

AGENDA

Cabinet

Date: **Thursday 18 December 2014**

Time: **2.00 pm**

Place: **The Hall, Shire Hall, St Peters Square, Hereford, HR1
2HX**

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

For any further information please contact:

Governance Services

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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
Councillor P Rone

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
4	South Wye Transport Package	Transport and Roads	General Overview and Scrutiny	Yes
6	Herefordshire Nursery Education Funding Policy (2, 3 & 4 year olds)	Young People and Children's Wellbeing	General Overview and Scrutiny	Yes
9	Extended National Troubled Families Programme Herefordshire	Health and Wellbeing	Health Overview and Scrutiny	Yes

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 November 2014.

7 - 16

4. CALL-IN OF THE CABINET DECISION ON THE SOUTH WYE TRANSPORT PACKAGE

To consider responses to the resolutions of General Overview & Scrutiny Committee (2 December 2014) following the call in of the decision of cabinet taken on 13 November, and confirm a preferred option for the South Wye Transport Package (SWTP) including the preferred route for a new link road from the A49 to the A465 (with a link to the B4349)

17 - 28

5. BUDGET MONITORING REPORT - OCTOBER 2014

To provide Cabinet with an updated position on the projected outturn for 2014/15.

29 - 60

6. HEREFORDSHIRE NURSERY EDUCATION FUNDING POLICY (2, 3 & 4 YEAR OLDS)

To approve the Herefordshire Nursery Education Funding Policy.

61 - 104

7. ESTABLISHING A WELL BEING CENTRE IN KINGTON

105 - 136

To seek approval to establish a well-being centre in Kington, based at the current customer services centre and library, incorporating current services whilst co-ordinating preventative health provision for residents of Kington and the surrounding area.

8. EXTENDED NATIONAL TROUBLED FAMILIES PROGRAMME

137 - 144

To confirm the council and its key partners will continue to work with the national Troubled Families programme and join the extended programme which will run from 2015/16 to 2019/20.

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HEREFORDSHIRE COUNCIL

The Shire Hall, St Peter's Square, Hereford

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HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Cabinet held at The Shire Hall, St Peters Square, Hereford, HR1 2HX on Thursday 13 November 2014 at 2.00 pm

Present: Councillor AW Johnson (Chairman)

Councillors: H Bramer, JW Millar, PM Morgan, GJ Powell, PD Price and P Rone

In attendance: Councillors WLS Bowen, PJ Edwards, DW Greenow, JA Hyde, TM James, JLV Kenyon, RI Matthews, FM Norman, AJW Powers, P Sinclair Knipe, DC Taylor

Officers: Chris Baird (Assistant Director, Commissioning and Education), Richard Ball (Assistant Director, Place Based Commissioning), Jason Collins (Parsons Brinkerhoff), Helen Coombes (Director of Adults Wellbeing), Jo Davidson (Director of Children's Wellbeing), Phil Davidson (Parsons Brinkerhoff), Gary Diamond (Parsons Brinkerhoff), Andy Hough (Head of Education Development), Geoff Hughes (Director for Economy, Communities and Corporate), Mairead Lane (Construction Manager), Alistair Neill (Chief Executive), Bill Norman (Assistant Director, Governance), Ben Pritchard (Parsons Brinkerhoff), Peter Robinson (Chief Financial Officer), Andy Williams (Balfour Beatty LLP).

35. APOLOGIES FOR ABSENCE

Councillor CN Attwood.

36. DECLARATIONS OF INTEREST

There were no declarations of interest.

37. MINUTES

RESOLVED: That the Minutes of the meeting held on 9 October 2014 be approved as a correct record and signed by the Chairman.

38. CORPORATE PERFORMANCE REPORT 2014/15: QUARTER 2

Cabinet considered performance for the second quarter of 2014/15 following the quarterly performance review held on 20 October 2014.

The Assistant Director, Place Based Commissioning introduced the report confirming its focus had been on the successes, challenges and future priorities of each of the directorates.

Following a question from members about the dental health of children in the county, the Director of Adults Wellbeing confirmed the dental health service would be running tooth brushing workshops with a focus on parents understanding the importance of teeth cleaning, regular visits to dentists and diet. This will be in place before the end of the year. Following a further question about the percentage of fluoride in drinking water the Director of Adults Wellbeing advised a written answer would be given.

Concerning the figures on the number of people killed or seriously injured in road traffic collisions the Assistant Director, Place Based Commissioning confirmed that detailed assessments are carried out by road safety engineers to collate the patterns in accidents. During this year the pattern has shown an increase in injuries due to collisions rather than a pattern of treatable road conditions. There is a package of road safety information in place and the drink/drive campaign will start before Christmas.

With regard to the accident on the Holme Lacy Road on the 10 November 2014 the Assistant Director, Place Based Commissioning confirmed he was not yet in a position to give any causes for the accident and work with the police was continuing. If the investigation into the accident finds any action is needed this will be acted upon.

Concerning broadband speeds, the Cabinet Member for Health and Wellbeing confirmed 44,000 homes in the county now have access to fibre optic broad band.

Resolved

THAT:

(a) Performance for the second quarter be considered.

39. STRATEGIC PLAN FOR EDUCATION

The Cabinet Member for Young People and Children's Wellbeing presented Cabinet with the Strategic Plan for education 2014 – 2017. The six priorities of the strategy were highlighted to members.

Since the report was published it has been confirmed that Herefordshire was one of only six Local Authority areas who achieved an improvement at Key Stage 4 (GCSE level) this year.

The Assistant Director, Commissioning and Education confirmed the plan is a live document which will continue to be updated. Access through the web site will allow people to navigate through to further information.

Following members' queries about the estate strategy the Head of Education Development confirmed that it is forward looking and takes into account any planned strategic housing. Pressures concerning the maintenance and the rationalisation of buildings are also taken into account.

The Director of Children's Wellbeing went on to say the Education Estate Strategy was a large piece of work. Concerning small schools (those with fewer than 100 pupils) the approach was for education efficiency and being effective with the resources available. Decisions are not based on size, but looking at different forms of sustainability. In some cases small schools can look at shared leadership. It is important that the education strategy looks at education provision as an education community which is both efficient and effective.

Concerning a query about the staffing of the education department the Director of Children's Wellbeing confirmed, as with other areas of the council, there have been reductions in staffing levels. This has meant the relationship with schools has changed, and, in line with government expectations, schools are expected to be more self-supporting. An Improvement Partnership has been set up with the ambition of securing highly effective peer to peer support.

Regarding school governors the Assistant Director, Commissioning and Education advised there is a regular newsletter sent to the chairs of governors. Each term the council attends the Herefordshire Governors' Association meetings. Further briefings have been set up for governors, the next of which is concerning performance and trends. Members were asked to encourage people to become school governors.

The Assistant Director, Commissioning and Education confirmed £19,000 has been received by schools from Section 106 agreements so far this year. £76,000 has been spent by schools so far this year from monies accumulated from previous Section 106 agreements. Further details will be circulated to members.

Following members queries about Academy Schools the Assistant Director, Commissioning and Education confirmed there had been good engagements with the head teachers in the preparation of the strategy. The educational achievements of academy schools are no different than those from non-academy schools. No further schools currently plan to become academies.

The Director of Children's Wellbeing advised members the local authority have a duty to make sure every child has good deal through education and it still has the power to make improvements and influence education through high expectations and joint working.

Resolved

THAT:

- (a) the Strategic Plan for Education in Herefordshire be approved.**

40. CAPITAL SUPPORT FOR FEDERATION OF AYLESTONE BUSINESS AND ENTERPRISE COLLEGE (ABEC) AND BROADLANDS PRIMARY SCHOOL AND CHILDREN'S CENTRE.

The Cabinet Member for Young People and Children's Wellbeing presented a report asking cabinet to approve the relocation of Broadlands Primary School onto the Aylestone Business and Enterprise College site, at a cost of £1.007m. This would release the Broadlands Primary School site whilst not having the long term maintenance costs of the school.

In answer to a member's query concerning the need to have Secretary of State permission to sell the Broadlands School site, and if free schools would make this less likely to be given, the Assistant Director, Commissioning and Education observed that fewer free schools are being approved. He went on to confirm he felt there was a strong case for the sale, as the school was not being closed, only relocated; there were improvements being made to buildings; and capital from the sale was being used to make these improvements. The deteriorating state of the school was confirmed.

The Director of Children's Wellbeing reminded members that the Secretary of State has the power to take over land which has been used for education in the last eight years.

The Chairman confirmed any issue concerning vehicle access to the new site would be looked into as part of the planning process.

A member of the public handed a petition concerning this item to the Cabinet Member for Young People and Children's Wellbeing.

Resolved

THAT:

- (a) The relocation of Broadlands Primary School and Children's Centre onto the Aylestone Business and Enterprise College (ABEC) site be approved at a cost of £1.007m ; and**
- (b) It is recommended to council that provision of up to £1.007m is made in the capital programme and;**
- (c) Subject to completion of the scheme the Broadlands site be declared redundant and disposed of in accordance with council policy.**

41. LOCAL ACCOUNT 2013/14

The Cabinet Member for Health and Wellbeing presented the Adult Social Care in Herefordshire 2013/14 Local Account. This is a statutory report, required by the Department of Health, looking back at the service provided by Adult Social Care in 2013/14.

It was pointed out to members that the majority of service users are generally happy with the service they receive. The report looks forward to plans around increased use of direct payments, service users having greater control, working with partners and the introduction of the Care Act in 2015.

Following concern raised by members about the care of elderly people, the Director of Adults Wellbeing confirmed that across the health and social care sector there are issues with the workforce and recruiting staff. For many people the sector is not seen as an attractive option. Work has been done with partners, and colleges to see how to increase the capacity of the workforce and how to attract more people to the profession.

Concerning care homes that are not compliant with national standards the Director of Adults Wellbeing confirmed the responsibility for this lies with the Care Quality Commission (CQC). However the local authority does have a quality control process and officers to deal with issues. A local process is in place to make sure improvements are made.

Following a query about alleged financial abuse of patients, the Director of Adults Wellbeing confirmed this can be a common problem, especially for elderly people. There is currently a safeguarding process in place, and options for people include the court of protection and involvement from police and social workers. Work has been done with Trading Standards to make people aware of the possible risks. The Care Act will give further advice and guidance on how people can be protected.

Resolved

THAT:

- (a) Cabinet approve the publication of the Local Account as attached at Appendix 1.**

42. COUNCIL ACQUISITION OF THE THREE ELMS TRADING ESTATE, HEREFORD. HR4 9PU

The Cabinet Member, Contracts and Assets introduced the report for the council acquisition of the Three Elms Trading Estate, Hereford from the Homes and Communities Agency. The estimated cost of the purchase of the site and further investments in the site are £2.6m.

The Director for Economy, Communities and Corporate went on to confirm the area is important employment land for the north of the city. A number of businesses are interested in moving to the estate, which would increase occupancy to 95%. This is an opportunity to buy the land at a reduced price, the rents received will cover the costs and it will also release the adjoining land which the council already owns.

It was clarified the new developments mentioned in paragraph 5 of the report are to be on the part of the land not yet developed.

Resolved

THAT:

(a) Council are recommended to approve (as part of the 2015/16 capital programme) the allocation of £2.6m for;

- i. the purchase of the freehold interest of the Three Elms Trading Estate from the Homes and Communities Agency; and**
- ii. investment of around £850k in the estate to improve the site infrastructure thus improving the prospect of further investment in the development of the vacant land and improvements to the existing buildings; and**

(b) Authority be delegated to the Director of Economy Communities and Corporate (in consultation with the Cabinet Member, Contracts and Assets, the Chief Financial Officer and Assistant Director Governance) to determine agreement of acceptable terms as to land acquisition and infrastructure investment as referenced in recommendation (a) above.

43. SOUTH WYE TRANSPORT PACKAGE

Cabinet were presented with reports recommending a preferred route for the new link road from the A49 to the A465, together with details of the consultation responses received during the public consultation period in July and August 2014.

The Cabinet Member for Infrastructure introduced the item giving details of how the proposed road fits into the core strategy, opens up business and housing growth and addresses transport problems within the South Wye area. He thanked the Cabinet Members who attended a site visit earlier in the week to the area of the route options.

He confirmed that route SC2 was the preferred route to progress to planning application stage, and had been chosen following the assessment work carried out by consultants Parsons Brinkerhoff and review of public consultation feedback. This is the most southerly of the route options passing under Haywood Lane and over the railway line. Funding for the route was in place and would come from Government funding through the Marches Local Enterprise Partnership (LEP).

The Assistant Director, Place Based Commissioning advised that if the preferred route was selected by Cabinet, the project will proceed to the planning stage. Further reports would be made to Cabinet once planning approval was in place, to enable the project to progress.

The Construction Manager gave cabinet the background of the project from 2010. She confirmed in 2013 consultants Parsons Brinkerhoff were asked by the council to look at the eight identified options available. Through 2013 residents were kept up to date with the progress of their work and in July 2014 public exhibitions were held giving details of the proposed routes.

The Construction Manager confirmed that a professional review had been undertaken by Herefordshire Council project team and they are content with the Preferred Option Report which accompanies the cabinet report and recommends SC2 as the preferred route.

Ben Pritchard from Parsons Brinkerhoff (PB) presented a slide show, showing the eight original route options. He confirmed four of the eight had been discounted prior to public consultation due to their impact on avoidable ancient woodland areas and impact on residential and listed buildings. The four remaining routes were considered and presented for public consultation over the summer. Three further routes were assessed in detail post the consultation in response to comments received. Further slides were shown of the extra three route options considered, an appraisal summary table showing the scores given to each route using the Department of Transport WebTag system, the costs of the proposed routes and concluding with the preferred route, SC2.

A Cabinet Member asked about the status of Grafton Wood. Four routes had been discounted due to their impact on other ancient woodlands areas but four remaining routes had an impact on Grafton Wood, an explanation of this was requested.

Ben Pritchard (PB) confirmed the project team had been made aware of Grafton Wood being added to Natural England's ancient woodland inventory in July 2014.

Phil Davidson (PB) advised the ecological value of all of the woodlands in the route corridor had been surveyed. The results of the surveys showed the relative values of each woodland area. Newton Coppice and Hayleasow Wood had a higher ecological value, whilst Grafton Wood was at the lower end of the scale. In line with standard practice for environmental assessments, consideration was given to whether woodland can be avoided and then if not how the impact can be mitigated.

Slides were shown of Grafton Wood and Newton Coppice to show the differences between them.

Ben Pritchard (PB), added that based on feedback from the Highways Agency and good highway design practice, the junction with the A49 has to be onto the existing roundabout, leading to the Rotherwas access road. Another roundabout could not be added to the road and the alignment of the southern link road would need to comply with highway standards this meant that none of the routes would be able to avoid Grafton Wood given its proximity to the A49, whilst still meeting appropriate highway standards and it was therefore appropriate to seek to mitigate its impact.

A Cabinet Member asked about the visual impact of the preferred route going over the railway rather than under.

Ben Pritchard (PB), confirmed this was the preferred option due to the added costs of going under the railway line, the engineering that would be needed to do that and also the potential risk of the road under the line flooding.

A Cabinet Member asked if members could be assured the consultation currently carried out was robust enough, and appropriate, for the stage the project was at.

Ben Pritchard (PB) confirmed consultation had taken place over the summer as outlined in the report and that this included with the Highways Agency, Natural England, English Heritage, the County Ecologist, and the Utility companies.

A Group Leader asked for further clarification concerning route SC2 going through ancient woodland at Grafton Wood, when other routes were discounted because of them going through ancient woodland.

Phil Davidson (PB) repeated his earlier comments about the relative ecological importance of Grafton Wood compared with the other woodlands and the mitigation process used whereby it is preferred to avoid ancient woodland but not always possible to do so. He quoted the National Planning Policy Framework which says a scheme should avoid ancient woodland wherever possible, unless the need for and the benefits of a scheme outweigh its loss.

A Group Leader raised concerns about the consultation process carried out, stating that English Heritage and Sustrans had not been consulted, and queried if the consultation carried out could withstand a Judicial Review.

Ben Pritchard (PB) confirmed that independent legal advice had been sought to confirm if the non-statutory consultation was robust. This had confirmed that it had been robust. He confirmed they are also actively engaged with statutory consultees and dialogue would continue through the statutory planning process.

A Group Leader asked if value for money will be gained from the project if the road does not go to the east of the city.

The Assistant Director, Place Based Commissioning stated that the southern link road is a standalone scheme but benefits include enabling further development at the Enterprise Zone. There would also be benefits arising from environmental improvements along the Belmont Road.

Ben Pritchard (PB) advised a package of measures, including the southern link road, are needed to unlock the Enterprise Zone. Routes in the south wye area are currently congested and difficult to use for walking and cycling and alternative, smaller roads, are not made for high volumes of traffic. The road alone is not sufficient to address all of the problems in the study area but will bring benefits when combined as part of a package of measures, including sustainable transport improvements.

A Group Leader raised further concerns about the loss of ancient woodland, reminding members that once lost, it cannot be replaced. Concern was also raised about the justification for a southern relief road when new roads can lead to increased traffic, drawing in traffic from other areas and other means of reducing traffic, such as walking and cycling should be examined instead.

The Assistant Director, Place Based Commissioning gave details of the sustainable transport projects that have been put into place, including the 'Choose how you Move' campaign and the Connect2 bridge. Whilst more could be done to improve sustainable transport facilities, the council has made significant investments in this regard over recent years. He confirmed the South Wye Transport Package includes a range of sustainable transport measures and is part of the council's strategy to do more to promote public transport, cycling and walking in the south wye area. It was noted that the specific sustainable transport measures will be finalised once a route had been confirmed.

The Cabinet Member for Infrastructure pointed out the continuing improvements to the A465 in Wales and how the South Wye Transport Package will continue these improvements into Herefordshire and the Enterprise Zone.

A Ward Member gave details of the current problems experienced in Belmont due to the traffic congestion. Although supportive of the scheme queries were raised concerning the proposed route going over the railway line rather than under and the increased noise this may cause to people living in the south west area of the city.

The Chairman advised that the ward member would be written to in order to answer the specific queries about the railway line and the traffic congestion in his ward.

A Ward Member questioned if the southern route is needed as he felt there is more pressing need for further river crossings.

A Ward Member gave support for the need of a southern link road, but voiced concerns about the process that had been followed concerning the route passing through Grafton Wood and the consultations that had been undertaken with English Heritage. The question was raised again about if the work done so far was robust enough to withstand a public enquiry.

Ben Pritchard (PB) confirmed that independent legal advice had confirmed the consultation work carried out was sufficient and robust.

A Ward Member spoke to give support to the proposal in order to improve access to the Enterprise Zone and improve employment prospects.

A Group Leader questioned if the preferred route could be amended, by taking elements from another route option, to take it away from Grafton Wood.

Ben Pritchard (PB) advised the design could not be able to be amended in such a way whilst still meeting the objectives of the scheme. In order to achieve such a change, it would not be possible to continue to comply with Highways Agency requirements and design standards appropriate for the route.

In summing up the discussions the Chairman stated that the decision at this meeting was to approve a preferred route. The decision would then enable a planning application to be submitted and this would provide the formal opportunity for issues to be raised and considered and looked as part of that process.

Resolved

THAT:

- (a) route SC2 is selected as the preferred route for the Southern Link Road (SLR)**
- (b) authority is delegated to Assistant Director Place Based Commissioning to prepare and submit a planning application for a scheme along route SC2.**
- (c) subject to planning consent being obtained authority is delegated to the Assistant Director Place Based Commissioning to continue detailed design of the scheme and develop proposals for land acquisition. A further report will be prepared for cabinet outlining land and property acquisition plans and draft orders in due course.**

44. LOCAL COUNCIL TAX SUPPORT SCHEME 2015-2016 EFFECT ON PARISH PRECEPTS

The Chief Financial Officer asked Cabinet to recommend to Council that the estimated council tax support scheme funding of £289k is passed onto parishes in 2015/16 as was done in 2014/15.

Since council tax benefit was abolished and replaced with the local council tax support scheme the allocated funding from central government has been included in the general revenue grant. For 2014/15 this was estimated to be £289k for parish and town councils.

Herefordshire Council has previously passed this funding onto the parish and town councils. If this was not done they would have to increase their precept by, on average 10%, or reduce their spending.

Figures were given showing the percentage differences for all parishes in the county based on the numbers of people claiming local council tax support in that parish.

Resolved

THAT:

- (a) The cabinet recommends to Council that estimated council tax reduction support scheme grant funding of £289k is passed onto parishes in 2015/16 (as it was in 2014/15).**

45. PROPOSED CAPITAL PROGRAMME 2015/16 TO 2017/18

The Chief Financial Officer presented a report giving details of proposed additions to the capital investment programme for 2015/16 to 2017/18.

The report had already been seen by the General Overview and Scrutiny Committee who had requested it be updated to show the schemes that are funded externally and

those which are funded partly or wholly by the Council and also to show the updated levels of debt.

It was pointed out that £47m of the capital schemes will be funded externally.

Included in the items added to the capital programme are the South Wye Transport Package and the purchase of the Three Elms Trading Estate. There is the potential for Colwall Church of England Primary School to need a replacement building; further reports will come to Cabinet if this is the case.

In reply to a members question the Director for Economy, Communities and Corporate gave details of the reasons for the expenditure for the Yazor Brook Flood Alleviation Scheme. He confirmed construction of the Energy from Waste plant had begun and was on budget. He also confirmed the works were needed on the Town Hall to avoid any further deterioration of the building.

Resolved

THAT:

- (a) The additional capital schemes as detailed in appendix 1 of this report are recommended to Council for inclusion in the 2015/16 capital programme.**

The meeting ended at 4.50 pm

CHAIRMAN



MEETING:	CABINET
MEETING DATE:	18 December 2014
TITLE OF REPORT:	SOUTH WYE TRANSPORT PACKAGE
REPORT BY:	Assistant Director Place Based Commissioning

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

And

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county

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

Wards Affected

Hollington, Stoney Street, Belmont and St Martins & Hinton

Purpose

To consider responses to the resolutions of General Overview & Scrutiny Committee (2 December 2014) following the call in of the decision of cabinet taken on 13 November, and confirm a preferred option for the South Wye Transport Package (SWTP) including the preferred route for a new link road from the A49 to the A465 (with a link to the B4349)

Recommendation(s)

THAT:

- (a) the responses to the resolutions of General Overview & Scrutiny Committee (2 December 2014) as set out in this report be noted and in light of those responses the following recommendations (previously agreed by cabinet) be reaffirmed

Further information on the subject of this report is available from
Mairead Lane, Construction Manager on Tel (01432) 260944

- (b) route SC2 is selected as the preferred route for the Southern Link Road (SLR);**
- (c) authority is delegated to Assistant Director Place Based Commissioning to prepare and submit a planning application for a scheme along route SC2; and**
- (d) subject to planning consent being obtained authority is delegated to the Assistant Director Place Based Commissioning to continue detailed design of the scheme and develop proposals for land acquisition. A further report will be prepared for cabinet outlining land and property acquisition plans and draft orders in due course**

Alternative Options

- 1 Following consideration of the responses to the resolutions of General Overview & Scrutiny Committee (2 December 2014) the alternative would be to not select SC2 as the preferred route for the Southern Link Road (SLR). The transport objectives of SWTP could not be achieved. Economic growth at the Hereford Enterprise Zone (HEZ) would be affected and congestion could not be reduced. This option would be inconsistent with the Local Transport Plan, Unitary Development Plan, emerging Local Development Framework and the Strategic Economic Plan for the Marches Local Enterprise Partnership.

Reasons for Recommendations

- 2 Both of the recommendations of General Overview & Scrutiny Committee have been considered in turn. Detailed responses are provided within the report for consideration by cabinet. These responses confirm that it remains appropriate to recommend that SC2 be selected as the preferred route for the SLR as part of a package of measures in the South Wye area.
- 3 A package of measures that would overcome transport problems within the South Wye area of Hereford has been developed and assessed. The SWTP has identified a number of possible improvements, covering different transportation modes, strategies and interventions, in accordance with the council's Local Transport Plan strategy.
- 4 The assessment has concluded that in order to address the transport problems and meet the objectives set for the SWTP, a new SLR from the A49 to the A465 (with a link to B4349) is necessary, as part of an overall package of complementary measures.
- 5 The SWTP was considered by cabinet at its meeting on 13 November 2014.
- 6 Cabinet considered a detailed report on the subject. This considered the consultation responses received and sought confirmation of a preferred package for a new link road from the A49 to the A465 (with a link to B4349)
- 7 Subsequent to the meeting, the decision (Ref: 2014-15.Cab.022.Key) was called in under the relevant provisions of the council's constitution.
- 8 General Overview & Scrutiny Committee met on the 2 December 2014 and considered a comprehensive report which set out a detailed response to each point of the call in.

Further information on the subject of this report is available from
Maired Lane, Construction Manager on Tel (01432) 260944

- 9 The project team attended the meeting and responded to all questions put by members of the committee.
- 10 The General Overview & Scrutiny Committee resolved:
- That the decision on the preferred route option be referred back to cabinet, with the following recommendations:
1. So that Cabinet can be advised by the Finance Director (and council's Section 151 Officer) as to the robustness of the approach and actuality of the cost modelling and the consequent scoring given to all routes under the options appraisal process; and
 2. As Grafton Wood is now designated Ancient Woodland that SC2 is re-examined, in the light of mitigations and extra costs required, as the preferred option.
- 11 These two points have been considered and this report provides detailed response to each to enable cabinet to consider these issues. The appraisal of the options for the SWTP has followed national guidance and officers are satisfied that it is robust. Option SC2 for the alignment of the SLR element scored the highest for all of the routes appraised. This also received the highest levels of support based on feedback from public consultation. Cabinet is invited to approve the above recommendations to select SC2 as the preferred route to be taken forward for planning and implementation as part of a complementary package of measures to address the transport problems in the South Wye area of Hereford.

Key Considerations

- 12 As outlined in the report to cabinet, the aim of the SWTP is to promote economic growth within Hereford, while tackling specific problems in the South Wye area. The provision of transport infrastructure and improvements will achieve this by unlocking the barriers for both housing and economic growth, including land at the HEZ.

The aims of the SWTP are:

Economic:

- Reduce congestion and delay
- Enable access, particularly to developments such as the HEZ

Environmental:

- Reduce the growth in emissions such as CO₂, NO_x and PM₁₀s
- Reduce traffic noise

Health:

- Encourage physical activity
- Reduce accidents

- 13 The SWTP has been developed to bring forward transport improvements in accordance with the council's Local Transport Plan strategy for Hereford. It is also consistent with the adopted Unitary Development Plan, emerging Local Development Framework and the Strategic Economic Plan for the Marches Local Enterprise Partnership.

Further information on the subject of this report is available from
Mairead Lane, Construction Manager on Tel (01432) 260944

- 14 The aim of the SWTP is to promote economic growth within Hereford while tackling specific problems in the South Wye area. The provision of transport infrastructure and improvements is to achieve this by unlocking the barriers for both housing and economic growth, including land at the HEZ.
- 15 The SWTP was considered by cabinet at its meeting on 13 November 2014.
- 16 Cabinet considered a detailed report on the subject. This considered the consultation responses received and sought confirmation of a preferred package for a new link road from the A49 to the A465 (and link to B4349).
- 17 At the meeting, cabinet resolved that:
- a) Route SC2 is selected as the preferred route for the Southern Link Road (SLR);
 - b) Authority is delegated to Assistant Director Place Based Commissioning to prepare and submit a planning application for a scheme along route SC2; and,
 - c) Subject to planning consent being obtained authority is delegated to the Assistant Director Place Based Commissioning to continue detailed design of the scheme and develop proposals for land acquisition. A further report will be prepared for cabinet outlining land and property acquisition plans and draft orders in due course.

Call-in considered by General Overview and Scrutiny

- 18 Subsequent to the meeting, the decision (Ref: 2014-15.Cab.022.Key) was called in under the relevant provisions of the council's constitution. The Notification of Call-In can be viewed within the report to Scrutiny at:

[Call-in of the Cabinet Decision on the South Wye Transport Package](#)

- 19 The report and recommendations to cabinet were based upon considerable technical appraisal work carried out by a multi-disciplinary professional project team. This team brought together expertise from the relevant departments of the council and our service delivery partners Balfour Beatty Living Places and consultants Parsons Brinckerhoff.

- 20 The project team prepared a comprehensive report titled Response to the South Wye Transport Package Call-In which was submitted to the General Overview & Scrutiny Committee in advance of their meeting. This response report can be viewed at

[Response to South Wye Transport Package call-in](#)

- 21 The project team including senior representatives from Balfour Beatty Living Places and Parsons Brinckerhoff attended the General Overview & Scrutiny meeting on 2 December 2014 to explain these responses to the committee and respond to questions. A number of questions relevant to the Call-In were received from the public and responses were also provided to the committee.

