

AGENDA

Cabinet

Date: **Friday 18 December 2009**

Time: **11.00 am**

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

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

For any further information please contact:

Sally Cole, Committee Manager Executive

Tel: (01432) 260249

Email: scole@herefordshire.gov.uk

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Agenda for the Meeting of the Cabinet

Membership

Chairman Councillor RJ Phillips

Councillor LO Barnett
Councillor AJM Blackshaw
Councillor H Bramer
Councillor JP French
Councillor JA Hyde
Councillor JG Jarvis
Councillor PD Price
Councillor DB Wilcox

GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS

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

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

Whether an interest is prejudicial is a matter of judgement for each Councillor. What Councillors have to do is ask themselves whether a member of the public – if he or she knew all the facts – would think that the Councillor's interest was so important that their decision would be affected by it. If a Councillor has a prejudicial interest then they must declare what that interest is. A Councillor who has declared a prejudicial interest at a meeting may nevertheless be able to address that meeting, but only in circumstances where an ordinary member of the public would be also allowed to speak. In such circumstances, the Councillor concerned will have the same opportunity to address the meeting and on the same terms. However, a Councillor exercising their ability to speak in these circumstances must leave the meeting immediately after they have spoken.

AGENDA

Pages

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

Notice is hereby given that the following reports contain key decisions. When the decisions have been made, Members of the relevant Scrutiny Committee will be sent a copy of the decision notices and given the opportunity to call-in the decisions.

Item No	Title	Portfolio Responsibility	Scrutiny Committee	Included in the Forward Plan Yes/No
7	Herefordshire and Worcestershire Waste Arrangements	Environment and Strategic Housing	Environment Scrutiny Committee	Yes
9	Joint Corporate Property Strategy	Resources	Strategic Monitoring Committee	Yes
10	Community Network Procurement	ICT, Education and Achievement	Strategic Monitoring Committee	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 26 November 2009.

1 - 6

4. PROVISIONAL 2010/11 LOCAL GOVERNMENT FINANCE SETTLEMENT

To report on the provisional 2010/11 Local Government Finance Settlement and confirm the process leading to the setting of council tax at full council on 5 March 2009.

7 - 10

5. JOINT STRATEGIC NEEDS ASSESSMENT 2009

To draw Cabinet's attention to the key findings from the latest Joint Strategic Needs Assessment (JSNA) so that regard can be had to them in future plans, commissioning of services and budget decisions.

11 - 20

6. INTERIM REPORT ON SHARED SERVICES

To advise Cabinet of the progress of the two business transformation activities, namely Shared Services and Herefordshire Connects and proposed next steps.

21 - 26

7. HEREFORDSHIRE AND WORCESTERSHIRE WASTE ARRANGEMENTS

To authorise, subject to similar approval from Worcestershire County Council, our Waste Disposal Contractor, Mercia Waste Management (Severn Waste Services), to progress proposals for the development of an Energy from Waste Plant at Hartlebury Trading Estate near Kidderminster (the EfW Proposal).

Furthermore agree, subject to similar approval from Worcestershire County Council, to indemnify the contractor for costs of up to £750,000 in concluding the contract variation in the event that the contract is terminated prematurely. (Report to follow).

8. INTENTIONS PAPER - BROADBAND IN HEREFORDSHIRE DEVELOPING A COUNTY APPROACH 27 - 42

To approve the approach to addressing the challenges of Broadband in the county outlined in the attached Intentions Paper.

9. JOINT CORPORATE PROPERTY STRATEGY 43 - 94

To approve a joint corporate property strategy (2009-2012) for the Council and NHS Herefordshire.

EXCLUSION OF THE PUBLIC AND PRESS

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

RECOMMENDATION:

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

10. COMMUNITY NETWORK UPDATE 95 - 116

To endorse the recommended supplier from the Community Network Procurement project.

This Item discloses information relating to the financial or business affairs of any particular person (including the authority holding that information).

