<p>Placing looked after children locally wherever possible through the development of placement and support services</p>	<ul style="list-style-type: none"> • A Herefordshire Intensive Placement Support service is commissioned and operational to reduce the number of children in residential and out of county placements, and reduce the associated costs. • Reconfiguration of the Childrens Centres to a hub & spoke model of provision; with the local authority provision being targeted on the most vulnerable as part of the redesign of the 0-5 provision across the partnership • Redesign of the delivery of supervised contact, parenting assessment and Families Group Conferencing from within the Early Help service. 	<ul style="list-style-type: none"> • Children will be placed in family based settings in county to enable them to experience the best possible care and achieve their full potential • 80% of customers are satisfied with the changed provision. • 25% reduction in the number of cases stepped up to Multi Agency Group discussion. • Achievement of cost reductions; Children centres £570k and Looked After Children support service transfer from Action for Children £80k
<p>Redesign of councils provision of Early Help services</p> <ul style="list-style-type: none"> • Children Centre provision options • Supervised Contact review • Restructure of Early Help to target most vulnerable <i>(Aligned to Public Health)</i> 	<ul style="list-style-type: none"> • Decision making on the same working day of the contact, through the recommendation of a Qualified Social Worker, and to achieve completion of assessments within timescale. • Decisions made within agreed timescales within the whole system; i.e. within the multi-agency safeguarding hub, the children in need teams and the looked after children teams • Children receive the support and protection they need in a timely manner. 	<ul style="list-style-type: none"> • 95 % of contacts and referrals received progressed within 24 hours • CP visits completed within timescale • LAC visits completed within timescale
<p>Operational Improvement Ensure improvement in the timeliness and quality of practice within Safeguarding & Early Help</p>	<p>Design, develop and implement phase 2 of the workforce development strategy and 14/15 Workforce Training programme across Childrens Wellbeing. To include:</p> <ul style="list-style-type: none"> • Recruitment and retention plans • Workforce induction and development • Leadership and engagement • Working tools, equipment and environment • Workload and case allocation • Supervision and performance management 	<ul style="list-style-type: none"> • Increased average tenure (leavers and current interim & perm staff). • Profile - % of established roles filled by interim staff (reduced to <30%) • Social Worker attrition rate (<5) • Average caseload (18)
<p>Developing of joint services with other organisations</p>	<ul style="list-style-type: none"> • Establish a partnership with other local authorities across the region to deliver adoption services • Review other opportunities for service delivery on behalf of / or in conjunction with other organisations 	<ul style="list-style-type: none"> • Increased income to authority as we deliver services for other local authorities

**ECONOMY, COMMUNITIES & CORPORATE
DIRECTORATE PRIORITIES 2014 -15**

<p>Corporate Plan Priorities</p> <ul style="list-style-type: none"> • Create and maintain a successful economy <ul style="list-style-type: none"> ○ Encourage individuals, communities and organisations do more for themselves and for their local area ○ Supports economic growth & connectivity (includes broadband, local infrastructure, transport and economic development) ○ Supports the improvement in quality of our natural and built environment ○ Embraces new ways of responding to changing pressures (includes sustainable & more local water, fuel and food supplies) ○ Has vibrant town centres with shops, restaurants and leisure facilities that keep people spending locally <p>Key Outcomes (Communication messages)</p> <ul style="list-style-type: none"> • <i>Improved road conditions (HC.07)</i> • <i>Increase median wages in the county faster than the West Midlands region (HC.08)</i> • <i>Build more homes for all tenures (HC.09)</i> • <i>Value for money will increase (HC.03)</i> 	
<p>What we want to achieve</p> <p>Better maintenance of existing roads Major investment in the highway asset to deliver sustained improvement in road condition.</p> <p>Build new road infrastructure to support growth Complete the Hereford City Centre Link Road scheme which supports/enables regeneration of the urban village by providing access to development area. Develop Belmont Transport Package which will include a new road link from the A49 – B4349 (1st phase of Western Relief Road) to support development of the Hereford Enterprise Zone with associated new jobs and to enable new housing.</p>	<p>Key actions</p> <ul style="list-style-type: none"> • Implement a programme of road condition improvements across the county through a targeted asset management strategy • Deliver Public Realm Annual Plan with Balfour Beatty Living Places • Secure Compulsory Purchase Order Hereford City Centre link road • Commence construction works in Spring 2015 subject to funding • Secure planning application for new road
	<p>How success will be measured:</p> <ul style="list-style-type: none"> • Improved road conditions • Reduced number of people killed and seriously injured in road traffic collisions in Herefordshire • This will eventually deliver 800 houses and 760 jobs • This will eventually deliver new jobs and enable new housing.

<p>Revise and deliver transport strategy Review and deliver transport strategy to support access and economic growth and to support the Core Strategy and secure funding</p>	<ul style="list-style-type: none"> Local Transport Plan (LTP) adopted by full council Continue to deliver Choose How You Move (CHYM) project. Bus network review carried out. Integrated commissioning of home to school transport and public transport for Herefordshire 	<ul style="list-style-type: none"> Transport strategy in place to guide investment in new infrastructure to support growth and sustainable transport Increased levels of cycling Local Congestion – Improve average journey time per mile in Hereford City during the morning peak Local Congestion – local bus punctuality
<p>Deliver waste strategy improvement to reduce cost, increase recycling and reduce CO2 emissions</p>	<ul style="list-style-type: none"> Implement alternate weekly collection of waste and recycling. Deliver Joint Energy from Waste contract with Worcestershire 	<ul style="list-style-type: none"> Reduction in residual waste per household Improved % of household waste sent for reuse, recycling and composting. Reduced % of municipal waste going to landfill
<p>The Marches (Hereford) Enterprise Zone We will manage the development of the Hereford Enterprise Zone in Rotherwas. Create employment and facilitate business expansion through provision of serviced employment land.</p>	<p>Manage the development of the Hereford Enterprise Zone including:</p> <ul style="list-style-type: none"> The provision of serviced employment land to the market. The promotion and sales of development plots. The creation of a range of business support networks and activities. 	<ul style="list-style-type: none"> 12 enterprises locating on the EZ 60 acres of land sold 23,000 square metres workspace developed 1,500 Job opportunities identified in investment commitments made on site 450 jobs created directly and working on site
<p>Improve the skills / knowledge base within the County</p>	<ul style="list-style-type: none"> Progress thinking for a Herefordshire University, developing the business case and identifying possible land. 	
<p>Influence the increase in employment throughout Herefordshire and increase in the average wage levels</p>	<ul style="list-style-type: none"> Work with local businesses, partners and agencies across Herefordshire and the West Midlands to increase employment Work with local businesses, partners and agencies across Herefordshire and the West Midlands to increase the average wage levels 	<ul style="list-style-type: none"> Increase the % of the working population in employment Increase earnings (workplace based) and narrow the gap between the county and the region
<p>Local Development Framework Progress towards the preparation of an up to date and comprehensive planning policy framework for the County. The Framework will comply with the National Planning Policy Framework and enable housing and economic growth in Herefordshire whilst</p>	<ul style="list-style-type: none"> Publication of draft Core Strategy by Spring 2014 Core Strategy to be submitted to the Secretary of State by Autumn 2014. Adoption of Core Strategy by end of 2014 Preparation of draft Hereford Area Plan and Gypsy/Traveller Plans Publication of Annual Monitoring Report (AMR). 	<p>During the period up to 2031, this will eventually enable the:</p> <ul style="list-style-type: none"> Development of 16,500 houses. Delivery of 148 hectares of employment land. Completion of a Hereford Transport Strategy, including a Hereford Relief

<p>protecting its unique environment.</p>	<ul style="list-style-type: none"> • Draft Community Infrastructure Levy (CIL) Charging Schedule published for consultation by Autumn 2014. 	<p>Road.</p> <ul style="list-style-type: none"> • The CIL, anticipated Spring 2015, will provide a more transparent means of gaining funds for infrastructure.
<p>Broadband Provide greater Broadband coverage and take up by residents and businesses, by the delivery of broadband infrastructure.</p>	<ul style="list-style-type: none"> • Oversee the management and implementation of new broadband infrastructure throughout the county. • Raise awareness of the new broadband network to generate up-take. • Seek additional funding for greater coverage and maximise coverage in deeply rural areas. • Operate a voucher scheme to invest in additional connectivity where need is demonstrated. • Operate the CREATE international programme to stimulate business support. • Operate the Digital Inclusion Programme that encourages greater use of broadband to enable access to services and facilities. • Increased 2G coverage in not-spot in the county. 	<ul style="list-style-type: none"> • % of premises with the potential to access >2Mbps broadband across the county by end of 2016. • % of premises with the potential to access NGA broadband services by the end of 2016. • % of premises with the potential to access fibre broadband services by end of 2018.
<p>Community Development Support people to be active in their community by encouraging greater involvement in local decision making and service delivery</p>	<ul style="list-style-type: none"> • Run a programme of devolved service and asset transfers involving local councils and voluntary sector organisations • Establishment of community libraries • Further development and extension of the lengthsman scheme for parish and town councils. • Provide development support for social enterprises, statutory partners and voluntary groups, including negotiating and administering funding programmes and accessing external funding. • Implement Community Safety programme and strategy. 	<ul style="list-style-type: none"> • Increase the % of people who feel safe in their local area • Amount of external funding secured. • % of parish and town councils part of the lengthsman scheme.
<p>Resources Make best use of the resources available to us.</p>	<ul style="list-style-type: none"> • Manage our finances effectively to secure value for money and deliver a balanced budget. 	<ul style="list-style-type: none"> • Spend within the council's overall budget • Any Directorate overspend to be approved by Cabinet with a compensating underspend • 98.5% of Council Tax and Business

<p>Improve Residents Satisfaction To enable residents and businesses to access service in the most effective and cost efficient way.</p>	<ul style="list-style-type: none"> Increased self-service options for customers via web and pay points, and self-issue for libraries. Provide a range of services in the market towns and Hereford City operated by the local authority and different organisations. 	<p>Rates are collected</p> <ul style="list-style-type: none"> New Housing Benefit Claims are dealt with in less than 20 working days Increase the number of web and pay point transactions. Progress co-location of services in the market towns and Hereford city Improve residents overall satisfaction with the council from 51% Improve web satisfaction
<p>Controlling/reducing the corporate on-cost; in order that we maximise the percentage of budget spent on services to residents</p>	<p>Implementation of actions to deliver the changed service delivery model that will achieve the financial savings including;</p> <ul style="list-style-type: none"> Back scanning and day forward scanning to improve effectiveness and reduce the capital costs of holding paper Role based access to systems to ensure data security and appropriate staff access to systems required to do the job Technical devices; ensure staff have the technical tools/devices to do the job effectively Infrastructure light; optimise new technology to ensure costly physical technology assets are minimised thereby reducing costs. Collaboration; deliver a range of ways for our staff, other partners and stakeholders to work effectively together and share information safely Ongoing asset and contract management to deliver service requirements at least cost 	<ul style="list-style-type: none"> Reduce the amount we spend on back office services as a percentage of overall budget Reduce total council full time equivalent Reduce the total cost of the workforce Reduce the council's agency spend
<p>Improve capability; ensuring we have the skills, knowledge and tools to do the job well</p>	<ul style="list-style-type: none"> Performance Management including talent management Leadership and Management development Refreshed Organisation target operating model Further review of T&Cs Recruitment framework 	<ul style="list-style-type: none"> Improve employee engagement rates in the slimmer staff survey Reduce sickness absences Improve mandatory training completion rate Improve appraisal completion rate

PUBLIC HEALTH PRIORITIES 2014 -15

Corporate Plan Priorities <ul style="list-style-type: none"> • Enable Residents to be independent and lead fulfilling lives • Keep children and young people safe and give them a great start in life • Increased equality of opportunity and access to reduce inequality in health and wellbeing outcomes • People are physically and mentally healthy and stay healthy for longer • People are able to take more responsibility for themselves • Public services are prioritised to support those in need of services to maintain their independence of stay safe 	
Key Outcomes <ul style="list-style-type: none"> • <i>More vulnerable people living safely, independently and remaining healthy (HC.01)</i> • <i>Value for money will increase (HC.03)</i> 	
What we want to achieve Improve substance misuse services for the people of Herefordshire	Key actions <ul style="list-style-type: none"> • Review existing drug and alcohol misuse services and pathways • Ensure specifications and contracts reflect the requirement for health equity audit and universal proportionalism for equal access for vulnerable populations, e.g. LAC and people with disabilities. • Re-design service provision to meet the needs of the population • Commission cost-effective drugs and alcohol service provision
Improve sexual health services for the people of Herefordshire	Key actions <ul style="list-style-type: none"> • Review existing sexual health services and pathways • Ensure specifications and contracts reflect the requirement for health equity audit and universal proportionalism for equal access for vulnerable populations, e.g. LAC and people with disabilities. • Re-design service provision to meet the needs of the population • Commission cost-effective sexual health service provision
Improve public health services for children and young people (CYP) to improve outcomes and reduce demand on health and social care services	Key actions <ul style="list-style-type: none"> • Complete CYP integrated needs assessment • Review CYP public health services including school nursing and oral health • Ensure specifications and contracts reflect the requirement for health equity audit and universal proportionalism for equal access for vulnerable populations, e.g. LAC and people with disabilities.
How success will be measured: <ul style="list-style-type: none"> • Service reviews completed • Re-design completed • Services commissioned • Reduce the Alcohol-attributable admissions DSR per 100,000 (NI39) 	
<ul style="list-style-type: none"> • Service reviews completed • Re-design completed • Services commissioned • Reduce the rates of Syphilis and HIV 	
<ul style="list-style-type: none"> • CYP integrated needs assessment finalised • Service reviews completed • Re-design completed • Services commissioned • Reduce the number of conceptions to 	