- 22 At the General Overview & Scrutiny meeting Members questioned the project team in detail and responses were given in relation to all issues raised. The meeting examined the project in depth and lasted some four hours.

- 23 The response report presented confirmed:

Further information on the subject of this report is available from
Maired Lane, Construction Manager on Tel (01432) 260944

- the policy context for SWTP and demonstrated its compliance with local and national policy
- compliance with National Planning Policy Framework relating to ancient woodland.
- impact and benefits appraisal and transport benefits of the SWTP consultation that had taken place to date as part of the project
- consideration and appraisal of the no road option as part of the project
- that the Package Assembly Report was intended to accompany the planning application and was therefore not yet published. It was confirmed that it was not a background paper to the 13 November cabinet decision.

24 Following detailed questioning of the project team, the committee resolved that the decision on the preferred route option be referred back to cabinet, with the following recommendations:

1. So that cabinet can be advised by the Finance Director (and council's Section 151 Officer) as to the robustness of the approach and actuality of the cost modelling and the consequent scoring given to all routes under the options appraisal process; and
2. As Grafton Wood is now designated Ancient Woodland that SC2 is re-examined, in the light of mitigations and extra costs required, as the preferred option.

Response to Recommendations of General Overview and Scrutiny

25 The recommendations of General Overview & Scrutiny Committee are considered in turn.

26 **Scrutiny Recommendation 1:** So that cabinet can be advised by the Finance Director (and council's Section 151 Officer) as to the robustness of the approach and actuality of the cost modelling and the consequent scoring given to all routes under the options appraisal process;

27 The reference by General Overview & Scrutiny to the Finance Director (and council's Section 151 Officer) has been taken to mean the Chief Financial Officer (Section 151 Officer). The Chief Financial Officer (Section 151 Officer) has reviewed the approach taken to the cost modelling and scoring of all routes and is satisfied that the approach taken is robust. He is able to provide further reassurance to cabinet that costs have been developed appropriately. All cost estimates have been carried out in accordance with relevant guidance and industry best practice for this kind of project and has been consistent across each route option for the SLR. This includes those developed following the public consultation in response to issues raised by respondents. The estimates have been prepared by qualified Quantity Surveyors and reviewed by senior practitioners with relevant experience. Whilst the approach is complex, it is summarised below in a level of detail to provide reassurance that a robust approach to cost estimation has been carried out.

28 Comparative costs have been developed under the series headings within Volume 1 - Specification for Highway Works of the Manual of Contract Documents for Highway Works. Parsons Brinckerhoff derived rates from the appropriate industry source

Further information on the subject of this report is available from
Mairead Lane, Construction Manager on Tel (01432) 260944

materials (notably the 2012 edition of Spon's Civil Engineering and Highway Works Price Book). The cost rate and quantity required for each civil engineering highway element of the scheme was identified in calculating the cost.

- 29 Structure cost estimates have been developed based on a square metre rate for the particular structure type. The rate is multiplied by the structure area to provide an estimate for each structure. The structures estimates are added to the civil engineering highway costs established under the series headings (outlined above) to give the construction cost estimate. A quantities contingency of 5% is added separately to the works cost estimate for each route option.
- 30 Where appropriate, quantities have been produced using detailed computer aided design drawings and earthworks quantities and have been calculated using 3D modelling techniques (industry standard software).
- 31 Allowances for particular items, such as works undertaken by statutory bodies, have been included as a lump sum allowance based on experience of projects of this type and informed by discussions with utility companies to determine the extent of their equipment in the study area. Further items, such as design fees, have been included at a percentage of construction costs derived from comparisons with similar schemes. This is in accordance with the approach taken across the industry for a project at this stage.
- 32 Optimism bias of 44% has been applied to scheme costs for all the route options in accordance with HM Treasury's Green Book (Supplementary Guidance). The optimism bias is applied to capital works cost estimates only and is not applied to preliminaries, design, supervision, land or contingency. No separate "risk allowance" is made within the cost estimates. Risk is managed within the optimism bias allowance and, as stated above, a contingency has been applied to the quantities used in the cost estimate build up.
- 33 The application of the 44% optimism bias is in line with the relevant supplementary guidance and is a function of the scheme's complexity and the current maturity of the design. The SLR falls within the definition of a "standard civil engineering project" in the guidance as a project "not requiring special design considerations e.g. most new roads and some utility projects". For a "standard civil engineering project" the recommended optimism bias range on capital expenditure is between 3% and 44%. The guidance recommends that the upper bound is used as the starting value for calculating the optimism bias level. Given the level of design and procurement maturity of the scheme (it is only at the route selection stage: planning permission has not yet been secured, land has not yet been secured, and tenders have not been sought for delivery of the scheme), the guidance indicates that there are no grounds to reduce the optimism bias from the upper bound.
- 34 A review of the costings prepared by Parsons Brinckerhoff was carried out in October 2014, by Balfour Beatty Living Places commercial team. Several areas were challenged to understand the development of the costs, items descriptions and underlining assumptions. The conclusion of this review was that the estimates were reasonable and appropriate for comparative costing at the current stage of design maturity based on the schedule of quantities. As a further cross check, the rates used within the cost estimates were validated by Balfour Beatty Construction Services.
- 35 The Preferred Route Option report attached to the Cabinet report on 13 November 2014 included scheme costs for the route options. The scheme costs estimated for the four routes included within the public consultation are quoted within the South

Further information on the subject of this report is available from
Mairead Lane, Construction Manager on Tel (01432) 260944

Wye Transport Package – Preferred Option report section 6.10 Scheme Cost of Options in Table 12.

- 36 The post consultation scheme cost estimates for SC8, SC8A and SC9 are quoted in section 12.2.33, Table 17.

Route Option	SC2	SC2A	SC5	SC7	SC8	SC8A	SC9
Estimated Cost	£16.5m-£25m	£19.5m-£29m	£24m-£35m	£21m-£31m	£17.9m-£26.5m	£25.4m-£38.6m	£17.2m-£25.3m
Appraisal Score for “Cost to Broad Transport Budget”	2	1	0	0	1.5	0	2
AST Appraisal Total	6.5	5.5	2.5	4	6	4.5	5

- 37 SC2 is the least expensive route option at £25m based on the upper bound of optimism bias.

- 38 The individual route cost estimates were translated in to a numerical score within the Appraisal Summary Table. The scoring of the ‘Cost to broad transport budget’ has been based on a seven point scale. The range for the scores is from -3 (major adverse), through 0 (neutral), to +3 (major beneficial). As all schemes are expected to make a return on their investment they have been scored between 0 (neutral) and +3 (major beneficial). A comparative assessment of the relative scheme costs was then undertaken with +2 given to the two cheapest options and 0 to the three most expensive. See table above which indicates the costs of each of the seven route options and the assessment score for the Cost to broad transport budget. This is one of the elements contained within the overall appraisal summary table for the SWTP which was included in the report to Cabinet on 13 November 2014.

- 39 It is clear from this assessment that the package including route SC2 scores the highest overall with estimated costs of £1.5m less than the next highest scoring option (SC8). If SC8 is preferred, it would need to be subject to further public consultation as this option was not included in the public consultation exercise. This would be likely to add further delay and additional cost to the scheme. Route SC2 is therefore recommended as the preferred route to proceed to the planning and implementation stage.

- 40 **Scrutiny Recommendation 2:** As Grafton Wood is now designated Ancient Woodland that SC2 is re-examined, in the light of mitigations and extra costs required, as the preferred option.

- 41 Parsons Brinckerhoff has confirmed that the inclusion of Grafton Wood on Natural

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Mairead Lane, Construction Manager on Tel (01432) 260944

England's Ancient Woodland Inventory does not increase the recommended mitigation/compensation measures. These would have been exactly the same whether or not Grafton Wood was formally identified as Ancient Woodland. Therefore mitigation will not change as a result of the designation.

- 42 As the scheme is still only at the early stages of development and a route has not yet been selected, further detailed work would follow the selection of a preferred route. Prior to the completion of both the detailed design and the Environmental Statement, the exact impacts (including indirect impacts) and consequent mitigation/compensation would not be fully assessed and considered but it is likely that compensatory habitat will be provided for any direct loss, at a ratio of 2:1 replacement to loss. Any felled trees will also be retained and used to create dead wood habitats.
- 43 All of the seven route options presented in the Preferred Route Option report impact on Grafton Wood. The cost of these measures is likely to form a modest contribution to the overall mitigation cost for the whole scheme and would be covered by the overall allowance under design development within the cost estimates. There is therefore no extra cost for mitigation associated with Grafton Wood above the allowance already made within each route estimate.

Conclusion

- 44 Notwithstanding the matters raised by General Overview & Scrutiny, officers are satisfied that the approach taken to the appraisal of the SWTP has been carried out appropriately and in accordance with relevant national guidance. Appropriate consultation has been carried out for this stage of the project. The project team has provided clear and robust responses to all matters raised by General Overview & Scrutiny and officers therefore considered it appropriate for cabinet to consider and determine the preferred route for a SLR. This would be progressed as part of an overall package of complementary measures to tackle the transport problems within this area of Hereford. As highlighted above and within the report to cabinet on 13 November 2014, the package of measures including the SLR route option SC2 scored the highest in the appraisal of the scheme and also secured the highest level of support from respondents to the recent public consultation. Cabinet is therefore invited to approve the recommendations of this report to take forward a package of measures including a SLR along the SC2 route.
- 45 Subject to a preferred route being selected, this would be progressed alongside a complementary package of measures to achieve the overall objectives of the package. The complementary measures include provision for cyclists and pedestrians, public transport and public realm measures and will be outlined within the planning submission for the SLR element of the package. The complementary measures would not require planning permission as they would be delivered by the Council acting as Highway Authority using Traffic Regulation Orders and other powers. However, the delivery of these elements will be essential to the success of the overall SWTP and funding has been secured to enable them to be delivered alongside the SLR. The detailed programme for the delivery of the overall Package would be the subject of a further report to cabinet once planning permission for the SLR has been secured.
- 46 The report to cabinet on 13 November 2014 outlined an indicative programme for progressing the delivery of the package. Due to the delay in confirming the preferred route for the Southern Link Road, it is necessary to revise this programme as follows:

Further information on the subject of this report is available from
Mairead Lane, Construction Manager on Tel (01432) 260944

Planning Application	January 2014
Planning Determination	Spring 2015
Complete Detailed Design	Winter 2015
CPO Process	Spring 2016
Construction Commences	Winter 2016
Construction Complete	end 2017 / early 2018

Community Impact

- 47 The economic, environmental and health objectives of the SWTP contribute to the corporate plan and health and wellbeing strategy. The SWTP aims to reduce congestion and enable access to developments such as the HEZ. A package of measures alongside the new SLR will reduce growth in emissions such as CO₂ and NO_x and reduce traffic noise. The sustainable measures on Holme Lacy and Belmont Road and other links to improve connections to the city cycle network alongside a programme of behavioural change aims to encourage physical activity and reduce accidents.

Equality and Human Rights

- 48 This decision pays due regard to public sector equality duty as set out below.

Note: Under Section 149 of the Equalities Act 2010, the "General Duty" on public authorities is set out thus:

"A public authority must, in the exercise of its functions, have due regard to the need to -

eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under this Act;

advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

foster good relations between persons who share a relevant protected characteristic and persons who do not share it."

- 49 The appraisal process used to select a preferred route for the SLR assesses the impact of the scheme equally across all route options considered. Social impacts of each route are considered alongside economy, environmental and public account criteria. WebTAG is guidance issued by the Department for Transport for option development and scheme appraisal. Web Tag requires appraisal of how costs and benefits of a scheme accrue to different groups in society.

Financial Implications

- 50 The Chief Financial Officer (Section 151 Officer) has reviewed the approach taken to the cost modelling and scoring of all routes and is satisfied that the approach taken is robust.

Further information on the subject of this report is available from
Mairead Lane, Construction Manager on Tel (01432) 260944

- 51 A provisional allocation of £27m of Government funding for the delivery of this project has been made through the Marches LEP. This funding is allocated to support the implementation of the SWTP which comprises a SLR and complementary sustainable transport measures. Any match funding required to deliver the overall package is anticipated to come from private sector contributions and existing transport capital allocations.
- 52 The costs of carrying out the route appraisal and consultation processes during the current year have been £505k and have been funded from the council's revenue budget allocation for the scheme.
- 53 Confirmation of SC2 as the preferred route for the SLR will enable the costs to prepare a planning application and the future costs of completing the detailed design, land and construction to be capitalised. It is anticipated that these capital costs associated with the scheme to remain on programme will be £600k and will be funded from the council's transport capital allocation in 2014/15 and 2015/16 in accordance, pending drawing down of government funding. The process the council will need to follow to draw down funding for the scheme is currently being developed by the Department for Transport.
- 54 The highest estimated cost for the delivery of the SLR along the recommended route of SC2 is £25m which is within the funding allocated.

Legal Implications

- 55 There is no statutory public consultation process required in the choice of a preferred route.
- 56 However there is a common law duty to act fairly but the content of that duty varies, depending upon the circumstances. Given that the construction of the southern link road will adversely affect legally protected interests it would be considered fair to carry out public consultation when choosing a preferred route. This has been carried out during the summer as outlined earlier in the report.
- 57 The council's common law obligation to consult goes no further than letting those who have a potential interest in the matter know, in clear terms what the proposal is and the reasons for it.
- 58 It is noted that, as a result of the public consultation, further possible routes SC8, SC8A and SC9, were further considered by the council's consultants and subjected to the same intensity of appraisal as the other routes.
- 59 Given the additional suggested alternative routes, which arose out of the public consultation, the possibility of a public re-consultation exercise needs to be considered.
- 60 In this regard, case law has determined that if there is to be a re-consultation there must be a "fundamental difference" between the previous proposals consulted on and those now recommended (*R v Shropshire Health Authority ex p Duffus* (1990) and in the very recent Supreme Court case *R (on the application of Moseley (in substitution of Stirling Deceased)) (Appellant) v London Borough of Haringey (Respondent)* (2014), the court did not order that the consultation should be re-run, ruling that to do so would be disproportionate.
- 61 It is noted that the additional alternative routes were further considered by the

Further information on the subject of this report is available from
Mairead Lane, Construction Manager on Tel (01432) 260944

council's consultants, and subjected to the same intensity of appraisal as the other routes. From the consultant's report, it is also noted that the preferred SC2 route, (which was subject to public consultation), is a projected £1m less expensive than any of the alternatives, and a projected £1.5m less expensive than the alternative SC8 route. The SC2 route is also the highest scoring of all the alternatives. Given this, it is considered it would be disproportionate in having to re-consult the public on the preferred route.

Risk Management

- 62 Residents and statutory bodies could lodge successful objections to the SWTP and SLR at future statutory stages if the council does not carry out a robust appraisal process in relation to scheme selection. This is being mitigated by appointing internationally respected consultants Parsons Brinckerhoff and following an approach in line with nationally recognised transport guidance. In addition, the work of our consultants is reviewed and challenged through a project team involving technical officers from within the Council and our delivery partner Balfour Beatty. Legal advice has been sought which confirms that the appraisal process followed to date is sound.
- 63 Funding could be withdrawn if a preferred route is not selected and a planning application submitted in accordance with the programme outlined within this report. This risk has been mitigated by ensuring a robust process has been carried out to enable a preferred route to be recommended to cabinet in this report. Resources are also in place to enable the submission of a planning application for the recommended preferred route.
- 64 Whilst a provisional allocation of Government funding has been made to fund the SWTP, the council will be required to complete further funding submissions to the Department for Transport to draw down the funding. The project team will continue to draw upon the expertise of technical consultants to ensure these submissions are robust and the allocated funding is drawn down to enable the scheme to progress in accordance with the programme outlined above. Delays to funding being released by the Department for Transport could result in a delay to the delivery of the scheme and the need to continue to fund development costs for the scheme from existing funding.

Consultees

- 65 A series of member briefings and public exhibitions was held at the Three Counties Hotel Hereford from Tuesday 1 to Thursday 3 July to set out proposals and obtain feedback. The exhibitions were well attended with 199 people attending in total. Two further events were held at Belmont Library and Hereford Library. The public consultation ran from 1 July to 8 August 2014. In total 253 people took the opportunity to respond to the consultation; sending comments using the questionnaire or providing detailed feedback in other formats. The results of this public consultation were contained in the report to Cabinet on 13 November 2014. This report can be viewed at the link below:

<http://councillors.herefordshire.gov.uk/documents/s50021851/South%20Wye%20Transport%20Package.pdf>

In addition, ward members have contributed their views throughout the process and were invited to attend and speak at the meetings of Cabinet and General Overview & Scrutiny Committee.

Appendices

None

Background Papers

- None identified

Further information on the subject of this report is available from
Mairead Lane, Construction Manager on Tel (01432) 260944



MEETING:	Cabinet
MEETING DATE:	18 December 2014
TITLE OF REPORT:	Budget monitoring report – October 2014
REPORT BY:	Chief financial officer

Classification

Open

Key Decision

This is not a key decision

Wards Affected

Countywide

Purpose

To provide Cabinet with an updated position on the projected outturn for 2014/15.

Recommendation(s)

THAT:

- (a) Cabinet notes the council is projected to spend within its budget for this financial year;**
- (b) Cabinet notes the capital and treasury projected outturns;**
- (c) The bad debt written off to date in 2014/15 be noted; and**
- (d) Cabinet agrees the virement of 2014/15 revenue and capital budgets to meet in year pressures within council directorates;**
- (e) Cabinet notes the performance to achieve 2014/15 and future savings plans;**

Alternative Options

- 1 There are no alternative options.

Further information on the subject of this report is available from
Peter Robinson, chief financial officer on Tel (01432) 383519

Reasons for Recommendations

- 2 The forecast outturn for the year, based on spend to the end of October 2014, is a break-even position.

Key Considerations

Revenue Outturn

- 3 This report sets out the forecast outturn position based on information as at the end of October 2014. Monitoring indicates a similar position to the August position reported to Cabinet on 9 October 2014 with directorate pressures in adult and children's wellbeing mitigated by under-spends in corporate budgets. The conclusion is the same, the council will spend within its overall budget.
- 4 The council budget includes £1.6m set aside for the 2013/14 anticipated overspend that could be used if other unforeseen items occur that otherwise will be used to increase reserve levels. This has not been used in the forecast to mitigate pressures.

Service	Budget expenditure	Budget (income)	Net budget	October forecast outturn	Projected Over/ (under) spend
	£000	£000	£000	£000	£000
Adult and wellbeing	78,314	(22,908)	55,406	56,380	974
Children's wellbeing	43,349	(21,698)	21,651	22,123	472
Economy, communities and corporate	125,014	(71,503)	53,511	53,269	(242)
Directorate total	246,677	(116,109)	130,568	131,772	1,204
Treasury management	16,060	(180)	15,880	15,250	(630)
Other budgets and reserves	6,714	(7,027)	(313)	(1,313)	(1,000)
Total	269,451	(123,316)	146,135	145,709	(426)

Adult and wellbeing

- 5 The latest forecast predicts an overspend against budget of £974k at the year end. This compares to a forecast overspend of £962k that was previously reported to Cabinet.

Further information on the subject of this report is available from Peter Robinson, chief financial officer on Tel (01432) 383519

- 6 The forecast overspend within adult social care client groups has continued to increase particularly in residential and nursing as a result of pressures in the hospital system. This has been partially offset by a continued reduction in the forecast spend on domiciliary care.
- 7 The client forecast assumes that any further demand pressures will be managed and that new services such as reablement and telecare that were introduced in July and are fully operational from November, will have an impact on managing growth. This continues to be monitored within the operational teams, by the adult and wellbeing (AWB) panel and senior management.

Children's wellbeing

- 8 The latest forecast predicts an overspend against budget of £472k at the year end, this is an improvement of £12k since August.
- 9 Continuing cost pressure of children in care and the agency staff costs means that mitigating savings have stopped any further overspend.
- 10 There continue to be no new residential placements. However, there is little spare capacity within the council's in-house fostering service and therefore despite significant efforts to reduce the use of independent foster agency placements there has been an increase of seven placements with independent fostering agencies since August costing an additional £139k. The Herefordshire Intensive Placement Support Service has now been commissioned, with a specific remit to reduce costs and improve outcomes in this area of the children's system.
- 11 The first cohort of newly qualified social workers have completed their initial 12 months and have now moved in to posts. The commitment to keep caseloads at a manageable level has meant that there is still a significant reliance on long term agency staff with a number of them being extended until the end of the financial year. However, recruitment of permanent staff continues and a new regional approach to agency recruitment is anticipated to commence in January.

Economy, communities and corporate

- 12 The projected underspend is £242k, a minor improvement from the August position of £17k.
- 13 There have been 14 major planning applications leading to £747k in fees in excess of the income budget, an increase of £237k from the August position.
- 14 There is a net revenue pressure in relation to interpretation costs for the Master's House of £174k. This expenditure is required to meet grant conditions of the Heritage Lottery Fund for this project.
- 15 Outstanding insurance liabilities have been externally re-assessed, they have recommended increasing the amount we set aside in our insurance reserve. This, as well as associated costs with the re-tender of the contract, gives an overspend of £250k. This has been built into the 2015/16 base budget. There are risks on property maintenance budgets which will be managed within the overall directorate budget.

Savings Performance Monitoring

- 16 In addition to managing the overall budget, directorate's review their savings plans to ensure any slippage is addressed and if appropriate alternatives are put in place. As part of good practice a summary of the monitoring is now being included in budget monitoring reports. This also shows anticipated performance against future year's savings plans, the report is attached as appendix E.

Treasury management

- 17 The treasury management budget is forecast to underspend by £630k this year as a result of deferring the take up of longer term prudential borrowing and obtaining short term loans at a lower interest rate. The budget includes provision for taking £10m in longer term loans that has been deferred so far this year and may slip into next year, which would result in a further underspend, further detail is provided in appendix C.

Other budgets and reserves

- 18 We set aside earmarked reserves and contingency budgets for in year pressures. Of the £2m change management budget, we are forecasting a £1m underspend due to less than forecast redundancy costs falling in year. The revenue contingency budget of £700k was allocated for additional grass cutting, Colwall Primary School's temporary accommodation and adults transitions in the October Cabinet report.
- 19 We estimate general reserves to increase to £5.5m at year end, £1.1m above the minimum balance, equivalent to 3% of the net budget requirement (£4.4m). This gives us more resilience going into the new financial year where significant budget reductions are planned. A summary of estimated year end reserves is set out below:

	31 March 2014	Transfer in(out) 2014/15	Estimate 31 March 2015
	£000	£000	£000
General reserve	5,053	4,006	9,059
Earmarked			
School balances	6,345	(845)	5,500
Waste disposal	2,407	(550)	1,857
Risk mitigation	3,500	(800)	2,700
Business rate smoothing	1,000	-	1,000
Other smaller reserves < £1m	4,909	(2,139)	2,770
Severe weather grant	2,120	(2,120)	0

Further information on the subject of this report is available from
Peter Robinson, chief financial officer on Tel (01432) 383519

Other unused grants carried forward	3,662	(1,703)	1,959
Total	28,996	(4,151)	24,845

Capital

20 It is forecast that capital spending will be £95m for 2014/15, £8m higher than originally budgeted.

21 The addition since the last report is £0.8m in relation to corporate accommodation capital spend funded by prudential borrowing which is financed from additional vacated properties and maintenance budget savings associated with the corporate accommodation strategy.

Further detail is provided in appendix B.

Community Impact

22 None

Equality and Human Rights

23 The recommendations do not have any equality implications.

Financial Implications

24 These are contained within the report.

Legal Implications

25 The Local Government Finance Act 1988 makes it a legal requirement that the council's expenditure (and proposed expenditure) in each financial year must not exceed the resources (including sums borrowed) available to the authority. If this principle is likely to be breached, the chief financial officer is under a statutory duty to make a formal report to members.

Risk Management

26 Monthly reporting gives the chief finance officer assurance on the robustness of budget control and monitoring, highlighting key risks and identifying any mitigation to reduce the impact of pressures on the council's overall position.

Consultees

27 The Audit and Governance Working Party were consulted on a draft version of the savings monitoring report (Appendix E) as part of its ongoing work following the PIDA report.

Further information on the subject of this report is available from
Peter Robinson, chief financial officer on Tel (01432) 383519

From a governance perspective they were positive about the improvements the report brings to the reporting of savings monitoring to members and welcome that the external auditor's recommendation to do so has been actioned. It was felt the report gave clear information and was noted that future reports will make comparisons with previous data to highlight any developing trends.

It was noted that, internally, savings monitoring is a monthly exercise which gives assurance that areas of concern could be reported to cabinet more frequently than quarterly if required.

Following discussions about the content of the report it was agreed that good practice would be to include hyperlinks within the report to allow members access to further details about areas of concern.

Appendices

Appendix A - Revenue forecast

Appendix B - Capital forecast

Appendix C - Treasury forecast

Appendix D - Bad debt written off to date in 2014/15

Appendix E - Performance of savings plans 2014/15

Background Papers

None identified.

Appendix A

Directorate Net Budget	Net Budget October £000	October Variance £000	August Variance £000	Difference £000	Explanation
Adults and Wellbeing	55,406	974	972	2	
Children's Wellbeing	21,651	459	484	(12)	
Economy, Communities & Corporate	53,511	(242)	(225)	(17)	
DIRECTORATES TOTAL	130,568	1,191	1,231	(27)	
Treasury Management	15,880	(630)	(530)	(100)	Further reduction in borrowing costs
Other budgets and reserves	(313)	(1,000)	(1,000)	0	
TOTAL	146,135	(439)	(299)	(127)	

Movement in respect of budget changes is comprise as follows:	£000
ADULTS & WELLBEING	
Budget adjustment for centralisation to Public Health	40
CHILDRENS WELLBEING	
Movement from reserves for safeguarding and early help	200
Movement from reserves for mobile technology	14
ECONOMY, COMMUNITIES & CORPORATE	
Movement from reserves for ICT	250
Movement from reserves for Finance	134
<u>Allocation form Revenue Contingency budget</u>	
<u>TOTAL</u>	638

Adults & Wellbeing

Service	Annual Budget			October	August	Change to forecast	Main reasons for change since September	
	Budget Expenditure	Budget (Income)	Net Budget	October Forecast Outturn	Projected Over/ (Under)spend	Projected Over/ (Under)spend		Adv/ (Fav)
	£000's	£000's	£000's	£000's	£000's	£000's		£000's
Learning Disabilities	17,042	(1,692)	15,350	16,169	819	427	392	Additional backdated packages identified.
Memory and Cognition	6,332	(1,272)	5,060	5,186	126	(13)	139	Additional backdated packages identified relating to self funders falling below capital limits
Mental Health	3,152	(741)	2,411	3,085	675	791	(116)	One-off Deferred Payment accrued debt.
Physical Support	25,456	(4,953)	20,503	20,968	466	774	(308)	Reduction in cost pressure due to number of backdated ended services.
Sensory Support	578	(107)	471	736	266	276	(10)	
Client Sub-Total	52,559	(8,766)	43,794	46,145	2,352	2,255	97	
Operations	8,122	(1,489)	6,632	5,807	(826)	(301)	(525)	Offsetting reclassification of NSI contract expenditure
Commissioning	8,383	(1,142)	7,242	6,938	(303)	(317)	14	
Directorate Management	285	(4,036)	(3,751)	(3,221)	529	0	529	Offsetting reclassification of NSI contract expenditure
Public Health	8,109	(7,989)	120	123	3	0	3	
Transformation and Safeguarding	1,369	0	1,369	1,169	(200)	(200)	0	
Use of one off reserves/grants	0	0	0	(581)	(581)	(465)	(116)	Funding of initial 3 month training & induction period for new social workers and AEO's
Non Client Sub-Total	26,268	(14,656)	11,612	10,234	(1,378)	(1,283)	(95)	
Adult's Wellbeing	78,827	(23,422)	55,406	56,380	974	972	2	

Children's Wellbeing

Service	Annual Budget			October	Change to Forecast	Main reasons for change since August
	Budget Expenditure	Budget (Income)	Net Budget	Projected Over/ (Under) spend	(Favourable)/ Adverse	
	£000's	£000's	£000's	£000's	£000's	
Directorate Costs	7,392	8,266	(873)	(695)	148	Budget moved to early years to correct
Directorate Costs	7,392	8,266	(873)	(695)	148	
Additional Needs - less DSG	6,704	4,350	2,353	(112)	(45)	Costs moved to SEN reform grant
Children's Commissioning	1,254	36	1,218	(4)	(3)	Costs relating to Youth Services now corrected
Commissioning Management	591	83	508	(0)	160	Business support costs aligned with Safeguarding
Development and Sufficiency-less DSG	8,934	7,661	1,273	35	(67)	Allocation of reserves
Education Improvement - less DSG	608	451	156	11	(0)	
Education & Commissioning	18,090	12,581	5,509	(70)	44	
Safeguarding & Review	696	81	615	47	5	Additional costs relating to long term sickness
Early Help & Family Support	2,384	477	1,906	(164)	(261)	Vacancy savings identified along with correct budget allocation - see directorate above
Fieldwork	3,078	5	3,073	560	180	Agency staff included now until end of financial year
Looked After Children	7,178	257	6,921	345	613	Costs moved relating to 16+ from Lac external
LAC External placements	2,816	30	2,786	248	(737)	See above - costs have been recoded to correct area, there has also been a reduction in the price of some placements.
Safeguarding Development	821	0	821	7	(49)	Adjustments to budget to account for changes in management structure
Management	893	0	893	194	44	Changes in senior management structure
Safeguarding & Family Support	17,866	851	17,015	1,237	(204)	
Children's Wellbeing	43,349	21,698	21,651	472	(12)	

Economy, Communities and Corporate

Service	Annual Budget			October	Change to forecast	Main reasons for change since August
	Budget Expenditure	Budget (Income)	Net Budget	Projected Over/ (Under)spend	Adv/(Fav)	
	£000's	£000's	£000's	£000's	£000's	
Economic, Environment and Culture	9,837	(8,898)	939	(955)	(324)	Increased planning income £237k (total 747k underspend). Additional PCN income and staff savings within car parking £58k (total car parking underspend £282k)
Placed Based Commissioning	41,988	(4,024)	37,964	314	77	
Finance	56,702	(52,708)	3,994	74	107	Pressure of £192k increase in insurance after tender.
Community and Customer Services	3,683	(664)	3,019	221	232	Additional costs for masters House fixtures and fittings commitments
Governance	4,487	(826)	3,661	(101)	(190)	Reduction in commitments of £189k for workforce development - includes use of reserves £90k.
Directorate Support	457	(36)	421	(45)	(48)	
Property Services	6,816	(4,267)	2,549	250	129	Increase pressure on rates, repairs and maintenance.
Economic, Communities and Corporate	123,970	(71,423)	52,547	(242)	(17)	
Public Relations Office	624	(80)	544	0	0	
Chief Executive	420	0	420	0	0	
Chief Executive	1,044	(80)	964	0	0	
Total ECC and Chief Executive	125,014	(71,503)	53,511	(242)	(17)	

2014/15 Capital Forecast Outturn

The capital outturn forecast for 2014/15 totals £95.01 million, as summarised below.