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- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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HEREFORDSHIRE COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 26 November 2009 at 2.00 pm

Present: Councillor RJ Phillips (Chairman)

Councillors: H Bramer, JP French, JA Hyde, JG Jarvis and PD Price

In attendance: Councillors PA Andrews, WLS Bowen, PJ Edwards, TM James and RI Matthews

38. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors: LO Barnett, Cabinet Member Older People and Social Care, AJM Blackshaw, Cabinet Member Economic Development and Community Services and DB Wilcox, Cabinet Member Highways and Transportation.

39. DECLARATIONS OF INTEREST

There were no declarations of interest received.

40. MINUTES

RESOLVED: That the Minutes of the meeting held on 29 October 2009 be approved as a correct record and signed by the Chairman.

41. INTEGRATED CORPORATE PERFORMANCE REPORT

The Cabinet Member Corporate and Customer Services presented the report, which was the second in the new style. She advised Cabinet that the format had been slightly revised to take into consideration the suggestions made by Strategic Monitoring Committee and others on the first such report. Cabinet had been made aware of the budget monitoring revisions that had been made subsequent to this reporting cycle of the integrated corporate performance report, which covered to the end of September.

The Corporate Policy and Research Manager advised Cabinet that there was a mixed picture overall, but this included significant improvements compared to the end of first quarter. In particular, he highlighted the increase in the number of Local Area Agreement indicators that were on track to achieve target and that action plans were now either in place or in preparation for all of them, as well as the big improvement in relation to the timely assessment of children in need, which was now ahead of target. While waste disposal indicators were now improving, the indicators for clean streets needed to be brought back on track and an action plan had been drawn up to address the issues.

He advised Members that adult social care staff had had to prioritise safeguarding work in relation vulnerable people in residential care, which had led to performance in relation to timely assessments and the delivery of care packages falling below target. There was no current reason to believe that there was an underlying falling off of performance in this respect. The Leader reminded Cabinet again of the updating of figures which had been made subsequent to the report being printed.

Cabinet went on to discuss:

- the Safer Communities Partnership and the improvement in the reduction in the number of people killed or seriously injured in road accidents;
- the reduction in CO2 emissions by Amey Wye Valley vehicles; and,
- other issues in respect of safer and stronger communities.

RESOLVED

THAT: Performance to the end of September 2009 and the measures being taken to address areas of under-performance be noted.

42. CUSTOMER STRATEGY

The Cabinet Member Corporate and Customer Services and Human Resources congratulated officers on the report of the joint customer strategy and welcomed the results for Herefordshire citizens. It was agreed that in order to provide an integrated service it was key to have accessible frontline offices that could deal with a variety of enquiries.

The Interim Head of Customer Services advised that the strategy had been devised around the four key elements outlined in the report, and alongside this to bring the strategy together would be the Corporate Area Assessment, World Class Commissioning, and the Duty to Involve agenda. He emphasised that the authority needed to be seen as an efficient partnership organisation for citizens bringing together all the different areas of service and providing a joined up approach.

Cabinet went on to discuss the recent high percentage of calls received regarding the recently issued recycling bins. It was noted that although additional staff had been brought in to deal with any additional calls, the number of calls received had been ten times that normally received.

RESOLVED

THAT:

- (a) the strategy its implementation and next steps be supported;**
- (b) regard be given to the strategy in future plans, commissioning of services and budget decisions.**

43. RISK MANAGEMENT AND ASSURANCE

The Assistant Chief Executive Legal and Democratic presented the Risk Management and Assurance report to Cabinet and advised that the Council had an integrated policy, which was kept under regular review. She advised that the new policy focused on risk management and training and development and that there had been changes made in the way the policy was expressed to encourage staff to take innovative risk and not to avoid taking risk, but for it to be managed successfully with a five step implementation process to encourage a positive approach to risk and the application of risk.

In discussing the strategy it was emphasised that it was intended to encourage staff to be innovative and creative in identifying risk and managing it properly and that monitoring would be carried out through the corporate performance indicators.