	<ul style="list-style-type: none"> • Re-design service provision to meet the needs of the population • Commission cost-effective CYP public health service provision • Establish transition process for the transfer of commissioning responsibility for healthy child programme (0-5 years) to local authority (includes Health Visiting Services and (TBC) Family Nurse Partnership and (TBC) Healthy Start programme) 	<p>girls aged under 18 years</p>
<p>Review the lifestyle behaviours of young people in Herefordshire to inform better, targeted service provision Informs and underpins public health commissioning</p>	<ul style="list-style-type: none"> • Develop an in-depth understanding of the lifestyle behaviours of two specific populations; (1) young people in Herefordshire aged 16 to 24 not in employment, education or training. and (2) young people in Herefordshire aged 16 to 24 in employment, education or training • Use Clear assessment tool to benchmark, identify areas for further improvement and prioritise local activity to tackle tobacco • Commission a peer education programme to reduce the prevalence of smoking 	<ul style="list-style-type: none"> • Report produced • Report presented to Health and Wellbeing Board and Children and Young People's Partnership
<p>Review local action to tackle tobacco against the latest evidence-based practice</p>	<ul style="list-style-type: none"> • Commission a cost-effective stop smoking service • Ensure specifications and contracts reflect the requirement for health equity audit and universal proportionalism for equal access for vulnerable populations, e.g. LAC and people with disabilities. • Design a programme of work to achieve behaviour change through provision of information and brief advice 	<ul style="list-style-type: none"> • Assessment report produced and presented to Management Board and the Health and Wellbeing Board • Tobacco Control Plan in place • Peer education programme sign up and implementation
<p>Review and commission services that achieve behaviour change for health improvement Informs and underpins public health commissioning and achievement of public health outcomes</p>	<ul style="list-style-type: none"> • Ensure safe and effective implementation of the programme and initiatives for improving uptake • Contract management of provision • Develop lifestyle behaviour change support linked to the programme 	<ul style="list-style-type: none"> • Deliver a minimum of two training courses for health champions in Herefordshire to achieve level 2 Royal Society for Public Health award on Understanding Health Improvement • Re-design of stop smoking service provision completed and procurement plan in place • Report on implementation of behaviour change activity to Management Board
<p>Review for continuous improvement the delivery of NHS Health Checks to achieve cardiovascular health outcomes</p>	<ul style="list-style-type: none"> • Achievement of national target on take up of health checks • Improved take up of behaviour change support for the high risk population group • Options paper presented to 	

		<p>Management Board</p> <ul style="list-style-type: none"> • Increase the rate of individuals undertaking a NHS health check <p>LOCAL/Regional</p> <ul style="list-style-type: none"> • Quarterly Health Protection Committee meetings • Quarterly West Mercia LHRP • Quarterly reports to the Health and Wellbeing Board
<p>Develop a robust system to deliver the council's public health protection function</p>	<ul style="list-style-type: none"> • Seek assurance from key stakeholders that they have got robust and tested plans in place, and capacity and capability to respond in the event of public health/major incident • Seek assurance from NHS commissioners that they have got robust plans in place to achieve national targets for national screening and immunisation programmes • Provide PH input into the Emergency Planning Response and Resilience arrangements (EPRR) through West Mercia Local Health Resilience Partnership (LHRP) • Provide assurance to Health and Wellbeing Board about the local authority public health protection functions 	
<p>Deliver the Strategic Intelligence Function across the council Informs and underpins public health commissioning and achievement of public health outcomes</p>	<ul style="list-style-type: none"> • Produce the Director of Public Health annual report • Produce a Carers' Needs Assessment • Provide advice and support for public surveys for changes to services • Provide analysis and evidence for specific clients as per service level agreement • Provide an online evidence base • Provide advice and analysis of key datasets (population, housing, economy, health, safety) to support council priorities 	<ul style="list-style-type: none"> • Director of Public Health Annual Report presented to the Health and Wellbeing Board • Deliver to timescales agreed with client • Regularly update 'facts and figures about Herefordshire' website
<p>Deliver Local Authority Public Health Core Offer to Herefordshire Clinical Commissioning Group (HCCG)\nInforms and underpins achievement of public health outcomes</p>	<ul style="list-style-type: none"> • Review of Low Priority Treatment Policy (LPTP) • Produce "Understanding Herefordshire" (integrated needs assessment (INA) of health and wellbeing for the county) • Complete Children and Young People's INA • Complete Mental Health INA • Provide Health Intelligence support for the Better Care Fund work 	<ul style="list-style-type: none"> • Revised LPTP presented at the STIG (Subcommittee of the HCCG Board) • INA 2014 report presented at Health and Wellbeing Board • Children's INA presented to HCCG • Mental health INA presented to HCCG • Health intelligence reports presented at the BCF Working Group as required

Corporate progress against agreed key outcomes

REF	Key outcomes	Outturn 2012/13	Outturn 2013/14	Target 2014/15	Target 2015/16	Target 2016/17
HC.01	<i>More vulnerable people living safely, independently and remaining healthy</i>					
HC.02	<i>The proportion of people who use services and carers who find it easy to find information about support</i>					
HC.03	<i>Value for money will increase</i>					
HC.04	<i>Proportion of pupils attaining 5 GCSE's A-C including English and Maths (Top quartile nationally by 2016)</i>					
HC.05	<i>The attainment gap at age 16 between free school meal pupils and their peers (Top quartile nationally by 2016)</i>					
HC.06	<i>Improve Ofsted rating of Safeguarding Children to be good by 2016</i>					
HC.07	<i>Improved road conditions</i>					
HC.08	<i>Increase median wages in the county faster than the West Midlands region</i>					
HC.09	<i>Build more homes for all tenures</i>					



MEETING:	CABINET – CORPORATE SERVICES
MEETING DATE:	10 APRIL 2014
TITLE OF REPORT:	CORPORATE PERFORMANCE REPORT 2013/14: END OF FEBRUARY 2014
REPORT BY:	DIRECTOR, ECONOMY, COMMUNITIES & CORPORATE

1. Classification

Open

2. Key Decision

This is not a key decision.

3. Wards Affected

County-wide

4. Purpose

To review performance for the first 11 months of 2013/14 and to agree any further actions arising to address performance issues.

5. Recommendation

THAT: Performance be considered.

6. Alternative Options

6.1 Cabinet may choose to review performance more or less frequently than quarterly; Cabinet may request alternative actions to address any identified areas of under-performance, including referral to the relevant overview & scrutiny committee.

7. Reasons for Recommendations

7.1 To provide assurance that progress is being made towards achievement of the agreed outcomes and service delivery targets, and that the reasons for important areas of actual or potential under-performance are understood and are being addressed to the Cabinet's satisfaction

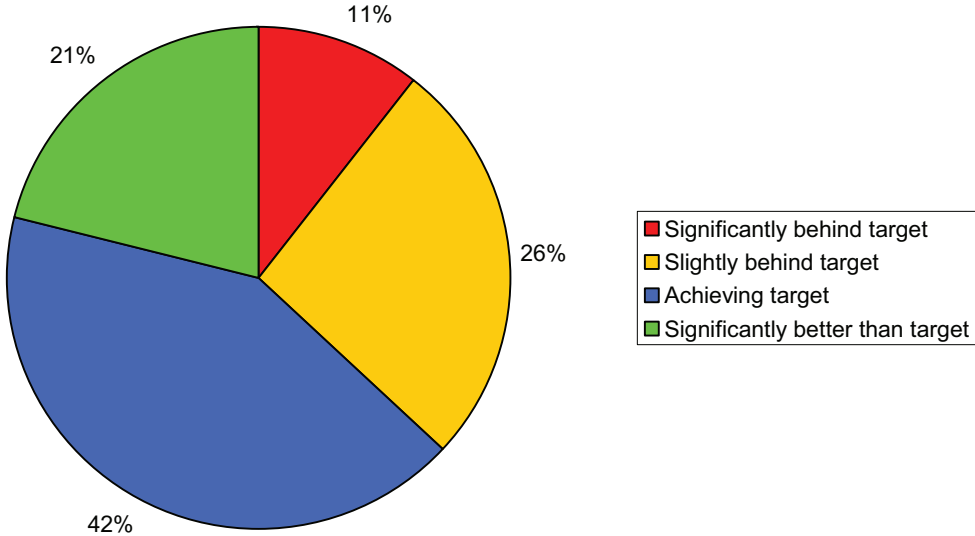
8. Key Considerations

8.1 Council approved the 2013-15 Corporate Plan in November 2012, framed around the two key priorities of: creating and maintaining a successful economy; and enabling residents to be independent and lead fulfilling lives with resources focussed on supporting the most vulnerable. The supporting delivery plan for 2013/14 was approved by Cabinet in March 2013.

8.2 Progress is measured through a number of critical performance measures. These have been selected because they demonstrate progress towards achievement of the council's priorities, as well as provide an overview of the council's performance from a resident's perspective. Where monitoring information is available on an annual basis these indicators will only be reported at the point that the information becomes available. A table identifying performance of those measures reported in-year is attached at Appendix A.

Overview

% of measures achieving target



8.3 Almost 63% of these performance measures are now judged to either achieve or exceed target.

8.4 Furthermore, spend is now forecast to be on budget as at the end of January 2014 (£2.4m overspend at end of October 2013).

Create and maintain a successful economy

Performance Challenges

8.5 The condition of the county's roads has increasingly become a significant local issue. In July 2013, Cabinet gave approval for investment of an extra £20m in highway maintenance over the next two financial years. However, the recent floods caused considerable further damage to roads across the county, including a significant increase in the number of Category 1 defects. In accordance with the Highway Maintenance Plan, all Category 1 defects are made safe within 24 hours. Furthermore, over 95% are actually fixed within that duration. Data from September 2013 to February 2014 shows that over 92% have been repaired within 24 hours since commencement of the new contract. There has been a marked improvement in performance during 2014 with over 98% of category 1 defects repaired within 24 hours during February.

8.6 In light of the damage to our roads, Herefordshire has been awarded additional funding of over £3.5m to make repairs during 2014/15. Furthermore, under the Bellwin scheme, it is anticipated that works to the highway totalling up to £3m will be included in the Council's claim. Further funding has also been announced for local authorities to bid for to fund more maintenance in 2014/15. It is hoped that these works will help return part of our highways network to an acceptable standard. Investment in highway maintenance will be targeted in accordance with best practice and the delivery of this programme will be monitored during the coming financial year.

Further information on the subject of this report is available from Geoff Hughes, Director for Economy, Communities & Corporate on Tel (01432) 383514

8.7 The percentage of those in employment is holding relatively steadily at present, the February figures for NEET (Not in Education, Employment or Training) has exceeded the target of less than 8%. Management Board continues to recognise that this is a key issue for the whole Council, and part of the picture of employment in Herefordshire. This is relatively positive, overall, but is a key issue for young adults in Herefordshire and is being addressed by having a whole Council focus on improvement, as part of our approach to the economy

Risks:

8.8 The Council does not currently have a 5 year housing land supply. A 5 year housing land supply together with an adopted local plan is increasingly the governments' key measure for an effective planning service. The lack of a 5 year housing land supply is an increasingly important political matter locally.

By definition, a 5 year housing land supply is a variable matter. In particular it is largely made up (or not as the case may be) by a combination of sites under construction and those with extant planning permissions. This situation in the county has changed significantly in recent years. The adoption of the LDF (the new style Local Plan), along with the granting of planning permission for the required number of houses will give us a 5 year housing land supply.

In particular, the risks are as follows:

1. The council will be left in a position where it will have no choice other than to grant planning permissions for sites not specifically allocated in the LDF.
2. There will be particular pressure/scrutiny on the decision of the Planning Committee on residential schemes.
3. The coordinated and phased release of land for housing development in the LDF will be undermined.
4. The uncoordinated granting of planning permissions for residential development will affect the council's ability to secure infrastructure improvements through the means currently anticipated.

8.9 The target for the number of high risk food inspections undertaken by Environmental Health is lower than the statutory minimum. However, despite this, the target cannot be reached with 206 high risk inspections achieved year to date compared to a target of 1220.

8.10 **Welfare Reform – Update**

- **Council Tax Reduction**

- Due to in changes in legislation, support for Council Tax was localised from April 2013 and, at the same time, central government funding was reduced by 10%. Whilst protection was provided for pensioners, each Local Authority had considerable discretion over its own Reduction Scheme for working age claimants. Herefordshire Council decided to reduce the maximum liability Council Tax Reduction (CTR) to 91.5% meaning that every working age claimant had to pay a minimum of 8.5%. Second Adult Rebate was also abolished. The outcome of this was that all working age claimants in receipt of CTR had to pay a higher Council Tax proportion of their council tax than in previous years.

Statistics

Council Tax Benefit expenditure 2012/13	£13,081,502
Council Tax Reduction awarded 2013/14	£12,418,294
Total CTR caseload	14,275
	49% pensioners

Further information on the subject of this report is available from Geoff Hughes, Director for Economy, Communities & Corporate on Tel (01432) 383514

	51% working age
Working age subject to 8.5% reduction in CTR compared to CTB	7270
Working age previously in receipt of 100% CTB	5000 approx

- In addition, changes, approved by the council will further reduce support available for working age claimants from April 2014.
- From this date, CTR for working age claimants will be based on 84% of liability. This means that all working age claimants will have to pay at least 16% of their Council Tax. There will also be a further reduction for working age claimants who live in a property banded, E,F,G and H. In these cases CTR will be based on 84% of a Band D equivalent property.
- Customers were also advised of the change in law to allow CTAX to be paid by 12 instalments upon request. Approximately 1,500 customers responded and opted to change from 10 to 12 instalments.
- 12 cash instalments dates - 15th and 26th of each month
- The net effect of the above has been that collection rates have remained broadly unchanged. 98.2% as at the end of February 2014, compared to 98% as at the end of February 2013.

- **Spare room subsidy**

- From April 2013, claimants of working age who rented in the social sector became subject to the size criteria regulations, otherwise known as the 'spare room subsidy' or 'bedroom tax'

Statistics

Number of households affected	1002	
Under occupation 1 Room 14% reduction	833	Average reduction £13.29 wkly
Under occupation 2 Room 25% reduction	169	Average reduction £24.17 wkly

- This has reduced Housing Benefit entitlement for those affected by these rules but the consequences are unclear at this stage

- **Benefit Cap**

- The national roll out of the Benefit Cap took place on 15 July 2013 and its aim was that working age claimants should not be in receipt of more benefit than the income of an average family in work. Where benefit exceeds this, Housing Benefit is reduced to bring their benefit income back below that level.
- As of February 2014, 31 of our claimants were affected by the benefit cap and they had an average reduction of £45.74 per week in their Housing Benefit entitlement.