Table A –Summary forecast and sources of funding 2014/15

	Budget £'000	May Forecast £'000	August Forecast £'000	October Forecast £'000
Directorate Forecast				
Adults Wellbeing	483	3,291	3,291	3,291
Children's Wellbeing	9,048	8,184	9,319	9,163
Economy, Communities & Corporate	77,071	72,239	81,469	82,465
Contingency	319	695	95	95
Total	86,921	84,409	94,174	95,014
Funding				
Capital Grants	24,905	30,049	34,848	34,954
Prudential Borrowing	58,807	49,457	53,123	53,662
Capital Receipts	3,209	4,903	4,903	5,098
Revenue (from Waste Reserve)	-	-	1,300	1,300
Total	86,921	84,409	94,174	95,014

In the August report it was noted that £6.5m of Prudential Borrowing is currently included for the city centre link road awaiting confirmation of the grant receivable from the Marches Local Enterprise Partnership.

Whilst £16 million of funding has been announced this grant will not be receivable until 2015/16 and 2016/17 and will fund expenditure on this scheme in future years. Therefore this year's expenditure on the city centre link road (and associated city centre improvements) will be funded by borrowing as originally budgeted.

Table B - Schemes with a forecast exceeding £500k in 2014/15

Scheme	Total Scheme Budget £'000	Budget for 2014/15 £'000	October Forecast £'000	Comments
Children's Wellbeing				
Leominster Primary School	10,617	5,729	4,674	New school has opened
Condition property works	-	-	1,748	Annual programme of works at various school sites committed on a highest need first basis, grant funding confirmed post MTFMS
Affordable Housing Grants	-	317	935	Housing improvement grant programme includes re-profiled budget.
Westfield's SEN school	184	184	675	Grant funded extension work
Disabled Facilities Grants	-	462	1,216	Individual grants awarded through an application process, enabling independent living. Grant funding confirmed post MTFMS
Colwall School	-	-	900	Budget vired from Condition Property Works (£300k) and Contingency (£600k)
Corporate accommodation	19,530	6,911	8,287	Works nearing completion at Plough Lane and continuing on the new heritage, archive and record centre and Civic hub. The increase in projected expenditure includes £0.75 million relating to Nelson House and the Media Centre as part of the overall accommodation strategy. Additional borrowing costs will be financed from additional vacated properties and maintenance savings.
Leisure Centre Improvements	8,670	2,000	5,300	Works at Leominster, Ross and Hereford leisure sites. Work progressing more rapidly and budget re-profiled.
Local Transport Plan	10,645	10,645	10,645	Annual programme of capital works to highways, footways and bridges. Additional grant funding received since initial budget was set.
Fastershire Broadband	20,200	7,600	10,093	Investment in broadband infrastructure includes re-profiled budget (grant funded)
Yazor Flood Alleviation	4,876	450	400	Continued improvement works.
Hereford Enterprise Zone	3,434	1,967	2,203	Utilities, access and Skylon Court works underway to enable plot sales and unit rentals
Link Road	27,000	10,708	6,500	Acquisition costs and start of construction works

Destination Hereford	3,261	1,054	1,044	Grant funded cycle improvement schemes
LED Street Lighting	5,655	5,655	3,260	Phased installation of LED street lighting
Solar Panel Installations	2,134	1,841	1,286	Photovoltaic instalment at various locations
Masters House, Ledbury	4,025	606	606	Continuing refurbishment works
Road investment	20,000	15,000	15,000	Investment into the highway infrastructure
Pothole Funding	-	-	2,572	Additional grant funding received
Weather Repair Fund	-	-	1,299	Additional road grant funding received
EnviRecover	40,000	11,000	10,700	Energy from Waste plant construction
Wheeled Bins	-	-	1,300	Purchase of Wheeled Bins funded by transfer from Waste Reserve to be repaid by savings
Sub Total	180,231	81,418	90,643	
Schemes with a forecast <£500k in 2014/15	6,002	3,933	4,371	
Total	186,233	85,351	95,014	

This report ensures the council demonstrates best practice in accordance with CIPFA's recommendations in their Code of Practice for Treasury Management, by keeping members informed of treasury management activity.

1. The UK Economy

- 1.1. Little change in the UK economic climate and statistics since previously reported:
- The first estimate of GDP for the third quarter shows GDP growing by 0.7%. The economy has now been growing by 0.7% to 0.9% for each of the last six quarters.
 - The year-on-year Consumer Price Index (CPI) was 1.2% in September 2014, down from 1.5% in August..
 - The latest statistics released for the quarter to August 2014 show the UK labour market continuing with employment gains, albeit at a slower pace, and the headline unemployment rate falling to 6.0%, the lowest since late 2008. Earnings growth has picked up slightly.
 - There has been no change in the Bank Base Rate.

2. Outlook for Interest Rates

- 2.1 With slack in the labour markets, low inflation and weak earnings growth, the council's treasury advisers, Arlingclose, continue to forecast the first increase in the Bank Base rate to be in the third quarter of 2015. Their interest rate forecast is as follows:

Bank Rate	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Upside risk		+0.25	+0.25	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50
Central case	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50
Downside risk				-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-1.00

3. The Council's Investments

- 3.1 At 31st October 2014 the council held the following investments:

Investment	Term	Maturity Date	Interest Rate	Amount invested	
				£m	£m
<u>Instant Access Bank Accounts:</u>					
Handelsbanken	N/A	N/A	0.45%	5.00	5.00
<u>Instant Access Money Market Funds:</u>					
Ignis	N/A	N/A	0.49%	4.82	
Federated	N/A	N/A	0.46%	3.10	7.92
<u>1 Month Notice Account</u>					
Close Bros	N/A	N/A	1.00%	5.00	5.00
<u>Fixed Term Deposits:</u>					
Nationwide	298 days	23/01/15	0.72%	2.00	
Barclays	365 days	19/02/15	0.85%	1.00	
Nationwide	279 days	25/03/15	0.79%	2.00	
Barclays	279 days	25/03/15	0.79%	1.00	
Lloyds	364 days	27/03/15	0.95%	1.00	
Barclays	364 days	27/03/15	0.86%	1.00	
Bank of Scotland	364 days	30/03/15	0.95%	2.00	
Barclays	364 days	30/03/15	0.86%	1.00	11.00

Total			0.70%		28.92
No new term deposits made in the last two months.					

- 3.2 There has been little change in investment rates over the last two months.
- 3.3 The council's current eligible UK counterparties and their associated maximum maturity periods (as recommended by the council's treasury advisers, Arlingclose) are as follows:

Counterparty	Maximum maturity period from:		
	01/04/14	01/07/14	16/10/14
Close Brothers Ltd, Goldman Sachs International Bank, 15 of the stronger building societies	100 days	100 days	100 days
Santander UK	6 months	13 months	6 months
Bank of Scotland and Lloyds TSB	12 months	13 months	6 months
Nationwide	12 months	13 months	6 months
Barclays	12 months	13 months	100 days
HSBC and Standard Chartered Bank	12 months	13 months	6 months
Nat West and RBS	Overnight	Overnight	Overnight

- 3.4 The only non-UK counterparty that the council is using is Handelsbanken which had a recommended maximum maturity limit of 13 months but this was revised down to 6 months from 16th October when Arlingclose recommended a general tightening of limits.

- 3.5 Arlingclose cited the reason for the tightening of maturity limits to be as follows:

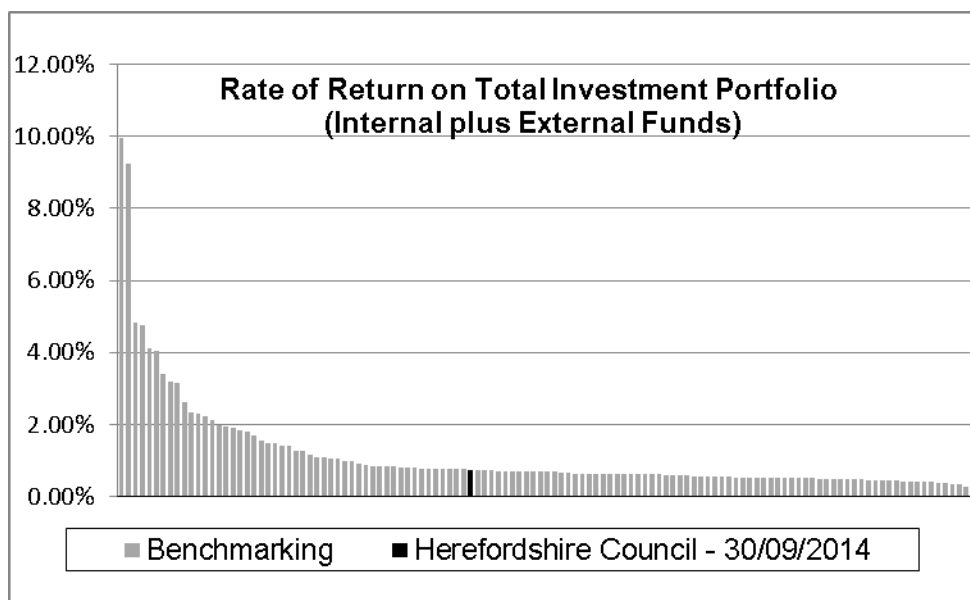
- "Bailing in" before "Bailing out"
The European Parliament approved the Bank Recovery and Resolution Directive (BRRD) earlier this year. The BRRD effectively makes it illegal for governments to provide financial support until banks have defaulted on unsecured creditors (known as "bailing in"). The UK government has already legislated for a bail in power and this will be revised to be BRRD compliant from January 2015.
Because of this, the credit rating agencies are starting to downgrade banks long-term credit ratings to reflect reduced government support going forward.
Arlingclose consider that the first UK bank to have its long-term credit rating reduced below the recommended minimum of A- could be Barclays which is why the maturity limit for Barclays has been tightened more than the other banks in the table above.
However, Arlingclose stress that they have no particular issues with Barclays' creditworthiness and are not suggesting the breaking of existing term deposits.
- Deteriorating global growth prospects
Arlingclose consider a tightening of maturity limits to be a prudent response to deteriorating global growth prospects, particularly in the Eurozone.

- 3.6 The council has earned interest on its investments as follows:

Month	Average amount invested		Average rate of interest earned		Amount of interest earned /	Budget £	Actual Surplus / Forecast
	Actual /	Budget	Actual /	Budget			

	<i>Forecast £m</i>	<i>£m</i>	<i>Forecast %</i>	<i>%</i>	<i>Forecast £</i>		<i>£</i>
Apr-14	35.09	20	0.68	0.60%	19,442	10,000	9,442
May-14	40.21	40	0.63	0.60%	21,584	20,000	1,584
Jun-14	33.96	40	0.68	0.60%	19,151	20,000	-849
Jul-14	37.30	40	0.66	0.60%	20,896	20,000	896
Aug-14	38.29	40	0.63	0.60%	20,652	20,000	652
Sep-14	32.90	40	0.66	0.60%	17,970	20,000	-2,030
Oct-14	29.72	30	0.70	0.60%	17,726	15,000	2,726
					137,421	125,000	12,421
Nov-14	30.00	30	0.70	0.60%	17,500	15,000	2,500
Dec-14	30.00	30	0.65	0.60%	16,250	15,000	1,250
Jan-15	20.00	20	0.60	0.60%	10,000	10,000	-
Feb-15	20.00	20	0.60	0.60%	10,000	10,000	-
Mar-15	10.00	10	0.60	0.60%	5,070	5,070	-
Budget and projected outturn					196,241	180,070	16,171

- 3.7 Investment balances in April were higher than budgeted resulting in a surplus for the month of £9,442. In September there was a deficit due to investment balances being lower than budgeted, however, this was more than offset by a surplus in October due to the average interest rate earned being higher than anticipated.
- 3.8 The projected outturn for the year is a surplus of around £16,000.
- 3.9 Arlingclose prepare quarterly benchmarking reports which show the rate of interest earned by the council compared to their other clients. The most recent one as at the end of September is shown below.



- 3.10 As can be seen from the above, the council is receiving a rate of return on its investments consistent with most of Arlingclose's other clients, however, some councils are receiving a significantly higher return. These tend to be councils with long-term investments. For example the CCLA's Local Authorities Property Fund (which invests in commercial property) is proving

popular with 81 councils currently invested in the Fund. The Fund pays a dividend of around 4-5% pa in addition to recent rising capital prices. Our current Treasury Management Policy is to use short term investments and short term borrowing as cash balances require, if we secured longer term investment we would need to take out longer term (and more expensive) borrowing.

- 3.11 At present the council uses its reserves to reduce its borrowing requirement but the possibility of placing some of its core cash balances in longer-dated investment vehicles was discussed with Arlingclose. With short-term borrowing rates at less than 1% the investment would yield a net return, but it was agreed that it was not an option the council should pursue at the current time. The council complies with the CIPFA priorities of security, liquidity and yield (in that order) and in order to maximise the security of sums invested the council's strategy is to keep investments balances low and relatively liquid.
- 3.12 The council's cashflow forecast shows investment balances falling sharply at the end of December and continuing to fall thereafter. The council has therefore given one months notice to withdraw the £5 million with Close Bros. Because of this the average rate of interest earned will fall by about 0.10% in subsequent months and this is reflected in the forecast at 3.6 above.

4. The Council's Borrowing

Short-term borrowing

- 4.1 The council is continuing its policy of utilising short-term borrowing from other local authorities to fund its capital programme and for short-term liquidity needs. These short-term interest rates are significantly below levels available from other sources.
- 4.2 Historically the council has always borrowed for longer periods at fixed interest rates. Whilst achieving stability in the amount of its interest payments, the council currently has a large cost of carry when comparing its fixed interest debt to current (variable) investment rates.
- 4.3 It is considered good practice to have an element of variable rate borrowing that removes or reduces this cost of carry and, to the extent that the level of short-term debt does not exceed the level of the council's investments, when interest rates rise increased investment income provides a hedge against increased borrowing costs.
- 4.4 The council can only borrow up to its Capital Financing Requirement, which represents the need to borrow for capital spend, and cannot borrow beyond this to finance the revenue budget.
- 4.5 At the end of October 2014 short-term borrowing from other local authorities consisted of eleven loans totalling £33.50 million with an average rate of interest payable of 0.49%. Loan periods and interest rates (including brokers commission of between 0.03% and 0.10%) ranged from 76 days to one year and 0.40% to 0.58% respectively.

Long-term borrowing

- 4.6 No long-term loans have been taken out in the period to date.
- 4.7 The budget includes provision to take out up to £10 million of longer term loans from the Public Works Loan Board.
- 4.8 Due to fears for the Eurozone, demand for UK gilts are currently keeping interest rates low. The 20 year rate for an EIP loan (Equal Instalments of Principal repaid every six months over

the term of the loan) is currently around 3.00% with the rate for a twenty year maturity loan (principal repaid at the end of the term) being around 3.80%.

- 4.9 However, the Monetary Policy Committee believe that the appropriate level for the Bank Base Rate for the post-crisis economy will be significantly lower than the previous norm. Arlingclose estimate this to be between 2.5% and 3.5% and are forecasting a very slow increase in the Base Rate.
- 4.10 This being the case, if the council was to take out a twenty year loan at 3.00% it is likely that there would be a significant cost of carry for at least the first five to ten years when compared to short-term borrowing rates.
- 4.11 It is recognised that there is a risk that rates will rise faster and higher than is forecast so PWLB rates will continue to be monitored and the council strategy kept under review.
- 4.12 The current capital financing budget position is summarised below.

Summary of Borrowing Budget	Budget	Forecast	Savings
	£m	£m	£m
Minimum Revenue Provision	10.19	9.93	0.26
Interest on existing longer-term PWLB and bank loans	5.52	5.52	-
<u>Variable rate borrowing</u>			
<u>Budget</u> Borrowing required £68 million Rate 1.00%	0.55	0.20	0.35
<u>Fixed rate borrowing</u>			
<u>Budget</u> Provision for longer term-borrowing	0.10	0.10	-
Less capitalised interest (see 3.11 below)	(0.30)	(0.30)	-
Forecast savings compared to budget	16.06	15.45	0.61

- 4.13 The reduction in the Minimum Revenue Provision required for 2014/15 is due to slippage in the capital spend for 2013/14, as reported in June.
- 4.14 The council is able to capitalise interest costs relating to interest paid on borrowing used to fund large capital schemes that take substantial periods of time to get to the point at which the assets may be utilised. Such interest, incurred at the construction or installation phase, may

be added to the cost of the associated asset. As can be seen from the table above, capitalised interest of £300,000 has been included in the 2014/15 budget for capital financing costs.

5. Summary of Outturn Position

- 5.1 The current net treasury position, compared to budget, is estimated to be a surplus of £630,000.

Summary of Budget Over/(Under) Spend	£m
Treasury Management investment income receivable	(0.02)
Interest payable on borrowing	(0.61)
Total savings	(0.63)

- 5.2 The savings will be £100,000 greater if no longer-term fixed rate borrowing is taken out.
- 5.3 The savings will also be higher/lower if capitalised interest is more/less than £300,000.

Debt write offs during the period 1 April 2014 to 31 October 2014

- 1 The finance procedures rules require the chief finance officer to report details of amounts over £2,000 written off to Cabinet for information purposes.
- 2 The table below sets out the numbers and amounts written off for individual debts exceeding £2,000 for the period 1 April 2014 to 31 October 2014:

Income type	1 April 2014 to 31 October 2014		1 April 2013 to 31 October 2013
	Number of cases	Amount £'000	Amount £'000
Council tax	2	10	5
Business rates	13	104	50
Benefit overpayments	2	9	13
Debtors	4	56	32
Total	21	179	100

- 3 The finance procedure rules state that the chief finance officer has determined the following authorisations for writing off uncollectable debt:
 - Under £150 – individual service managers
 - Between £150 and £500 – revenues manager
 - Between £500 and £2,000 – head of benefit and exchequer services
 - Between £2,000 and £20,000 – chief finance officer
 - For write off of amounts exceeding £20,000 the chief finance officer shall seek agreement from the relevant Cabinet member responsible for resources. For the period 1 April 2014 to 31 October 2014, there was one case exceeding £20,000 being a write off of £40,237 relating to a debtor. The debt was for commercial rent with the tenant going into receivership and no monies available for distribution to creditors.
 - The chief finance officer shall report details of amounts over £2,000 written off to Cabinet twice a year for information purposes.
 - Write off amounts above £2,000 relating to other directorates require the recommendation of the relevant director.
- 4 In general debts considered for write off fall into the following categories:
 - Bankruptcy or liquidation

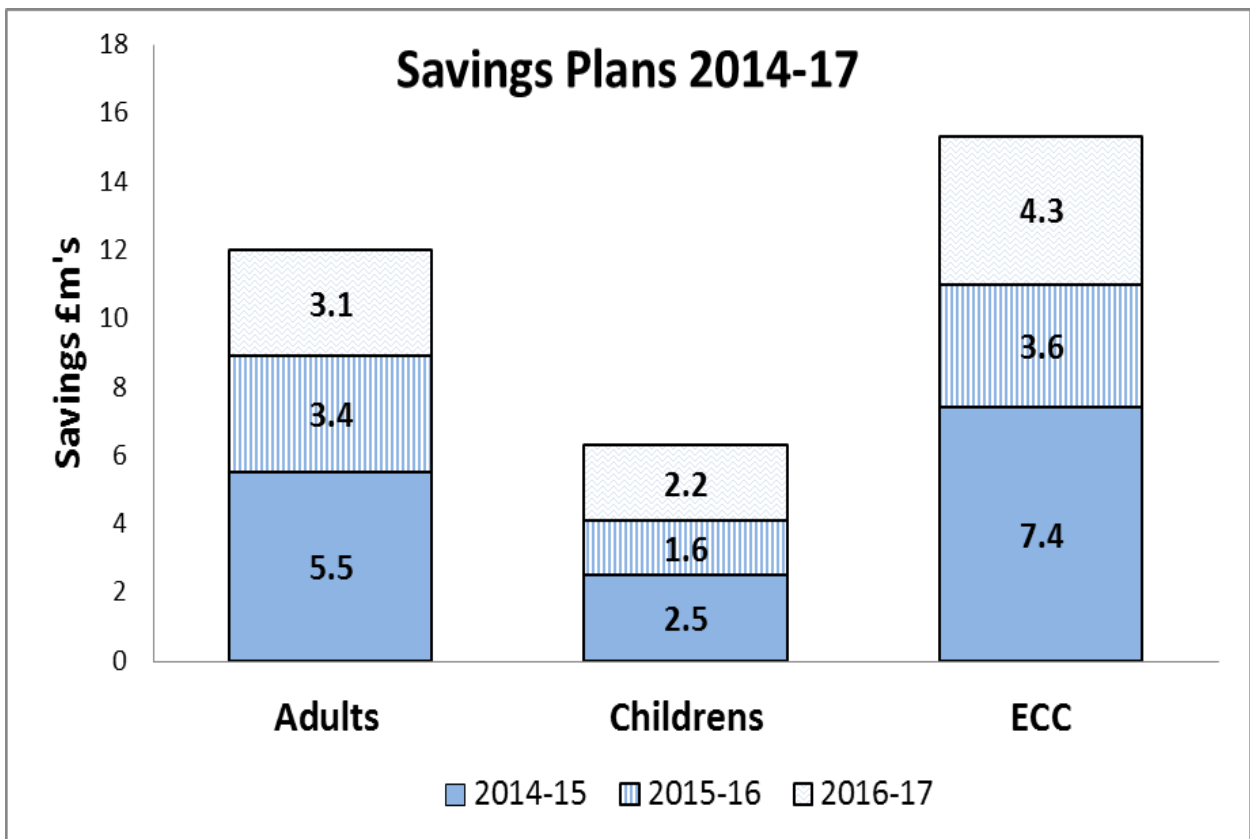
- Debt relief order
 - Remitted by Magistrates at a committal hearing
 - Unable to trace debtors
 - Debtor deceased with no estate
 - No further action possible
- 5 The business rate write off amounts can be analysed further as follows:
- Bankrupt or liquidation – 10 cases totalling £80k
 - No viable recovery options – Two cases totalling £19k
 - Unable to trace company – One case totalling £5k
- 6 For business rates, irrecoverable amounts are charged to the collection fund and therefore the council is liable for 49% of the value of any amounts written off.
- 7 For benefit overpayments, the council can claim subsidy (from the Department for Work and Pensions) on all recoverable amounts. The recoverable amounts can range from 0% to 100% depending on the reason for the overpayment, but generally around 40% is received back in subsidy.
- 8 Irrecoverable amounts for sundry debtors are recharged to the originating department.
- 9 For bankruptcies and liquidations, a claim is lodged with the receiver and no further effective action can be taken as, under current legislation, local authority debts are non-preferential.
- 10 An individual with debts of less than £15,000 and a low income can apply for a debt relief order if they cannot afford to pay off their debts. It is granted by the Insolvency Service and is a cheaper option than bankruptcy.
- 11 Council tax and business rates cases are, where possible, progressed to the committal stage of recovery. Although the Magistrates Court has the power to remit part or all of the debt, the amount remitted is written off.

Savings Monitoring 2014-2017

This report sets out performance against savings agreed by Council in February 2014. Savings plans are monitored on a monthly basis.

This report will form part of the future budget monitoring reports to Cabinet – this represents good practice.

The savings targets for 2014-17 are £33.7m. The chart below shows the breakdown by directorate over the 3 years.



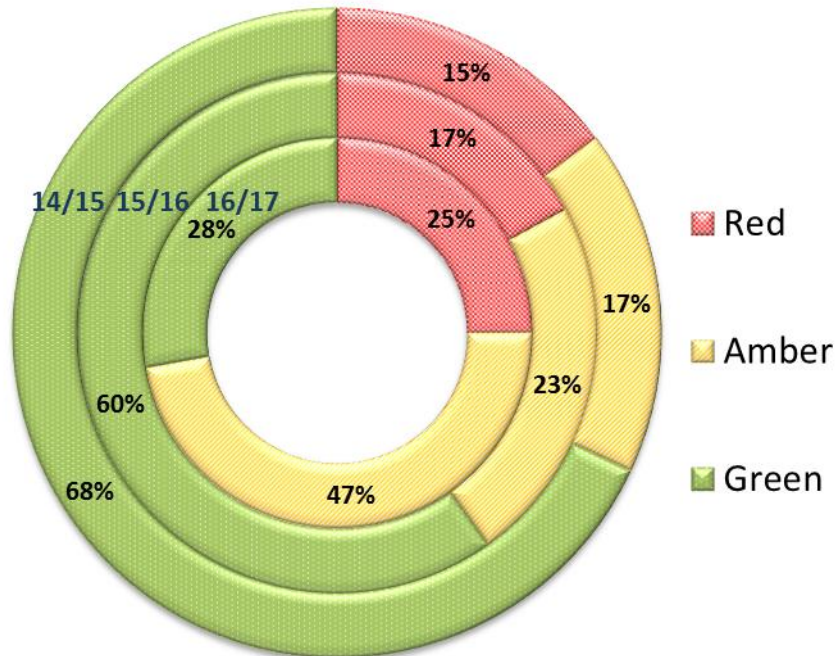
Performance against the Savings Plans in 2014-15

The performance against these targets has been RAG (Red, Amber, and Green). In 2014-15 68% of the £15.3m target will be achieved.

This table and diagram shows the performance for the Council in total.

	Red £000s	Amber £000s	Green £000s	Total £000s
2014-15	2,256	2,635	10,411	15,302
2015-16	1,509	2,036	5,294	8,839
2016-17	2,407	4,554	2,690	9,651
	6,172	9,225	18,395	33,792

Herefordshire Council Savings 2014-17



The details of the savings plans can be reviewed on the following link

http://councillors.herefordshire.gov.uk/documents/s50016921/Appendix%205b_Equality%20Impact%20of%20Budget%20Proposals.pdf

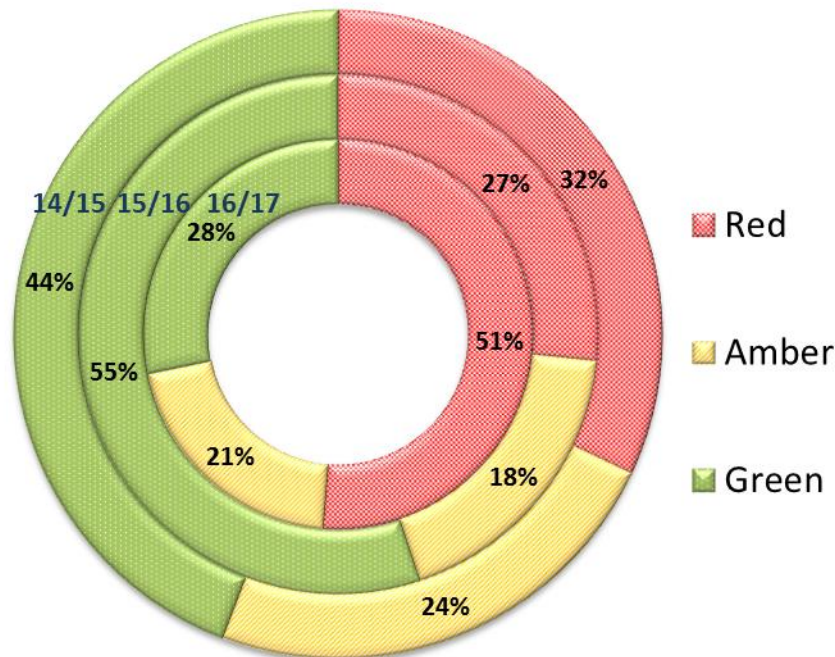
For each directorate the current savings plans have been rated, an explanation of red and amber targets.