RESOLVED

THAT:

- (a) the revised joint Risk Management and Assurance Policy be approved; and**
- (b) the joint Risk Management Assurance Guidance be approved.**

44. RESPONSE TO SCRUTINY REVIEW OF ECONOMIC DEVELOPMENT STRATEGY

The Director of Regeneration advised Cabinet that the original Economic Development Strategy had been produced in 2004, refreshed in 2006 and had been aligned to the regional strategy, however, due to the downturn in the economy it was in need of a further review taking into consideration the new duty to provide a local economic assessment based on need.

Cabinet accepted the majority of the recommendations put before them in the review and agreed in principle the remaining recommendations, with the acceptance that some further work needed to be undertaken on the remaining recommendations.

RESOLVED That: the responses to the recommendations as set out at Appendix 1 to the report be agreed in principle.

45. RESPONSE TO COMMUNITY SERVICES COMMITTEE SCRUTINY REVIEW OF TOURISM

The Director of Regeneration presented the report in response to the Community Services Scrutiny Committee review of tourism and reminded Cabinet that the review had come before Cabinet previously, but at that time it was felt that further work needed to be carried out⁵. It was noted that the majority of the recommendations were accepted or agreed in principle; however, two recommendations were not.

Recommendation two which stated never to combine a Tourist Information Centre (TIC) with an Info in Herefordshire office; and recommendation eight that each TIC should have a minimum of 2.5 full time staff equivalent. Cabinet noted that in Bromyard there was already a successful combination of TIC and Info office in one building and would not wish to rule out joint work places to use buildings effectively. In addition to have a minimum of 2.5 full time equivalent staff would not necessarily be appropriate to all TICs and Cabinet could not therefore approve this recommendation either.

Cabinet discussed the importance of the points raised but in the context of providing efficient use of resources and joined up services.

RESOLVED That: the response to the recommendations as set out at Appendix 1 to the report, but excluding recommendations 2 and 8, be approved.

46. LOCAL DEVELOPMENT FRAMEWORK, CONSULTATION ON THE CORE STRATEGY

The Cabinet Member Environment and Strategic Housing presented the Local Development Framework (LDF) report and consultation document on the core strategy. He advised that it was a significant document which replaced the current Unitary Development Plan and requested Cabinet endorse the document as fit for purpose for consultation. He reminded Cabinet that every Member of Council would have received a

draft copy and that the options would not be finalised until after the consultation process had been completed.

Members were reminded of the need to encourage Parish Councils to review the document, seek their views and for Members to reflect those views back to the LDF meetings. It was emphasised that the document was a starting point to incorporate all views. The Planning Policy Manager advised that it was important for the public to be aware:

- that the launch event scheduled for 18 January 2010 would be held at the Kindle Centre and was the start of the consultation process;
- that the document contained all the major principles and would look at Housing distribution growth areas;
- that Members needed to ensure their communities were fully involved
- that it was important in terms of communities, infrastructure, provision of affordable housing and the provision / sustainability of services in growth areas.

The Cabinet Member advised that all options for future development sites would be looked at and he encouraged Members to bring any issues to the LDF meetings.

The Leader drew Cabinet's attention to a letter received from Councillor Dawe and advised that the LDF consultation was carried out in the same way as other authorities, emphasising that the consultation was to establish where new housing developments could to be sited along the supply of some affordable housing.

RESOLVED

THAT:

- (a) the Place Shaping Paper as a consultation document on the emerging Core Strategy, Hereford Plan and Market Towns and Rural Areas Plan be approved;**
- (b) the Head of Planning and Transportation be delegated (in consultation with the Cabinet Member) any further minor text changes; and**
- (c) the outline consultation details, including the dates for the formal consultation period of Monday 18 January to Friday 12 March 2010 be approved.**

47. HEREFORDSHIRE SCHOOLS TASK GROUP CONSULTATION

The Cabinet Member Educational Achievement and ICT presented the Herefordshire Schools Task Group Consultation report and introduced to Cabinet the Chairman of the Task Group, David Brown. He emphasised the importance of the process and that extensive consultation had been carried out resulting in broad agreement. In referring to Recommendation (c) of the report, he advised that it had been agreed that further work needed to be done to define what a small school was and what defined a sustainable school. He stressed that the process had engaged with everyone that had wanted to be involved, professional, public, school governor etc., and that there was unanimous agreement that standards must be maintained at schools. The Cabinet Member thanked David Brown for the work he had done and how quickly he had provided the report and recommendations.