- **Discretionary Housing Payment**

- As a result of these changes, the government has allocated Herefordshire Council additional funds via DHPs to help those adversely affected by these changes. As at 28th February £144,920 DHP had been paid, compared to £81,665 for all of 2012/13.

Achievements:

- 8.11 The number of major planning applications dealt with within the 13 week requirement fell from 75% in December to 46% in January. However, as the statutory target to report to DCLG is now 30% (previously 60%), the year to date target is being met

(54%).

8.12 Good progress is being made on the 10 major projects within the Economic Development Strategy.

- The Hereford Enterprise Zone (HEZ) site masterplan has been produced and delivered a site wide schematic for site layouts and infrastructure. This element of the plan has been completed. A series of more detailed works are being undertaken on specific issues such as landscaping, plot specific infrastructure requirements, and transport interventions.
- The Economic Summit held in late February 2014 was an opportunity to engage with the business community and establish some of their priorities to assist the county's growth. This information will be used to inform the production of an Economic Development Masterplan. Senior officers from representative services are meeting in March to plan the production and scope of the Masterplan.
- The Inward Investment contract has achieved a significant number of active enquires for the Enterprise Zone in specific business sectors that match with the Zone priorities. This has produced a pipeline of enquires that are being actively managed. The future focus of the contract is being considered by the Zone team to ensure that the rest of the contract delivers maximum value. Over 20 detailed discussions with foreign based businesses have been held. This number exceeds the current contracted arrangement.
- The Marches Strategic Economic Plan was submitted at the end of March. A consultation exercise has been completed with over 90 organisations attending a business summit at the end of February. Business Support forms a significant element of the emerging EU Strategic Investment Fund. Officers from Herefordshire, Shropshire, and Telford & Wrekin are meeting on a regular basis to determine the basis for the new EU funded business support programme. Issues being discussed include delivery mechanisms, provision of grants and other financial support, access to business information, encouragement of innovation and entrepreneurship. A new programme will be drawn up by September 2014.
- Officers are working with colleagues from across the Marches Local Enterprise Partnership (LEP) to draw together proposals for the LEP Strategic Economic Plan and the EU Investment Strategy. This will maximise the amount of external funding brought into the county.
- The delivery of affordable housing has seen an increase over the last 12 months, with 35% being negotiated successfully with private developers as a standard provision. During 2013/14, 98 homes were completed in Hereford City, 9 in market towns and 8 in rural villages. Within this, 15 homes have been delivered specifically to meet the needs of more complex vulnerable households for older persons, those with learning disabilities and single people under 35 years.
- The City Link Road programme continues to progress. The Compulsory Purchase Order Statement of Case was submitted on 10th January 2014. The Public Inquiry is scheduled to commence on 23rd April 2014.
- The Destination Hereford project is progressing with planned activities for 2014 underway, including the promotion of sustainable modes of transport and the delivery of new cycle lanes. A schools travel officer has recently been appointed in partnership with Sustrans to intensify our work with schools. Works have started to upgrade Newmarket Street in advance of the new development opening in April. Weekly meetings continue to be held between Herefordshire Council, Balfour Beatty Living Places, Sir Robert McAlpine, Fitzgeralds and Emergency Services to manage and monitor traffic management so as to ensure minimal impact to the public.
- Development of the Herefordshire Archive and Research Centre (HARC) is progressing and is due to be completed in September 2014.
- An application has been submitted to DECC's Green Deal Communities Fund

seeking £1m capital funding to develop a Green Deal in Herefordshire. The proposal is for community led promotion and the provision on financial incentives to take up Green Deal plans. A decision is awaited.

- Plans to develop a joint Energy from Waste facility with Worcestershire County Council to treat residual waste were approved by Cabinet in December. This is progressing with financial close expected by May 2014. Although a change to the EPC contractor (the design and construction company) is expected, financial close should not be significantly delayed.

Enable residents to be independent and lead fulfilling lives with resources focussed on supporting the most vulnerable

Adults

Performance Challenges:

- 8.13 The reporting period covers the reintegration of social care operational staff from Wye Valley Trust and wider restructure of the Adult Wellbeing directorate
- 8.14 Overall, self-directed support continues to improve, however this is still below the target. More clients have been offered personal budgets or direct payments month on month, but performance is held back by the numbers of clients receiving short term or simple services such as telecare or equipment that does not go through the personalisation assessment or review process. Whilst improvements have been made to the workflow to aid accurate recording, a significant challenge is social work capacity which has increasingly had to focus on supporting the urgent care system and hospital discharges. This has resulted in less focus on increasing the numbers of people having a review and moving onto self-directed support.
- 8.15 Timeliness of adult assessments' performance continues to improve. However, as part of the transfer back to the council of operational staff, it has become evident that a backlog of assessments exist which will need to be worked through and will therefore continue to affect performance on this indicator until cleared. Additional capacity is being considered to address this issue. In addition, the assessment process has been redesigned to reduce the number of steps required which will help improve performance from April 2014.
- 8.16 Delayed transfers of care linked to hospital discharges relate to the whole system, not just to those specifically linked to adult social care. Performance in this area is monitored closely by the multi-agency Urgent Care Board; the current performance is likely to come under further pressure due to the continued high demand on the Wye Valley NHS Trust as a result of high numbers of primary care referrals.

Risks:

- 8.17 That increased pressure on adult social care capacity, due to the pressures within the urgent care system will continue to negatively impact on other performance indicators.
- 8.18 Impact of delays in recruitment and retention to key posts resulting in vacancies in the system and a focus on specific projects supporting savings and quality improvement delivery has meant improved achievement of performance.
- 8.19 Complex safeguarding and care home investigations requiring significant managerial and social worker practitioner capacity. This again reduces our ability to respond effectively to meet demand and therefore affects achievement of performance targets.
- 8.20 Accuracy of data and lack of performance analysis capacity focused on adult social care is slowing improvements in performance reporting and management. This is being addressed through the refocusing of resources.

Achievements:

- 8.21 Significant services, such as homecare and community equipment have been re-commissioned to offer improved value for money from 1st April 2014.
- 8.22 Manual collection of data relating to social care productivity showing improvements in assessment and review.

- 8.23 'Making it Real' is a programme to increase personalisation and self-directed support. This has included a survey on service user satisfaction and early analysis indicates some positive responses.
- 8.24 Data quality improvements have been made and sustained, this requires continued focus.
- 8.25 The recent Domestic Abuse Needs Assessment has highlighted that there is a high volume of repeat cases heard at the Multi-Agency Risk Assessment Conference (MARAC) that continue to be heard within a 12 month period. The way these repeat cases are managed may change in future which could affect the MARAC outturn data.

Children

- 8.26 Performance within this priority area of children, and more specifically vulnerable children, needs to be considered within the following context:
- Around 40,000 children live in Herefordshire;
 - 2,500 children in Herefordshire receive free school meals;
 - 4,500 children live in poverty in Herefordshire;
 - 2,500 children in Herefordshire have special educational needs;
 - 2,000 children are supported by our safeguarding services and 450 of those need the highest levels of protection from harm.

Performance Challenges:

- 8.27 As regards effective decision making and numbers of initial and core assessments being completed within timescales, there has been a steady improvement in the number of new assessments in month being completed since October with further improved performance reported for February. This has been addressed through a substantial revision of workflow and decision making processes; movement of more qualified staff into both the Multi-Agency Safeguarding Hub (MASH) and the Children in Need teams; and a review of resourcing and targeted performance plans in the Looked After Children Teams. Early improvements include action on all contacts to the MASH within 2 hours of receipt; more disciplined decision making processes; and management changes. There still remains a backlog of work within the Children in Need and Looked After Children teams. Resource has been commissioned and commenced on 17th March to address the outstanding assessments. These outstanding assessments are being closely monitored separately.
- 8.28 Recent reports from Ofsted indicate that primary schools are ranked 62 with 83.4% of schools judged as Good or Outstanding. We have a smaller percentage of outstanding schools (13.0%) than regionally (14.6%) and nationally (18.2%), bearing in mind that this is a mixture of judgements under the old and new framework. Furthermore, secondary schools are ranked 26 with 88.5% of schools judged as Good or Outstanding. Similar to primary, we have a smaller percentage of outstanding schools (9.0%) than regionally (24.2%) and nationally (25.8%), again the mix of frameworks applies.
- 8.29 Herefordshire continues to have a significantly higher rate of First Time Entrants into the Youth Justice System. It is thought that is explained by the sustained significantly higher detection rate, coupled with a lower use of community resolutions. This is also thought to influence performance throughout the youth justice system. Additional analysis regarding FTEs in Herefordshire has been commissioned by the YOS Management Board. The number of FTEs in the year ending June 2013 was 110. (Further information is contained within the West Mercia Youth Offending Performance Framework report).

Risks:

- 8.30 Turnover of interim staff in the Child Protection Teams.
- 8.31 The improvement plan does not bring about the required changes in practice rapidly

- 8.32 There is an increased number of looked after children within the care system which may lead to an increased number of high cost placements that are required to meet their needs. A tender has just been published to commission a Herefordshire Intensive Placement Service to establish a more cost effective local solution to meet the need of the most vulnerable children.

Achievements:

- 8.33 The appointment of a number of senior managers for Safeguarding & Early Help is ensuring that there is consistency in decision making and challenge, providing strong leadership and a more stable management group.
- 8.34 Revised business processes have been implemented within MASH and this has resulted in an improvement in the decision making for contacts received into the organisation within timescale; this has resulted in 99.34% of contacts being screened by a qualified practitioner within 24 hours.
- 8.35 The adoption scorecard has been published and this shows that Herefordshire is well below the national average between children entering care and being placed with adoptive family. Herefordshire is also well below the national average in the time taken in receiving court authority and matching with an adoptive family. In addition, the county has a lower than national average number of weeks for care proceedings (43 weeks in Herefordshire compared to a national average of 51 weeks).

Customers

Achievements:

- 8.36 New structures within Customer Services were implemented with effect from 3rd February. Consequently, all Contact Centre and Switchboard calls are now handled by one team.

As a result of the recent flooding experienced by Herefordshire, the call volume handled by the team increased significantly. Despite this, the team has been effective in managing this call volume and has reduced the abandonment rate month on month (14% in February compared to 19% in January. Work being carried out to improve website functionality will help to continue to reduce the overall number of calls received.

9. Community Impact

- 9.1 Delivering the Corporate Plan is key to the council achieving the positive impact it wishes to make across Herefordshire and all its communities. Given the decreasing financial resources available to the council, monitoring performance is likely to become even more important so as to ensure that resources are best directed to meet the council's agreed priorities and statutory obligations.

10. Equality and Human Rights

- 10.1 There are no specific implications in the report. As regards demonstrating due regard to the council's Public Sector Equality Duty (PSED), as part of our decision making processes we ensure that individual directorates and service areas assess the potential impact of any proposed project, leading to fairer, transparent and informed decisions being made.

11. Financial Implications

- 11.1 Projects and activity within the delivery plan must be delivered within the budget agreed by Council in February 2013. This includes projects and activity to deliver the cost reductions required for a balanced budget.
- 11.2 Slippage in projects and activity to deliver cost reductions will impact on the council's overall budget and will require remedial or mitigating actions to maintain financial stability.

12. Legal Implications

- 12.1 When service managers seek to remodel services it is essential that a proper process is followed if the council's decision making is not to be overturned by legal challenges. This means managers must understand the needs of their customers and how changes will affect them; particularly if there will be any disproportionate impact on any group sharing a protected characteristic. All reports seeking approval for service change must include sufficient information on impact and mitigation measures to enable the decision maker to have due regard to the council's PSED and other legal obligations. It is important that legal advice is sought early on in service change projects if the risk of challenge in the courts is to be mitigated.

13. Risk Management

- 13.1 The corporate plan and its delivery plan are integral elements of the council's risk management framework. Risks associated with each objective and project are entered onto the relevant service or directorate risk register and escalated to the corporate register as appropriate. Risks are reviewed by the Management Board at the regular performance meetings and any significant risks are outlined below.
- 13.2 The financial challenge and capacity to deliver the transformation necessary to both improve outcomes for people and deliver savings remains the most significant risk. This is a particular challenge in the areas of adult social care and children's safeguarding where change must be made at a pace which ensures that vulnerable people remain safe. The on-going 'priorities' work to redefine the Councils core functions, operating within significantly reduced budgets is critical to managing this risk.

14. Consultees

- 14.1 None in relation to this report. The development of the delivery plan was informed by the evidence base already gathered during the year and which includes user, resident and partner feedback where available, and which this year includes the outcome of the Your Community Your Say engagement undertaken throughout the autumn/winter period and building on the Quality of Life survey results in 2012. The consultation undertaken immediately before Council set the budget in February provided a range of views which included insights into opportunities for meeting the budget pressures as well as ways in which proposals may need to be implemented to minimise any adverse impacts; these views will continue to inform delivery planning and implementation through the year, further enhanced by specific stakeholder consultations on individual projects as appropriate.

15. Appendices

- 15.1 Appendix A – Critical Performance Indicators

16. Background Papers

- 16.1 None identified.