Adults & Wellbeing

The Savings target for 2014-15 was £5.5m, and 44% of this has been delivered.

	Red	Amber	Green	Total
	£000s	£000s	£000s	£000s
2014-15	1,760	1,304	2,426	5,490
2015-16	916	625	1,894	3,435
2016-17	1,613	645	888	3,146
	4,289	2,574	5,208	12,071

Adult's Wellbeing Savings 2014-17



2014-15 Savings Plan

Red

- **Managing Demographic Pressures** – AWB has experienced a growth in demand for services during the current year at a faster rate than the overall national level. Whilst effective management of the service has kept pace with the increase in demand, it has made it impossible to deliver the expected saving in addition.
- **Resource Allocation System (FACE RAS)** – Initial testing of assessments under the new FACE RAS showed an expected reduction of approximately 10% in the value of assessed need. In practice, most cases being reviewed / reassessed have been due to a change in circumstance which has often resulted in a higher assessment of need. This has led to only partial delivery of the expected saving. Additional resources have been sourced to expedite the reassessments required and it is hoped that this will help to deliver the forecast savings in 2015/16
- **Removal of funding for non-eligible users** – the introduction of FACE RAS was expected to result in a number of service users no longer being eligible for services. The removal of non-eligible users is reliant upon re- assessments and there is currently a delay in delivery due to competing project priorities which have led to workforce capacity issues resulting in delays, those reassessments that have taken place indicate that a lower proportion of service users will prove to be non eligible than was originally expected.

Amber

- **Next stage integration** – these contracts have all been awarded but will require strong contract management in order to ensure that the expected level of savings are achieved. Partial savings will definitely be realised but the community equipment contract, in particular, is putting full benefits realisation at risk.
- **High cost care packages** – delivery of this saving is now being monitored through a regular weekly placement panel. High cost packages are now being targeted and it is hoped that the savings target will now be met.
- **Contract changes** – The expected saving in this area will only be partially delivered in 2014/15 due to staff changes / vacancies which led to a delay in the renegotiation / re-procurement of some contracts

2015-16 & 2016-17 Savings Plans

Red

- **Managing Demographic Pressures** – AWB has experienced a growth in demand for services during 2014/15 and demographic modelling shows that this trend is likely to continue into future years. Alternative savings plans have been proposed for 2015/16 as this saving is no longer considered to be deliverable.
- **FACE RAS** – Additional resources have been sourced to expedite the reassessments of service users whose needs have not changed significantly since the introduction of FACE RAS but who have not yet been reassessed. It is hoped that this together with a revised savings target for this project will make the savings outlined for future years achievable.
- **Removal of funding for non-eligible users** – the introduction of FACE RAS was expected to result in a number of service users no longer being eligible for services. The savings targets associated with this project have been reduced to a more realistic level as part of the 2015/16 budget setting process

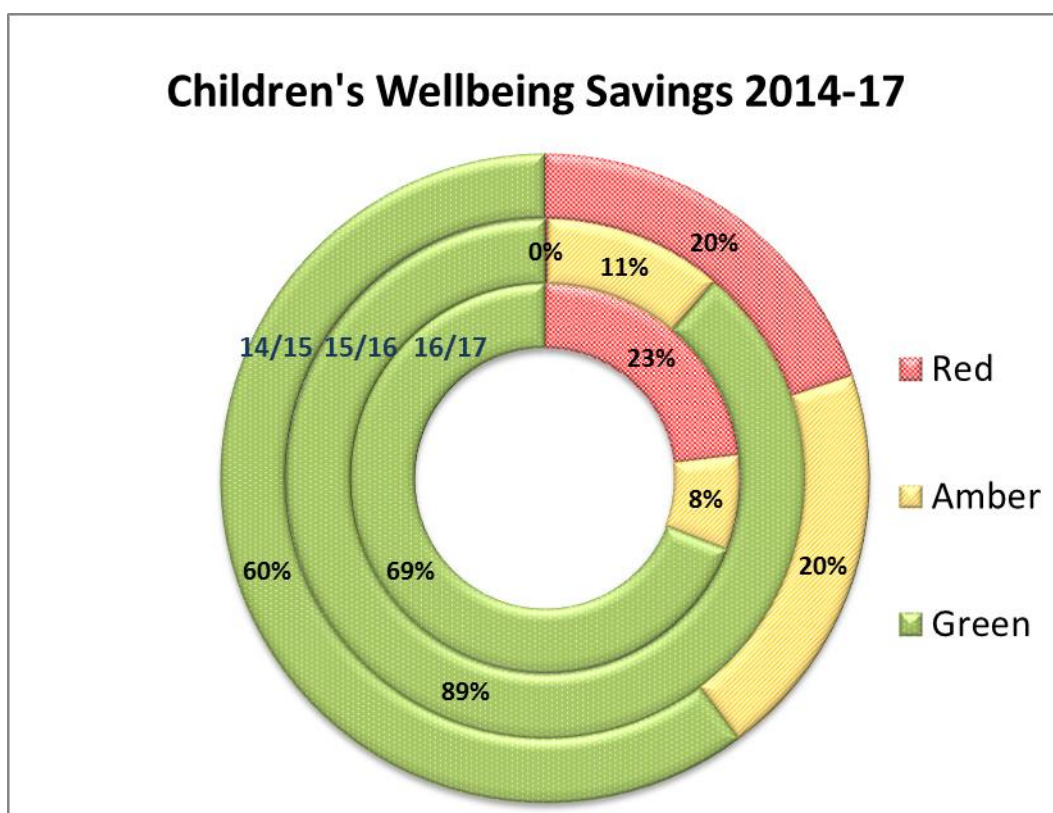
Amber

- **Next stage integration** – strong contract management will need to continue in future years to ensure that the expected level of saving is achieved and maintained.
- **High cost care packages** – delivery of this saving target is now being managed and monitored through a regular weekly placement panel. As long as this remains in place and accepts robust challenge of all high cost / above RAS package proposals it is expected that this savings target will be deliverable.

Children's Wellbeing

The savings target for 2014-15 is £2.5m, 60% has been delivered.

	Red	Amber	Green	Total
	£000s	£000s	£000s	£000s
2014-15	496	499	1,505	2,500
2015-16	3	181	1,448	1,632
2016-17	516	176	1,544	2,236
	1,015	856	4,497	6,368



2014-15 Savings Plans

Red

- Despite an increase of 12% of the number of children in care, placement costs for Looked after Children have been maintained in year. However, as a result of this increase, additional savings have not been achieved. The start of the Herefordshire Intensive Placement Support Service (HIPSS) will support delivering future savings.

- The NQSW programme is performing well. This is enabling release of some staff. There has also been successful recruitment of permanent staff into some management positions. The decision to reduce caseloads for social workers together with a growth in cases in the Children with Disabilities service has meant that the number of agency staff has not reduced as fast as originally planned. A five point approach is being taken to identify how to accelerate a reduction in cost whilst maintaining manageable case loads, low turnover and better quality.

Amber

- 70% of the Business Support savings have been achieved. A review of the service has identified the need for resource to deliver an efficient service.
- The contract savings for short break has been achieved; however there is additional pressure from the provision of services from Ledbury Road.
- Management restructure savings have not been fully implemented, this is under review.

2015-16 & 2016-17 Savings Plans

Amber

- Savings delivered through the Children in Need and Multi Agency Safeguarding Hub restructures relies on appointing permanent social workers rather than agency staff.
- The care strategy and adoption strategy both place reliance on finding carers who are able to provide places. Additionally identifying children suitable for the HIPSS approach will enable the savings to be delivered.

Red

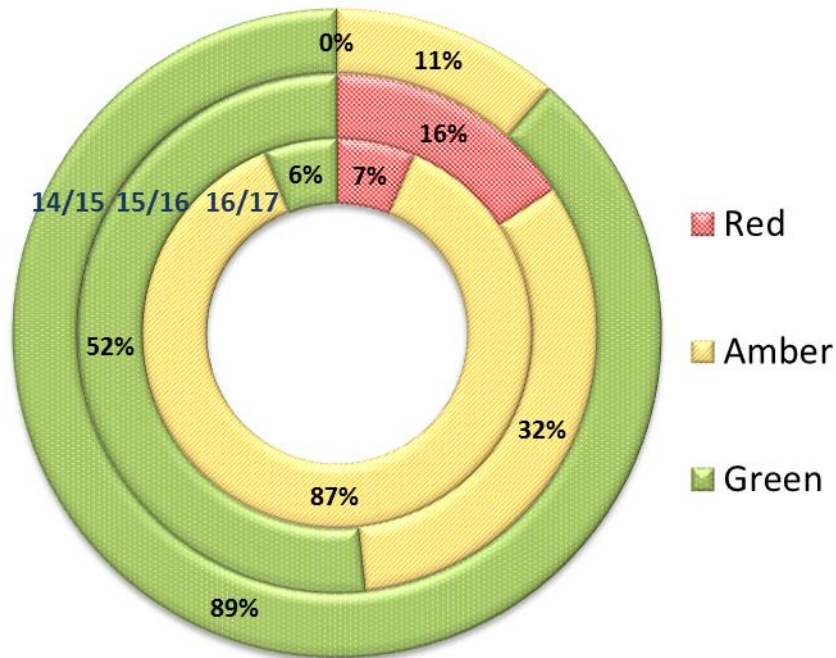
- The savings plans for Social Impact bonds have not been scoped, however alternative options are being considered.

Economy, Communities & Corporate

The Savings target for 2014-15 is £7.3m, 89% has been delivered.

	Red	Amber	Green	Total
	£000s	£000s	£000s	£000s
2014-15	-	832	6,480	7,312
2015-16	590	1,230	1,952	3,772
2016-17	278	3,733	258	4,269
	868	5,795	8,690	15,353

ECC Savings 2014-17



2014-15 Savings Plans

There are no savings plans currently rated RED and only 11% rated AMBER

Amber

- There are currently pressures on the Public Realm contract budget in relation to grass cutting. Whilst this is being met from the corporate contingency budget and in year underspends, this will need to be mitigated in future years.
- There are currently pressures on maintenance budgets within Property Services which are being managed within Directorate budgets but put risk on fully delivering the savings plan.

2015-16 Savings Plans

Red

- This risk mainly relates to the saving due from the Council Tax reductions scheme and is subject to Council decision in December 2014.
- There is also risk around the achievement of Home to School transport saving based on increasing parent/carer contributions for discretionary riders. This has not yet been agreed.

Amber

- Whilst Car parking income levels have improved and are likely to contribute £300k towards the savings target for 15/16 of £600k, further increases to

parking charges are not yet agreed. There is also risk on the on-street parking project.

- Whilst progress has been made on identifying a Community Interest Company to manage the Queenswood and Bodenham Lakes site, this has not yet been agreed.
- A plan to deliver £500k savings over two years within the Transportation team is currently being developed.

2016-17 Savings Plans

Red

- This risk mainly relates to the saving due from the Council Tax reductions scheme and is subject to Council decision in December 2015.

Amber

- The risk in 2016/17 mainly relates to savings on borrowing cost as a result of achieving £60m capital receipts from sale of Council's smallholding and other surplus properties. This plan is currently being developed and is likely to lead to re-profiling of the saving over a longer period which has been included in the draft medium term budget plan.



MEETING:	Cabinet
MEETING DATE:	18 December 2014
TITLE OF REPORT:	HEREFORDSHIRE NURSERY EDUCATION FUNDING POLICY (2, 3 & 4 YEAR OLDS)
REPORT BY:	Early Years Policy & Strategy Manager

Classification

Open

Key Decision

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

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

Wards Affected

County-wide

Purpose

To approve the Herefordshire Nursery Education Funding Policy

Recommendation(s)

THAT:

- (a) That the Herefordshire Nursery Education Funding Policy (appendix 1) be approved.

Alternative options

1. There are no alternative options as it is a Statutory Duty to deliver 2,3 & 4 year old Nursery education Funded Places (Early Education and Childcare Statutory Guidance Sept 2014) and ensure there is enough childcare settings to meet parental demand.

Reasons for recommendations

2. It is a Statutory Duty to deliver the early education nursery entitlement to 2,3 and 4 year

Further information on the subject of this report is available from
Julia Stephens Early Years Policy & Strategy Manager on Tel (01432) 383041

olds and the policy sets out the criteria for delivery

Key considerations

3. This Policy has been produced in order to bring together all our Statutory Duties and legal requirements around the delivery of the 2, 3 & 4 year old free entitlement. The policy will support providers in their role in delivering the funded (free) entitlement. It has been written in line with the following guidance: Free Early Learning and Childcare – The Offer for Two-Year Olds, Department for Children, Schools and Families (DCSF) Guidance document for local authorities (July 2009)
4. The Policy sets out the qualifying criteria, and explains how to claim the funding and also specifies the monitoring undertaken by Herefordshire Council concerning the use of funding by providers.
5. It outlines the conditions of early year's funded Free entitlement in Herefordshire and as such underpins the delivery of the Early Years Foundation Stage (EYFS) curriculum, for those registered on our directory of providers.
6. The aim of this Policy is to describe Herefordshire's Council's responsibilities to ensure that the funded entitlement within Herefordshire meets the requirements set down by the Department For Education (DFE) for 2, 3 and 4 year olds and provide simple, clear and transparent guidelines and rules. It will detail the requirements to which providers must adhere to enable Herefordshire Council to monitor providers to ensure that funding is used in an appropriate and legitimate manner.
7. The current process for administering the NEF (including payments to childcare providers and information on the children accessing the free entitlement) is currently a labour intensive paperwork process administered by Hoople. A scoping exercise and consultation is currently underway to get this process into an on line digital process (potentially through our tribal IT system). This is viewed by childcare providers as a very positive move and will enable the process to be easier, less labour intensive and more efficient.

Community impact

8. The Policy supports statutory requirements for the local authority e.g. to support the delivery of early education and childcare and ensure there are enough childcare places to meet parental demand. This Policy supports the priorities within the Herefordshire Children & Young Peoples Plan, Early Help Strategy and Child Poverty Strategy. It supports achievement of the Council's corporate plan objectives to improve outcomes for children and young people and to ensure there is access to excellent education and learning opportunities at all levels.
9. In order to end the cycles of deprivation the government wants to reach children from as young as two, therefore giving them the best chance to learn and develop. These reforms are vital because we know that high-quality early education can have a dramatic impact on a child's life chances in the longer term
10. During the summer 2014, 186 disadvantaged 2 year olds took up the free 15 hour childcare entitlement. As at November 2014 this has increased to approximately 400. As at November 2014, 2062 three year olds and 94 four year olds are accessing the free 15 hour childcare entitlement in Herefordshire.

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11. Herefordshire has approximately 99 Ofsted registered childcare settings taking Nursery education funded children. 90 are deemed Good and Outstanding by Ofsted. 1 is deemed Inadequate and 8 are satisfactory or requiring improvement. There are also 117 Ofsted registered child minders taking Nursery Education Funding. 12 are Outstanding, 67 Good, 14 satisfactory, 1 inadequate and 23 waiting Ofsted registration.

Equality and human rights

12. The delivery of Nursery Education Funding pays due regard to our public sector equality duty. It provides more disadvantaged 2 year olds with the opportunity of 15 hour free childcare per week supporting families to access training and employment opportunity and to support children to receive a better start in life.
13. An Equality impact assessment has been completed and attached (appendix 2) to support this policy proposal which considers the effect on childcare providers and parents accessing the free entitlement. This is carefully considered alongside statutory requirements, priorities and the resources available.

Financial Implications

14. The Dedicated Schools Grant (DSG) fully funds early years and the 3 & 4 year old free entitlement. This is paid by the DFE according to the number of children taking up the offer. 2 year old funding is set nationally by the DFE and given to local authorities for the roll out of this programme. For financial year 2014/15 approximately £5 million per year is received for 3 & 4 year olds (£3,454 per pupil x 1,475 pupils) and an additional £1.7m per 2 year olds. The early years funding is demand led and is finalised by DFE at year end to take account of the number of early year's pupils in the January 2015 pupil census.
15. The School Finance (England) Regulations 2012 (S.I.2012/335) set out how Local Authorities must operate their Early Years Single Funding Formula (EYSFF). The regulations require that a Local Authority must consult their schools forum and decide upon the funding formula which informs the hourly rate paid to all providers (*Local Authority Nurseries and Private/Voluntary Sector Providers*).
16. Schools Forum set the hourly rate for 3 and 4 years olds at £3.20 (plus an extra 26p per child for disadvantaged postcodes) A lump sum of £50 per week is paid to all providers (pro-rata for providers with less than 100 hours). This is consistent with our neighbouring counties but is slightly lower than our statistically comparable counties. Herefordshire is the 16th lowest funded county in England for early years. The rate paid for 3 and 4 year olds is kept under review by Schools Forum. The 2 year old funded rate £4.85 is set nationally by the DFE.

Legal implications

17. It is a legal requirement set by the government for Local Authorities to deliver the 2,3 & 4 year old free entitlement.
18. This is a Key Decision to be taken by Cabinet in line with the Part 3, Section 3 of the council's constitution.

19. Local Authority statutory duties in relation to early years childcare provision are set out in the Child Care Act 2006 and the DFE statutory guidance note early education and childcare published in September 2014. These duties are mandatory.
20. The Herefordshire Nursery Education Funding Policy sets out how the council will meet its statutory duties to: secure sufficient free of charge childcare provision for eligible 2 year olds and for 3 – 4 year olds; and provide information and advice to both parents and childcare

Risk management

21. There is a risk that we do not meet our statutory duty to provide enough childcare places for the continued roll out of early education funded places for 2, 3 & 4 year olds. This policy helps us mitigate the risks by setting out the procedures for deliver. We are also reliant on the quality of early year's settings/child-minders maintaining a good or outstanding Ofsted result on inspection (for 2 year old funding) and Satisfactory for childcare settings/child-minders taking 3 & 4 year old funding. However our Early Years Advisors work closely with childcare settings & child-minders to support the improvement and maintain quality standards in early years. Quality improvement in early years is an area of focus within the Early Years Strategy.
22. There is a potential risk that the hourly rate set locally for 3 & 4 year old funding is not enough to cover the actual costs of operating a nursery/pre-school facility. Providers could choose to opt out of the NEF scheme which would impact on our sufficiency duties. This has been raised at schools forum and by providers in the country. This has been investigated by benchmarking against other local authorities. Generally those local authorities that give a higher hourly rate are getting more money from the DFE. Unfortunately Herefordshire historically has always been a low funded authority. A review of the rate set for 3 and 4 year olds is currently underway and the finding will be reported back to the Early Years Strategy group in January 2015.
23. There is minimal risk to the council at present. However, if demand increases for childcare places then we could have a sufficiency issues and we would need to develop the childcare market to meet the demand. This is closely monitored through our early year's advisors and through a feedback function on our website to ensure that we are constantly aware of changing market forces.

Consultees

24. A period of consultation took place on the draft policy proposal during the months of July & August 2014. Consultation took place through the members/stakeholders on the Early Years Strategy Board (EYSB). The draft policy was shared amongst group members who are responsible for dissemination and communication within the agencies they represent.
25. EYSG members represent the following service areas: Educational Development, Early Years Improvement, Business Intelligence Officer, Third Sector & Private Nursery Providers, Primary Schools, Children Centres, Additional Needs, Health Visitors, Safeguarding (MASH), Childrens Commissioning, Early Help and Public Health. Finance were also consulted, although they are not represented on the EYSG board.
26. Comments were fed back to the Early Years Policy & Strategy Manager and followed through with changes, adaptations or additions to the policy. All 208 nursery providers and child-minder's were contacted via email and were offered an opportunity for 1:1 appointments to discuss the NEF process and implementation which is currently in place

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and outlined in the policy document. 2 nursery providers took up the offer of 1:1 and 5 others responded that they felt comfortable with the current processes but any training support or workshops in the future would be welcomed.

27. Consultation with parents was not undertaken directly as the policy relates to process and procedures for the roll out of NEF to childcare providers. However feedback from some parents received since July 2014 has been fed into the policy. This has been in relation to some childcare providers asking for “top up” fees to the 15 hours free entitlement and from parents wishing to take up a childcare place in a nursery provision which does not take 2 year old funding due to its Ofsted rating being only satisfactory. This feedback has informed the NEF policy and clarity on issues raised have been built into the final policy document.

Appendices

Appendix 1 Herefordshire Nursery Education Fund Policy

Appendix 2 Equality Impact Assessment

Background papers

None identified

DRAFT

Nursery Education Fund Policy

Early Years Funded Free Entitlement

For 2, 3 & 4 Year-Olds

September 2014

DRAFT

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1. Introduction

Herefordshire Council has produced this Policy in order to support providers in their role in delivering the funded (free) entitlement for 2, 3 and 4 year olds. It has been written in line with the:

Free Early Learning and Childcare – The Offer for Two-Year Olds, Department for Children, Schools and Families (DCSF) Guidance document for local authorities (July 2009) and the Department for Education (DfE) Early Education and Childcare Statutory Guidance for Local Authorities (September 2013)

This Policy explains how to claim the funding and also specifies the monitoring undertaken by Herefordshire Council concerning the use of funding by providers.

It outlines the conditions of Early Years Funded Free entitlement in Herefordshire and as such underpins the delivery of the Early Years Foundation Stage (EYFS) curriculum, for those registered on our directory of providers.

The aim of this Policy is to describe Herefordshire's Council's responsibilities to ensure that the funded entitlement within Herefordshire meets the requirements set down by government for 2, 3 and 4 year olds and provide simple, clear and transparent guidelines and rules. It will detail the requirements to which providers must adhere to enable Herefordshire Council to monitor providers to ensure that funding is used in an appropriate and legitimate manner.

1.1 Our role as a Local Authority

The Childcare Act 2006 fulfils the government's commitment to give every child the best start in life and parents greater choice about how to balance work and family life. The act places a duty on all local authorities in England to improve outcomes for young children, to reduce inequalities between them and to secure sufficient childcare to enable parents to work.

Section 6 places a duty on English local authorities to secure sufficient childcare for working parents.

Section 7 places a duty on English local authorities to secure early years provision free of charge. Regulations made under section 7 set out the type and amount of free provision and the children who benefit from the free provision.

Section 11 places a duty on English local authorities to assess childcare provision. Regulations made under section 11 set out how the assessment must be prepared and published.

Section 13 places a duty on English local authorities to provide information, advice and training to childcare providers.

Local authorities **must** have regard to this guidance when seeking to discharge their duties under sections 6, 7, 11 and 13 of the Childcare Act 2006 and should not depart from it unless they have good reason to do so (Statutory Guidance on Local Authorities 2006 Act)

The Childcare Act gives Local Authorities a key role in shaping the childcare market in their area. For Herefordshire this means working with our providers from the private, voluntary, and independent (PVI) sectors, to create a strong sustainable and diverse childcare market that meet the needs of parents.

The funded entitlement can be delivered through a range of providers including nursery schools and classes, private and voluntary sector day nurseries, playgroups and childminders. It is the responsibility of local authorities to ensure there is a diverse range of providers delivering provision offering parental choice.

Funded Early education for eligible 2 year olds is part of the Government's agenda to support and improve outcomes for children and families to have early access to high quality Early Years provision, locally we have referred to this funding as 2 year old funding.

Herefordshire Council will administer the funded entitlement for 2, 3 and 4 year olds, and has a duty to ensure the delivery of high quality, integrated, inclusive care and education.

2. The Early Years Single Funding Formula

The School Finance (England) Regulations 2012 (S.I.2012/335) set out how Local Authorities must operate their Early Years Single Funding Formula (EYSFF). The regulations require that a Local Authority must consult their schools forum and decide upon the funding formula which informs the hourly rate paid to all providers (*Local Authority Nurseries and Private/Voluntary Sector Providers*).

The hourly rate for two year olds is £4.85 and the rate for 3 and 4 years olds will be £3.20 (plus an extra 26p per child for disadvantaged postcodes) A lump sum of £50 per week is paid pro-rata for providers with less than 100 hours.

2.1 The Funded Entitlement for Parents

Local Authorities must secure the availability of places for all eligible 2, 3 & 4 year old children to meet the funded entitlement for parents. The entitlement for every child is 570 hours per year which equates to a maximum of 15 hours per week, over a minimum of 38 weeks.

A provider should enable parents to be able take up their child's early education place in patterns of hours that stretch their child's entitlement by taking fewer hours a week over more weeks of the year, where there is provider capacity and sufficient parental demand. Providers can agree to stretch the offer over more than 38 weeks, as long as the hours claimed over the year are not more than 570. The Local Authority will continue to fund the provider as a 38 week offer, and any arrangement to stretch the offer is a private matter between the provider and the parent, in accordance with the provider's billing and invoicing policy.

A parent can choose which provider they claim their funding from. No more than two childcare settings can be used. If a child is attending two settings the number of funded hours per week cannot exceed 15. Parents who access the funded entitlement with a provider who opens for less than 38 weeks per year cannot exceed the 15 hours weekly entitlement for example, 17.5 hours per week over 33 weeks. The minimum length of a session the Local Authority will fund in one day is 2.5 hours and the maximum is 10 hours. In order to be able to access the funding, children must remain in the provision for a minimum of 2 weeks. Should parents choose to remove their child before this qualifying period, it is the provider's responsibility to make parents aware that they will be liable for all costs incurred.

For clarification, a childminder cannot claim funding for providing childcare to their own children, as defined in Section 20 of the Childcare Act 2006.

Providers who have children with an Education, Health and Care (EHC) plan can claim the full entitlement even if the child attends for less than 15 hours. If a child claims the full entitlement in a special school no hours can be claimed by or paid to any other provider.

2.2 Amount of Funded Provision

The 2 year old funded entitlement rate from 1st April 2014 is £4.85 per hour

The 3 & 4 year old funded entitlement rate from 1st April 2014 is £3.20 per hour

(inclusive of an additional 26p for postcodes in areas of deprivation and lump sum payment where applicable). Rates and eligibility criteria are subject to change.

3. Criteria for Delivery of Funded Provision in Herefordshire

3.1 The Local Directory of Early Years Providers

Herefordshire Council must maintain and keep an up to date Local Directory of Early Years Providers. Providers must give permission to be included in the on-line directory. Not all childcare settings will be on it. This can be accessed from our Family Information Service on line directory <http://earlyyears.herefordshire.gov.uk>

The following providers can be included in the local directory:

- Providers registered with Ofsted as Daycare or Sessional providers (day nursery, playgroup, pre-school, private nursery school, school managed provision) on the Early Years Register
- Independent schools registered with the Department for Education delivering the EYFS
- Non-maintained special schools delivering the EYFS
- Childminders
- Providers who have been granted exemption from EYFS by the Department for Education
- Providers registered with Ofsted but have not yet been inspected can be included on the local directory and could be eligible for funding.

3.2 Entry to the directory

Providers must comply and meet the following criteria in order to be included in the Local Directory.

Providers must:

- have received an Ofsted Certificate of Registration to deliver funded entitlement through the delivery of the Early Years Foundation stage
- comply and adhere to the requirements of this document and have signed the NEF Funding Agreement (Appendix 1)
- demonstrate a commitment to working with Herefordshire's Councils Early Years Improvement Advisors in order to raise the quality of provision.

3.3 Rejection or removal of Nursery Education Funding for providers

N.B Local Authority Nurseries will follow a different process to as they are run and managed as part of the school and are bound by a different policy and procedure.

When Ofsted notify Herefordshire Council of an inadequate setting we will arrange a formal meeting with the setting's committee/owner within 7-10 days. The Council will need to have a copy of the interim inspection report or have been present at the feedback to understand what improvements are required unless; the setting is subject to a focused improvement plan due to previously being graded as satisfactory or requires improvement.