The Director went on to highlight the key principles and points:

- The Leader's announcement that no school closures would be carried out within this administration unless it already fell into the current small schools policy.
- School professionals involved in the debate – response rate of 95 replies.
- That the status quo was not sustainable.
- Provide clear steer to Cabinet for the long term provision of sustainable education for young people.
- Work schedule already identified and issues were around finance, performance, falling roles and recruitment of head teachers.
- The Schools Forum has considered finance in detail and discussed at head teacher meetings.
- The dedicated schools grant is under pressure and the current economic climate had added to the anxiety.
- Herefordshire schools keen to look now at possible clustering of schools.
- The term small school by design needs to be clarified and work is being carried out on this.

David Brown thanked stakeholders for their input to a challenging task. He stated that schools would need to work in partnership / form cluster groups and provide a different way of working. He stressed that as head teachers step down governors would need to understand the financial issues that apply not just to primary but secondary schools also. All must work closely together to ensure standards are not just maintained but improved and school premises sustained to deliver good education. He added that falling numbers and parental choice could have a significant impact and moving towards cluster working appeared to be the right road to take. In addressing sustainable communities travel costs must also be addressed as often not recognised by governors, but has significant impact.

Cabinet noted that the report had not been included on the forward plan and was advised that the processes involved were being reviewed and this should not happen in future. Concern was raised that high performing schools might be brought down and that it was important when looking at planning development to also look at education and transport issues. It was also noted that all school governors and not just chairmen and head teachers needed to be supported and trained.

The Director reiterated to Cabinet the number of ways that schools had been involved in the process to date and how every school had received a copy of the consultation document, which had also been made available in public places and to parish councils. Cabinet thanked Mr Brown for his work throughout the process.

RESOLVED

THAT:

- (a) the five cluster working proposals as detailed at paragraph 10 of the report be endorsed;**
- (b) the four school leadership proposals as detailed at paragraph 12 of the report be endorsed; and**
- (c) the principle of establishing sustainability criteria and thresholds be endorsed and that officers and partners be requested to produce a detailed analysis of Small Schools by Design models, including sustainable schools criteria and thresholds, which can inform judgements on suitability of cluster plans, once submitted, be reported back to Cabinet within three months.**

48. BUDGET MONITORING REPORT

The Cabinet Member Resources presented the Budget Monitoring report and reminded Cabinet that 2009/10 would provide a challenging financial environment to work in and allowances for this were reflected in the budget. Cabinet discussed the key considerations outlined in the report and some of the areas of concern lay in the Integrated Commissioning Directorate, with a projected £2.1m overspend and the Children and Young People's Directorate, with a £945k projected overspend.

The Head of Financial Services referred to the recovery plans for directorates outlined in the report, particularly for Integrated Commissioning and Children and Young People's Directorates and pointed out that it would take some time for the measures identified to take effect but action plans had been put in place. Cabinet noted both the recovery plans and agreed these were working well and that overspends for the Children and Young People's Directorate were already below £500k.

The Chairman of the Strategic Monitoring Committee raised a query with regards to funding for the Hereford Academy and whether the sums involved were due to the school becoming an academy. The Director of Resources advised that he would set out in a letter to the Member the issues relating to recruitment at the Hereford Academy.

RESOLVED That: the report be noted.

The meeting ended at 4.00 pm

CHAIRMAN



MEETING:	CABINET
DATE:	18 DECEMBER 2009
TITLE OF REPORT:	PROVISIONAL 2010/11 LOCAL GOVERNMENT FINANCE SETTLEMENT
PORTFOLIO AREA:	CORPORATE STRATEGY & FINANCE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To report on the provisional 2010/11 Local Government Finance Settlement and confirm the process leading to the setting of council tax at full council on 5 March 2009.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT

- (a) the 2010/11 settlement be noted; and**
- (b) the timetable for setting the Council Tax be agreed.**

Key Points Summary

- The provisional Local Government Finance Settlement was announced on 26 November 2009.
- The provisional settlement confirms an increase for Herefordshire of 4% in Formula Grant in the final year of the three year Comprehensive Spending Review announced in 2007.
- The overall provisional amount of Formula Grant is £57.584 million.