				2011/12 Outturn	2012-13 Outturn	2013/14 Target	Latest Outturn	Latest Judgement	Council Controlled or Influenced
ECONOMY									
Percentage of Category 1 highway defects (those presenting an immediate or imminent hazard) repaired within 24 hours	Monthly	Bigger is better	100%	100%	100%	100%	98.3% Feb	Blue	Influenced
Residual waste per household (kg)	Monthly (one month in arrears)	Smaller is better	576.5kg	550.2kg	<600kg (<500kg to January)	481.4kg (YTD to January)		Blue	Influenced
Decrease the % of young people Not in Education and Training or Employment (NEET's)	Monthly	Smaller is better	6.20%	6.20%	8%	6.9% (378 Young People)		Green	Influenced
Decrease the % of young people whose status is "Unknown"	Monthly	Smaller is better	Measure amended		5%	4.4% (249 Young People)		Green	Influenced
No of affordable homes acquired and built	Monthly	Bigger is better	90	61	70	115 (YTD)		Green	Influenced
Percentage of the working age population in employment	Quarterly (three months in arrears)	Bigger is better	72.50%	71.8%	5% above GB rate (71.1%)	72.8% (Q2)		Amber	Influenced
Reduce county CO2 levels (% reduction in County CO2 emissions)	Annual	Smaller is better	19.66% (2009)	15.73% (2010)	26% (23.8% 2011)	20.22% (2011)		Blue	Influenced

PEOPLE									
ADULTS									
Number of adults, older people and carers receiving self-directed support in the year to 31 st March as a percentage of all clients receiving community based services and carers receiving carer specific services	Monthly	Bigger is better	Data not available from Framework-i	34%	78%	52%	Red	Controlled	
Minimise the number of people killed or seriously injured in road traffic collisions in Herefordshire	Monthly	Smaller is better	75 (2011)	80 (2012)	<89 (2013)	61 (2013)	Green	Influenced	
Permanent admissions to residential and nursing care homes for younger people (18-64), per 100,000	Monthly	Smaller is better	26	13	13	0 Feb 15.7 YTD (17 people YTD)	Blue	Controlled	
Permanent admissions to residential and nursing care homes for older people (65 and over), per 100,000 population	Monthly	Smaller is better	559	520	500	15 Feb 510 YTD (208 people YTD)	Amber	Controlled	
Percentage of adult assessments completed within agreed timescales	Monthly	Bigger is better	New measure		100%	45%	Red	Controlled	
Reduce the % of repeat incidents of domestic violence	Monthly	Smaller is better	43%	34%	34%	30% (49/162)	Blue	Influenced	

Appendix 1 - Critical Performance Measures (as at end of February)

CHILDREN									
Percentage of child assessments completed within agreed timescales (Core Assessments)	Monthly	Bigger is better	New measure	63.24%	85%	72% Feb (72.8% YTD)	Amber	Controlled	
Percentage of child assessments completed within agreed timescales (Initial Assessments)	Monthly	Bigger is better	New measure	50.45%	85%	85.6% Feb (79.7% YTD)	Amber	Controlled	
No of young people in temporary accommodation as a result of homelessness	Monthly	Smaller is better	0	1	0	0	Blue	Influenced	
CUSTOMERS									
% of web users that were satisfied or content with their visit	Monthly	Bigger is better	80.6%	76.6%	>76.6%	72.4% Feb 63% (3 mth avg)	Blue	Controlled	
% web users who did not find what they were looking for	Monthly	Smaller is better	19%	21.54%	20%	20.9% Feb 21.2% (3 mth avg)	Blue	Controlled	
Reduce the % of calls abandoned	Monthly	Smaller is better	7.28%	14.34%	<14.34%	14.6% Feb	Amber	Controlled	

Rating	
Green	Forecast to be significantly better than target
Blue	Forecast to achieve target
Amber	Forecast to be behind target
Red	Forecast to be significantly behind target



MEETING:	CABINET
MEETING DATE:	10 APRIL 2014
TITLE OF REPORT:	WEST MERCIA ADOPTION SERVICE
REPORT BY:	ASSISTANT DIRECTOR: SAFEGUARDING & EARLY HELP

Classification

Open

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.

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

Wards Affected

County-wide

Purpose

To approve the future operating model for a West Mercia Adoption Service.

Recommendation(s)

THAT:

- (a) To approve the proposed future operating model for a West Mercia Adoption Partnership commencing first with Option 2, as outlined in appendix one, page 9;
- (b) To note the financial implications of this option; and
- (c) To delegate any future decision on the implementation of the operating model, including a preferred provider, to the Director of Children's Wellbeing in consultation with the Lead Cabinet Member.

Alternative Options

- 1 An Outline Business Case for the project was presented to Cabinet on 4th October 2013. This included the following delivery options for the new service:
- 2 Option 1: Do nothing and stay 'as is', with each service maintaining its existing service set up, using 3rd parties independently procured.
- 3 Option 2: Deliver some key functions together and maintain delivery of other functions within individual authorities.
- 4 Option 3: Deliver a core adoption service across West Mercia, with commissioned non-core services based on local needs.
- 5 Option 4: Deliver a single adoption service, incorporating all core and non-core services, delivered by a lead West Mercia authority.
- 6 Option 5: Contract out all core and non-core services (on a not for profit basis), e.g., by going into partnership with a voluntary organisation or establishing a staff mutual.
- 7 Further analysis identified Options 2 & 3 to be very similar and a model mixing elements of both Options was developed as a new Option 2. The revised options are list below.
- 8 Option 1: Do nothing and stay 'as is', with each service maintaining its existing service set up, using third parties independently procured.
- 9 Option 2: Deliver some adoption functions within a single adoption service, hosted by a lead West Mercia authority, with some specific functions continuing to be delivered within the individual local authorities.
- 10 Option 3: Deliver a single adoption service, incorporating all the adoption services, hosted by a lead West Mercia authority.
- 11 Option 4: Contract out all adoption services (on a not for profit basis), e.g. by going into partnership with a voluntary organisation or establishing a staff mutual.
- 12 Analysis of the four options determined that:
- 13 The added benefits from Option 1 are negligible and would not achieve adequate cost and quality benefits as it does not sufficiently remove duplication and management costs within adoption teams.
- 14 It is felt that there has been insufficient progress made to date in developing the business model to permit a single authority to assume host status. Also the market for potential service providers is not at this time sufficiently developed or prepared to take on the overall management of the service. The risks are therefore perceived to be too high at this juncture to progress immediately to Option 3 or 4.
- 15 Option 2 will be feasible based on a cost/benefit analysis, be relatively low risk and provide a sound launchpad to progress to either Option 3 or 4 in the medium term.

Reasons for Recommendations

- 16 The overall aim of the project is to develop a single West Mercia Adoption Service which delivers a more efficient and effective service to a wider range of children, with particular emphasis on improving the timeliness of placing children and young people for adoption. The phased approach to establishing a West Mercia Adoption Partnership will enable all authorities to progress achieving appropriate economies of scale and quality improvements for adoptive families and the children currently in our care

Key Considerations

- 17 Under new powers provided to the Government under the Children and Families Act 2013, local authorities that are not performing appropriately will have their role as adoption agencies withdrawn. In addition, there is a longer term proposal in the Government's 'Action Plan for Adoption: Tackling Delay' which proposes as a default position that the recruitment and training of adopters will be transferred to voluntary organisations.
- 18 The four local authorities in the West Mercia region - Herefordshire Council, Worcestershire County Council, Telford & Wrekin Council and Shropshire Council - recognise that working collaboratively provides a genuine opportunity to respond to the national agenda and, following the success of a similar approach to establish a West Mercia Youth Offending Service, came together in April 2013 to discuss the possibility of joining forces to provide a single adoption service, which would potentially include a voluntary sector partner.
- 19 By delivering a single service whilst maintaining functions at a regional and local level, partners envisage achieving economies of scale and delivering a faster and more cost efficient process of providing alternative permanent homes for children across the West Mercia region.
- 20 It is proposed to develop a single West Mercia Adoption Service across Worcestershire, Shropshire, Telford and Wrekin and Herefordshire which delivers a more efficient and effective service to a wider range of children, with particular emphasis on improving the timeliness of placing children and young people for adoption.
- 21 If Option 2 is approved, the services to be delivered through the West Mercia Adoption Partnership will be:
- Non-agency adoption (step parents) and inter country
 - Adopter recruitment and front door
 - Training of adopters
 - Support for adopted adults
 - Post order support
 - Birth family support

- 22 These have been chosen because:
- It has been established that there are economies of scale that can be achieved quickly by combining the resources of the 4 authorities to deliver these particular functions.
 - This will establish a 'West Mercia' brand to enable more effective marketing and recruitment.
 - Adopters welcomed the flexibility that choice for accessing training and support would provide.
 - This will enable the provision of a more holistic and responsive adoption service.
 - It provides the option to contract on a not for profit basis by going into partnership with voluntary organisations around these functions and testing the market for Option 3.
- 23 One of the main considerations for all four authorities, has been the concern that quality continues to improve. Herefordshire is already performing well, and is one of only 36 authorities to achieve the government targets; the current combined Shropshire and Telford and Wrekin service is one of the top performing services in the country. This development therefore builds on existing strengths. The new service will at least maintain the quality of current provision and improve outcomes. It also has potential to deliver savings based on lower service costs arising from a more efficient staffing structure and economies of scale due to aggregated workloads. There is also the ability to strengthen training and recruitment of potential adopters which could increase the pool of families available locally to adopt children. The project is exploring the potential for reducing costs through better commissioning or joint arrangements and strengthening management arrangements and will ensure that Herefordshire will continue on its trajectory for improved performance.
- 24 The project will support Herefordshire's Looked After Children Strategy and will enable more children who are unable to live with their birth family, to cease to be looked after and to live in safe and loving adoptive homes. It is the intention that any new service will particularly benefit those children who have additional needs or characteristics that can make it more difficult to find an adoptive home.

Community Impact

- 25 The proposals are complementary to the principle and broad strategic requirements outlined in the Children's Plan and the Health and Wellbeing Strategy.

Equality and Human Rights

- 26 A Needs Assessment has been undertaken to assist in identifying key characteristics of children waiting for an adoptive home, prospective adopters, and the support needs of adoptive families and birth families. This will inform the full equality impact assessment that will be completed alongside the consultation. The findings will help to shape the development of any joint services.

Financial Implications

- 27 The new arrangements will be developed within the existing budget of £439k. It is anticipated that cost benefits will be possible by reconfiguring management and support costs whilst being able to improve performance by rolling out best practice and standardising processes. It is not possible at this time to confidently predict the overall positive impact due to variations in accounting practices across the partners. This will be developed in stage two as the preferred option is put into place. Reconfigured costs would be achieved alongside the increasing performance of the combined team, not instead of.
- 28 The project is using the Adoption Reform Grant to support the transformation and costs are shared proportionate to the level of grant aid provided to each partner authority.
- 29 Provision of £14.3k from the Adoption Reform Grant has been made to cover the development phase in 2014/15.

Legal Implications

- 30 Effective consultation will be required with staff and trade unions regarding proposals for change. If there are potential redundancies arising from the proposals a formal consultation period of 45 days will be required. Potential liabilities for redundancy and retirement costs would need to be considered and would be met by each partner.
- 31 If staff are to transfer employer to either another local authority or another organisation then consultation would be required on this and the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) would apply. Due diligence would have to be taken with providing TUPE information, including individual employee information and information on terms and conditions. In addition, implications for pensions would have to be considered.
- 32 The lead LA for delivery of legal support (and other corporate services) to this service will be considered at the next stage

Risk Management

- 33 The council at present has a high level of performance in this service area as evidenced through inspection and the National Adoption Scorecard. As such it would not be at risk under the government's new proposal for under performing services. As stated above, two of these partners have a very highly performing service and the one which has been under performing is now improving. There is a risk that a partnership here could have a negative impact on service performance. This would be a particular risk as the service was being established.

- 34 The present Herefordshire service has a significantly smaller budget compared to the other partners. There is evidence from the YOS experience where a similar situation existed that the cost benefits were not as significant as for larger partners. It is also unclear at this time as to how future costs would be apportioned between partners which will be a key factor. There is also the unknown as to possible redundancy costs and IT costs are also yet to be determined. It is therefore difficult at this time to be precise as to what the financial benefits would amount to.
- 35 Both of the above which are seen as the two significant risks are greatly mitigated by the approach being proposed. By taking a phased approach commencing with the development of important but lower risk aspects of the service will both test the potential benefits, lead to real service improvements and obtaining a much more comprehensive appraisal of the cost benefits of progressing to the complete service model. In line with Council policy these risks will be included in the relevant risk register.

Consultees

- 36 There is a Communication Strategy in place that includes a plan for wide consultation with all stakeholders. Workshops and focus groups have already taken place with representatives from prospective adopters, adoptive parents, adoption panel members and staff. There has also been a stakeholder event with voluntary organisations interested in providing services, or working in partnership. Their feedback has contributed to the detailed business case. Further workshops are planned with representatives of these groups of stakeholders and also with adopted children, adopted adults and birth parents. In addition, if the proposal is accepted there will be a public consultation on the council website.

Appendices

Appendix 1 - Detailed Business Case Version 9 March 2014

Background Papers

None

Detailed Business Case - West Mercia Adoption Service

DOCUMENT PURPOSE

The Business Case documents the justification for undertaking a project. The Business Case should provide sufficient information to the Project Board to enable them to make a judgement about whether the project should go ahead based upon whether it is desirable (cost/benefit/risk balance), viable (it can produce what is required) and achievable (the benefits can be achieved).

PROJECT DETAILS

Project Name	West Mercia Adoption Service
Project Manager	Davinder Gill/Tracy Morton
Project Sponsor	Laura Johnston

DOCUMENT DETAILS

Version	9
Version Date	28.03.14
Status	Final

1. EXECUTIVE SUMMARY

This Detailed Business Case explores the potential options for developing a West Mercia Adoption Service. It recommends four options to look at how the four West Mercia authorities can work collaboratively to meet the needs of looked after children by improving the timeliness of placing them for adoption. It also weighs the benefits, risks and financial implications for each option and considers the views of stakeholders across the four West Mercia authorities - adopters, foster carers, health representatives, Adoption Panel chairs/members and staff. Current plans are to ensure the views of children and young people also shape the project as it develops.

As the project has progressed its thinking around the options for future delivery has developed. The four options outlined in the Business Case are a starting point, but are not a limiter, and as implementation of the preferred option progresses the Project Board may develop it into something more dynamic.

The preferred option is Option 2. This would be the first phase of service transformation which will lead to an Option 3 service model by 2016/17, if evidence continues to support this as the overall preferred option. This first phase would also allow time for the four authorities to better understand all best practice elements between them and develop a West Mercia culture in order to then capitalise on it and develop a fully integrated service model. It would also allow time to form relationships with voluntary organisations.

Positive outcomes for the child and value for money are both fundamental principles underlying this Business Case.

Summary of Recommendations:

It is recommended that:

Detailed Business Case - West Mercia Adoption Service

- A data set is agreed and developed across the 4 authorities to better understand the reasons why some children wait longer for adoption.
- A data set is agreed and developed across the 4 authorities to better understand disruptions.
- Further work is undertaken to provide a detailed costing of the functions delivered by each authority.

2. PROJECT BACKGROUND

The overall aim of the project is to develop a single West Mercia Adoption Service which delivers a more efficient and effective service to a wider range of children, at least maintaining if not improving the existing best practice provision, and with particular emphasis on improving the timeliness of placing children and young people for adoption.