The meeting will agree the approach to be taken to the inadequate inspection judgement and the removal of NEF funding. Consideration will be given to:

- a. Timescales to getting a good/outstanding Ofsted judgement
- b. Practicalities and impact on the children
- c. Availability of alternative places

Notification will be sent to the Committee/Owner of the setting confirming the outcome of the meeting within the next 7-10 days

The dates of regular monitoring checks by the Council will be agreed at the meeting following the first inadequate Ofsted outcome

If the setting receives a satisfactory inspection outcome or a requires improvement outcome within the time scale agree at the meeting then NEF will NOT be removed.

If a second inadequate outcome is received at re-inspection then the settings entry on the Directory of Early Years Providers of NEF will be cancelled and 6 weeks notice will be given of the ceasing of NEF funding.

Immediate notice must be given by the setting to parents that they will not be able to claim for NEF places at that setting after the 6 week notice period had expired.

3.4 Appeals Procedure

Providers wishing to appeal against the Local Authority's decision to remove them from the directory must: notify Herefordshire Councils Early years Policy & Strategy Manager of the intention to appeal within 7 days of the date of the letter following receipt of a letter of removal.

Herefordshire Council will notify the provider within 7 days of a date for an appeal hearing and the procedure and format of the appeal process. At this time the

provider will be asked to submit any written evidence to support their appeal within 7 days.

Evidence from the provider and from the Local Authority will be circulated to all parties 7 days before the appeal date

The provider will be notified of the appeal panel's decision within 5 working days

If a provider wishes to object to the appeals decision, it will then be taken as a complaint towards the Local Authority and be treated as such by progressing it through Herefordshire Council's complaints policy. The appeal decision will stand and be implemented whilst the complaints procedure is underway.

3.5 Providers who will not be eligible for 2, 3 and 4 Year Old funding

If a provider receives an Inadequate Ofsted judgement, the following will apply:

For providers receiving 3 and 4 year old funding

Where a provider has an Ofsted Inadequate outcome, the Local Authority will not continue to fund 3 & 4 year olds at the provision unless the provider has agreed to work with the Early Years Improvement Advisors to address Ofsted actions.

Where a provider has an Ofsted Inadequate outcome they must demonstrate improvement by being re-inspected at a "Requires Improvement" level or higher. If the setting is re-inspected at an Inadequate grade funding will be removed.

If there are safeguarding concerns funding may be withdrawn immediately.

For receiving 2 year old funding

Where a provider has an Inadequate Ofsted outcome they will not be eligible for 2 year old funding until they have been re-inspected at a GOOD level or higher.

Funding for two year olds currently attending the setting at the time of the Ofsted inadequate judgement will be reviewed when the Ofsted Interim or monitoring report is available.

Where either the original inspection or the monitoring visit highlights safeguarding issues that will impact on the 2 year olds at the provision funding will be withdrawn immediately

Providers who have a requires improvement Ofsted outcome

Where a provider has an Ofsted Requires Improvement outcome the Local Authority will not continue to fund 2, 3 & 4 year olds at the provision unless the provider has agreed to participate with Early Years Improvement Advisors to address Ofsted actions.

3.6 Funding Exemptions from Early Years Foundation Stage (EYFS)

All early years providers who register with Ofsted and schools who are exempt from registration, are required by the Childcare Act 2006 to deliver the Early Years Foundation Stage (EYFS). In certain circumstances (following a provider's application for exemption/modification to the DfE) exemptions/modifications may apply.

Herefordshire Council will consider and advise providers whether they will continue to fund providers/children. Parents must always be offered access to a funded place for their child with a provider who has not been granted an exemption.

In order for an Early Years provider/school to continue to receive funding following on from being granted an exemption/modification they must demonstrate a commitment to working with the Early Years Advisors to raise quality of provision when required to do so.

3.7 Provision of information

When a provider signs the Local Authority Agreement they are committing to completing the following information returns:

Providers should complete and return any requests for information relating to children in receipt of funding. This would include completion of the Early Years Foundation Stage profile for children who have deferred entry into school until the term after the child's 5th birthday.

Providers may be asked by Herefordshire Council to distribute information to parents.

3.8 Data Protection

It is vital that those who collect and use personal data maintain the confidence of those who are asked to provide it, by ensuring full compliance with the requirements of the Data Protection Act (1998).

Details of Herefordshire Council's standard contract terms relating to Data Protection, Freedom of Information, Information Security and Data ownership can be found on the Council's website.

3.9 Provider Agreement/Contract

A Local Authority NEF Provider Agreement states the terms and conditions that providers and Herefordshire Council are expected to meet. Providers and the Council must abide by the terms and conditions.

3.10 Stretched Offer

Parents who wish to take their free entitlement over a longer period than the standard term of 38 weeks are able to do so by 'stretching' their entitlement over the year as long as the hours claimed do not exceed 570.

Through its sufficiency duty, Herefordshire Council has to ensure a range of provision is available which meets parental needs and is keen to ensure that parents can access a stretched offer if they choose, although this is not a mandatory requirement for providers.

In the event of an audit, providers must be able to support any claims made.

3.11 Payments

Funding will be paid in accordance with the timetable of dates directly into provider's bank accounts (via BACS), and these accounts must be in the name of a business, except for childminders. It is the provider's responsibility to notify the Local Authority of any changes to their bank account details.

Herefordshire Council will make up to three interim payments to providers (Autumn, Spring and Summer terms) and one final payment including any adjustments payments.

Automated Payment System – Herefordshire Council will be working with providers to develop an automated on line payment system for NEF. This will be a more efficient process and will allow providers to have direct access for logging information and cutting down on paperwork and time. Further details will be shared with all providers over the coming months.

3.12 Headcount and Second Payment

A headcount of eligible children should take place in each funding period. These dates are published on the council website. All children for whom the provider is claiming funding for should be attending the provision on the headcount date. This will include children who are booked to be at the provision at any time during the week of the headcount date and should include children who normally attend the provision but are on a family holiday or are sick.

The headcount dates change each term and these are published on Herefordshire Council's website for 2 year olds and 3 and 4 year olds as below:

<https://www.herefordshire.gov.uk/nefproviders>

Children on provider's registers who have not yet started or have left before the headcount date cannot be included in the headcount. It is the provider's responsibility to check that the children are eligible for funding in that period.

Providers must notify the Local Authority of children leaving their provision or moving to another provision by completing the relevant forms, eg Child leavers form. These forms should be forwarded as soon as possible.

3.13 Children Arriving After the Headcount Date

Providers may claim funding for eligible children who newly arrive after the headcount date. A Parent Declaration form should be completed and forwarded to the local Authority.

Children transferring from one provider to another can only do so in accordance with the protocols laid out in the Parent Declaration Form.

3.14 Absences

The Local Authority will not claim back funding for any irregular attendance, but needs to be informed of any regular non-attendance so that the matter can be reviewed. Children can be absent due to sickness or holidays for a period of up to 2 weeks before any funding will be recovered.

3.15 Records and Audit

Herefordshire Council reserves the right to audit providers on a regular basis to ensure that no fraudulent claims are being made. This may result in removal of a provider from the Local Directory. Accurate registers should be kept for a minimum of 3 years. Financial records must be retained for seven years. Termly moderation may take place for children with an Education, Health and Care Plan (EHC).

Providers should be aware that the information about each child, the details of claims submitted for payment of funding, and the actual payments made may be the subject of a Local Authority wide audit check to ensure the validity of the expenditure of public funds.

4. Provider role and responsibility

Providers need to be aware of their responsibilities and the role of Herefordshire Council. It is important for providers to meet parental needs and to work towards providing flexible services that meet demand.

Collaborative engagement with Children's Centre and other providers is integral to support ongoing high quality, flexible services to support families needs. Providers are making this commitment when signing the Provider Agreement relating to this Policy.

4.1 Quality

A provider's involvement in continuous quality improvement is vital to secure high quality, flexible, inclusive provision for children. The funded entitlement must be delivered to high standards. Providers must provide planned adult led activities and opportunities for child initiated learning to enable children to progress towards achieving Early Learning Goals, in line with the principles and practice described in the Statutory Framework for the Early Years Foundation Stage (EYFS). Providers must adhere to the Early Years Foundation Stage Statutory Regulations. Providers must also adhere to the SEN Code of Practice.

Providers must maintain written records of children's achievement against the EYFS based on observational assessment and ensure this information is passed to parents, receiving schools and providers on transfer.

When required to do so providers must make available to the Early Years Improvement Advisors all the information needed including:

observational assessment and planning in relation to funded children

Progress tracking information in relation to children in receipt of, or have been in receipt of, 2 year NEF funding for inclusion in relation to a child with SEND (Special Education Needs Disability)

staff training records

administrative set up relating to NEF

any other information that can be reasonably requested

Providers must ensure that staff are appropriately qualified, continue to have access to training for early years, in addition to any other training.

Providers must maintain training records, details of qualifications of staff and a training plan.

Herefordshire Council have a team of Early Years Improvement Advisors working within the Learning and Achievement Service who support settings with inclusion needs of children with SEND and offer advice, support and training for all practitioners and settings involved in the delivery of the Early Years Foundation Stage. Focused support is provided to settings with Ofsted inspection outcomes result in an Inadequate or Requires Improvement (Satisfactory).

Improving Outcomes - By adopting this policy you are signing up to supporting the improving outcomes for children by promoting learning and development for every child and "narrowing the gap" in outcomes from disadvantaged families and their peers.

4.2 Inclusive Practice

Providers are required to have regard to the SEN Code of Practice on the Identification and Assessment of Special Educational Needs, and to the additional guidance published by the Secretary of State. This requires providers to have a written policy (which must be reviewed annually) for Equal Opportunities and Special Educational Needs and have a named SENCO.

Educational settings have duties under the Equality Act 2010 and providers must make reasonable adjustments for disabled children and young people to help alleviate any substantial disadvantage they experience because of the disability, and they must not discriminate against or harass them.

Providers must provide for children's social, emotional and behavioural development with regard to current national and local guidance and the SEN Code of Practice. They must have a written policy for reasonable adjustments; implementing agreed actions with external agencies where required. The provider must designate a member of staff responsible for Safeguarding/Child Protection, have a stringent and robust Safer Recruitment procedure that complies with current legislation and Ofsted regulations and have regard to the Herefordshire Local Safeguarding Children Board advice and procedures and must work in partnership with other agencies when necessary.

All providers must adopt an inclusive approach, promote equality of opportunity and ensure there is no discrimination and must have a clear, transparent, inclusive and equitable admission procedure and process. The provider must have a designated staff member with responsibility for equal opportunities.

4.3 Determining Eligibility for a Funded Place

Funded free early education for two year olds is currently based upon national eligibility criteria. Funding is allocated on the basis that qualifying criteria is met.

Children become eligible for 2 year old funding the term after their second birthday. Funding will be paid up to and including the term before the child is eligible for 3 and 4 year old funding. This is to ensure a smooth transition between funding streams.

Children eligible for funded early education for 2, 3 & 4 year olds are entitled to a maximum of 15 hours free early education provision, delivered flexibly over three terms (38 weeks), or stretched over 51 weeks. The funded free hours must be delivered flexibly, taking into account the needs of both the child and family. No additional fees may be charged, including registration fees or deposits.

If a parent chooses to use the funding between a maximum of 2 providers, the overall total hours must not exceed 15 and they should make both providers aware of their decision. Children become eligible for 2, 3 & 4 year old funded entitlement

from the term after their 2nd or 3rd birthday and up until statutory school age which is the term after their 5th birthday.

The following table shows when a child is eligible to receive funding:

Birthday falls between	Term funding starts
1 st April – 31 st August	September
1 st September – 31 st December	January
1 st January – 31 st March	April

4.4 Deferred Entry into the Reception Year

As it is not compulsory for a parent to send their child to school until the term after their fifth birthday, funding may be claimed by the provider in the usual way in respect of a child whose parent has formally arranged with the Head of a School to defer the child's entry into school (Reception) for one or two terms. Please note this does not apply to a child who is being 'phased in' at the beginning of the reception year, as funding cannot be claimed once a child is on the school's register (this does not apply to independent schools).

Funding does not apply to the reception classes of maintained (state) schools, as these will be funded through school budgets. Children attending a non-maintained (independent) school, however, are still eligible to claim funding until they are of statutory school age, which is the term after their fifth birthday.

It is the provider's responsibility to check details of each child, including date of birth, to ensure eligibility.

Children must remain in the provision for a minimum of 2 weeks in order to be eligible for the funding. Should parents choose to remove their child before this qualifying period, it is the provider's responsibility to make parents aware that they will be liable for all costs incurred.

4.5 Entitlement and Flexibility of Funded Free Entitlement

Statutory guidance for Local Authorities on the Delivery of Free Education, September 2014, gives details of when Local Authorities should not fund providers to deliver the free entitlement. These limits secure an offer which will enable children to access regular, quality provision, in keeping with the evidence of the benefits of doing so, and promote continuity whilst also maximising flexibility for parents and ensuring a degree of stability for providers. The limits are:

No attendance longer than 10 hours

No attendance shorter than 2.5 hours

Not before 7am or after 7pm

A maximum of two providers at any one time

Herefordshire Council recognises that 'set up and clear away time' is needed, but the hours that funding is claimed for must reflect the period during which the EYFS is being delivered.

It is recognised that some providers are unable to offer the full entitlement of 15 hours a week over the full 38 weeks a year due to restricted premises use. A parent can choose a reduced entitlement if they wish as long as the provider informs the parents of the implications. A parent can make up a shortfall of hours with an additional provider. If a provider is unable to offer a minimum of 38 weeks per year, parents are unable to condense the offer eg 17.5 hours per week for 35 weeks.

4.6 Provider Billing and Invoicing

The DfE code of Practice September 2010 re-states the 2006 code, "Parents cannot be charged for any part of the minimum funded entitlement either directly or indirectly". Providers must ensure that for each eligible child the funded entitlement is free at the point of delivery. They should not impose any conditions in any format on parents to which they must agree in order to take up their funded hours.

Providers should discuss with parents their invoicing and billing process prior to a place being taken up, to ensure parents understand that the free entitlement will be shown as hours taken at no cost and any additional services and hours are charged accordingly, and in line with the providers pricing structure.

Providers must :

Not charge top-up fees in respect of the funded hours. Parents should not be charged any top up amounts in relation to the funded hours. Payment for additional hours or services over and above the funded entitlement is a private matter between the parent and the provider.

Make parents aware, prior to taking up a funded place, of any charges that will be payable in respect of additional hours or services provided.

Make parents aware that although the free entitlement can cover the hours over the lunch period, the free entitlement is not expected to include the meal. Parents may choose to buy a lunch but providers cannot make this a condition of access and parents can have the option of providing a packed lunch.

Not charge registration, deposit or administration fees to parents who are only accessing the funded entitlement (this does not include additional services).

Not Impose conditions on parents requiring them to pay for their funded hours up front and be refunded at a later date. Parents should not be charged in advance and then refunded once payment from the Local Authority is received. Herefordshire Council supports providers by paying an interim payment based on their estimate of hours forms predicting the number of 2,3&4 year olds they are going to have for that term. We will pay 75% of the estimate in the first 3 months and then the final 25% in their final payment at the end of the term with any adjustments.

Show on any billing information or invoices the funded hours as “free” or “nil charge”

Must not Impose the conditions of purchasing a uniform in order to take only their funded hours

If Herefordshire Council is made aware by a parent that any of the above practices may have been carried out, the Local Authority will immediately investigate further and request detailed information on billing/invoice material. Providers are required to make all information available to the Council on request. The Council will investigate the complaint concerning the funded entitlement in line with the DfE Code of Practice and the local terms and conditions. If the provider is found not to be acting within the code, then Herefordshire Council will begin the process of removing the provider from the Local Authorities Directory of Providers.

If a parent has a concern regarding the funded entitlement, or the providers pricing policy in relation to the funded entitlement, they should in the first instance discuss this with the provider. The provider should investigate the concern in accordance with their own complaints policy. If the parent still feels that the matter is not resolved according to the terms of the funded entitlement, the parent can inform Herefordshire Council of their concerns in writing to the *Early Years Policy & Strategy Manager at Herefordshire Council, Plough lane, Hereford HR4 OLE. Email jstephens@herefordshire.gov.uk*

Failure to provide the funded entitlement to an appropriate level of quality and standards may lead to a withdrawal of funding to the provider.

4.7 Parent/Carer Declaration Form for 2, 3 & 4 Year Old Funded Children

A Parent/Carer Declaration Form must be completed for each child who is claiming funding. All new or existing children who are changing their claims will be required to complete a new Parent Declaration Form.

Providers must ensure that parents are aware that:

a) When their child attends more than one setting they must complete a separate Declaration Form with each provider. Both Declaration Forms must show the

providers name and the total number of hours being taken up at each provision. In the event of the submission of conflicting claim forms from different providers, the Finance Team reserve the right to allocate the funding as they deem appropriate

b) The parent is signing up to a funding period for the funded entitlement and may be liable for any costs if there is a breach of that declaration

c) The provider must retain a copy of the signed Parent Declaration Form for their records.

4.8 Transfer of setting during a funding period

Children must remain in the provision for a minimum of 2 weeks in order to be eligible for the funding. Should parents choose to remove their child before this qualifying period, it is the provider's responsibility to make parents aware that they will be liable for all costs incurred.

Funding may be transferred between providers when a child changes provision. A completed "Notification of early leavers" form should be forwarded in this instance. A transfer of funding can only happen when we have received paperwork from both new and old providers. The child care setting notice period must be adhered to as parents may have costs incurred.

4.9 Cross border arrangements

The funded entitlement is allocated on the basis of where a child attends a provision, rather than which local authority they reside. This means that providers should claim for all children attending their provision whether they live in or outside of Herefordshire.

If a child is attending a provision outside Herefordshire, providers must ensure that no more than the maximum 15 funded hours are claimed between authorities. The hours taken up in each Local Authority must be clearly stated on the Parent Declaration Form.

The following will apply:

Looked after 2 year olds – The (host) local authority responsible for the care of a 2year old (under section 22(1) of the Children Act 1989) will pay for the early education entitlement.

2 year olds in families meeting the same criteria used to assess free school meal

eligibility – The (host) local authority in which the child resides will pay for the early education entitlement and this will take effect from September 2014.

3 & 4 year old funded children living in Herefordshire but attending a childcare provider outside of Herefordshire we will not fund.

4.10 Children increasing/decreasing hours in a funding period

If a child is taking up less than 15 hours in total of the funded entitlement, a parent can agree with the provider to increase the number of hours attended up to the maximum entitlement at any point in the funding period.

If a child is reducing their hours to less than 15 hours of the funded entitlement (and not transferring the remaining hours to another provider) a parent can agree with the provider to decrease the number of hours at any point in the funding period.

4.11 Claims Processes

The information requested must be submitted to the Local Authority within specified deadlines in order that funding for those children can be paid to the provider by the published dates.

Deadlines for returning all forms are published on Herefordshire Council website:

www.herefordshire.gov.uk/nefproviders

Herefordshire Council retain information about each child which is held on a database. Details are used for administration and audit purposes and will not be passed onto any other party not mentioned in the Parent Declaration form.

All returns that include children's details must only be submitted through secure email account and not through normal unsecured e-mail.

NEF Records – All financial records associated with Nursery Education Funding should be kept for a period of 7 years.

5. Failure to Adhere to this Policy

If a provider fails to adhere to any aspect of the Herefordshire Nursery Education Fund Policy or fails to adhere to any other rules or procedures that it must abide by (for example Ofsted standards), then funding will be withdrawn.

However, Herefordshire Council seeks to work with providers to ensure that at all times they have the appropriate support and guidance needed to deliver on the necessary commitments, and to ensure that any likely breach is resolved as soon as possible.

5.1 Closure of a provider

If a setting is planning to close or to be sold onto another provider, it is a condition of the funding that the provider gives the Local Authority at least one term's notice by completing the relevant form. Any registration that is resigned or cancelled with

Ofsted will automatically be removed from the directory. Herefordshire Council will reclaim any monies paid in advance for funded sessions.

6. Conditions

In order for providers to access early years funding, Herefordshire Council must attach reasonable conditions to ensure compliance in relation to quality standards, statutory duties and principles which are outlined in the DfE Code of Practice (Statutory Guidance), if a provider fails to meet any of the conditions set, it may require the repayment of the whole or part of any funding that has been paid in respect of the provision of funded places. Failure by providers to adhere to either the National or Local NEF Policy will mean that a provider could be withdrawn from the Directory of Local Providers and withdrawal of the funding.

7. Complaints Procedure

Should a provider have a complaint, in the first instance contact should be made with the Council's Children's Quality & Assurance Team 01432 260180 or email: childrenscomplimentsandcomplaints@herefordshire.gov.uk

The full complaints procedure can be found at: <https://www.herefordshire.gov.uk/government-citizens-and-rights/formal-complaints/formal-complaints>.

8. Provider Agreement

Appendix 1 contains the Provider Agreement under which Herefordshire Council agrees to fund providers, and the terms and conditions the provider agrees to abide by. The provider agreement should be read in conjunction with this NEF Policy.

Providers will be required to sign and agree to the terms and conditions in the Provider Agreement of funding for a 2, 3 and 4 year olds funded entitlement.

Appendix 1: Provider Agreement

PROVIDER AGREEMENT

Early Years Funded Free Entitlement

For

2, 3 & 4 Year-Olds

and for

Inclusion to the Directory of Early Years

Providers

This agreement is for the period 1st September 2014 until 31st August
2015

THIS AGREEMENT is made this.....day of2014.

Between:

1. Herefordshire Council, Plough Lane Offices, Plough Lane, Hereford HR4 0LE
("the Local Authority");

and

2.("the provider")

Background

This agreement refers to the Department for Education (DfE) – “Early education and childcare, Statutory guidance for local authorities” September 2014 and subsequent revisions, supplements and additions.

<https://www.gov.uk/government/publications/early-education-and-childcare>

Conditions and this Agreement relate to all providers who receive Nursery Education Funding from Herefordshire Council in respect of eligible children aged 2, 3, and 4.

1. The Funded Free Entitlement

- 1.1 The funded free entitlement for an eligible 2, 3, and 4 year old is 570 hours per year that can be delivered over no less than 38 weeks, or may be stretched over a maximum of 51 weeks of the year.
- 1.2 The funded free entitlement can only be taken between the hours of 7am and 7pm as agreed between the provider and the local authority for the delivery of the funded free entitlement.
- 1.3 A provider can offer flexible packages subject to the following:
 - No session longer than 10 hours
 - No session shorter than 2.5 hours
- 1.4 For each funding period, a provider must obtain a completed Parent Declaration form for each funded child at their provision confirming the hours the child will claim each week.
- 1.5 A provider **must** be aware of the specific conditions and funding arrangements in place for children moving provision before and after headcount dates.
- 1.6 A child can attend up to two providers at any one time.
- 1.7 Herefordshire Council may agree that a provider offers the funded free entitlement over a reduced period (33-38 weeks) if there are premises constraints that prohibit the provider from opening for 38 weeks of the year. **Parents will not be permitted to increase the number of hours of the funded free entitlement above 15 per week for example, 17.5 hours per week over 33 weeks.**
- 1.8 If a provider has an agreement to offer less than 15 hours per week, they **must** in these circumstances:

provide the parent with information relating to other local provision that could offer the full 15 hours funded free entitlement over a minimum of 38 weeks, and provide details of provision that could provide the balance of the funded free entitlement, together with details of Herefordshire's Family Information Service website:
<https://www.herefordshire.gov.uk/health-and-social-care/children-and-family-care/family-information-directory/>
- 1.9 A provider **must** ensure they do not impose on parents conditions of access to which they must agree in order to take up their funded free entitlement.

- 1.10 A provider **must** ensure that the funded free entitlement is not charged for at the point of delivery and no charges may be made for these funded hours.
- 1.11 A provider **must not** request top-up payments from parents for the funded free entitlement hours.
- 1.12 A provider **must not** charge for hours and services in advance and then refund the payment when funding from Herefordshire Council is received.
- 1.13 A provider may charge for hours and services in addition to the funded free entitlement. Any additional charge **must** be made clear to parents before they take up places.
- 1.14 A provider **must** make parents aware that if they are not able to access their entitlements in the correct way, they should make their complaint directly to the provider in the first instance.

2. The Early Years Foundation Stage

A provider **must**:

- 2.1 Implement the Early Years Foundation Stage (EYFS) delivering the learning and development requirements appropriate for the level of development of the child and in line with the EYFS.
- 2.2 Maintain a system to ensure children's progress is measured, that planning meets the needs of the individual child, and note that there is a statutory requirement regarding the completion of a Progress Check for 2 year olds and the Early Years Foundation Stage Profile (for children at the end of the EYFS) unless an exemption for the profile has been received.
- 2.3 Complete and return progress data when requested, on children in receipt or who have been in receipt of 2 year funded free entitlement and/or inclusion funding.

3. Ofsted

- 3.1 A private and voluntary provider and schools offering 2 year old places **must** be on the Ofsted Early Years Register and comply with all statutory requirements of the Early Years Foundation Stage, (Independent schools **must** be registered with the Department for Education) and have a Unique Reference Number (URN).
- 3.2 A provider **must** comply with the requirements for the Disclosure and Barring Service (DBS) checks.
- 3.3 A registered provider **must** have and maintain a minimum Ofsted judgement of Satisfactory/Requires Improvement or above to claim the funded free entitlement for children aged 3 and 4, and a minimum Ofsted judgement of Good or above to claim the funded free entitlement for children aged 2.
- 3.4 If a provider has been judged Inadequate, they **must** inform the Local Authority immediately at which point the policy for removal of Nursery Education Funding (NEF) will be followed. This does not mean automatic removal from the register of funded early entitlement providers, however, such providers will be required to demonstrate rapid improvement in order to continue with current funded children. See the NEF removal policy on the Council website.
- 3.5 A provider **must** inform the local authority of any changes that might affect registration with Ofsted or inclusion in the Directory of Early Years Providers, such as changes to the officers of the management committee or directors; changes to the registered owner of the setting; change of premises.

4. Inclusion

A provider **must**:

- 4.1 Identify a Special Educational Needs Co-ordinator (SENCO) and develop policies in line with the current SEN Code of Practice (2014), that promote inclusion and cover admission arrangements, New SENCOs **must** be enabled to attend an initial SENCO training course, and be supported in their role by management. All SENCOs should be enabled to attend regular professional development/training pertinent

to their role and which informs them of local funding arrangements for children with SEN/D.

- 4.2 All SENCOs **must** be enabled to attend local authority early Years inclusion funding panels in respect of any applications made for inclusion funding for a particular child.
- 4.3 Comply with the appropriate provisions of the Disability Discrimination Act (DDA). The DDA requires all providers to comply with two main duties:
- Not to treat a disabled person less favourably; and
 - To make reasonable adjustments for disabled people
- 4.4 Comply with the appropriate provision of the Race Relations (Amendment) Act 2000. The local authority has a duty to eliminate unlawful racial discrimination and promote equality of opportunity and good relations between persons of different racial groups. A provider **must** cooperate with the local authority in assisting the local authority to carry out these duties

5. Staff Training

- 5.1 A provider **must** meet the Department for Education (DfE) minimum requirements for staff qualifications.
- 5.2 All staff **must** be able to attend suitable training. In addition to appointing a named SENCO, a provider **must** appoint a Designated Member of Staff for Safeguarding (DMS) and have sufficient members of staff with a current Pediatric First Aid Certificate to comply with minimum standards. All designated staff **must** be enabled to attend regular professional development/training to remain up to date and confident in their roles.

6. The Local Directory of Providers – Nursery Education Funding

- 6.1 A provider that delivers the funded free entitlement **must** be registered on the Local Directory of Providers and meet the associated conditions as detailed in this agreement.

- 6.2 A provider may be removed from the Directory and thus lose their funding as set out in Herefordshire's Nursery Education Funding Policy on the Council Website.
- 6.3 Providers have the right of appeal against removal from the Directory. See Herefordshire's Nursery Education Funding Policy on the Council Website.

7. General Conditions of Funding

A provider **must**:

- 7.1 Provide the agreed allocated funded free entitlement hours to each eligible child at their provision, for whom it is receiving funding, without costs to the parent.
- 7.2 Promote regular take-up of the funded free entitlement hours as being in the best interests of the child, and if a child fails to attend on a regular basis will make parents aware that the allocated hours may be withdrawn.
- 7.3 Report to the local authority the total number of funded hours taken at the provision by all funded children.
- 7.4 Report to the local authority the actual number of funded hours taken in the setting when funding is split between two providers, to ensure each child is not being funded over the entitled number of hours.
- 7.5 Promptly notify the local authority of regular non-attendance of children at the provision and record all reasons for absences in the register.
- 7.6 Comply fully with the local authority's auditing process regarding the funded free entitlement for 2, 3 and 4 year olds.
- 7.7 Issue invoices that show the free entitlement at No Charge/Free, with the fees for additional hours and services shown separately. The funded free entitlement **must not** be shown as a deduction from the bill.
- 7.8 Ensure all parents who have children claiming the funded free entitlement have been given an up to date privacy notice which informs parents about how their child's data will be used.
- 7.9 Keep all documentation requested by the local authority, and make these available should they be requested. Such documents will include

retaining copies of parents' contracts, parental declaration forms and attendance registers.