Alternative Options

- 1 There are no alternative options as the amount represents an allocation from central government.

Reasons for Recommendations

- 2 The provisional settlement outlines the level of central government funding to be received by the Council. This is one of the significant elements of the overall funding of services.

Introduction and Background

- 3 The provisional 2010/11 Local Government Financial Settlement was presented in a written ministerial statement to the House of Commons on 26 November 2009. The Parliamentary Under Secretary of State for Communities and Local Government, Barbara Follett stated that central government “expects to see it (council tax) fall further next year while authorities protect and improve front line services. We expect the average Band D Council Tax increase in England to fall to a 16 year low in 2010/11”.

Key Considerations

- 4 The Provisional 2010/11 Settlement was originally announced on 6 December 2007 as part of the first three year settlement along with Provisional 2008/09 and 2009/10 allocations.
- 5 Provisional 2010/11 Formula Grant allocations have been republished for consultation as part of central government’s statutory requirement. This marks the beginning of the six week consultation over the Christmas period. The deadline for submissions to the consultation is Wednesday 6 January 2010.
- 6 The period leading up to the announcement has been one of some uncertainty in local government given the recession and worsening state of public finances as a result of central government’s policy of “quantitative easing”. This has significantly increased the level of government borrowing which will have to be repaid in future years. As a result there was a level of uncertainty in local government about whether the settlement would be re-opened and allocations reduced.
- 7 The provisional settlement indicates central government have made no changes to the Formula Grant allocations, which were first announced in January 2008, except to recognise local government reorganisations which took place on 1 April 2009. These changes simply allocate reorganised authorities the sum of the proposed formula grant for their predecessor authorities. They have no effect on Herefordshire’s allocation.
- 8 When making the announcement the Minister warned that the Government was prepared to take capping action against “excessive” increases and require authorities to rebill if necessary. It is already known that Cheshire, Lancashire and Warwickshire Police Authorities are being capped in advance of 2010/11 and will be given proposed maximum budget requirements.
- 9 Contained in the announcement is confirmation that resources for Adult Learning Disability Social Care were transferred from the NHS to local authorities from April 2009. However, the funding adjustment is not included in baseline figures since Primary Care Trusts (PCTs) will continue to receive funding in 2010/11. It will be the responsibility of PCTs to transfer an amount to local authorities in April 2010. From 2011/12 councils will receive funding directly from the Department of Health and not via PCTs.

- 10 The provisional settlement sees an increase in Herefordshire's formula grant on a like for like basis for 2010/11 of £2.232m or 4%. This brings the overall total to £57.584 million.
- 11 Information has been supplied on specific grants and on area based grant (ABG). Initial analysis indicates specific grants have not been reduced but the position is less clear for ABG.

Budget Timetable

- 11 The following outlines the key dates leading up to council tax setting 5 March 2010. The process is different to previous years in that it includes presentation to Council on 5 February of the proposed financial strategy and council tax levels. This will allow further consideration before final agreement of council tax on 5 March.

Meeting	Date	Report
CABINET	18 December	Provisional 2010/11 Local Government Finance Settlement and Budget Timetable
SMC	18 January	Draft Financial Strategy 2010/13 including Capital Programme 2010/11
Cabinet	21 January	Draft Financial Strategy 2010/13 including Capital Programme 2010/11
COUNCIL	5 February	Draft Financial Strategy 2010/13 including Capital Programme 2010/11 and proposed levels of Council Tax 2010/11
Cabinet	18 February	Financial Strategy 2010/13 including Capital Programme 2010/11 and proposed levels of Council Tax 2010/11
COUNCIL	5 March	Council Tax Setting

Financial Implications

- 12 The Formula Grant is a significant element of the Council's overall funding. It is made up of two elements; Revenue Support Grant and redistributed Business Rates. Any reduction in formula grant would remove funding from the Council.

Legal Implications

None.