Under new powers provided to the Government under the Children and Families Bill 2013, local authorities that are not performing appropriately can have their role as adoption agencies withdrawn.

The four local authorities in the West Mercia region - Herefordshire Council, Worcestershire County Council, Telford & Wrekin Council and Shropshire Council - recognise that working collaboratively provides a genuine opportunity to respond to the national agenda. Following the success of a similar approach to establish a West Mercia Youth Offending Service, they came together in April 2013 to discuss the possibility of joining forces to provide a single adoption service, which would potentially include a voluntary partner.

By delivering a single service whilst maintaining functions at a regional and local level, partners envisage achieving economies of scale and delivering a faster and more cost efficient process of providing alternative permanent homes for children across the West Mercia region.

The project is exploring the potential for reducing costs through better commissioning or joint arrangements and strengthening management arrangements. The new service will at least maintain the quality of current best practice provision, improve outcomes, whilst delivering savings based on lower service costs arising from a more efficient staffing structure and economies of scale due to aggregated workloads.

The project will support West Mercia local authorities Looked After Children Strategies and will enable more children who are unable to live with their birth family to cease to be looked after and to live in safe and loving adoptive homes. It is the intention that any new service will particularly benefit those children who have additional needs or characteristics that can make it more difficult to find an adoptive home.

The key objectives of the project are:

- To retain local accountability and service delivery based on local need.
- To maintain or improve outcomes for children, young people and adopters, building on the strengths of existing services.
- To improve efficiency through:
 - Streamlining management costs by creating a single service.
 - Streamlining service delivery via processes and pathways.
 - Ensuring better value from commissioning non-core functions.
- To identify the most appropriate delivery arrangements for the single service.

3. NEEDS ANALYSIS

The full Needs Analysis is appended as Appendix 1, however, below are the key highlights.

Current Demand

Looked After Children - Numbers

Age	Herefordshire				Shropshire				Telford				Worcestershire			
	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*
0-4	48	52	65	61		64	64	69	65	75	75	76	127	140	134	150
5-9	37	50	49	51		44	53	66	55	65	60	58	112	112	127	133
10-14	51	52	58	65		90	87	79	115	115	120	95	155	164	182	174
15-19	61	56	43	65		118	121	128	35	45	65	76	187	184	192	194
Totals	197	210	215	243	220	205	241	269	270	300	320	305	590	600	635	651

* as at 18.2.14

Looked After Children - Rate per 10,000

Age	Herefordshire				Shropshire				Telford				Worcestershire			
	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*	10-11	11-12	12-13	13-14*
0-4	50.00	53.61	67.01	62.24	25.32	23.93	27.71	32.16	56.52	64.66	64.10	64.41	40.79	44.44	41.23	45.18
5-9	40.22	53.76	51.58	53.13	22.29	20.13	29.01	34.76	54.46	62.50	56.07	53.21	37.22	36.36	40.45	41.96
10-14	49.04	50.98	59.79	68.42	38.76	37.21	42.35	43.71	108.49	112.75	120.00	95.00	47.95	51.90	59.28	57.24
15-19	56.48	53.85	41.35	63.11	39.58	37.43	41.08	45.30	30.17	39.13	57.02	69.09	53.89	53.80	58.18	60.06
Totals	195.74	212.20	219.73	246.90	125.96	118.69	140.16	155.94	249.64	279.03	297.19	281.71	179.85	186.51	199.14	204.44

* as at 18.2.14

These figures do not include children in care who have achieved permanence outside of local authority care via Special Guardianship or Residence Orders.

The West Mercia picture of children in care shows Worcestershire as having the highest numbers and Herefordshire having the lowest. This reflects the child populations of the local authorities. There is an increase in the trend from 2008 to 2014 (18th February) for Herefordshire and Worcestershire, with Shropshire seeing a decrease in the numbers from 2011 to 2012 followed by a steady increase and Telford seeing a decrease from 2013 to 2014.

The majority of children adopted are under 10 years old and mostly under 5 years old, except on the very rare occasion that adopter is their existing foster carer. Across West Mercia the 0-4 years cohort has increased from 2010-11 to 2013-14 across all 4 LAs.

Children subject to an adoption plan

There were 169 children who were subject to an adoption plan as at 31st of March 2013 across the West Mercia region. Telford has the highest average percentage of looked after children who ceased to be looked after who were adopted and the figures have been fairly consistent over the 5yrs, between 2009 and 2013. Worcestershire has the lowest over the same period, and Herefordshire and Shropshire have similar averages. The reasons for this are multi-faceted and complex.

Local Authority	Percentage of looked after children adopted during the year					
	2009	2010	2011	2012	2013	5yr average
ENGLAND	13	13	11	13	14	12.8
Herefordshire	14	<5	20	10	9	13.25
Shropshire	17	10	7	13	19	13.2
Telford and Wrekin	4	21	22	21	24	22
Worcestershire	11	13	8	11	18	12.5

Special Guardianship and Residence Orders

The number of children that ceased to be looked after due to a Special Guardianship Order or Residence Order are:

	Herefordshire		Shropshire		Telford		Worcestershire	
	2012/13	2013/14*	2012/13	2013/14*	2012/13	2013/14*	2012/13	2013/14*
SGOs Granted	21	6	1	1	4	6	16	28
ROs Granted	14	12	1	2	3	5	7	8

* as at end Jan 2014

Children Who Wait Longer for Placement

	2012/13	2013/14*
Sibling groups	5	16
Children with a disability	11	4
BME Children	12	4
Children in care > 21 months	x	10

* as at 31st Jan 2014

There were 11 (6.5%) children with disabilities across the four West Mercia authorities who were subject to an adoption plan as at 31st March 2013, 12 (7.1%) children from a BME background and 5 sibling groups whose placements commenced between 1st April 2012 and 31st March 2013. Figures vary from year to year; at the end of January 2014, compared to the previous year, the number of sibling groups had increased but there was a smaller proportion of children with a disability and from a BME background.

Although the percentage of children is small, it is very significant as these children sometimes wait longer to be matched. Statistical information alone will not give the richness that qualitative data can give. Some details about the experiences of these children would be advantageous to gain a fuller understanding of why their needs have not been met by perhaps tracking some of these children over the next year. Information about children who were not put forward for adoption on the basis that it would be too hard to find a match and as such a child may be waiting an unreasonable length of time before a permanent stable care arrangement could be achieved would also be useful.

It is recommended that a data set is agreed and developed across the four authorities to better understand the reasons why some children wait longer for adoption.

Disruptions

There are three types of disruption – during introductions prior to being placed, within a relatively short period after adoption due to a change in circumstances or where it emerges that the parents aren't able to meet the child's needs, or some years later (typically in adolescence). Although there is no requirement to collect data nationally or locally, placing authorities always know about disruptions in the first 3 years as they have a duty to provide support. They may not know about the later disruptions where children live in another local authority that is responsible for taking them into care if this is necessary – and these children can have complex needs which require expensive care placements.

Within this context in West Mercia the numbers of disruption we know of are very low for the period 1st April 2012 to 31st March 2013, with no disruptions in Herefordshire, 2 children (1 family) from the joint service in Shropshire and Telford and 3 children (2 families) from Worcestershire. In order to get a realistic picture of the trend in disruptions it would be advantageous to collect data for at least 3 years and to obtain experiences of children and families to gain a fuller understanding of why their needs have not been met.

It is recommended that a data set is agreed and developed across the four authorities to better understand disruptions.

Adopters

Postcode maps have been produced, which show there is a large pocket of adopters in the main towns of each local authority. The Shropshire/Telford joint adoption service is relatively very successful in recruitment and has over 50% of the adopters across the West Mercia Region (37 approved adopters in Herefordshire and Worcestershire combined, and 39 in Shropshire/Telford 2013/14).

Analysis of recruitment activity for 1st April 2012 to 31st March 2013 shows that Worcestershire has the lowest conversion rate from the number of initial enquiries made to the number of applications received, currently a rate of 13.2%, compared to Shropshire/Telford at 25.6% and Herefordshire at 36%. Worcestershire also have the lowest conversion from the number of initial enquiries to enquiries leading to approved adopters, currently at 9.2% compared with 23% in Shropshire/Telford and 38.6% in Herefordshire.

Projected Demand 2014-2016

Population Projections for Children:

Age	Herefordshire			Shropshire			Telford			Worcestershire		
	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
0-4	9,800	9,900	9,800	17,100	17,300	17,600	11,800	11,900	11,900	33,200	34,000	34,400
5-9	9,600	9,700	10,000	16,400	16,700	16,900	10,900	11,100	11,200	31,700	31,800	32,100
10-14	9,500	9,400	9,400	16,700	16,600	16,700	10,000	9,900	10,100	30,400	30,500	30,800
15-19	10,300	10,100	9,800	18,100	17,800	17,300	11,000	10,900	10,600	32,300	31,700	30,900
Totals	39,200	39,100	39,000	68,300	68,400	68,500	43,700	43,800	43,800	127,600	128,000	128,200

The population projections for children indicate that the 0-4 and 5-9 age groups (where the majority of adoptions will come from) sees a generally increasing trend across the region, though Herefordshire

and Telford & Wrekin are relatively stable, with particular increases in Worcestershire and Shropshire, therefore, indicating that more children will need adoptive families going forward.

Looked After Children Projections (Numbers):

Age	Herefordshire			Shropshire			Telford			Worcestershire		
	14-15	15-16	16-17	14-15	15-16	16-17	14-15	15-16	16-17	14-15	15-16	16-17
0-4	57	54	51	68	77	86	74	70	66	160	168	176
5-9	47	44	42	78	92	108	56	53	50	138	145	152
10-14	58	56	53	78	81	83	91	87	82	193	203	213
15-19	59	56	54	87	90	93	73	70	66	216	227	239
Totals	221	210	200	310	340	370	294	280	264	707	743	780

Looked After Children Projections (rate per 10,000):

Age	Herefordshire			Shropshire			Telford			Worcestershire		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
0-4	58.16	54.55	52.04	39.77	44.51	48.86	62.71	58.82	55.46	48.19	49.41	51.16
5-9	48.96	45.36	42.00	47.56	55.09	63.91	51.38	47.75	44.64	43.53	45.60	47.35
10-14	61.05	59.57	56.38	46.71	48.80	49.70	91.00	87.88	81.19	63.49	66.56	69.16
15-19	57.28	55.45	55.10	48.07	50.56	53.76	66.36	64.22	62.26	66.87	71.61	77.35
Totals	225.46	214.93	205.53	182.10	198.96	216.23	271.45	258.67	243.56	222.09	233.18	245.02

Looked After Children projections for 2014/15 through to 2016/17 indicate a predicted increase year on year in Shropshire and Worcestershire and a predicted decrease year on year for Herefordshire and Telford & Wrekin.

Worcestershire's projection is based on 'worst case scenario' if no mitigating action was taken. There is an action plan with mitigating actions and a planned change to project days looked after rather than LAC numbers. Shropshire's projection is also based on 'worst case scenario' if no action was taken and, therefore, does not take into account any changes in the service's approach to managing LAC, prevention strategies in place, etc. Telford's projection is based on a 5% reduction each year, based on work/actions in place to mitigate numbers, eg, Strengthening Families, Systemic Practice and Stepdown Work. Herefordshire's projections are also based on actions being in place to reduce numbers. The West Mercia authorities will need to agree how future projections are calculated going forward.

The number of LAC aged 0-9 as at 18th February 2014 across the West Mercia authorities was 664. The combined number of projected LAC aged 0-9 for the West Mercia region indicates an overall increase over the next 3 years:

- 2014/15 - 678 (44% of the combined WM LAC projection for this year)
- 2015/16 - 703 (44% of the combined WM LAC projection for this year)
- 2016/17 - 731 (45% of the combined WM LAC projection for this year)

Although the numbers of Looked After Children are generally going up in the West Mercia, there are commissioning activities taking place at individual local authority level which are contributing to some predicted reduction in numbers, for example, changes in the early help offer, reaction to the Troubled Families Programme and increased support to children and young people on the edge of care.

More work needs to be done to better understand the difference between authorities in speed of delivering the various stages of the adoption process. However, taking into account the requirement

Detailed Business Case - West Mercia Adoption Service

to increase the pool of adopters and match more children more quickly, there is no evidence that indicates a reduction in the number of social workers required.

Current Service Provision

Shropshire and Telford & Wrekin councils have had a joint adoption service since 1998. This service came out of Local Government Reorganisation with Telford & Wrekin separating from Shropshire, but keeping some joint services. The majority of functions are delivered in-house with the exception of marketing for the recruitment of prospective adopters, birth parent support and counselling, and access to records from other authorities for adopted adults, which are commissioned.

All of Worcestershire's adoption service functions are delivered in-house with the exception of adopter support groups which are commissioned. Worcestershire includes more functions under the umbrella of its Adoption Service as a result of the full-service redesign in 2013.

All of Herefordshire's adoption service functions are delivered in-house.

Current Budget

	WCC	Shropshire / Telford*	HCC	Total
Costs	£000's	£000's	£000's	£000's
Establishment staff costs	1,052	579	370	2,001
Direct operational Costs	133	145	69	347
Direct Costs	1,185	724	439	2,348

Further work is required to provide a more detailed breakdown of direct costs (above) and also indirect costs (eg inter-agency costs, adoption allowances etc).

Current Staffing Figures

	No. of FTEs
Herefordshire	9.73
Shropshire/Telford	21.47
Worcestershire	30.93*
Total	62.13

*Includes family-finding and post-order additional services

It is recommended that further work is undertaken to provide detailed costings of the functions delivered by each Local Authority.
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Detailed Business Case - West Mercia Adoption Service

4. BUSINESS OPTIONS

The Outline Business Case identified five potential options as listed below:

Option 1	Do nothing and stay 'as is', with each service maintaining its existing service set up, using third parties independently procured.
Option 2	Deliver some key functions together and maintain delivery of other functions within individual authorities.
Option 3	Deliver a core adoption service across West Mercia, with commissioned non-core services based on local needs.
Option 4	Deliver a single adoption service, incorporating all core and non-core services, delivered by a lead West Mercia authority.
Option 5	Contract out all core and non-core services (on a not for profit basis), eg, by going into partnership with a voluntary organisation or establishing a staff mutual.