- 7.10 Comply with the local authority's requirements for information/data returns.
- 7.11 The provider shall at all times when performing its obligations under this agreement comply with the Data Protection Act 1998 including, where appropriate, maintaining a valid and up to date registration in accordance with this Act.
- 7.12 Complete returns each funding period to support payments, and forward to the local authority all relevant documentation within the timescales given. Guidance, dates and deadlines can be found on the Herefordshire Council website. Please note providers must ensure that they have a copy of the 2 year old eligibility letter before submitting a claim for the funding.
- 7.13 Ensure accurate and timely completion of the annual Early Years Census Form issued by the Department for Education, information for the Childcare Sufficiency Assessment and other such returns. The annual Early Years Census return **must** be completed in January.
- 7.14 Endeavour to safeguard the local authority against fraud on the part of directors, trustees, staff or parents with particular regard to inaccurate, incomplete or misleading claims for payment.
- 7.15 Repay to the local authority any funding where that funding has been withdrawn for any reason.
- 7.16 Meet the minimum quality standard as set out in the statutory guidance. Failure to do so may result in the removal of the funded free entitlement as, under DfE statutory guidance, the local authority has a duty to secure acceptable quality provision for the affected children as soon as possible. This may result in removal of the funded free entitlement before the completion of a term notice. (See Nursery Education Policy on the Council Website).

Information supplied by a provider will be held in an electronic format by Herefordshire Council and may be compared to data from other providers and local authorities and used for statistical purposes.

Herefordshire Council has a statutory responsibility to hold and make available details of registered providers. By signing the declaration below you are consenting to publication of information by family Information Service for the purposes of policy and research, and to provide childcare information to

parents and carers and related professional and government organisations. Exemptions to inclusion in the public directory will apply in certain circumstances subject to agreement with individual settings concerned.

NB: Funding of the free entitlement will not be backdated (exceptional circumstances may be considered in agreement with the Early Years Strategy Group)

The following must be completed:

1. Pattern of Delivery Notification

Please identify your “Core Offer” of how a child can access just their 15 hours of NEF in your setting.

- Flexibly - any hours that we are open between 7am – 7pm
- A range of sessions adding up to no more than 15 hours
- 3 hour sessions (mornings/afternoons/both/specific times)
- 5 hours sessions (mornings/afternoons/specific times)
- Other - please state below
- I am a new provider offering term time Nursery Care only
- I am a new provider offering Full Day all year round care

Hours offering NEF	Opening Time	NEF Start time	NEF End Time	Closing Time	Comments/Core Offer
Monday					
Tuesday					
Wednesday					
Thursday					
Friday					
Saturday / Sunday					

Have you limited the total number of NEF places your setting offers?

- YES
- NO

If yes how many places are available? For 2 year olds

3 and 4 year olds AM PM

2. Contractual Period Notification

Please declare the notice period for removing a child from your setting/provision:

NOTE: A blank copy of your contract or agreement with parents, stating the declared notice period, must be submitted annually with this agreement otherwise it will be assumed that you have no contractual notice period.

3. The Agreement

I certify that this agreement has been read and that the setting will conform with the requirements therein.

Declaration:

Name of Provider _____

Type of Provision: _____

I confirm that this provision will meet the conditions of funding as set out in the DfE Statutory Guidance (2014), and as set out in this agreement.

I agree to repay Herefordshire Council all funding received in respect of the period for which the conditions of this agreement are not met.

Owner/Chair of Committee

Signed: _____ Date: _____

Job Role _____

Name _____

Address _____

Email _____

Registered Person/Manager/Head Teacher

Signed _____ Date _____

Job Role _____

Name _____

Address _____

Email _____

Herefordshire Council agrees to fund the provider in accordance with the terms of this agreement.

Signed _____ Position _____

Date effective from: 1st September 2014

Forms to be returned to Alison Murphy Lead Improvement Advisor (Early Years), Children's Wellbeing, Herefordshire Council, Plough Lane Offices, Hereford HR4 OLE.

Appendix 1

FUNDING – NOTE: The free entitlement is of no monetary value to a parent and cannot be used as a rebate against fees charged for additional services accessed for their child/ren

Providers must ensure that parents complete and sign a Parent Declaration Form when an eligible child claims funding with them for the first time, when making any changes to their claim or their personal details or when requested to do so by the local authority and must ensure Leavers Forms are signed appropriately.

Where a child attends more than one setting the parent must provide details on the Declarations of all settings. The funding will be divided between settings according to the parental preference detailed on the Declarations – in the event of a dispute the local authority will allocate the funding as deemed necessary. The authority may need to consider the impact on continuity of care for a child if accessing the free entitlement at more than one setting

Funding is passed to the sector in accordance with the agreed Single Funding Formula which will be reviewed annually. The rates applicable can be found in documents already distributed to the sector. The funding for September 2013 to August 2014 for the PVI sector (including Schools with Academy status) will be paid in the following manner:

- The full 38 weeks for 2014/15 will be split into three funding periods of: Autumn 14 weeks, Spring 11 weeks and Summer 13 weeks (with the option of stretching over a maximum of 51 weeks for 2 year olds – 11 hours per week maximum). Funding will only be paid for whole weeks
- Payments will be based on an estimate of hours. An estimate of hours can be provided by the local authority based upon the previous pattern of attendance. Settings will have the opportunity of adjusting the estimate
- Payment following return of an agreed estimate will be made to providers monthly on the 7th of every month or closest date

- Therefore the first 3 payments of each “term” will be identical and any adjustment based on actual headcount during a term will be made in the 4th, 8th and 12th month (i.e. the final month of each term)
- NEF paid to schools with Nursery Classes will form part of the schools revenue budget and will be carried out via the local authority accounting system in line with other school funding.

Schools with Academy status will be funded as the PVI sector (above)

Funding will be paid for the period of time a child attends the setting within the restriction above. This may result in funding being deducted from a future term’s payment where a child leaves a setting, likewise funding will be also be reduced if they start attending a setting after the beginning of the funding period. Any child taking extended leave during an academic year may still be funded, but only for a maximum of 6 weeks; settings must inform the LA such incidents and decisions on such funding will be made on a case by case basis.

Settings must inform the local authority when a child has left their setting giving the exact leaving date and final date of funding. In the event of a breach of contract by a parent claiming the free provision, there will be no payment for unattended period of notice unless agreed by the Head of Education Development on receipt of a written request.

For more information go to:

<https://www.herefordshire.gov.uk/education-and-learning/early-years-and-childcare/childcare-services>

Equality Impact and Needs Assessment Form

A) Description

Name of service, function, policy (or other) being assessed

CHILDRENS WELL BEING - HEREFORDSHIRE NURSERY EDUCATION
FUNDING POLICY 2,3 & 4 YEAR OLDS

Directorate or organisation responsible (and service, if it is a policy)

EDUCATION & SUFFICIENCY

Date of assessment

September 1 st 2014

Names and/or job titles of people carrying out the assessment

JULIA STEPHENS – EARLY YEARS POLICY & STRATEGY MANAGER

Accountable person

JULIA STEPHENS

What are the aims or main purpose of the service, function or policy? What does it provide and how does it provide it?

This Policy has been produced in order to bring together all our Statutory Duties and legal requirements around the delivery of the 2,3 & 4 year old free entitlement. The policy will support providers in their role in delivering the funded (free) entitlement. It has been written in line with the:

Free Early Learning and Childcare – The Offer for Two-Year Olds, Department for Children, Schools and Families (DCSF) Guidance document for local authorities (July 2009) and the Department for Education (DfE) Early Education and Childcare Statutory Guidance for Local Authorities (September 2013)

The Policy explains how to claim the funding and also specifies the monitoring undertaken by Herefordshire Council concerning the use of funding by providers. It outlines the conditions of Early Years Funded Free entitlement in Herefordshire and as such underpins the delivery of the Early Years Foundation Stage (EYFS) curriculum, for those registered on our directory of providers.

The aim of this Policy is to describe Herefordshire's Council's responsibilities to ensure that the funded entitlement within Herefordshire meets the requirements set down by government for 2, 3 and 4 year olds and provide simple, clear and transparent guidelines and rules. It will detail the requirements to which providers must adhere to enable Herefordshire Council to monitor providers to ensure that funding is used in an appropriate and legitimate manner.

Location or any other relevant information

HEREFORDSHIRE WIDE POLICY

List any key policies or procedures to be reviewed as part of this assessment.**Who is intended to benefit from the service, function or policy?**

PARENTS OF 2,3 & 4 YEAR OLDS

Who are the stakeholders? What is their interest?

The Early Years Strategy Group (EYSG) is an advisory board which focuses on early plans for delivery, understand the local and national policies and agendas and the implications for Herefordshire, Agree priorities for Herefordshire and develop a foundation years strategy for Herefordshire. The Stakeholders are:

- Julia Stephens - (Chair)
- Andy Hough – HOS Educational Development
- Alison Murphy – Early Years Lead Improvement Advisor
- Ian Sockett – Business Intelligence Officer
- Nickie Oval – Merry Go Round Nursery
- Linda Townsend – Head Teacher Lea Primary
- Kevin Wright – Headteacher St Peters Primary, Bromyard
- Nicky Stroud – Children Centres
- Steve Laycock – Additional Needs Senior Caseworker
- Sue Sharp – Early Years Advisor
- Sheenagh Davies – Bromyard Children Centre
- Rose Lloyd – Bridges Childcare
- Emma Allen – Health Visitors - WVT
- Kim Gristy – Safeguarding Education Officer MASH
- Philippa Granthier- HOS Childrens Commissioning
- Michele Allam – Early Help Service Manager
- Alison Merry – Consultant Public Health
- Rose Lloyd – Bridges Childcare

B) Partnerships and Procurement

If you contract out services or work in partnership with other organisations, Herefordshire Council remains responsible for ensuring that the quality of provision/delivery meets the requirements of the Equality Act 2010, ie.

- Eliminates unlawful discrimination, harassment and victimisation
- Advance equality of opportunity between different groups
- Fosters good relations between different groups

What information do you give to the partner/contractor in order to ensure that they meet the requirements of the Act? What information do you monitor from the partner/contractor in order to ensure that they meet the requirements of the Act?

All nurseries and childminders who deliver NEF (Nursery education Funding) have to agree and sign a Provider Contractual Agreement with Herefordshire Council for delivery of the NEF offer. They have to be Ofsted registered and deliver the EYFF (Early YEARS Foundation Stage).

Are there any concerns at this stage that indicate the possibility of inequalities/negative impacts? For example: complaints, comments, research, and outcomes of a scrutiny review. Please describe:

The delivery of the NEF (2,3 & 4 year olds) is a statutory duty on the Local Authority. We also have a duty to ensure we have enough childcare places in Herefordshire to meet demand.

C) Information

What information (monitoring or consultation data) have you got and what is it telling you?

Feedback from the consultation process has been positive. Clarity on some wording in the policy has been changed and adapted. The policy brings together all the current information and guidance which supports the current delivery of the NEF process.

D) Assessment/Analysis

Describe your key findings (eg. negative, positive or neutral impacts - actual or potential). Also your assessment of risk.

Strand/community	Impact
Failure of childcare providers to adhere to the policy eg providing "top up payments" to parents could result in the withdrawal of NEF funding	Risk that a childcare provider could close which would impact on our sufficiency duty
Childcare Providers that do not meet the required Ofsted rating would be affected by this policy and could have their NEF removed	Risk that a childcare provider could close which would impact on our sufficiency duty

E) Consultation

Did you carry out any consultation?

YES NO

Who was consulted?

All members of the EYSG which cover representation from key stakeholders including Early years settings, Childminders, Schools, Finance, LA Early Years Teams. 1-1 meetings was held with 2 nursery providers to explain the content of the policy and rationale. Feedback from EYSG was reported back to Julia Stephens and included making some areas clearer and consistency with some of the wording related to the local service directory. Generally the feedback was very positive and it was felt the policy document outlined clearly the process and procedures for the delivery of NEF and was thought to be a very good, clear and concise guide. All feedback was responded to and where necessary and possible this has been fed into the final NEF policy.

Consultation with parents was not undertaken directly as the policy relates to process and procedures for the roll out of NEF to childcare providers. However I have received a number of queries from parents since July 2014 with regards to some childcare providers asking for "top up" fees to the 15 hours free entitlement and from parents wishing to take up a childcare place in a nursery provision which does not take 2 year old funding due to its ofsted rating being only satisfactory. These queries/complaints have informed the NEF policy and clarity on issues raised have been built into the final policy document.

Describe other research, studies or information used to assist with the assessment and your key findings.

Statutory Guidance for delivery of the NEF

Do you use diversity monitoring categories? Yes No

(if No you should use this as an action as we are required by law to monitor diversity categories)

If yes, which categories?

- Race
- Sex
- Sexual Orientation
- Religion & Belief
- Disability
- Age
- Gender Reassignment
- Marriage & Civil Partnership
- Pregnancy & Maternity

What do you do with the diversity monitoring data you gather? Is this information published? And if so, where?

Consultation of the draft policy has been shared amongst the EYSG. This group represents the various sectors in early years where NEF is applicable and currently being rolled out. Feedback from the consultation has been fed into the final draft policy document. The final draft has been shared, agreed and signed off at the

EYSG meeting on September 15th 2014. Monitoring and review of the policy will be on going by the EYSG and led by Julia Stephens – Early Years Policy & Strategy Manager. This policy brings together the procedure and processes taking place for the roll out of NEF across Herefordshire. With the proposed development of making the NEF process an on line digital system as mentioned in the policy document the policy will be reviewed to reflect this.

F) Conclusions

	Action/objective/target OR Justification	Resources required	Timescale	I/R/S/J
a)	The policy is agreed and publicised on the council website and distributed to all Childcare providers digitally.	Business support time	October 2014	I
b)	Policy review date	EYSG BOARD	October 2015	
c)				
d)				

NB: Make sure your final document is suitable for publishing in the public domain.



MEETING:	Cabinet
MEETING DATE:	18 December 2014
TITLE OF REPORT:	Establishing a wellbeing centre in Kington
REPORT BY:	Head of community and customer services

Classification

Open

Key Decision

This is not a key decision.

Wards Affected

Kington.

Purpose

To seek approval to establish a well-being centre in Kington, based at the current customer services centre and library, incorporating current services whilst co-ordinating preventative health provision for residents of Kington and the surrounding area.

Recommendations

THAT:

- (a) a wellbeing centre is established in Kington at the current customer services and library from a combination of funding from customer services and health prevention from April 2015; and**
- (b) £78,000 capital funding is allocated to improve the facilities at the centre.**

Alternative Options

- 1 The alternative options are listed in detail in "Kington Service Study Report" (appendix one). In summary these are:
 - Do nothing – this would result in the closure of the centre as the budget savings agreed in January 2014 for customer services would not cover current running costs.

Further information on the subject of this report is available from
Head of Community and Customer Services on (01432) 260732

- The centre sold on the open market – this would create a capital receipt for Herefordshire Council, but would mean withdrawal of the service.
- Community asset transfer – this would mean the asset transferred to representatives of the community to run as a benefit to the community (not necessarily as a library, as long as there was demonstration of community benefit).
- Community asset and devolved service – this would mean the centre being run by community representatives as a library / customer service centre.

Reasons for Recommendations

- 2 The recommendation would enable the customer service and library functions to be retained in the town, whilst improving access to wider health and wellbeing services for residents of Kington and the surrounding area.

Key Considerations

- 3 On 23 January 2014, Cabinet agreed a programme of transformation for customer services and front-line delivery of libraries. This included creating savings of £424,000. For Kington the proposal was:

“Aim to achieve by April 2015: to seek a co-tenant that would cover the costs of staffing or become a community operated library working in tandem with the town council on any future plans”.

- 4 From the total expenditure of running the Kington centre of £55,649, a saving of £30,000 would be made (equivalent to the expenditure on staffing, with the remaining expenditure spent on running the building).
- 5 Whilst community libraries have been successfully implemented in Weobley, Colwall and Leintwardine using different models, these do not have the same level of annual visitor numbers as Kington which has 36,227. Also, there is not an established friends group which would be an obvious starting point for a devolved service, and whilst Kington Town Council is very proactive they have already taken-on an ambitious programme of community asset transfers.
- 6 Therefore, establishing a community library for April 2015 was uncertain and unlikely, narrowing future options. As a consequence a study was undertaken to look at options for the centre. The potential of the study was discussed with town council representatives with the suggestion and agreement to widen the study to understand the local delivery of public services and the role of the voluntary sector.
- 7 Impact Consultancy and Research conducted the research and study which focused on grass-roots discussion with service providers in Kington and the surrounding areas. The findings and recommendations of the study are contained within appendix one (Kington Service Study Report).
- 8 The main points to emerge from the research and study was that there are key health factors present in Kington and the surrounding areas that would benefit from preventative health measures. The study found that though there is provision covering health and wellbeing locally, this could benefit from enhanced co-ordination involving different service providers. The current customer service and library

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Head of Community and Customer Services on (01432) 260732

functions are well regarded in Kington and the centre itself is considered an important gateway to public services / a safe place to visit. There are opportunities for cross delivery of services at the centre that can cater for different ages and interests. This would be separate from the GP provision, but the centre could compliment the work of GP service.

- 9 There is also opportunity to maximise the interest and availability of technologies. This includes use of the public access computers to access information, employment opportunities and basic training to compliment the work of local provision including activity provided by MAP. Also, live link to advice and health providers, and early discussions are taking place with West Mercia Police to provide live links to courts and the police station.
- 10 Fundamentally, a host of public services can be accessed via a single centre operating as a gateway to functions provided by adults and wellbeing services, children services and customer services as well as wider services from the health and voluntary sector.
- 11 Though not a new concept that libraries offer a range of public services (this already happens in the market town sites in Herefordshire), and not a new concept that public health operates from libraries, this is a new concept for Herefordshire and the scale in terms of a totally integrated site is new. Therefore, though there is general willingness from partners for the concept, the first year funding via public health will be used to enable and “kick-start” the project.
- 12 The Kington model will be a prototype for the delivery of wellbeing hubs in different parts of the county – and though the concept will be the same, the design will be dependent on local factors and opportunities.

Community Impact

- 13 The concept of the wellbeing centre is to create a gateway to a range of services, a single point of access for different functions at one site at one time. Therefore the centre has been designed to make the community and customer experience the first consideration.
- 14 The focus is on prevention, which will aim to capture health and well-being issues early on so that illness, family issues and difficulties do not escalate into crisis. This will complement the work of other health providers in the area including GP practice.
- 15 Therefore the hub is considered a positive provision for the community and an effective way of using resources to prevent the pull on services when an issue becomes crisis point.
- 16 The Kington Service Study report (appendix one) outlines in more detail the links to regional and national strategy.
- 17 In term of contributions to the Herefordshire Council Corporate Plan, the well-being centre is expected to positively work towards the “people priority” - enable residents to be independent and lead fulfilling lives so that:
 - People are physically and mentally healthy and stay healthy for longer
 - There is increased equality of opportunity and access, to reduce inequality in health & wellbeing outcomes

Further information on the subject of this report is available from
Head of Community and Customer Services on (01432) 260732

- People are able to take more responsibility for themselves (includes making healthy choices & focus on prevention)
- People are active in their communities and look out for the more vulnerable so they can live independently
- Public services are prioritised to support those in need of services to maintain their independence or stay safe.

Equality and Human Rights

- 18 For the 23 January 2014 Cabinet report, which was concerned with the changes within customer services, a detailed impact assessment was completed. The findings demonstrated that of all the protected characteristics, issues of age and disability would be affected by the proposed changes. In addition, Herefordshire by its demographics and geographics is affected by issues of poverty and rurality. These are included in the assessment below.

Protective characteristic and possible impacts	Mitigation
Pregnancy and maternity <ul style="list-style-type: none"> • Access services, specifically a combination of services 	<ul style="list-style-type: none"> • To include family support services • Live link to health providers and advice services • Access to information
Age – Children <ul style="list-style-type: none"> • Young children benefit from a library service in terms of their reading and education attainment • Families in crisis affecting children’s prospects and development Age – Older <ul style="list-style-type: none"> • Impact study found high use of library service by 65+ years • Less likely to use the internet to access services • At risk of isolation 	<ul style="list-style-type: none"> • Continuation with the library • Provision of additional public access PCs • Potential for homework club • Children’s activity at the centre via children’s services • Staff trained to recognise safeguarding issues • Provision of multi-services at one site to support families • Access to preventative health care • Clubs and activities at the centre • Guided internet use and basic training • Opportunities for volunteering
Disability <ul style="list-style-type: none"> • Less likely to use the internet • Isolation and mobility challenges • Use of services such as talking books • Multiple disabilities need to be considered 	<ul style="list-style-type: none"> • Less need to travel to access services, including live link provision • Continuation of the library provision e.g. talking books • Guided use of the internet and basic training • Clubs and activities • Opportunities for volunteering • Preventative health programmes • Access to health and well-being information
Other protected characteristics: sex, race, marriage and civil partnership, religion or belief, sexual orientation	The wellbeing centre will have a combination of open access services, referrals and clubs

Further information on the subject of this report is available from Head of Community and Customer Services on (01432) 260732

<p>Poverty</p> <ul style="list-style-type: none"> • Less likely to afford a computer and access to the internet • Higher use of public access PCs • Less funds available to spend on travel • Combined factor of being in crisis 	<ul style="list-style-type: none"> • Free use of public access PCs • Basic training on internet use • Less need to travel to access services (included a retained library and customer services function) • Where possible address a combination of issues before they escalate
<p>Rural</p> <ul style="list-style-type: none"> • Access to services locally • Reduced options for public transport • Combined factor with poverty, disability and age to create isolation 	<ul style="list-style-type: none"> • Retain services locally (including customer services and library functions) • Less need to travel, including live link provision

Financial Implications

19 Appendix one indicates the level of revenue funding estimated to operate the centre:

Expenditure	£
Centre coordinator (one member of staff)	35,640
Centre support worker (two part-time members of staff)	35,500
Project budget	20,000
Promotional / marketing budget	10,000
Centre running costs	35,000
Total	136,140
Income	
Customer services	25,000
Herefordshire Council (children's services) (proposed annual fee, based on current costs)	960
Public health	100,000
Local funding / hires / earned income	10,180
Total	136,140

20 The study suggests generating local contributions and earned income via:

- Room and facility hire charges
- Health and social care sector resources
- Kington Town Council (precept)
- Fundraising generated by Friends of Kington Centre
- External grant funding for project based activity e.g. Carnegie Trust

21 The funding from public health is for a year to enable the project to commence from 1 April 2015. During that year, funding from other partners and users of the centre will be confirmed. Also during the year, discussions will continue with the town council in terms of its longer term involvement in the operation of the centre.

Further information on the subject of this report is available from
Head of Community and Customer Services on (01432) 260732

- 22 It is envisaged that the Kington wellbeing centre could aid preventative and early interventions, reducing costs to health budgets in the long term and improving wider health outcomes and quality of life for local people. Herefordshire Council has been given a ring-fenced public health budget and responsibility for public health when the service transferred from the NHS to local authorities in April 2013. From April 2015, public health services for under fives, including family nurse partnerships and health visiting will also become their responsibility. This will enable public health services for 0-19 year old to be joined up. Some of these interventions are mandatory, but many are discretionary.
- 23 In addition to revenue funding, £78,000 to be spent on capital funding to include:
- Reallocation / refit of current customer services area as possible storage space for use by the children’s centre services
 - Removal of front desk and replacement with a smaller self-service counter
 - Mobile reception pod / desk
 - Creation of ‘quick use’ PC area on ground floor
 - Installation of a ‘hot phone’ system to provide direct access to key council service providers
 - Creation of ‘buggy park’ area on ground floor
 - Soundproofing of therapy room, small meeting room and live link
 - Separation of therapy room from the rest of library (use of back stairwell)
 - Creation of additional flexible meeting space on first floor
 - Installation of external key pads / swipe system in order to enable access to the building outside of public opening hours
 - Creation of private PC areas either through use of screening or purchase of ‘reading pods’
 - Purchase of live link equipment.

Legal Implications

- 24 Section 12 of the Health and Social Care Act 2012 places the council under a statutory duty to ‘take such steps as it considers appropriate for improving the health of the people’ in Herefordshire. The establishment of the Kington well being centre is clearly within the scope of this duty.
- 25 In addition, the retention of a library facility within the well being centre will contribute towards the council meeting its duty, under section 7 of the Public Libraries and Museums Act 1964, to provide a ‘comprehensive and efficient library service.’

Risk Management

- 25 The risks below are general considerations in the delivery of change and rated after mitigation.

Risk No.	Risk	Mitigation	Likely rating	Impact rating
1	Non participation from different services to provide a range of opportunities for customers.	Partners have been involved in the study to date; a requirement to participate will be part of any future agreements.	3	4

Further information on the subject of this report is available from Head of Community and Customer Services on (01432) 260732

2	No funding beyond a year.	Support with fund-raising and co-ordination of budgets.	3	4
3	Lower than anticipated use by residents.	Raise awareness and run local campaigns.	3	4
4	Local funding not achieved.	Support establishment of a friends group; promote the centre for hire; need to reduce activity if funding not forthcoming.	3	3
5	Unable to sustain the centre in the long term.	Funding secured for 12 months. Demonstrate its value and explore new methods of funding. The building improvement to be made in a way that will be useful for any future use.	3	3

Key

LIKELIHOOD	IMPACT
5 Certain	5 Catastrophic
4 Likely	4 Major
3 Possible	3 Moderate
2 Unlikely	2 Minor
1 Rare	1 Insignificant

Consultees

- 26 Appendix one for list of consultees.
- 27 Open day findings (appendix two).
- 28 Briefing shared with ward members for the areas of Kington Town; Pembridge and Lyonshall with Titley; Castle Ward; and Chairman of Overview and Scrutiny.

Appendices

Appendix one: Kington service Study Report.

Appendix two: Summary of public consultation drop-in.

Background Papers

- Money Well Spent, Local Government Association.

Further information on the subject of this report is available from Head of Community and Customer Services on (01432) 260732



Kington Services Study Final Report

This study was commissioned to explore a place-based approach to the delivery of services as a means of retaining access to local services. Its intention is to provide a blue print for future working within the market towns in Herefordshire through applying a coordinated and collaborative approach to service delivery through a partnership between public bodies and the voluntary sector and the community.

The study specifically considers how the current Customer Services Centre and Library could become a community hub acting as a focus point for a range of public and voluntary sector services / functions.

The key objectives of the study were to:

- Create an understanding of the number and nature of voluntary sector services / groups operating around Kington and public sector services delivered in the town.
- Explore opportunities for a joined up approach of service delivery in Kington.
- Understand gaps in services.
- Present a series of options for a community hub in the current Customer Service Centre / Library in Kington.

Methodology

To support the mapping and provide an evidence base to inform the development of options and recommendations the following research was carried out:

- Identification of local and national policy that will impact on the future requirement for information, advice and guidance services and other public services. i.e. increasing access to mental health services, increased demand for advice services relating to changes in the welfare system and the new Care Act 2014.
- Identification of the perceived needs for services within Kington and the surrounding area through reviewing documents such as the Your Community Your Say (YCYS) findings, Kington Town Plan and related research for the geographical area.
- Identification of existing co-location service models highlighting best practice and factors for success.
- A review of relevant demographic data and other data relating to the Kington population in order to identify current and future demand for public services in the area.

A cross-sector on-line survey was conducted with 39 local service providers (current and potential) to identify the range, nature, location, frequency and take-up of services / activities currently

delivered and future plans to establish or reduce services / activities in the area. A full list of survey respondents is attached as Appendix A.

An audit of services / activities currently delivered out of the current Customer Services Centre and Library and other community facilities in the immediate and surrounding area.

Meetings and telephone interviews were undertaken with LA key officers and other relevant stakeholders to explore potential opportunities for the co-location and co-ordination of services, and the availability of resources to support service delivery from the centre.

Meetings were held with representatives from Kington Town Council to explore the concept and vision for a 'Community Hub' and discuss potential management and ownership arrangements for the Kington Centre.

A full list of those consulted during the study is attached as Appendix A.

Background

Kington locality, in the north west of Herefordshire has a total population of 7,500 and covers 72 square miles making it the least densely populated sub-locality in Herefordshire. Kington town has a population of 3,200 and has the highest proportion of people aged 65+ out of all areas in Herefordshire.