Risk Management

None

Consultees

None

Appendices

None

Background Papers

None

MEETING:	CABINET
DATE:	18 DECEMBER 2009
TITLE OF REPORT:	JOINT STRATEGIC NEEDS ASSESSMENT 2009
PORTFOLIO AREA:	CORPORATE STRATEGY AND FINANCE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To draw Cabinet's attention to the key findings from the latest Joint Strategic Needs Assessment (JSNA) so that regard can be had to them in future plans, commissioning of services and budget decisions.

Key Decision

This is not a Key Decision.

Recommendations

THAT:

- (a) the key findings from the latest Joint Strategic Needs Assessment be noted; and**
- (b) regard should be had to the key findings in future plans, commissioning of services and budget decisions.**

Key Points Summary

- The JSNA is the key document that brings together understanding of the main health and social care needs of the people of Herefordshire.
- It highlights the most important health & social care needs and how they are expected to change, as well as the public's views, and draws out the major challenges in respect of which action should be considered.
- The key findings are summarised in Appendix 1 to this paper.
- It has a central role to play in informing decisions about future plans, the commissioning of services and budget allocations.

Further information on the subject of this report is available from
Steve Martin, Corporate Policy and Research Manager on (01432) 261877

- It needs to be publicised and widely accessible to the general public, partner organisations, interest groups and employees. It will be further developed with them.

Alternative Options

- 1 The production and publication of a JSNA are statutory requirements. There are, therefore, no alternative options.

Reasons for Recommendations

- 2 To meet statutory requirements and ensure that future plans, commissioning of services and budget decisions are informed by an up-to-date assessment of needs across the county.

Introduction and Background

3. This is the second JSNA for Herefordshire. It has been produced in collaboration across the Council and NHS Herefordshire, in particular by Public Health, the Research Team, Children and Young People's Services (and the Children's Trust) and Integrated Commissioning.
4. As in 2008, it looks not just at the legal requirements regarding health and social care needs but at all the most important things that affect people's life-chances, quality of life and health and well-being.
5. It reflects considerable work during the past twelve months to develop our understanding. This draws on the expansion of arrangements to consult and involve the public and communities. New to this JSNA is the spotlight on localities, instead of just the county as a whole. This includes contrasting the distinctive needs of rural areas against those of urban parts of Herefordshire and will be developed further next year so there is a locality profile for each of the main individual rural areas. It will also aim to improve our modelling of possible future demand, so that services can prepare for different eventualities.
6. A fuller description of the background to the JSNA and how it will develop in future is in the opening paragraphs of the summary at Appendix 1.

Key Considerations

7. The JSNA is not merely a document of record. On the contrary, its prime purpose and value is in helping the Council and partner organisations to identify priorities and determine what needs to be done to address them. This goes to the heart of what's required under Comprehensive Area Assessment (CAA). The JSNA therefore draws attention to the major challenges in respect of which action should be considered. Cabinet will wish to consider these matters, not least having regard to future decisions about plans, commissioning programmes and budget allocations.
8. The JSNA needs to be informed by the public's and other stakeholders' views, but at the same time it is intended to contribute significantly to their understanding of the needs of people across the county.
9. For these reasons, it is important that its findings should be communicated widely. It is therefore intended to publicise it and make the summary available in an attractive format at Info Shops, libraries, hospitals, doctors' surgeries and other community locations. The full document will be sent in hard copy to main partner organisations, GP practices and to others on request. The summary and the full document will also be available on a web-site, with the technical

appendices available via electronic links. In addition, the JSNA will be publicised internally to members and employees.

10. To ensure that its development is as well-informed as possible, it will be an agenda item for Partnership boards and the groups that exist for service users and carers.

Community Impact

11. The impact of the JSNA will depend on what happens in response to its findings.

Financial Implications

12. The only direct costs will be those incurred in printing and distributing the documents. These are expected to be about £3,200. They will be shared equally by the Council and NHS Herefordshire, and met from existing budgets.

Legal Implications

13. The Local Government and Public Involvement in Health Act 2007 places a duty jointly on local authorities and PCTs to produce and publish a JSNA for their area.