When considering Options 2 and 3 during the options appraisal process, it was felt that these options were fundamentally similar, therefore, these have been considered as a refined option.

The revised Options are:

Option 1	Do nothing and stay 'as is', with each service maintaining its existing service set up, using third parties independently procured.
Option 2	Deliver some adoption functions within a single adoption service, hosted by a lead West Mercia authority, with some specific functions continuing to be delivered within the individual local authorities.
Option 3	Deliver a single adoption service, incorporating all the adoption services, hosted by a lead West Mercia authority.
Option 4	Contract out all adoption services (on a not for profit basis), eg, by going into partnership with a voluntary organisation or establishing a staff mutual.

5. OPTIONS APPRAISAL

The options appraisal has been developed through work with the Project's Service User Pathway workstream, a Commissioning Needs Analysis and a financial appraisal of current and predicted expenditure across the four local authorities. Legal services and human resources have been involved and provided challenge and comments in relation to the options.

Stakeholder reference groups with adopters, foster carers, health representatives, Adoption panel chairs/members and staff have been held across the four authorities. Their views on the options have been considered and incorporated into the options appraisal. Further work is planned to ensure the views of children and young people shape any future service provision.

OPTION 1

Do nothing and stay 'as is', with each service maintaining its existing service set up, using third parties independently procured.

Detailed Business Case - West Mercia Adoption Service

Option 1 is not deemed to be a viable option as the benefits would be negligible, the project objectives and desired outcomes would not be achieved, nor would it deliver the Government's Adoption reform agenda. Stakeholders acknowledge the Government agenda and understand the rationale for the need to change, therefore, this option is not agreeable to stakeholders.

In light of the Adoption reform agenda and the revised adoption scorecard threshold indicators, local authorities will not be able to keep pace with adopter recruitment and the placement of children if services do not evolve and adapt. Retaining the status quo would also mean that financial savings would not be made and the current level of service performance may not be maintained or improved.

OPTION 2

Deliver some key functions together through a new single entity established as the West Mercia Adoption Partnership as below, maintaining delivery of other specific functions within individual authorities. This model is a refined version of the original Option 2 (deliver some key functions together) and Option 3 (deliver a core service across West Mercia with commissioned non-core services based on local needs).

The Services in scope for the new single entity would be:

- Non-agency adoption (step parents) and inter country
- Adopter recruitment and front door
- Training of adopters
- Support for adopted adults
- Post order support
- Birth family support

These have been chosen because:

- It has been established that there are economies of scale that can be achieved quickly by combining the resources of the 4 authorities to deliver these particular functions.
- This will establish a 'West Mercia' brand to enable more effective marketing and recruitment.
- Adopters welcomed the flexibility that choice for accessing training and support would provide.
- This will enable the provision of a more holistic and responsive adoption service.
- It provides the option to contract on a not for profit basis by going into partnership with voluntary organisations around these functions and testing the market for Option 3.

The services out of scope (to continue to be delivered by the individual local authorities) would be:

- Family-Finding (including child permanence planning/preparation of the child/matching).
- Assessment of potential adopters.
- Panel and Adoption Decision-Making.
- Post-approval support to adopters including placement of child and support to point of Adoption Order.
- Adoption Financial Support.

Detailed Business Case - West Mercia Adoption Service

These were chosen to continue to be delivered by the individual authorities because:

- These are the functions where the local authority remains most accountable for their own children.
- The practice in each local authority differs within these functions and more work is required to understand the elements that contribute to best practice in each authority.
- The four local authorities need to better understand the resources that would be required within these functions to deliver the best outcomes.
- The market is less well-developed in the provision of these functions by an agency other than the accountable local authority.

Cost to Deliver the Service

Under this option the budgets for the combined functions would be pooled and managed by the West Mercia Adoption Partnership. This would be established as a new single entity, hosted by a lead authority on behalf of the four local authorities.

It is proposed that the four local authorities use a proportion of their Adoption Reform Grant to fund a dedicated Transformation Manager for 12 months to support implementation.

Staff currently involved in the work associated within these functions would be seconded to the West Mercia Adoption Partnership within their existing terms and conditions, pending any re-commissioning of the functions, or the local authority will provide the pro-rata budget for the function. However, this would be subject to formal consultation with staff.

Functions retained in each authority:

- Assessment of potential adopters
- Child Pathway: permanency plan, family finding, preparation of child
- Panel and Adoption Decision-Making
- Post Panel support including placement of child and support to the point Adoption Order is made
- Process/Team/Strategic Management

Budgets and staff for these functions will be retained by each authority and the delivery of these functions will remain the responsibility of each authority.

This is the first phase of service transformation which we anticipate will lead to an Option 3 service model. By combining these functions they would be more attractive to potential providers and could more easily be contracted out on a not for profit basis, if soft market testing showed this to be a more cost effective way to deliver them. This first phase would also allow time for the four authorities to better understand all best practice elements between us and develop a 'West Mercia Adoption Service' culture in order to then capitalise on it and develop a fully integrated service model (option 3).

Funding would need to be made available in 2014/15 and 2015/16 to recruit a temporary dedicated Transformation Manager to manage the West Mercia Adoption Partnership and lead the transition to a fully integrated service (option 3). This would ensure the project's ability to deliver within timescale and provide a consistent focus. This option would, therefore, be considered as an 'invest to save' initiative.

Detailed Business Case - West Mercia Adoption Service

The following identified gaps will be the immediate focus for the Transformation Manager:

- Future demand over next 3 years - a robust assessment of those aspects of the service which will need to be enhanced or reduced.
- Forecast of activity costs based on future demand over the next 3 years.
- Adoption Partnership, identifying potential savings.

Financial Savings

Financial savings under this option could be made through a reduction in management costs and commissioning some of the combined functions, however, a forecast of activity costs based on future demand and indicative costs of contracting out on a not for profit basis have yet to be determined.

Savings could also be achieved through an increase in the number of adopters and sharing adopters which would provide increased opportunities for placements of children who wait longer. For example across the four authorities we have currently identified a cohort of 25 children who wait longer to be placed due to age, disability, ethnicity or sibling groups, with an additional 10 children who have been in care longer than 21 months. If each authority was able to place one more child in one of these categories, it would equate to a saving of £72,000* per year in foster care payments for a possible 14 plus years. This is not withstanding the benefits for the child which permanence through adoption would represent.

* This is based on an average cost of external and internal foster carer placement of £2,000 per month, and so savings vary across authorities.

Expected Benefits

- Increased number and choice of Adoptive Carers.
- Speedier matching.
- Wider range of services for adoption support
- More consistent training and choice of training events
- Pooling of staff skills and expertise
- Economies of scale
- Bargaining power of a West Mercia brand
- Consistency across the region in delivery of merged functions
- Retained local accountability
- Consistent working to best practice across West Mercia
- Involving staff and service users in the development of the new approach
- No major legal implications

Risks

- Different IT systems may impact on performance.
- Staff turnover rate may increase if future is uncertain.
- Poor commissioning and implementation may result in service performance declining.
- Projected savings might not be made in individual authorities within the original timeframe

Considerations

- Consultation timescales with staff and trade unions.
- Differences in terms and conditions of staff.

Detailed Business Case - West Mercia Adoption Service

- Lead authority would need to comply with their standing orders and financial regulations in relation to procurement rules.
- Shropshire/Telford's marketing and recruitment contract with Ontrac ceases in March 2015.

Stakeholder Feedback

Feedback from stakeholder consultation on this option indicates that stakeholders felt this option would provide a wider choice of resources in relation to placements for children, opportunities to work collaboratively to develop and deliver preparation training for adopters and more holistic flexible adoption support including services to birth families. The joint commissioning of marketing and recruitment of adopters was viewed very positively. Overall stakeholders felt this option could provide economics of scale and opportunities for skill and resource sharing.

However, stakeholders also expressed concern that delivering some functions within individual authorities whilst delivering others together through a West Mercia Adoption Partnership had the potential to create a 'disjointed service' which could create confusion and build in delay for service users. They also felt that there could be a negative impact on service delivery during the implementation phase of the project. These concerns could be addressed through a risk management approach during implementation.

OPTION 3

Deliver a single adoption service, incorporating all adoption services, delivered by the West Mercia Adoption Partnership, hosted by a lead West Mercia authority.

- West Mercia Adoption Partnership as single employer
- Single entity, fully integrated single adoption service delivering all adoption functions.
- Shared Governance arrangements with clear agreements between the 4 local authorities to clarify lines of accountability for management of resources, benefits and risks
- Commissioning arrangements with any other organisation (egg voluntary organisation) fully integrated into arrangement – eg, for hard to place children and support services.
- One 'brand', one culture, consistent good practice, shared aims and vision, and one set of procedures.
- Integrated IT system.
- One route from marketing partner into the Adoption Partnership.
- Shared Panel arrangements.

Cost to Deliver the Service and Financial Savings

The cost to deliver this service is unknown at present. It is anticipated that by combining and delivering some functions together under a West Mercia Adoption Partnership, and commissioning those combined functions which would be more cost effective to be delivered by another/single provider (Option 2), the West Mercia authorities would be better placed to make the transition to this option. This would involve transferring those functions which were retained in each individual authority under Option 2 into a single service. Until Option 2 is implemented the cost to deliver this option is unknown, therefore, the financial savings cannot be identified at this stage.

However, ongoing savings could be achieved through an increase in the number of adopters and sharing of adopters which would provide increased opportunities for placements of children who wait longer, as outlined under Option 2.

Expected Benefits

- Best practice in each authority across functions could result in a gold standard service.
- Pooling of skills and expertise.
- Economies of scale
- Reduction in costs
- Bargaining power of a West Mercia brand
- Regional service delivered locally
- Increased number and choice of families.
- Speedier matching.
- Wider range of services for adoption support
- More choice and range for placements.
- More frequent training and choice of training events for adopters.

Risks

The implementation timescales are too short to allow the consultation and restructure required in this option, in particular in relation to TUPE and recruitment/redeployment, the integration of procedures and IT systems and commissioning. The risks to pursuing this option at this stage are therefore:

- Staff turnover rate may increase
- Decline in service performance (local authorities will remain legally accountable for their performance in relation to successfully finding permanent families for children in their area)
- Savings not made - short term increase in costs particularly around IT
- Increased demand at a time of upheaval so demand will be unmet
- Poor commissioning - risk of wrong service / service which is not fit for purpose being delivered.

Considerations

- Timescales for consultation with staff and trade unions.
- Differences in terms and conditions of staff.
- Lead authority would need to comply with their standing orders and financial regulations in relation to procurement rules.

Stakeholder Feedback

Feedback from stakeholder consultation on this option indicates that stakeholders felt that this option could provide a streamlined, consistent service for children and adopters. They felt it would be advantageous to have a lead manager that would have an overview of all children / adopters across the region which would support appropriate family matching. Offering adopters a choice in respect of when and where to attend training and panel was also seen as beneficial, supporting the 'adopter led' ethos in relation to the new two stage assessment process.

There was some concern that this option represents a 'big change' and stakeholders questioned if it was achievable within the proposed implementation timescale. Developing a shared identity within timescale was raised as an issue in several groups who felt the change management process for staff and stakeholders needed to be given appropriate time in order to promote a smooth service transition and consistent service delivery from the outset.

Detailed Business Case - West Mercia Adoption Service

Some concerns were expressed about potential inconsistencies across the four local authorities in relation to pursuing adoption for the widest range of children, however, stakeholders felt that as long as a shared ethos was developed and agreed in order to promote consistent service delivery these could be addressed.

Overall, stakeholders felt that whilst this model could meet the project's objectives, it may be more achievable to move to Option 2 in the first instance, which could be a 'stepping stone' towards implementation of Option 3 which was felt to be an ambitious and desirable service delivery model for the future.

OPTION 4

Contract out all adoption services (on a not for profit basis), eg, by going into partnership with a voluntary organisation or establishing a staff mutual.

An event with voluntary organisations in liaison with the CVAA was held in September 2013 to test out which providers may be interested in working in partnership with us and how. Barnados, Adoption UK, Adoption Focus and St Francis' Children's Society expressed an interest in working with us and exploring how this might be done once future demand and cost is clearer.

Potentially, smaller voluntary organisations could work together in partnership to deliver the various functions as a consortium. Section 3(4) of the Adoption and Children Act 2002 states that "A local authority may provide any of the requisite facilities by securing their provision by (a) registered adoption societies, or (b) other persons who are within a description prescribed by regulations."

However, as the option to contract out all core and non-core services in their entirety was deemed to be too big a step to take for the West Mercia authorities at this stage and therefore considered to be a longer term option, no further soft or hard market testing has been conducted. The cost to deliver this service and the financial savings it could make are unknown for similar reasons identified under Option 3.

Expected Benefits

- Potential to bring in new ideas/deliver services more innovatively
- Economies of scale

Risks

- Responsibility retained but less control over how services are delivered and managed
- Potential decline in service performance
- Quality of staff not guaranteed
- Staff turnover rate may increase prior to transfer
- Providers may over promise and under deliver leading to poor performance and safeguarding issues for children and young people
- Increased demand at a time of upheaval so demand will be unmet
- Poor commissioning - risk of wrong service / service which is not fit for purpose being delivered.

Considerations

- Timecales of consultation with staff and trade unions.

Detailed Business Case - West Mercia Adoption Service

- May need to lean services and make staff reductions to make the service more attractive to potential providers
- Possible implications for staff pensions
- Complex commissioning and procurement process - external expertise may be required.
- Who would hold/manage the contract/partnership agreement.
- Robust market testing would need to be undertaken and a cost/benefit analysis undertaken to determine who is in the market, what could be delivered, would it cost less.
- Staff TUPE process and timescales

Stakeholder Feedback

Stakeholders were unsure about this option, feeling it was a 'very different vision to get your head around'. They were concerned that this model could create loss of consistency and a possible lack of local relationships with children's social workers in the local authorities. In addition, they felt that local authorities could 'lose control' resulting in a loss of continuity for the child.

On a positive note they felt that it could provide a more flexible service which would reduce bureaucracy with more scope for innovation.

6. PREFERRED OPTION

Option 1 is not deemed to be a viable option as the benefits would be negligible, the project objectives and desired outcomes would not be achieved, nor would it deliver the Government's Adoption reform agenda.