GP practice profiles shows that Kington has the highest recorded levels of coronary heart disease in the county and the 3rd highest number of strokes. There is also a higher incidence of the following in Kington; Cardio-Vascular Disease, Cancer, Diabetes, Dementia and Chronic Kidney Disease (ie higher than the county average figure). 20.1% of Kington residents live with a limiting long term illness compared to the county average of 18.7% and there are relatively high numbers of smoking related admissions from the Kington population.

Findings from the 2012 Quality of Life survey show that residents of Kington locality have greater difficulty seeing their GP than those from Herefordshire overall. The problem is predominantly related to getting a suitable appointment although physical access to the surgery is also an issue for those without a car¹. Kington locality residents were also more likely to find it difficult to see an NHS dentist than those from Herefordshire overall. The predominant problem, (as is the case for Herefordshire overall) is related to the lack of an NHS dentist in the area with whom they could register.

As well as being amongst the most employment deprived in the county, 'Kington Central' falls within the 20% most deprived in Herefordshire in terms of overall income deprivation as well as income deprivation affecting children and income deprivation affecting older people. The town has a high rate of housing benefit claimants – close to a quarter of households – only lower than Leominster and south Hereford. A relatively high proportion of households in 'Kington central' don't have access to a car or van, which increases the need for the retention of local services.

Kington Town Council is very active and is currently in the process of discussing the establishment of a Community Trust to take over ownership of a number of key community assets formally owned by Herefordshire Council. This includes The Old Police Station, Kington Museum, the Market Hall, public toilets, open spaces and car parks. Subject to these plans getting the backing of full council community asset transfer is planned to commence from April 2015.

From the discussions held during the study it is clear that the Kington Centre is a key local asset and is valued highly by the local community. This is also supported findings highlighted in the

¹ This issue is likely to increase as a result of the recent withdrawal of the Kington-Leominster bus that made an 'on request' stop at the surgery.

Kington Town Plan². In 2006 it underwent significant refurbishment to make it fully accessible. The Centre, owned by Herefordshire Council, is a combined Customer Service Centre and Library. It has seen steady use over the last five years with recorded visits of 31,619 in 2013/14. The number of issues of stock has gradually decreased in recent years from 42,368 in 2008/09 to 29,011 issues in 2013/14. This is likely to be based on the fact that books have become increasingly easier to access over this period. During this period public access PC use has increased to 4,765 in 2013/14.

Information taken from the Impact Study undertaken by Herefordshire Council in August 2013 show that modes of transport for accessing the centre are relatively evenly split between car use and walking. This suggests high local use, but also use from the rural areas surrounding Kington.

Currently the Centre is open four mornings a week from 9.30am –1pm and from 2pm- 6pm on a Tuesday afternoon. The building is not currently used in the evenings. The library offers Books on Prescription and the Bookstart scheme. Until recently it ran a Bounce & Rhyme session for Parents & Babies and Book Challenge related activities during the school holidays for older children.

Registration services are currently delivered from the centre on a Thursday 9.30-11.30 and use one of the meeting rooms on the first floor. At the time of writing this report registration services across the county were under review. The outcome of this review and the impact on service in Kington are not yet known.

Kington History Society currently occupy two of the first floor meeting rooms. At present they do not pay to use this space. The History Society staff the office two days a week from 10.15-3.00 and use the space to store their microfiche equipment and records which prevents other potential users from renting this space.

Results from the mapping of services and interviews with key service providers

- There is a high level of community activity in Kington, examples of this include; sports and leisure clubs, Young Farmers and University of the Third Age (U3A).
- There are also high levels of community activity in the surrounding area, operating from village halls, examples of this include luncheon clubs, bingo sessions, dance clubs and a community library run in Eardisley.
- Since the reduction of the youth club youth provision is now run one evening a week from a temporary classroom at Lady Hawkins' School run HVOSS. Youth provision represents a gap in services and is deemed to be an area of need.
- Some countywide third sector organisations also run activities in Kington, for example Herefordshire Carers Support run a monthly support group and Age UK run a weekly luncheon club from Kington Court, Homestart run a weekly support session for families (0-5 year olds during term time only).
- Herefordshire Council currently delivers the following services in Kington; customer service function and registration services from Kington library, and family support services where the need is identified.
- In addition, a range of NHS and other health related services are delivered from the new GP centre and Kington Court. Kington Court offers private and NHS beds for elderly patients but is also the base for a number of other NHS services; Health Visitors, District Nurses, Occupational Therapy, Dentists.
- Children and Young People services are delivered through the Primary and Secondary School in Kington. The Children's Centre itself moved from the Youth Centre with Children's Centre services now delivered at the Parish Rooms and the Primary school. There is also a newly built nursery sited next to the Primary School.

² The library was identified as the 2nd highest priority for community buildings that the Town Council should take over ownership of.

- The main meeting places in Kington are the Parish House and Marwick Close Community Hall. The Burton Hotel is also used by groups due to the lack of other meeting space.
- Other places used include Kington Primary School, Lady Hawkins School (the hall is used for Flicks in the Sticks for example), the Old Police Station, the Training Room, and the Leisure Centre. The new medical centre also offers rooms to hire for other health related services.

The interviews with key service providers and individuals living and working in Kington reveal that:

- There is a strong culture of ‘self-help’ in Kington. The Town Council is very active and supports other key voluntary and community organisations in the town for example Marches Access Point (MAP) and the Tourist Information Centre
- There is also a lot of evidence of volunteering. The Tourist Information Centre is run by volunteers and there are many clubs and societies supporting volunteering
- There are some interesting private businesses in Kington, which also respond to local need for example The Garth nursing home which is currently developing a memory café and Red Kite Fostering agency which hosts ‘bounce and rhyme’ sessions following the withdrawal of these sessions at the library
- Many professionals and people living and working in Kington feel that there is the need for co-ordination of services, relating to wellbeing in Kington. Currently although there is a lot of community activity, for vulnerable people it is not always clear how activity or services can be accessed. **This may particularly be the case for older people and families**, therefore a central building which could provide a focus for wellbeing for Kington could enhance and complement existing activity and lead to other initiatives being developed by the local community.

Options

Based on the information gathered through the mapping and scoping phases of the work a range of options relating to the future of the Kington Centre have been identified. In developing these options the following factors were taken into consideration:

1. **The need to maximise the accommodation available within the existing Kington Centre both in terms of the space and its income potential**
2. **The interest to retain existing library services**
3. **Opportunities to expand the range of services available from the centre**
4. **Opportunities to address local current needs and the demand for services (current & future)**
5. **The on-going financial viability of the centre**

Option	Pros	Cons
1. Do nothing	<ul style="list-style-type: none"> • The building remains in the ownership of Herefordshire Council 	<ul style="list-style-type: none"> • The level of savings required would mean the library could not continue without volunteers and funding from other sources. • The potential of the building and its ability to offer a solution to rural service delivery will not be realised
2. The Kington Centre is put on the open market and sold for commercial / residential use.	<ul style="list-style-type: none"> • Income for Herefordshire Council generated through the sale of the building 	<ul style="list-style-type: none"> • Loss of the library and related services (free access to PC's) – nearest

	<ul style="list-style-type: none"> • Budget saving generated through closure of the facility 	library would be Leominster
3a. The Kington Centre is transferred as a Community Asset and library services are run by volunteers e.g. Leintwardine and Weobley	<ul style="list-style-type: none"> • Retention of the library and related services (free access to PC's) • Potential to increase community ownership / usage of the facility 	<ul style="list-style-type: none"> • Running costs would need to be generated • A significant pool of volunteers would be required to staff the Centre (even with the move to a self-serve library system) • Unlikely to be able to offer the Customer Services element • Management of the building would also need to be taken over by volunteers • Commercial opportunities may not be fully realised • Someone would need to be prepared to take on the asset • Timescales – asset transfer can be a lengthy process • Town Council already considering taking on number of community assets at this time
3b. The Kington Centre is transferred as a Community Asset and library services are run as a devolved service with library services / customer services staffing being “bought back” from Herefordshire Council e.g. Colwall Parish Council raised the precept to buy back staff to run the Library.	<ul style="list-style-type: none"> • Retention of the library and related services (free access to PC's) 	<ul style="list-style-type: none"> • Running costs and staff costs would need to be generated • Management of the building would also need to be taken over by volunteers • Commercial opportunities may not be maximised • Someone would need to be prepared to take on the asset • Timescales – asset transfer can be a lengthy process • Town Council as the obvious partner already considering taking on number of community assets at this time

<p>4. The Kington Centre is developed into a Centre for Health & Wellbeing incorporating the library and customer services functions in addition to a wide range of other health and wellbeing related services and activities.</p>	<ul style="list-style-type: none"> • Retention of the library and related services (free access to PC's) • Increased access to a wide range of other services • A single point of access for information, advice and guidance • Potential to develop new partnerships with a range service providers and access resources to support the sustainability of the building • Could offer a replicable model • Potential to address access issues relating to GP services • Potential for asset transfer to the local community in the future. • Potential for Midwifery / Health Visitors appointment based service from the hub for pre/post natal appointments 	<ul style="list-style-type: none"> • Running costs and staff costs would need to be generated • Possible displacement of services from other local facilities
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The development of **Option 4** – the creation of a Rural Well-Being Centre - is presented as the preferred option.

A Concept Model for Co-ordinating Service Delivery

The Library and Customer Service Centre in Kington is regarded as a key asset and well-used facility in the locality. This combined with the evidence of specific health needs in the area, a focus on prevention and well-being within the context of the growth in self-serve, greater emphasis on joined up and on-line services have come together to form a concept new to Herefordshire. One that could offer a replicable model in other parts of the county and a solution to the loss of services at a local level.

The Centre would provide a neutral, accessible space at the heart of the community through which a wide range of co-ordinated services could be accessed. In addition to the provision of statutory library services the hub would provide a focal point for health and well-being functions provided by the public, private and voluntary sectors including public health promotion; early intervention health checks, bibliotherapy and alternative therapies. Whilst the hub would have a 'family focus' it would provide services across the age spectrum, catering for specific requirements.

The Rural Well-Being Centre - what will it offer?

*'The future vision might be one where those seeking health and well-being support think 'you can get that at the library' rather than questioning 'can you get that at the library?'*³

Specifically the Rural Well-being Centre could offer:

- An enhanced health information function through the development of designated 'health information zones' to complement the 'Books on Prescription' scheme already operating within the library.
- A signposting service
- A telephone 'hot line' to key service providers
- Access to health information including on-line resources specifically aimed at young people, i.e. sexual health and drug and alcohol misuse
- Meeting space for a range of community groups i.e. self-help groups, special interest groups
- Access to a range of well-being resources self-help reading lists/collections, specialist reading equipment, reminiscence collections or 'Memory Boxes' to support those with, or caring for people with dementia.
- A focal point for carers to access support, resources and equipment.
- A focal point for information and advice for families as well as acting as a meeting venue for children's centre activities e.g. Stay & Play sessions, Breastfeeding Support group, Book Start, Bounce & Rhyme.
- The provision of training & informal learning opportunities e.g. re-entry into employment for women, basic skills
- Access to a range of information, advice and guidance services support e.g. financial advice, housing, benefits (delivered remotely or face-to-face)
- A pick up / drop off point for health related equipment e.g. blood pressure monitors
- A range of community-based activity, e.g. Macmillan Foundation to run clinics providing information and support for cancer patients.
- Health related events e.g. themed months targeted at specific conditions or those with specific health needs i.e. pregnant women, diabetics
- A dementia friendly venue and to act as a focal point for support for people with dementia and their carers.
- Access to a range of psychological therapies (contributing to the IAPT programme) e.g. online cognitive behavioural therapy (CBT) & face-to-face counselling.
- Delivery of primary healthcare via telemedicine. Offering patients the ability to undertake routine health checks e.g. blood pressure, weight remotely with results being sent to their GP or to be able to talk to a GP, nurse or counsellor via the internet using email or video calling on Skype.
- Commercial space for hire to a wide range of well-being related businesses, for example private practitioners of alternative therapies, or groups such as baby massage or 'bounce and rhyme'
- PC access and scanning / printing services.
- Self-serve library service and related bibliotherapy activities e.g. supported reading groups, read out loud sessions

The Rationale

Through adopting a 'whole-person' encompassing approach to well-being there is potential for library-based activity to contribute to linked strategic agendas and align itself with wider policy areas in addition to health and social care these could include: digital inclusion, worklessness, informal adult learning, literacy, language and skills development, social inclusion and the building of social

³ Public library activity in the areas of health and well-being report, Museum, Libraries & Archives May 2010

capital. This would also enable a case based approach to be adopted helping address the needs of people who have a combination of issues and could help prevent people from reaching crisis point.

Specifically this proposal has the potential to address numerous local and national strategic priorities (see Appendix B).

In addition the Rural Well-Being Centre will contribute to addressing many of the problems facing those delivering services in rural Herefordshire.

The issue	How it will be addressed by the Rural Well Being Centre
Demand on frontline health services	Accessibility of health information coupled with a signposting service to health and social care services & a programme of well-being related activity will contribute to a decrease in the need for people to access frontline health services (eg GP surgery, A&E Department)
Lack of clarity about where people can go for advice relating to a range of public/health/social care services	The Centre would act as a single access point. People may access the centre for a wide range of reasons, ranging from accessing health information, receiving a therapy session or accessing benefits information. It will become known as the place to go if you have a problem/query that needs resolving. The provision of a telephone 'hot line' with pre-programmed numbers would provide a quick and direct route through which people could access key Herefordshire Council services. Meeting/interview rooms would be available for Council teams to book, and for rental by other organisations.
Lack of connection between public, private and voluntary sector providers	The Centre will connect and co-ordinate services within the locality. It will act as a hub for all service delivery in Kington and the surrounding area. It will also co-ordinate and map community activity to ensure that there is opportunity to enhance and add value to existing activity.
Need to increase availability and take up of online services	Access to online services will be a fundamental focus of the benefits offered by the Centre. Importantly if necessary people will receive assistance to use online services thus increasing confidence and levels of take up in the longer term. There is also the potential for the Centre to be used as a base for the delivery of tele-medicine.
Need for early intervention and preventative approaches	The neutrality of the venue and its location within the community provides an ideal conduit for health and social care sectors to reach out to local communities, particularly to those groups, for whom early intervention/prevention health and well-being information and services might be particularly beneficial, e.g. those deemed at risk.

Budget reductions resulting in loss of services in rural hinterlands combined with increase in demand for local services.	Through the provision and facilitation of on-line consultations / surgeries the centre will provide access to a range of remote face-to-face services that are currently unavailable locally. Remote delivery provides a cost effective form of service provision for both provider and customer.
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Health & Well-being Offer

‘Whilst 58% of authorities are currently providing library space for health check activity and indicate a commitment to continue this service, the potential for developing and formalising this aspect of the library offer is yet to be fully realised.’⁴

There are numerous examples across the country of libraries being used to deliver the Health and Well-Being requirement. The ‘health offer’ is also seen as one of the four key offers of the Society of Chief Librarians (SCL). Libraries are an ideal space to do this for the following reasons:

- The library offers a non-stigmatised, non-clinical community gateway, in a setting that differentiates it from traditional ‘health’ services.
- Libraries seen as “safe” places and embedded in the community to the point that communities feel ownership of the places.
- The neutrality of the venue provides an ideal conduit for health and social care sectors to reach out to local communities, particularly to those groups, for whom early intervention/prevention health and well-being information and services might be particularly beneficial, for example at risk groups.

The Example below is from Croydon:

Croydon, where a Healthy Living Hub has been set up at the Central Library, staffed by the NHS Stop Smoking Team and the Council’s Active Lifestyles Team. The library service provides the information role and Books on Prescription, and other partners provide staff expertise to support customers and encourage them to go on walks; use parks; cycle; swim; garden and stop smoking. Other NHS Teams and community groups are being encouraged to use the space to promote their services and support customers.

There is an opportunity for Herefordshire to go a step further in utilising the space at Kington. The current issues regarding access to health services locally within an environment of reduced resources to support public services and growing demand creates a unique opportunity to look at how services can be better integrated and co-ordinated within the Kington locality. Against this backdrop Kington library is an ideal space from which to offer health and well-being activity, whilst retaining the library function.

Kington library also lends itself to becoming one of a growing number of ‘mental health promoting’ libraries. This would involve the library working with the community, health partners and VCS organisations to use library space and develop targeted and coordinated activities for a range of audiences to promote and support public mental health and well-being. This would align itself with approaches set out in the Herefordshire’s Integrated Needs Assessment for People with Dementia and their Carers (May 2012) and the National Dementia Strategy, both of which call for more integrated and accessible services for people with dementia.

⁴ Public library activity in the areas of health and well-being report, Museum, Libraries & Archives May 2010

The launch of the national Public Library Dementia Offer and Reading Well on Prescription Dementia scheme in January 2015 would provide an ideal opportunity for the Kington Centre to establish itself as a dementia friendly venue and as a focal point for support for people with dementia and their carers.

There is also potential for the library to support delivery of the aims of the Department of Health's Increasing Access to Psychological Therapies programme (IAPT). There are existing examples of libraries beginning to offer cognitive behavioural therapy (CBT) in addition to offering face-to-face therapies. Case study evidence suggests that for health partners the public library is the *'best bet'* for the delivery of CBT services providing a low cost, if not free, neutral and anonymous community venue plus IT facilities as well as other complimentary services including access to related literature and signposting to related support services. **(In order for this potential to be fully realised issues concerning the location of public computers and the degree of privacy available to users would need to be addressed.)**

In the longer term it would be beneficial to explore the potential to deliver primary healthcare services via telemedicine from the hub. Offering patients the ability to undertake routine healthchecks e.g. blood pressure, weight remotely with results being sent to their GP or to be able to talk to a GP, nurse or counsellor via the internet using email or video calling on Skype.

The Families Offer

As a venue that is already used by families and is regarded as a welcoming and neutral space the library would provide an ideal focal point for a co-location of a wide range of children's and family services. The correlation between library services and wider children's services is complementary and offers a wealth of learning and developmental opportunities for both children and their parents. The co-location and coordination of services would also enable parents to access numerous services or information in one visit.

Alongside these services and its information function the library would be able to develop a programme of baby / child (0-5year olds) centred activities delivered either through commercial or statutory providers.

The Customer Services Offer

The nature of how Herefordshire Council interfaces with its customers is changing to meet shifting trends in how people access services, the pressures on budgets based on the reduced Government grant and to meet the priority of adult and child safeguarding. There has been a general decline in library use not just in Herefordshire but nationally, and more people are accessing services electronically.

Herefordshire Council's response is to increase internet access via the web specifically for information and first stage contact, to then focus its customer services on essential contact where a member of the public has no other choice but face to face or phone contact because of the nature of the services or do not have internet access. This will form a "case based" approach with the intention of addressing the needs of a customer through a single contact – therefore co-ordinating services around the individual. This approach aims to prevent issues escalating to draw on resources of additional service when they could be addressed early on.

The proposed Kington concept offers opportunities to retain the following customer services:

- Library
- **By appointment**
- Benefits
- Council Tax / Business Rates
- Waste queries
- General Advice

- Homepoint
- Welfare Rights (local welfare provision)

Use of IT

In the region of 5,500 sessions are booked using the public access PCs, an essential for people in the area who do not have their own PC access (usually down to cost and speed – the library has its own fibre link).

There is opportunity for greater maximization of the PCs – of the 13% (Office of National Statistics) of the Herefordshire population that do not use the internet, these will be older people, people on low income or disabled people. This could be through:

- Training sessions for specific groups linked to other activities when the building is not open to the public e.g. carers, older people, mental health groups
- One to one support when people come for a health check
- Parent use of IT when the children are taking part in facilitated sessions
- Guiding young people through the range of health information and how to use it.

If opportunities for the centre to provide remote face-to-face access to services via Skype are to be fully realised it will be necessary to ensure that the centre's current IT infrastructure and hardware has the capacity to meet the demands placed on it. Due to the confidential nature of some of the on-line services that may be accessed at the centre it will also be necessary to consider the creation of more private PC access areas through the provision of screening or 'reading pods'.

In addition opportunities to work in partnership with MAP should be fully explored. Specifically in relation to:

- The potential to use MAP's volunteer resource to support people to use the library PC's
- Delivering training to 'new' centre volunteers (that could also provide additional volunteers for MAP)
- Developing relevant training courses, for example 'return to work' training for women returning to work

Management and Ownership

Early discussions with representatives from Kington Town Council indicate openness to the possibility of taking over ownership of the Kington Centre in the future (the library was highlighted in the town plan by local people, as a key asset to maintain). This could form part of a wider portfolio of community assets including the Old Police Station and the Market Hall, if plans to take these on are agreed. The transfer of these facilities is currently under discussion and if agreed will be managed in future by a Community Trust. Any possible transfer of the Kington Centre to another body, would be subject to public consultation and is unlikely to commence for at least 18-24 months, requiring interim arrangements for the centre management and consideration of its long-term financial sustainability. It therefore makes sense for the centre to remain in the ownership of Herefordshire Council and/or through a partnership arrangement with local public sector providers, at least in the development / short-term.

Staffing

Due to the proposed move to self-service for the library and changes in the way Customer Services support will be offered in the future some of the functions undertaken by the existing staff would no longer be required and staffing would need to reflect these changes. It is envisaged that any new posts would need to fulfil a much wider range of functions including:

- Facility management (including managing room booking etc.)
- Librarian (returning books, managing book stock etc.)
- A facilitative / enablement social worker type of role

- Programme development and management
- Partnership development
- Signposting
- ICT facilitator

Whilst some of these functions e.g. ICT / Information provision / basic librarian tasks could be undertaken by volunteers a Centre Manager or Facilitator would be required. The Centre Manager/Facilitator would be required to co-ordinate activity and champion partnership development and could act as a local health advocate.

The level of staffing is a balance between available resources and requirements of the service. It is therefore suggested that the staffing consists of:

- Centre co-ordinator – overall responsibility for operating the site and working with partner organisations to offer services (FT)
- Centre support worker(s) – day to day operation, supporting customer queries, facilitating groups, helping with basic IT. (1.5xFT)
- Cleaner / caretaker (PT)

In terms of employment and management of the Centre Facilitator and other staff there are a number of options that could be considered:

1. The staffing is employed and managed by Herefordshire Council and is transferred over to the Development Trust or Town Council at a later date, should there be an asset transfer agreement.
2. The staffing is managed by another public sector body / provider
3. Herefordshire Council commission a local provider to manage the staffing via a service level agreement for which they would receive a management fee (please note, issues of accountability would need to be considered if this option was pursued.)

NHS Stoke-on-Trent has resourced an Information Officer post based at the library and provided a promotions budget to deliver activities and resources. They have been very committed to taking the Better Information, Better Health initiative forward in partnership with the library service.

With more services being delivered on-line and the proposed use of technology to provide remote consultations there will undoubtedly be a need to provide centre users with support to use this technology. We would envisage this support being provided via a network of local volunteers who could also undertake other roles including information provision, signposting etc.. Consideration should be given to opportunities to work in partnership with MAP in relation to both sourcing and training of volunteers.

Return on investment

US statesman and scientist Benjamin Franklin once said “an ounce of prevention is worth a pound of cure”. That, in a nutshell, sums up what public health is about, and the potential it has for achieving value for money. The funds available for prevention are limited. Local government has been given a ring-fenced public health budget. So any spending in this area needs to be clearly justified on cost-effectiveness grounds.

Responsibility for public health transferred from the NHS to local authorities in April 2013 under the wider shake-up of the health service. It means upper tier and unitary authorities have become responsible for improving the health of their population.

“From April 2015, public health services for under 5s including family nurse partnerships and health visiting will also become their responsibility. This will enable public health services for 0-19 years

old to be joined up. Some of these interventions are mandatory, but many are discretionary interventions and therefore require councils to make informed decisions about what is the best way to spend money.”

Case study

Be Active is Birmingham City Council’s scheme to provide free leisure services to its residents. Participants register and are given a card which allows them to use a range of facilities from swimming pools and gyms to exercise classes and badminton courts for free during certain times. A third of the local population has got involved since the project was launched in 2008. But to help it build a business case the council asked Birmingham University to evaluate the project. The research showed that three quarters of users were not previously members of a leisure centre, gym or swimming pool and half were overweight or obese. It also had a knock-on effect in other areas with rises seen in the numbers seeking help over smoking and alcohol. Overall, for every £1 spent on the scheme £23 is estimated to have been recouped in health benefits. This has helped the team behind the project put the case for its continued funding.

Proposed adaptations to the building

Plans to move to a self-serve library system mean that there will no longer be a requirement for such an expansive front desk which currently takes up considerable space on the ground floor. In addition changes in the way Customer Services will be delivered in the future including the move to a cashless payment system and increased on-line access for Herefordshire Council services negate the need for the Customer Services desk and office. These changes present opportunities to reconfigure the ground floor area making it a more adaptable space and one that could accommodate additional storage should this be required.

The creation of more flexible accommodation on the first floor would require all book stock to be relocated to the ground floor.

In order to accommodate the proposed concept it is envisaged that the following adaptations to the existing layout would be required:-

- Reallocation / refit of current customer services area as possible storage space for use by Children’s Centre
- Removal of front desk and replacement with smaller self service counter
- Mobile reception pod / desk
- Creation of ‘quick use’ PC area on ground floor
- Installation of a ‘hot phone’ system to provide direct access to key HC service providers
- Creation of ‘buggy park’ area on ground floor
- Soundproofing of Therapy Room & small meeting room
- Separation of therapy room from rest of library (use of back stairwell)
- Creation of additional flexible meeting space on first floor
- Installation of external key pads / swipe system in order to enable access to the building outside of public opening hours
- Creation of private PC areas either through use of screening or purchase of ‘reading pods’.

The one-off capital investment to provide more flexible space and rentable rooms is currently estimated at £78,000.

In order to make best use of the first floor space and to maximize income generation potential the space currently occupied by the History Society needs to be charged for or freed up in order for it to be available for other potential users. Early discussions with the History Society regarding options are recommended.

Revenue Budget

The following budget provides both a basic and enhanced budget for the first year of operation (2015/16).

Expenditure	Basic	Enhanced
Centre Coordinator ⁵	£35,640	£35,640
Centre Support Worker ⁶	£35,500	£50,000
Project budget	£20,000	£50,000
Promotional / marketing budget	£10,000	£15,000
Centre running costs	£35,000	£35,000
Total	136,140	185,640
Income		
Herefordshire Council (Customer Services)	£25,000	
Herefordshire Council (Children's Services) (proposed annual fee, based on current costs to hire Parish rooms)	£960	
Total	25,960	
Shortfall against basic costs	-110,180	

Other potential sources of future income

In addition to the income identified above the following potential sources of income should be explored:

- Earned income generated from the facility e.g. room hire charges / printing services
- Health & social care sector resources
- Kington Town Council (precept)
- Fundraising generated by Friends of Kington Centre
- External grant funding for project based activity e.g. Carnegie Trust

Development of commercial use

In order to ensure the financial viability of the building careful consideration needs to be given to maximising the commercial opportunities that the building offers. This primarily relates to rental income generated through hiring meeting/consultation space.