Risk Management

14. The first major risk is that the Council and NHS Herefordshire could fail to meet their statutory duties. The second is that insufficient regard could be paid to the JSNA's findings, which would undermine the Council's and partner organisations' basis for determining priorities, damage the interests of those most in need and be likely to affect adversely CAA and other external assessments. The proposals in this paper are intended to mitigate these risks.

Consultees

15. The JSNA draws together information from a wide range of existing sources, including the State of Herefordshire Report, the Public Health Annual Report and other accredited national and local sources. Some of these have themselves been prepared in consultation with a wide range of partner organisations and interests.
14. Arrangements are being made for the JSNA to be presented and discussed with a range of groups and interests, including the Policy and Delivery Groups of the Herefordshire Partnership. Their views will be taken into account as the JSNA is updated and rolled forward.

Appendices

16. Appendix 1 – JSNA summary.

Background Papers

Full JSNA

SUMMARY OF THE HEREFORDSHIRE JOINT STRATEGIC NEEDS ASSESSMENT 2009

What the Joint Strategic Needs Assessment is for

This is a summary of the second *Joint Strategic Needs Assessment* for Herefordshire. It examines health and social care needs as well as the other main things that affect people's life-chances, quality of life and health and well-being. It helps Herefordshire Council, NHS Herefordshire and our partners identify what our priorities should be. These inform future plans and help us target money and services where they are needed most.

What's new about this year's JSNA and how it will develop

Since the first *Joint Strategic Needs Assessment* in 2008, we have been continuing to increase our understanding through consultation and discussions with local people. This includes public consultation on strategic options, the *Herefordshire Quality of Life Survey*, the creation of the *Herefordshire 100* to ensure that the needs and views of minority groups are better understood, and generally by listening to what our customers are telling us, including at our improved Info Shops.

In addition, the development of personalised services in social and health care is providing a clearer perspective on the needs of the most vulnerable people in our community. New social care and health partnership boards are helping us to hear the views of service users, carers and their representatives.

During the last twelve months we have been examining the needs of different parts of Herefordshire, including the city and the market towns, as well as rural compared with urban areas. Next year we plan to build on this with a detailed assessment of each of the main rural areas, such as the Golden Valley. Building up a better picture of how much money is spent in different areas, what it is spend on and what it is achieving will give us a much more finely-tuned approach to setting priorities and allocating resources.

We also continue our focus on different groups across the county, including children and young people, older people, ethnic minorities and those who are vulnerable, as well as the major diseases and other factors that affect people's lives.

What we know: the main facts and trends

Overall people in Herefordshire are healthy and living longer. Women live on average to 83, which is over a year longer than in England as a whole, with men living slightly longer than the national average.

Also, people born in Herefordshire are expected to live a greater proportion of their lives in good health and without a limiting long-term illness than nationally - healthy life expectancy at birth is over 71 for men and 75 for women.

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Our young people generally get better qualifications than in England as a whole, with some 70 per cent achieving five or more A* – C GCSE grades. The educational attainment of children leaving care in Herefordshire is among the best in the country.

Even with the recession, Herefordshire has much lower levels of unemployment and crime than nationally, and a much higher proportion of people (nearly nine out of ten) who are satisfied with their local area as a place to live.

Even so, there are a number of significant issues facing our communities. This assessment highlights the major issues that need to be tackled to improve health and well-being, and to reduce inequalities.