Option 2 has significant benefits. It is anticipated that through combining and delivering some functions together under a West Mercia Adoption Partnership and commissioning those combined functions which would be more cost effective to be delivered by another/single provider, the West Mercia authorities would be better placed to make the transition to Option 3 (fully integrated service model) in 2016/17. This first phase of transformation would also allow time for the four authorities to better understand good practice between them and develop a West Mercia culture in order to then capitalise on it and develop a fully integrated service model (Option 3). It would also allow time to form relationships with voluntary organisations.

Progressing straight to Option 3 at this stage would incur a high number of risks which would outweigh the benefits.

Option 4 is deemed to be too big a step to take for the West Mercia authorities at this stage because of all the risks outlined for Option 3 and also because the market is untested, and is, therefore, considered to be a longer term option. The risks also outweigh the benefits of progressing straight to this option.

For these reasons, and taking into consideration feedback from stakeholders on each option, the preferred option is Option 2 for 2014/15 with transition to Option 3 in 2016/17 if the evidence continues to support this as the preferred option.

7. EXPECTED BENEFITS

The project will maintain and improve the quality of current provision and improve outcomes whilst making financial efficiencies. Reducing the length of time taken in the "end to end" process of the adoption journey, ie, from initial inquiry to a child being placed for adoption, will minimise the impact of delays for both the children and adopters. Whilst operational efficiencies will be achieved through

Detailed Business Case - West Mercia Adoption Service

the pooling of resources, the organisational changes expect to improve on the quality of the current provision across the region.

Savings could be achieved through an increase in the number of adopters and sharing adopters which would provide increased opportunities for placements of children who wait longer. For example across the four authorities we have currently identified a cohort of 25 children who wait longer to be placed due to age, disability, ethnicity or sibling groups, with an additional 10 children who have been in care longer than 21 months. If each authority was able to place one more child in one of these categories, it would equate to a saving of £72,000 per year in foster care payments for a possible 14 plus years. This is not withstanding the benefits for the child which permanence through adoption would represent.

In particular, the project will achieve the following outcomes:

- Retained local accountability and services based on local need.
- A reduction in the length of time taken in the 'end-to-end' adoption process, ie, from initial inquiry to a child being placed.
- A reduction in the overall cost of adoption for the four authorities across a number of different budgets.
- Children waiting for adoption will be matched more quickly and placed with adoptive families sooner, particularly those with a disability or from a BME background.
- Children's social workers will have increased choice of potential adopters to enable the successful matching of children.
- The four authorities will be assisted to meet new Government requirements on timescales.
- Swifter and more effective assessment, training, approval and support for adopters.

8. NEGATIVE IMPACT

Stakeholders may perceive the decision to progress to Option 2 with the future potential to progress to Option 3 as building in two phases of change as opposed to being bold and moving directly to Option 3.

Some stakeholders expressed anxiety that Option 2 could create a disjointed service, creating delay and dissatisfaction for service users.

9. TIMESCALES

Key Milestone	By When
Detailed Business Case approved by each WM Cabinet	24 th April 2014
Appoint Transformation Manager	End May 2014
Develop Implementation Plan for Option 2	End June 2014
Deliver Implementation Plan for Option 2	July – October 2014
Option 2 West Mercia Adoption Partnership operational	November 2014
Evaluation and updated Options Appraisal for Option 3	April 2015
Transition to Option 3	2016/17

10. PROJECT COSTS 2014-16

The majority of the work involved in designing and implementing the preferred option is likely to fall to existing staff across the four authorities, including project management, HR, Finance, Legal, Commissioning, Procurement, IT, Service User Pathways and Communications support.

Detailed Business Case - West Mercia Adoption Service

In addition, in 2014/15 and 2015/16 a dedicated Transformation Manager would be required to manage the West Mercia Adoption Partnership and lead the transition to a fully integrated service (Option 3), if the evidence continues to support this as the preferred option.

11. FINANCIAL IMPACT

Delivering the preferred option would require an investment and initial increase in costs due to the appointment of a Transformation Manager.

Combining the recruitment activity of adopters would result in an increase in the number of adopters beyond our internal needs. This would mean that the West Mercia Adoption Partnership would be in a position to sell our adopters (provide inter-agency placements) to other local authorities at a cost of £27,000 per placement (based on the current inter agency fee), thereby generating an income.

The project may deliver additional income streams through traded services provided to other local authorities where opportunities exist to develop expertise and capacity to provide specific services.

12. FUNDING ARRANGEMENTS

Funding for the project will be provided by partner contributions through staff time in kind and a pooled budget made up of a contribution from each authority's Adoption Reform Grant, which can specifically be used for adoption transformation.

13. PROJECT RISKS

Ref.	Risk	Mitigation	Status
WMA1	Conflict between the project's vision/objectives and the strategic direction of each individual adoption service or authority.	Monitor throughout the life of the project via Project Board and Steering Group which meet monthly and promote open and honest working relationships.	Medium
WMA2	Change in leadership in any of the authorities could lead to buy-in to the project being lost.	Monitor throughout the life of the project via Project Board and Steering Group on a monthly basis.	Medium
WMA3	Lack of stakeholder support.	<ul style="list-style-type: none"> • Communications strategy. • Communications plan. • Consultation framework. • Staff engagement channels/events. • Dedicated HR and Comms resource in place. 	Medium
WMA4	Lack of resources to deliver the project effectively and within timescale.	<ul style="list-style-type: none"> • Project management and governance arrangements in place. • Clearly defined roles, responsibilities and accountabilities agreed. • Steering Group and Project Board will be kept informed of any personnel changes that might have a detrimental impact on the project's success. • Use of Adoption Reform Grant to add capacity as and when required. 	Medium
WMA5	Ability to resolve complex issues such as IT within timescale.	ICT, Property Services and other identified specialist support will be	Medium

Detailed Business Case - West Mercia Adoption Service

Ref.	Risk	Mitigation	Status
		involved in the emerging design of the new service and the scoping of its ICT, telephony, property, etc, requirements.	
WMA6	Loss of key quality staff through the change process.	<ul style="list-style-type: none"> Identify key operational roles/people. Staff consultation and engagement. Dedicated HR resource in place. 	Medium
WMA7	Under the Children and Families Bill, the Secretary of State will have the power to direct LAs to arrange for the recruitment, assessment and approval of prospective adopters to be carried out by one or more other adoption agencies.	<ul style="list-style-type: none"> Detailed Business Case Stakeholder engagement 	Low
WMA8	Target savings may not be achievable across the board.	<ul style="list-style-type: none"> Detailed Business Case Due Diligence Project Plan Stakeholder engagement Risk register 	Medium
WMA9	Quality of service provision may deteriorate during development of the new service.	<ul style="list-style-type: none"> Robust commissioning process Staff engagement and consultation Regular performance monitoring Due Diligence Management oversight 	Medium

14. EQUALITY IMPACT ASSESSMENT

The project aims to improve outcomes for children and young people aged 0-18 and adopters over the age of 21 regardless of disability, gender, race, religion/belief, sexual orientation or gender reassignment. It also aims to improve outcomes for birth parents.

Could this project have a disproportionate impact on the Protected Groups listed below?	Positive	Negative	Neutral
Age			
Children (0 – 15 years)	X		
Young People (16 – 24 years)	X		
Older People (50+ years)		X	
Disability			
(e.g. people who have mental health, physical, sensory, learning and/or other disabilities)	X		
Gender			
Male	X		
Female	X		
Race			
(E.g. Asian, Chinese, Gypsy Roma Travellers).	X		
Religion or Belief			
(e.g. Christian, Muslim, Jewish, Sikh)	X		
Sexual Orientation			
lesbian, gay, bisexual Gender Reassignment	X		

Detailed Business Case - West Mercia Adoption Service

Pregnancy and Maternity	X		
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15. APPENDICES

Appendix 1 - Needs Analysis



WMAS Needs
Analysis UPDATED 26

AMENDMENT HISTORY		
Document Owner: Davinder Gill		
Version Number	Date	Reason for Amendment
V1	14.2.14	Original
V2	19.2.14	Amendments following WM Adoption Steering Group
V3	21.2.14	Further amendments from WM Adoption Steering Group
V4	28.2.14	Amendments following WM Adoption Project Board
V5	7.3.14	Further amendments from WM Adoption Project Board
V6	14.3.14	Further amendments from WM Adoption Project Board and amendments from WM Adoption Working Group
V7	19.3.14	Further amendments following West Mercia Adoption Steering Group
V8	27.3.14	Amendments incorporating firmed up financial information from Shropshire
V9	28.03.14	Amendments to financial information

APPROVALS		
Name	Date	Version
WM Adoption Project Board	7.3.14	V5



MEETING:	CABINET
MEETING DATE:	10 APRIL 2014
TITLE OF REPORT:	CLOSEDOWN OF HEREFORD FUTURES
REPORT BY:	ECONOMIC DEVELOPMENT MANAGER

Classification

Open

Key Decision

This is not a key decision.

Wards Affected

County-wide, but with particular reference to those wards representing the city area.

Purpose

To obtain approval to the arrangements put in place to accomplish the close down of Hereford Futures Ltd (HFL) on a solvent basis and to manage the effective operation of ongoing projects.

Recommendations

THAT:

- (a) the transfer of HFL obligations to Herefordshire Council (as outlined at paragraph 6 below) be approved;**
- (b) delegated authority be given to the Director for Economy, Communities and Corporate, in consultation with the Solicitor to the Council, to finalise and sign the necessary documentation to effect the transfer of obligations arising from recommendation a) above, including any necessary variation to the joint venture agreement with Homes and Communities Agency; and**
- (c) the role and efforts of HFL board members throughout the board's period of operation is recognised and thanks be extended to the board.**

Further information on the subject of this report is available from
Nick Webster, Economic Development Manager on Tel (01432) 260601

Alternative Options

1. That Cabinet decides not to approve the transfer of HFL obligations to the council.

This option has been discounted as it would not advance one of the council's priorities for economic development or realise the subsequent contributions towards the corporate plan. Not transferring the obligations would remove some of the council's regulation of the project and reduce the ability to enforce best value, in all its forms; it would also leave the council at risk of returning assets (or their equivalent value) to the Homes and Communities Agency (HCA) in line with the terms of the joint venture agreement (JVA)

Reasons for Recommendations

2. Following the close down of Hereford Futures Ltd there will be a number of outstanding obligations which will need to be continued to ensure the smooth operation of a number of projects which contribute significantly to the council's corporate plan. Additionally there will be ongoing financial, legal and operational implications of continuing with the projects, these will need to be managed and brought back to Cabinet or Cabinet Member as and when a decision is required.

Key Considerations

3. The master plan for the redevelopment of the ESG Area was agreed by Cabinet in 2003. Cabinet subsequently agreed to establish a delivery vehicle in 2004 leading to the creation of a company limited by guarantee, formerly ESG Herefordshire Limited and now known as Hereford Futures Ltd (HFL). HFL's activity is guided by the terms of a joint venture agreement (JVA) entered into by the company, the council, and Advantage West Midlands (AWM), the former regional development agency; on 26 June 2008. AWM's successor body is the Homes & Community Agency (HCA).
4. Following reductions in the council's funding agreed as part of the budget savings over the past two years, the HFL board met on 7 February 2014 and agreed that all members of the company, save the Chairman and Deputy Chairman, would resign on 25th April. They further agreed that the company would formally cease its operations at the end of April 2014, with the exception of doing what is required to finalise the accounts and close the company. The Chairman and Deputy Chairman would remain in post for this purpose.
5. Negotiations have taken place between the HFL chief executive, representatives of the HCA, and council officers on the necessary variation to the JVA to secure the exit of HFL from its responsibilities, and the transfer of HFL functions to the council or such other arrangements as the council may direct.
6. These negotiations have identified and agreed the following HFL functions for transfer to the council:
 - Disposal of 'Urban Village' and other Herefordshire Council owned properties on terms which realise proceeds not less than the market value.
 - Lead on negotiations for disposals in respect of 'Urban Village' and other

Further information on the subject of this report is available from
Nick Webster, Economic Development Manager on Tel (01432) 260601

- Herefordshire Council owned properties.
- Secure contributions in respect of 'Urban Village' and other projects transferred on or before the date HFL closes down.
 - Old Livestock Market Redevelopment
 - Agree outstanding aspects of the management strategy
 - Agree car parking charges
 - Ensure compliance with the lettings and displacement strategy for any final lettings.
 - Undertake commercial reviews in relation to 1) the phase 2 site value and lease income and; 2) overage reporting.
 - Undertake negotiations regarding future affordable housing delivery within the 'Urban Village'.
 - Support the relocation of businesses from priority redevelopment areas.
7. Council officers have confirmed that they are aware of the functions identified above and that these can be performed within the approved budget for 2014/15; beyond this time period the capacity to continue with these functions will be governed by future annual budget allocations in line with other council service planning.
8. All the above functions relate to projects falling within the ESG Area, the 40 hectare site identified within the JVA. These projects will contribute to the priorities set out within the council's corporate plan and provision has been made within the appropriate service plans.
9. Delegated authority is sought for the Director for Economy, Communities and Corporate to agree and sign the necessary documentation to transfer HFL's outstanding obligations, as set out above, to Herefordshire Council, including any necessary variation to the JVA.
10. Granting approval to take over the obligations from HFL will not remove the necessity for council officers to gain the required approvals from Cabinet or Cabinet Member should there be any further decisions required on any of the above projects. Consequently further reports will be brought, as required, to the appropriate decision-maker setting out the detailed legal, financial and operational implications of specific projects or decisions.
11. All of the existing obligations placed on Stanhope and British Land as developer and financier of the Old Livestock Market redevelopment will remain unchanged by the release of obligations on HFL and transfer to Herefordshire Council. These obligations will be managed and monitored by the council's property team. Stanhope and British Land's approval is required to allow the release of obligations concerning the Old Livestock Market redevelopment and it is understood that this agreement will be forthcoming
12. In letters to the company directors from the Chief Executive and Chief Finance Officer in May 2013 it was confirmed that the council had requested HFL to continue to trade (in accordance with the agreed business plan priorities) and then wind down the business and affairs of the company. In consideration of the directors agreeing to this request, it was confirmed that the council would 'provide funding of a maximum value of £695k during the financial years 2013-14 and 2014-15.; this commitment was made in accordance with agreed budgets and obligations.