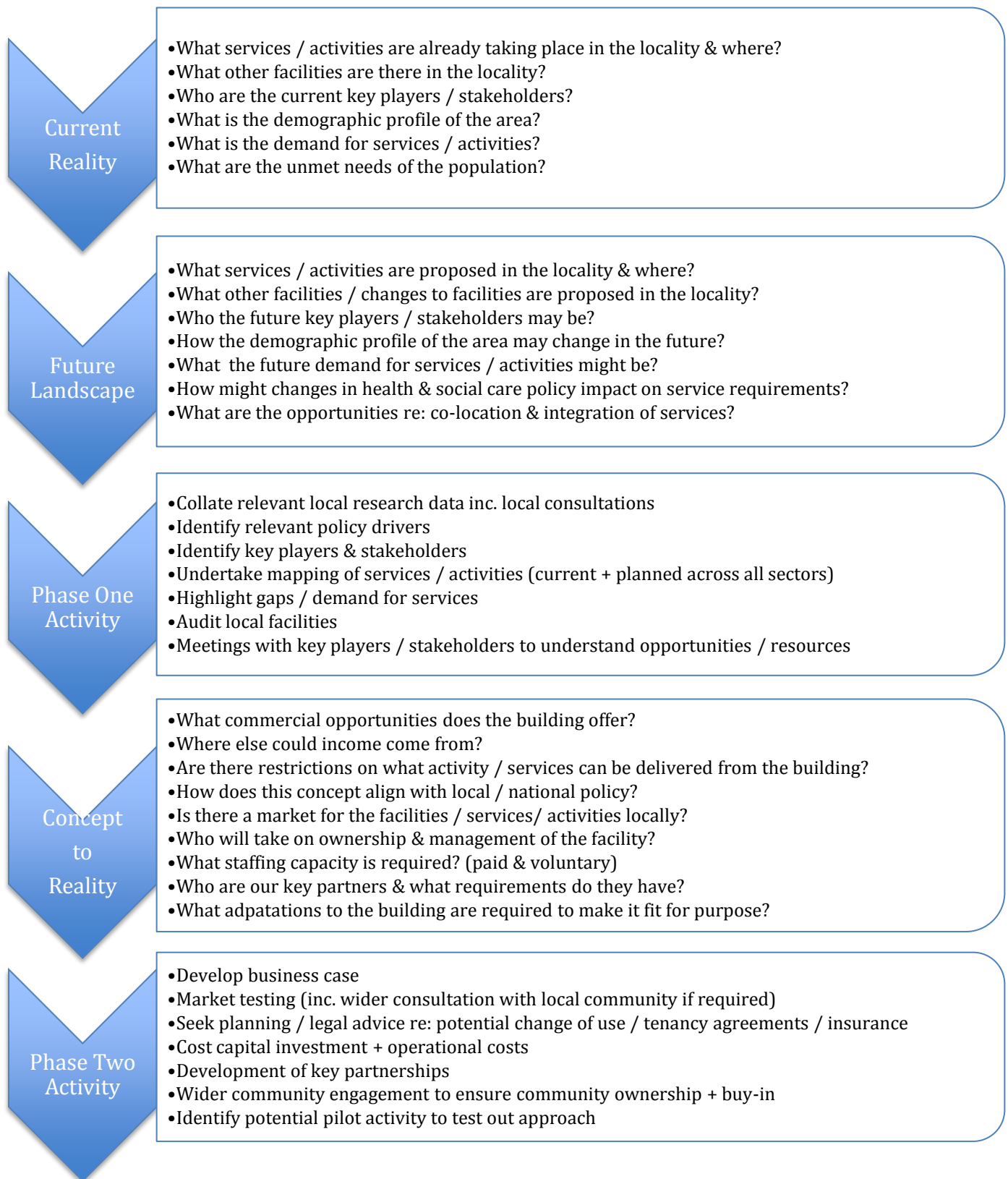
Examples of commercial opportunities aligned to the overall concept are:

- A dedicated 'Therapy Room' for hire by private alternative and traditional therapists (e.g. hypnotherapists, masseurs, reflexology, physiotherapists). Some practitioners have already expressed an interest in this including practitioners from The Presteigne Natural Health Centre that have clients in the Kington area.
- Hire of space by commercial companies running baby / child related activities i.e. baby yoga / massage, Rhythm Time.
- Hire of meeting rooms by private providers, public service providers and local community groups
- Securing a permanent tenant in one of the existing first floor meeting spaces
- *Closer to market rent for Kington History Society's occupancy of the first floor meeting room.
- Charging for services such as printing, photocopying and scanning services
- Charging for PC use over and above 30 minutes/1 hour

⁵ Full time scale 7 salary £27,000

⁶ 1.5 x full time scale 5basic and 2 x f/t enhanced

Rural Well Being Centre Blueprint



Recommendations

The findings of this study conclude that the development of Option 4, the creation of a Rural Well-Being Centre, is the most viable and sustainable option. In selecting this options the financing of the project needs to be considered – on the surface this seems to be the highest cost option. However, this should be balanced with returns for the community and public sector providers in long term savings of preventative health. **As such the primary recommendation of this report is that action should be taken to progress Option 4.** This option provides opportunities for the integration, coordination and co-location of services and provides solutions to the challenges associated with delivering services within a rural context. In addition it has the potential to address health and well being needs within the local area and address some of the issues relating to GP access. It also provides a blueprint for how health and well-being services and activities could be integrated with wider services providing seamless and efficient provision for rural communities.

The key to progressing the development of the Rural Well-Being Centre lies in the development of effective partnerships with key health and social care sector partners. A phased approach to developing these partnerships is recommended.

Phase One – A partnership between Customer Services and Public Health partners is established by 1st April 2015. Prior to this a workshop is held with the key partners to develop an action plan for implementing the Rural Well Being Centre.

Phase Two – Partnerships with other health and social care sector partners are developed by April 1st 2016.

Next Steps

There are a number of next steps that need to be undertaken in order to progress the development of the Rural Well-Being Centre at Kington.

1. Consider the options in terms of the priorities for the local authority and other partners who would need to financially contribute in light of budget challenges.
2. Confirm approach is the right one with potential partners of the site, including the Health and Well Being Board.
3. Further discussions to be undertaken with Kington Town Council in relation to longer term management and operational arrangements. Discussions should also be held with Kington Town Council and the surrounding Parish councils about the possibility of supporting the financial sustainability of the Centre through raising the precept.
4. The establishment of a Friends of the Kington Centre to act as a fundraising body, campaigning group and a potential pool of volunteers to support and provide services at the Centre. (This group could also potentially form a social enterprise to support the building). Ensuring community ownership of the Centre will be vital to its long term success.
5. To hold an open day at the Centre targeted at potential private users, service providers, the general public and stakeholders to showcase the facilities available at the Centre and the proposed plans for future use.
6. To enter into discussions with the History Society regarding their occupancy of the first floor meeting space and to negotiate an annual charge for use of the space based on the going market rate.

7. Follow up discussions with HVOSS regarding involving local young people in the re-development to ensure proposals are young people friendly linked to the open day.
8. Discussions to be held with MAP to explore the opportunities for joint working and the potential to share resources that will benefit both parties.
9. Advice to be sought from planning regarding the implications of possible change of use related to commercial business use.
10. Advice to be sought from legal regarding the legal agreements required for external rentals of Herefordshire Council owned property.
11. Follow up discussions with the Kington Medical Centre to identify how services delivered at the Rural Well Being Centre could complement and enhance primary health services.

APPENDIX A

Kington Services Study Contributors

The following is a list of people and organisations that contributed to this study. Their input was either through responding to the on-line survey mapping existing and proposed services in the Kington area, through face-to-face discussions, email contributions or telephone interviews.

Jacqueline Rudge, Practice Manager, Kington Medical Practice
Mike Hearne, Medical Director, Taurus Healthcare
Avril Hill + Team, Health Visitors
Caroline Griffiths, Occupational Health
Janet Thomas, Kington Gallery
Gary House, Headteacher, Lady Hawkins School
Will Edwards, HVOSS
Rachel Redfern, Redkite Fostering Agency
Fiona Nicholls, Registration Services, Herefordshire Council
Steve Hodges, Directorate Services Team Leader, Herefordshire Council
Lorna Williamson, Local Services Coordinator, Coningsby & Kington Children's Centre
Nicola Turvey, Family Support Service Manager, Herefordshire Council
Barbara Stephens / Mandie Preece, Home-Start Herefordshire - Kington Family Group
Emma Philips, Marches Access Point CIC
Elly Ingram, Therapist
Mick Rand, Marwick Close Community Centre
Mr Halcrow, Parish House
Rachel Parham-Connolly, Clinical Team Lead IAPT
Helen Coombes, Director for Adults & Wellbeing
Sharon Pugh, Head of Carers Support, Herefordshire Council
Nick Webster, Economic Development Manager, Herefordshire Council
Paul Deneen, Chair of Healthwatch
Alex Fitzpatrick, Adult Wellbeing Commissioning Officer, Herefordshire Council
Charlotte Worthy, Research & Intelligence Senior Officer, Herefordshire Council
Cllr Graham Powell, Cabinet Member Health & Wellbeing
Cllr Terry James, Ward Member Kington Town
Michele Allam, Early Help Service Manager Families, Herefordshire Council
Jo Davidson, Director of Childrens wellbeing
Nikki White, Customer Services Manager, Herefordshire Council
Bob Widdowson, Kington Town Council
Gwilym Rippon, Clerk, Kington Town Council
Sarah Berry, Manager, Kington Court
Bernard Ray, Kington Chamber of Commerce
Rachael Prosser, Lets Talk 2gether NHS Trust
Claire McCarthy, Herefordshire Society Alzheimers
Claire Keetch, Herefordshire Citizens Advice Bureaux
Barbara Symonds, Herefordshire Carers Support
Robert Pritchard, Kington Museum
Heidi Mecke-Burford, Lady Hawkins Community Leisure Centre
Kington Primary School
Almeley Recreational Hall Management Committee
Lyonshall Parish Council
Kingswood and District W.I.
Shobdon Village Hall
Aymestrey Parish Hall
Huntington Village Hall

Kington Allotments Association
Eardisley Community Access Point
Eardisley Group Community Library
Herefordshire nature trust- wildplay
HFYFC
Kington Young Farmers Club
Eardisley Village Hall
Herefordshire Fungus Survey Group (HFSG)
Hope Support Services
Institute of Advanced Motorists Herefordshire Group
North Herefordshire Shopmobility Project
Arts Alive/Flicks in the Sticks
Kington Marines Twinning Association
Herefordshire Nature Trust Kington branch
Friends of St Mary's
The Kington Parishes (C of E in Kington, Huntington, Titley etc)
Kington Community Lunch Club
Kington Footpath Scheme
Presteigne Natural Health Centre

APPENDIX B

Kington Services Study Background Information

Three of the four LSOAs in Kington rural are amongst the 20% most deprived in Herefordshire, with 'Knillshall' one of the 10% most deprived in the county (all three are in the 10% most deprived nationally) in terms of geographical barriers to services.

In addition a considerable proportion of households are also likely find broadband access an issue with a fifth of postcodes likely to receive either poor service (up to 0.512 mbps) or no service at all.

Key issues and long-term challenges

- Sparse, scattered population is a key driver in meeting need and the cost of addressing that need. Impact on transport, broadband and jobs. Lack of transport options for rural communities. Opportunities for integration of health, social care & education transport.
- Ageing population: social care demand already rising; dementia diagnosis remains a challenge; co-ordination of service; provision of appropriate housing.
- Strong communities: one in three volunteer; one in five are carers...but one in twenty feel lonely most of the time - social isolation and loneliness affect vulnerability.
- Protecting the most vulnerable: children in need; victims of domestic abuse; families in poverty. Need for more effective use and sharing of information and multi-agency co-ordination to ensure an effective, holistic approach.

Links with relevant policies and strategies

Herefordshire Council priorities:

- Keep children and young people safe and give them a great start in life
- Enable residents to live safe, healthy and independent lives

Herefordshire Health and Wellbeing Board Vision and guiding principles (2012)

Principle 3: sustainable services

Herefordshire Health and Wellbeing Board and its partners will work together to provide a unified service for everyone, through consistently good quality shared care and managed networks.

Principle 4: working together

Publicly funded services will be delivered in conjunction with the resources of family, friends and community to ensure the right service is delivered, at the right place and time needed. The Health and Wellbeing Board will facilitate the provision of care as close to home as possible

Understanding Herefordshire – The integrated needs assessment 2014

Recommendations are that we:

- Develop the infrastructure, services and support networks needed to enable people to live independently. As well as direct service provision this will include housing and accommodation that facilitates independence, the economy, spatial planning, transport, engagement with the third sector and communities, and support for carers.
- Continue to build on a community based approach, developing our assets of volunteers, carers, third sector organisations, active communities and statutory services.
- Adopt this community based approach to provide comprehensive and integrated services and support for people living with Dementia.
- Ensure the various strategies targeting families living in poverty are joined up to provide an integrated response.

- Address social inequalities through a comprehensive approach, encompassing opportunities such as employment as well as lifestyle behaviours, access to services and community engagement.

Herefordshire Public Services Strategic Delivery Plan for Transforming Adult Services 2012-2015

- Where people are less able or become frail or ill, the local authority and the health community will ensure services are provided at home or as close to home as possible, including using the resources that the person's family, friends and local community can provide.
- Local authority, health, private and voluntary sector services will work together so that people experience a unified, well run single set of services, even if they are provided by different organisations.

Herefordshire Carers Strategy 2012-2015

- To raise awareness and provide early intervention support for carers.
- To support carers to be mentally and physically well.

Digital County Vision for Herefordshire

- Rural isolation and digital divide - To address issues of rural isolation and exclusion through the use of technologies
- Health and wellbeing - Transform public sector services to create added benefit for residents in using advances in technology and broadband to support people to live as independently as possible.

The Care Act (2014)

- The need for greater integration between local authorities, health services and local communities
- A shift in focus so that we work on preventing and delaying needs rather than only intervening at crisis point.

Changes and duties introduced:

- Making sure there is comprehensive information and advice for all
- New duty of market shaping, prevention and wellbeing
- Better links between adults and children's services (whole family approach)

Local Government Association

Money well spent? Assessing the cost effectiveness and return on investment of public health interventions

Published Nov 2013

"From April 2015, public health services for under 5s including family nurse partnerships and health visiting will also become their responsibility. This will enable public health services for 0-19 years old to be joined up. Some of these interventions are mandatory, but many are discretionary interventions and therefore require councils to make informed decisions about what is the best way to spend money."

Case study Be Active is Birmingham City Council's scheme to provide free leisure services to its residents. Participants register and are given a card which allows them to use a range of facilities from swimming pools and gyms to exercise classes and badminton courts for free during certain times. A third of the local population has got involved since the project was launched in 2008. But

to help it build a business case the council asked Birmingham University to evaluate the project. The research showed that three quarters of users were not previously members of a leisure centre, gym or swimming pool and half were overweight or obese. It also had a knock-on effect in other areas with rises seen in the numbers seeking help over smoking and alcohol. Overall, for every £1 spent on the scheme £23 is estimated to have been recouped in health benefits. This has helped the team behind the project put the case for its continued funding.

How councils can prioritise public health funding

- ✓ Agree public health objectives by drawing on the JSNA and JHWS.
- ✓ Identify options and interventions for reaching objectives.
- ✓ Consider what NICE guidance and other research has to say about these.
- ✓ Work out what your priority is. Is it to reduce health inequalities or have the greatest impact on the whole population?
- ✓ Carry out own assessment – perhaps a form of cost-consequences analysis -to determine how local factors influence cost-effectiveness.
- ✓ Also consider factors such as burden of disease in population and considering the measures and interventions that are already in place.
- ✓ Ask the key questions before proceeding. Have you tailored services to address multiple needs rather than commissioning a plethora of single-issue services? Are you using new technologies to develop services that are easier and more convenient for users?
- ✓ Evaluate interventions as they are rolled out. Those that are already tried and tested will need less monitoring than new approaches.
- ✓ Ensure elected members understand the benefits of investing to save.
- ✓ Take a council wide approach across all services to address public health issues.
- ✓ Consider pooling resources across sectors to enable greater integration of services which will lead to better health and wellbeing outcomes and cost savings.

Feedback from public consultation – 4th December 2014

Residents of Kington and the surrounding area were invited to attend a drop-in consultation at the Kington Library and Customer Service Centre on the 4 December 2014, 10am to 12noon.

Approximately 50 people attended and were able to talk to officers involved in the project about the different elements of the proposed Kington Well Being Centre. Visitors included representatives of the school council from the local primary school, Kington Town Council and local service providers. However, the majority of visitors were local residents, many of whom attended because they were concerned the library was going to close.

Of those attending 29 people completed short questionnaires asked to prioritise areas of highest interest. Listed below is the flavour of the rest – the first being of most interest:

Areas
Library Service
Advice on accessing Herefordshire Council services
Access to public access PCs for free
A focal point and meeting place for carers and meeting space for self-help groups and clubs
Family centre activities catering for parents and their children
Information on health
Free wifi
Council Tax and Benefit queries by appointment
Signposting services to point you in the right direction to address your health concerns
Activities to raise health awareness
Skype link up to health professionals
Specific times allocated to groups to use the PCs (homework clubs, session for beginners)
Commercial space for hire
Showcase IT use relating to health prevention
IT link-up to the courts and police

Other ideas included:

- CAB advice delivered from the centre – including via skype.
- Job clubs, job centre services, talks by employers.
- To include tourist information and meeting point for walking / history tours.
- Weight loss session, preventative smoking and drinking.
- Activities for children.
- Yoga, Tai-chi, dance classes.
- Keep open five days a week.
- Professional advice and activities regarding physical activities.
- Book club for children and adults.
- English classes to support reading and writing.



MEETING:	Cabinet
MEETING DATE:	18 DECEMBER 2014
TITLE OF REPORT:	Extended National Troubled Families Programme
REPORT BY:	Head Of Commissioning (Children's Wellbeing)

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.

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

NOTICE has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Wards Affected

County-wide

Purpose

To confirm the council and its key partners will continue to work with the national Troubled Families programme and join the extended programme which will run from 2015/16 to 2019/20.

Further information on the subject of this report is available from
 Philippa Granthier, Head of Commissioning (Children's Wellbeing) on Tel (01432) 260226

Recommendation(s)

THAT:

- (a) the council, as lead partner, joins the extended national Troubled Families programme

Alternative options

- 1 The council could decide not to continue with the national programme and not commit to the extension. This would impact negatively on our most challenging and vulnerable families in the county; the programme to date has improved outcomes for 242 families and during the next five years will support over 1,000 families.

Reasons for recommendations

- 2 Being part of the national troubled families programme since 2012 has already helped to support 242 families in Herefordshire to achieve better outcomes; 204 families have reduced crime and anti-social behaviour and their children are attending school regularly, plus 38 adults are back into work and a further 57 adults are on a work programme which is helping them to progress towards work. In addition the programme has enabled additional funding to be brought into the county amounting to £1.13million which has been used to support families who need additional help. By the end of this phase of the programme in March 2015, the aim is to have “turned around” 310 families and secured £1.21million in grant funding.
- 3 The national Troubled Families team (part of the Department of Communities and Local Government – DCLG) has analysed significant amounts of data and performance from local authorities and now want the extended programme to significantly step up the fundamental system and service change that is required for these families. The extended programme will provide local authorities and partners across the country with much greater opportunities to help the most challenging and complex families in their areas, looking at breaking the cycle of intergenerational disadvantage and dysfunction that exists in some families. The new programme is much more open to local determination of the issues faced in our local families and what outcomes locally we would want to help them achieve. In addition there is significant support, tools and funding available by agreeing to be part of the extended programme.

Key considerations

- 4 The council’s priorities are to
- Keep children and young people safe and give them a great start in life
 - Enable residents to live safe, healthy and independent lives
 - Invest in projects to improve roads, create jobs and build more homes

The Families First programme, Herefordshire’s local branding of the national Troubled Families initiative identifies families who have a range of issues affecting both children and adults in the household. The aim locally is to

- “Turn around” the most chaotic and challenging families within the county

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- Improve family and community outcomes
- Reduce the demand on public sector services

These aims will be achieved through a multi-agency, co-ordinated approach building on the eight locality teams that are already operational within the county.

5 The national Troubled Families (TF) programme

6 This was initially a three year national programme (to March 2015) to turn around the lives of 120,000 families; Herefordshire has a target of 310 families. Based on data provided by all local authorities along with national survey work with a number of families, the government has agreed that the programme will now run for an additional five years from 2015/16 with a target of 400,000 families to be “turned around” nationally. A national evaluation of nearly 8,500 families’ data was undertaken in July 2014 which highlighted that these families are much more complex and challenging than the initial programmes three main criteria of crime and anti-social behaviour, worklessness and children not attending school. The key findings of troubled families are:

- Average of 2.5 children (1.7 nationally); 40% have three or more children
- Nearly half are lone parents (16% nationally)
- A quarter has children under five years old.
- Average of **nine problems per family**
- 42% have had the police called out in the previous six months
- 29% experiencing domestic abuse and violence (7% nationally)
- More than a third had a child who was either a child in need, subject to child protection arrangements or had been taken into care.
- Nobody in work in 75% of families (17% nationally).
- 83% receiving benefits (11% nationally).

7 In designing the new extended programme, the national TF team has considered all the evaluation work undertaken so far and the views of local TF programmes across the country. A draft financial framework has been published and the final details will be confirmed early in 2015. These will be informed by 51 “early starters” on the new programme, drawn from local authorities who have met certain performance measures and agreed to join the programme early. The main objectives of the new programme are:

- The approach has to become mainstream and transform services for greater and sustainable impact on families
- That local areas need to be able to support the families and issues in their area, rather than meeting nationally set criteria. This means getting to more families with multiple problems. A TF will have at least two of the following issues:

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- i. Parents and children involved in crime or anti-social behaviour
 - ii. Children who have not been attending school regularly
 - iii. Children who need help
 - iv. Adults out of work or at risk of financial exclusion and young people at risk of worklessness
 - v. Families affected by domestic violence and abuse
 - vi. Parents and children with a range of health problems
- Measuring success has to be shown in three ways:
 - i. Demonstrating significant and sustained progress for individual families assessed against a number of local indicators (from the six broad headings above) set out within a local outcomes plan;
 - ii. Capturing much richer understanding of the progress achieved through analysis of families data;
 - iii. Understanding the financial benefits achieved for all local partners and by stimulating ongoing service transformation through transparent accountability for these benefits. This will be done by utilising a national cost savings calculator.
 - The programme has to involve a wide range of partners, not just those focused on children's services but also adult services, housing and economic development. It will require partners to share information both at individual level (to support families) and strategic level (for analysis and planning), to buy-in to joint investment and integrated teams.
 - Funding will be provided to support these changes through:
 - i. Service transformation grant – to support the collection, analysis and reporting requirements
 - ii. Attachment fees – for families identified as needing support
 - iii. Payment by results – for families that have achieved the outcomes we have set locally.

8 Although not confirmed Herefordshire's target is likely to be around 1,000 families over the extended programme lifetime, equating to approximately 200 families a year. This is a significant increase to our current profile and planning for this increase, and the required programme changes is already underway. Based on this likely target, total grant funding that could be secured is estimated to be £2.6million over the five years of the programme. This funding and the framework of the programme create real opportunities to be able to tackle the issues in families earlier within supportive communities, and will help achieve our approach to move away from high cost, high intervention services that intervene too late to make a long term positive impact on children and their parents, i.e. before issues become entrenched and more difficult to retract from.

9 Herefordshire's performance and achievements to date

- 242 families “turned around” against a target of 310 families by March 2015
- £1.13m grant funding brought into the county
- Improved partnership working and information sharing with a range of partners to target families. Particularly work with Job Centre Plus and the work programme delivered by Herefordshire Housing has helped 38 adults back into work and a further 57 progressing towards work.
- Additional services in place including:
 - i. a dedicated Children’s Independent Domestic Violence Advisor within Women’s Aid
 - ii. additional counselling services for children and young people affected by domestic violence
- Agreement to recruit a think family lead in Adults and Wellbeing Directorate to work alongside adults teams ensuring the needs of children are also addressed
- Launch of the Families First Grant Funding scheme, with the first round of funding applications received from local community groups

10 The fact that Herefordshire has now achieved 78% of its target, means that we can elect to join the new programme early, in January 2015. The benefits to us joining early are we can help to inform the final programme, we can start working with families within the much broader, locally defined criteria, and we can secure further funding of £19k.

11 A previous report was provided to the lead cabinet member outlining the progress of the current programme and approving a Families First Grant Funding scheme with the aim to support creative solutions from local community and voluntary groups to support these families, either targeting or preventing troubled families. This report was approved on 31 July 2014.

Community impact

12 The impact of “troubled families” on the local economy and the communities in which they live is well documented and formed the basis of the national programme.

13 Our local experience, and the results of the TF programme nationally, has shown that by working intensively and holistically with these families they can change, the outcomes for both parents and children can be improved and they can have a positive impact on their local community.

14 The programme is specifically included within the “Think Family” priority of the Health and Wellbeing Board (HWBB). It is also one of the five priorities of the Children and Young People’s Partnership as it requires partners to work together in identifying and working with these families. A multi-agency Families First Steering Group and Operational Group are in place to ensure delivery of the programme, and co-ordinated support for families. These groups report to the Children and Young People’s Partnership, which in turn is a sub-group under the Health and Wellbeing

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Board.

- 15 The Children's Integrated Needs Assessment (2014) highlights a number of key recommendations which includes:
- Improving local intelligence and information sharing
 - Improving and developing early help and early intervention services for children
 - Providing integrated care and support for children and families
 - Listening to the voice of the child both in terms of their own decisions about their lives and to inform commissioning and planning decisions.

These recommendations are what we need to address locally. Coincidentally being part of the extended TF programme will equip us with the tools and framework to achieve this, with further added benefits of a national support team and significant additional funding.

- 16 The Families First Grant Funding scheme was launched in September 2014 and aims to promote and support voluntary and community initiatives in dealing with these families at a very local level. A key priority of the council is to encourage and support this type of activity, helping individuals to become more self-reliant, and for communities themselves to support the health and wellbeing of their local population. The first round of applications to this scheme closed in October 2014, with four applications which are currently being appraised.

Equality and human rights

- 17 This project supports The Equality Duty 2010 three aims (general duty)
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the act
 - Advance equality of opportunity between people who share a protected characteristic and those who do not
 - Foster good relations between people who share a protected characteristic and those that who do not.
- 18 The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying "due regard" in our decision making in the design of policies and in the delivery of services. This programme demonstrates how we are trying to address inequalities within our community.
- 19 The Troubled Families programme is targeted at families who both cause problems and have problems, covered by the six broad headings described in paragraph 7 above. If families meet our locally determined indicators, they will be accepted on the programme regardless of any other protected characteristic. Generally families have to want to be helped to be part of the programme but there are certain measures and sanctions that can be legally enforced to secure a family's engagement.

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Financial implications

- 20 Government data estimates that £9 billion is spent annually on the 120,000 families that will be “turned around” in the three year programme – an average of £75,000 per family each year. By contrast, the estimated costs of working with a family advocated by the Troubled Families approach, is around £10,000. The savings made or costs avoided for all partners are therefore significant. For example, three troubled families identified as causing a significant amount of anti-social behaviour in a Herefordshire village were recorded with 131 police call outs over a 12 month period. Utilising the cost savings calculator this was estimated to cost the police £83000. By tackling issues of housing, racial tension, children not attending school by a co-ordinated approach with partners has meant a reduction in anti-social behaviour and therefore police call outs, and the children are back in school. As part of the extended programme significantly more work will be done on analysing family data, interventions and costs (see paragraph 7 above) so partners can see the savings and costs avoided by working in the way advocated by the programme.
- 21 Funding for the extended TF programme is a combination of three elements. The attachment fee and payment by results are dependant on the targets for families to be turned around which will need to be negotiated with the national TF team, although it is expected to be in the region of 1,000 families over the five years.
- A service transformation grant of approximately £150k per annum; total of £750k over five years
 - An attachment fee up front of £1000 per family; approximately. £1.03 million over five years
 - Payment by results, paid when results in families have been achieved of £800 per family; approximately £826k over five years
- Total potentially available is £2.6million over five years. However, national funding details have only been released for 2015/16 pending the election and comprehensive spending review. Funding for the whole five year programme is within the DCLG spending assumptions and the TF programme does have cross party support.
- 22 The service transformation grant will primarily support the staffing needed to run the programme and the requirement for collection of data, monitoring of outcomes, analysis work and reporting arrangements. Investment in an ICT solution will also be required which is currently being scoped and investigated.
- 23 Attachment fee and payment by results funding will need to be focused on providing evidence based effective interventions with families. This work will be driven through a revitalised strategy for early intervention in families, the reconfiguration of family support services within the Children’s Wellbeing Directorate, successful projects from the Families First Grant Funding scheme and a workforce development strategy for the children’s workforce, including partners. Much of this work will be managed and delivered through the new transformation programme in Children’s Wellbeing Directorate. Any procurement of services will follow the council’s contract procedure rules and be subject to further decision reports.

Legal implications

- 24 There is no statutory duty to continue to engage in this national initiative but the Council has the power to do so by virtue of section 1 of the Localism Act 2011.

Risk management

- 25 Approval to join the extended programme does require us to provide a certain amount of data and reporting. Whilst there is a small programme team currently in place, additional capacity and capability around ICT, analysis and costing work will be required. This needs to be addressed in light of the recommendations of Herefordshire's Children's Integrated Needs Assessment anyway. Discussions with finance and performance teams within Children's Wellbeing Directorate and the strategic intelligence team in public health are underway to address this.
- 26 Not approving the recommendation of this report will mean further funding will not be secured. Currently £298k of TF grant is used to fund family support services within Children's Wellbeing Directorate and whilst this level of funding will need to be reviewed as part of the reconfiguration of the service, the loss of this funding will result in the reduction of 10 FTE family support workers. This will have a significant negative impact directly on families.

Consultees

- 27 The TF programme is a partnership approach and cannot be delivered by the council in isolation. Therefore all partners have been consulted upon the new extended TF programme.
- 28 A member's seminar was held during October 2014 which informed on the progress to date on the current programme, the scope of the new programme and how local councillors can identify and highlight troubled families and community issues to the families first team. Feedback generally was that this work should continue.
- 29 An initial workshop involving both senior and operational staff across partners was held in early November to scope out a local TF outcomes plan. Feedback was very positive regarding a more flexible, locally determined approach that the new programme offered.
- 30 The decision to join the extended programme has been discussed at both the Children and Young People's Partnership and the Health and Wellbeing Board with overwhelming support.

Appendices

None

Background papers

None identified.