13. It was agreed that HFL was intending to operate in a financial envelope of £486k and that the remaining balance of £209k was to be the maximum sum available to HFL to enable the directors 'to discharge in full the liabilities of the company as they fall due, and to repay all remaining liabilities together with the costs and expenses associated with the planned orderly wind down of the business and affairs of the company.' As of 26th March 2014 HFL have operated within the maximum value of £695k and currently a sum of £69k remains uncommitted.
14. It should be recognised that since its inception HFL has taken a leading role in co-ordinating the relocation of the former cattle market occupiers (other than the auctioneers themselves) and in the recommendation and management of developers in respect of the Old Market, Conningsby Street and the strategic partner for the 'Urban Village'. The company has also secured council and HCA approval to turning the master plan for the ESG area into supplementary planning guidance in 2007 which is recognised as a material planning consideration.
15. Planning approvals have been secured for a flood alleviation scheme, the Old Market, phase 1 of the 'Urban Village', an assisted housing development off Conningsby Street and the link road; all in line with the agreed master plan. Practical completion of the Old Market had been scheduled for the end of September 2014, but is now anticipated to be April, over five months ahead of schedule. . The development is approximately 95% pre-let and is the only new city-centre retail and leisure scheme to open in the UK during 2014.
16. The work of HFL and its executive function has been guided by the direction of the HFL board. As a part of their role, non-executive board members have contributed both time and knowledge during their membership of the HFL Board, this has been provided on a pro bono basis (with the exception of the Board Chairman who is remunerated to reflect the additional work and profile the role brings) and has been invaluable in terms of gaining scrutiny, challenge, direction and experience into the various constituent projects and operations undertaken by HFL since its inception. Board members have also utilised their considerable network of contacts and industry experience to support the work that the company has done on the Council's behalf.

Community Impact

17. The various projects within the ESG area are considered to contribute towards the achievement of priorities within the Corporate Plan in particular the "Economy" priority which is aiming to create and maintain a successful economy. Fulfilling the obligations via a transfer from HFL to the council enables these projects to continue to make a contribution towards the corporate plan and demonstrates the council is making best use of the available resources.

Equality and Human Rights

18. There are no equality or human rights implications arising out of this proposed transfer of obligations.

Financial Implications

19. As part of the 2013/14 budget setting process, the Council identified £695k funding available within the existing approved budgets and agreements. As of 26th March 2014 HFL have spent or committed an estimated £626k against the £695k maximum

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Nick Webster, Economic Development Manager on Tel (01432) 260601

sum allocated, leaving a remaining sum of £69k. In order to ensure the close down of HFL on a solvent basis and to protect the council against any unanticipated cost overruns it is recommended that any further call against this £69k requires the approval of the HCA and the council's Chief Executive and Chief Finance Officer, and it is restricted to activities required to secure the exit of HFL from its responsibilities.

20. The spend and commitments to date are summarised in the table below

	13/14	14/15	TOTAL
	£000	£000	£000
Operational costs			
Staff costs	290	119	409
Running costs	65	12	77
Sub-total – Pre agreed financial envelope	355	131	486
Additional operating costs			
	20	19	39
Project funding agreed	101		101
Total spent or committed (as at 26th March 2014)	476	150	626

21. As part of the initial establishment of HFL, the council undertook to underwrite any financial liabilities associated with the company pension scheme that may arise on closure of HFL. Worcestershire County Council, as operator of the Herefordshire Council pension scheme, has indicated that in their view there is unlikely to be any further pension liability.

22. Council officers have given an indication that the likely resource implication, within financial year 2014/15, of taking over the obligations from HFL is estimated to be the equivalent of £50,000 in officer time. It should be noted that, as mentioned in para 7 above, the cost of taking on these obligations will be met from within existing service budgets and staffing arrangements.

Legal Implications

23. The legal implications of agreeing these recommendations are described in the body of this report.

Risk Management

24. Stanhope/British Land are required to approve the novation of obligations concerning the Old Livestock Market redevelopment from HFL to Herefordshire Council. There is a risk that Stanhope/British Land will not grant this approval. However HFL and council officers have undertaken negotiations with Stanhope/British Land regarding the novation and a legal agreement has been drafted by Pinsent Masons dealing with the request. This agreement is currently being considered by council officers and will form part of the documentation delegated to the Director for Economy, Communities and Corporate to approve and sign.

25. The council currently owns properties within the ESG area which were acquired under the terms of the JVA. These acquisitions were funded by AWM, subject to the agency's right to call for their sale and return of the proceeds in the event that the HFL programme of projects did not proceed. The HCA has taken on AWM's role in

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the JVA.

26. Council officers have been in negotiation with the HCA and it is expected that the above arrangement will continue in future, subject to the Council accepting the obligations of HFL under the JVA. It is considered prudent for the council to accept the obligations in order to protect the council against the possibility of the HCA calling for a sale and return of the proceeds.

Consultees

27. Hereford Futures Ltd

Homes and Communities Agency

Appendices

None

Background Papers



MEETING:	CABINET
MEETING DATE:	10 APRIL 2014
TITLE OF REPORT:	CHANGE OF INTERNAL AUDIT PROVIDER
REPORT BY:	CHIEF FINANCIAL OFFICER

Classification

Open

NB Appendix 1 to this report is exempt by virtue of paragraph 3 of the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended

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.

NOTICE has been served in accordance with Part 3, Section 10 (General exception) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012.

Wards Affected

Countywide

Purpose

To agree future service delivery arrangements.

Recommendation(s)

THAT:

- (a) **The South West Audit Partnership (SWAP) is selected to provide the council's internal audit service;**
- (b) **The Chief Financial Officer is delegated authority to finalise contractual arrangements including a TUPE transfer of staff within the approved annual budget;**
- (c) **The council join SWAP and become part owners of the local authority owned company at zero cost – subject to approval by the SWAP Board; and**
- (d) **The Chief Financial Officer is delegated authority to be the council's representative on the SWAP board and to exercise the council's vote at**

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shareholder meetings.

Alternative Options

- 1 Remain with our current provider, KPMG. This would have had the advantage of less disruption but would be outweighed by not achieving the proposed budget savings or having less audit input. The service would in any event require re-procuring prior to the expiry of the contract on 31.3.15.
- 2 Bring the function back in-house. The number of audit days could have been maintained within the proposed budget but given the size of the team would not have given the required capacity and resilience (i.e. cover for sickness, vacancies and ability to respond to urgent requests for support etc) or the range of skills and access to specialists.

Reasons for Recommendations

- 3 The recommended provider has a proven track record of delivering quality internal audit services to 12 local councils, including Wiltshire and the Forest of Dean on a not for profit basis within the reduced budget for the service approved by Full Council on 7 February 2014. It was selected following a soft market testing exercise which considered both private and public sector providers as well as partnering opportunities. SWAP represented the best value for money and greatest resilience for the council as well as the option to be flexible going forward if the needs of the council changes. The council is keen to look at ways of working in partnership with other organisations to provide back office services more effectively. This proposal is a clear example of working with colleagues from other councils to achieve this.

Key Considerations

- 4 Cabinet approved formal shared service arrangements with its partners, NHS Herefordshire (NHSH) and Hereford Hospitals Trust (HHT), adopting a 'multi-source' approach; enabling different fit-for-purpose models to be used to deliver shared services for each service or group of services on 21 October 2010. This included internal audit services that were tendered as a joint contract; KPMG were appointed. However given the changes in the NHS it was decided to have separate contracts rather than a joint one. To reduce the costs the existing staff were not TUPE transferred to KPMG but were transferred to Hoople Ltd. The contract with KPMG was for three years from 2012/13 – 2014/15 but with an option to terminate the contract with 30 days' notice. KPMG managed the 2.6fte internal audit staff. KPMG charged the council £236k pa for 300 days work, the equivalent of 1.2fte in addition to the cost of the 2.6fte in-house staff of approximately £90k. In reviewing the budget for the council it was felt that better value for money could be delivered from the contract and a £100k or 40% efficiency saving for the same level of service was proposed. This budget saving proposal was approved by Council as part of the 2014/15 – 2016/17 budget.
- 5 A soft-market testing exercise was conducted to inform procurement strategy and determine the most value for money approach, supported by the Head of Commercial Services and with independent external support from the Chief Internal Auditor of Bristol City Council – acting as a critical friend.
- 6 In undertaking the soft market testing the council invited indicative proposals from a

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range of public and private sector organisations. Based on these a number of organisations were subsequently invited to a discussion with the Chief Finance Officer, Head of Commercial Services and the Chief Internal Auditor of Bristol City Council. Exempt appendix one sets out a matrix showing how each proposal compared against inputs, charging, quality and resilience. It is confidential as information was provided on this basis.

7 The potential options presented a range of procurement strategies including: a full competitive tender process; the use of an existing pre-tendered collaborative framework; the sharing of resources with other councils or a public-public shared-service approach through a Teckal exempt organisation.

8 A Teckal exemption is an principle permissible under UK procurement regulations (Public Contracting Regulations 2006) that supports greater collaboration between council and the establishment of public-public shared-services arrangements. It can apply where a contracting authority can exercise the same level of control over a wholly-owned entity that is similar to the control it has over its own 'in-house' departments ("the control test"); and the entity carries out the essential part of its activities for that authority. The control test can be satisfied even where the entity is covered by several authorities. A Teckal exemption confirms that an authority does not need to run a procurement procedure where the exemption applies. In considering the options the SWAP proposal presented the most advantageous approach , presenting:

- similar levels of quality to the current arrangements at a reduced cost.
- Capacity and resilience (i.e. cover for sickness, vacancies and an increased ability to respond to urgent requests for support etc.).
- A range of skills and access from a pool of over 60 staff.
- Increased training and development opportunities for staff.
- Better career opportunities for staff.
- Certainty of audit provision and cost to the council.
- Independence of the audit function.
- The ability to share resources across the authorities in the operational delivery of audit activity.
- Efficiencies through the development of collaborative work programmes.
- Shared development resources to maintain continuous improvement and deliver best practice.
- Access to a recognised audit management system and associated benefits from streamlining of workflow, enhanced opportunities for remote working etc.

9 The South West Audit Partnership:

- Started in 2005 as a Joint Committee with two initial partners
- Now has a membership including nine district, two county and one unitary council
- Is present in five counties
- Since 1 April 2013 it has been a publically owned "Teckal" compliant company limited by guarantee, wholly controlled by the partners
- Employs 60 full time equivalent staff
- Has been assessed and found to comply with the Institute of Internal Auditors professional practices framework and public sector internal audit standards – PSIAS
- Aims to provide a professional cost effective, high quality internal audit service and improve the standard of corporate governance, risk management and internal control systems for all partners.

Further information on the subject of this report is available from
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Community Impact

- 10 Supports achievement of council's corporate plan, in particular the objectives to manage finances effectively to secure value for money; and make best use of the resources available.

Equality and Human Rights

- 11 No implications

Financial Implications

- 12 The cost of the contract with SWAP is anticipated to be £225k per annum, including the cost of the in-house team. This is within the council's approved budget and represents a £100k saving on the current arrangement (having a total annual cost of £336k). The council will receive 900 deliverable audit days for this, plus an element of management time. This compares to the 850 days previously delivered which included an element of management. SWAP has also agreed to cover any sickness of the 2.6fte staff with productive days at no cost, whereas previously the days would have been lost or additional days charged to the council.
- 13 There will be a one-off payment of approximately £20k to SWAP when the 2.6fte staff transfer under TUPE. This represents the accrued pension deficit of the staff transferring that is currently owed to the Herefordshire and Worcestershire Pension fund as part of the council's overall pension deficit that is being repaid over 21 years.
- 14 The proposal, as with the current arrangement, includes the council providing accommodation for the internal audit team at no cost.

Legal Implications

- 15 Herefordshire Council is required under Regulation 6 of the Accounts and Audit Regulations 2011 to:

“undertake an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.

- 16 Herefordshire Council's Internal Audit Charter includes the need for independence and direct lines of reporting to the Chief Financial Officer (S151 Officer), Chief Executive (Head of Paid Service), Monitoring Officer and Chair of the Audit and Governance Committee when required. Herefordshire Council Internal Audit Service have adopted and follow the Public Sector Internal Audit Standards (PSIAS), introduced in April 2013, which provide a national standard for all Public Sector Internal Auditing within the UK.
- 17 Under the recommended arrangement, the contract remains open until a partner wishes to exit; the exiting partner bears the cost of redundancy or takes the TUPE transfer of staff back to their authority, equivalent to the days being provided.

Risk Management

- **Staffing issues.** Internal audit is a staff-intensive service and it is therefore important

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that morale is maintained, both during the transition period and into the future. To mitigate this risk, staff have been kept involved and informed of the proposals from the earliest stages to ensure that relevant issues can inform the way forward. Feedback from staff indicates that they are very positive about joining the partnership. Whilst direct dialogue will continue, the formal HR consultation process will also ensure that any outstanding issues and/or concerns are adequately considered and appropriately addressed.

- **Quality and performance issues.** The internal audit team is rightly proud of the high quality of their work and their performance target achievements. It is essential that not only are current quality and performance levels maintained, but that where possible these are improved. Considerable effort will be put into comparing working practices between the partners, evaluating the different methodologies and adopting the best from SWAP.

Consultees

- 18 Audit and Governance Committee (AGC) – Were supportive of the proposals and requested that the future role of AGC should include a periodic review of the effectiveness of internal auditors to inform future appointments. AGC also sought assurance that SWAP has the capacity to deal with ‘worst case scenario’ re. audit requirements. that an exit strategy was in place should the council wish to end the arrangement, and it was possible to terminate the arrangement with appropriate notice. Termination arrangements are set out within the legal implication section above and the AGC’s remaining issues will be addressed in the finalising of the contractual arrangements.
- 19 Directly affected staff – have been consulted and are supportive of the proposals, in particular welcoming the greater opportunity for career development and more access to on-site management, and improved value for money offered by a not for profit organisation.
- 20 Trade union – Unison are content that staff views have been taken into account.

Appendices

Appendix 1 – Soft Market Testing Matrix (exempt by virtue of paragraph 3 of the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended).

Background Papers

None identified.

Document is Restricted