- The highest and most multiple deprivation (within the 25 per cent most deprived in England) is in parts of Hereford and Leominster, together with small pockets in some rural areas
- There is a strong association between health inequalities and other measures of deprivation, including educational under-attainment, low skills, unemployment, low income and poor housing condition
- Although levels of unemployment remain low compared to regionally and nationally, they have doubled as a result of the recession and been felt disproportionately by unskilled and semi-skilled people
- The number of under 16s is expected to continue to fall - by about 8 per cent between 2007 and 2016 - and thereafter to stabilise
- Although still low compared with regionally and nationally, the proportion of young people not in education, employment or training has risen as a result of the recession
- Although outcomes for children and young people are generally good, there is growing inequality in some areas and amongst specific groups of children and young people
- Income deprivation affecting children is significant in particular wards, reflecting the general pattern of multiple deprivation
- poor access to services affects more children and young people in rural areas
- one in four 11 year-old children are overweight or obese
- The dental health of children is poor, with two in every five having tooth decay or missing teeth. Lack of fluoride in water supplies plays a large part but also the majority of children do not consider their dental health when choosing what to eat
- High rates of young people, especially girls, smoke and drink alcohol and get drunk
- On the other hand, the proportion of young people who have never smoked is higher than nationally
- The number of teenage pregnancies is relatively low but has risen
- There has been a sharp rise in sexually transmitted diseases but this could be the result of better screening
- Numbers of ethnic minority pupils have grown in recent years to be over 5 per cent of the total in primary schools and over 4 per cent in secondaries. Children from mainland European backgrounds appear to do better than

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average at schools but other minority groups, particularly gypsies and travellers, less well

- The number of people aged 85 and over is expected to more than double by 2026 to 10,200. This group makes by far the greatest demands on health and social care and is at greatest risk of isolation and poor, inadequately heated housing
- There is an expected doubling by 2015 – to over 2,000 people – in the number of older people with dementia who will need support
- High levels of income deprivation – amongst the 10 per cent most deprived in England - are affecting an increasing number of older people in some parts of the county; for instance, nearly two in five in Bromyard Central, Hereford City, Leominster and small pockets in rural areas
- A quarter of the population lives in very sparsely populated areas (the highest proportion of any county-level authority area in England) and many face difficulty accessing some key services
- The levels of coronary heart disease and stroke are better than average but remain the county's biggest killers
- Smoking remains the single most important cause of premature death and ill-health
- There are higher than average levels of obesity amongst adults, which is a major contributing factor to poor health, disability and premature death
- Skin cancer levels are far higher than the national average, which may be related to the relatively high number of people working in land-based occupations.
- Although the number of people killed or seriously injured in road accidents has decreased over recent years, it is still slightly higher than the national rate, and there is also a higher rate of suicides
- The proportion of mothers breast-feeding has been going down but may now be increasing
- At nearly 900, the number of 18-64s with the most serious mental health disorders is much higher than would be expected. There is no present reason to believe that more people than this will require treatment in future
- But there is a need for more supported housing to enable people with moderate to severe mental health problems to live in the community
- Less serious mental health problems affect nearly one in five 18-64s. This number is not expected to change much, if at all, over the next few years but is likely to increase slightly over the longer-term
- The number of people with learning disabilities over 65 will double by 2015, and those with moderate disabilities living at home are likely to have high dependency as they age
- Expected increases in levels of disability, particularly amongst older people, will add significantly to the number of people having to provide care to their families or friends
- In rural areas, ambulance services are consistently failing to meet target times for getting to people
- Many people across the county, not least younger people, struggle to find affordable housing, and the demand for this is expected to continue to grow
- Herefordshire has a relatively small but growing black, Asian and minority ethnic population
- There are large numbers of migrant workers, mainly from Eastern Europe. There are several thousand at any one time in the summer but most stay for only a few months

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What the people of Herefordshire have told us

The *Quality of Life Survey* in autumn 2008 showed that:

- Nearly nine out of ten people were satisfied with their local area as a place to live, which put Herefordshire in the top quarter in the country
- The issues seen as most important and in need of improvement were people having access to housing they can afford, clean streets and public transport
- Services most frequently seen as difficult to access were the dentist, public transport, and cultural and recreational facilities
- Over three out of four said their health in general was good or very good
- A third thought that older people were able to get the support they needed to live at home for as long as they want
- About one in five saw a problem with people not treating each other with respect and consideration compared to the nearly three in five in 2007
- Fewer than one in eight thought there was a high level of anti-social behaviour, compared to over one in four in 2007
- Nearly two in three felt safe in their local area after dark, and over nine in ten during the day
- There had been significant drops in satisfaction amongst users of sports, leisure and cultural facilities, and parks and open spaces
- More than one in five felt well-informed about what to do in the event of a large-scale emergency such as flooding or pandemic flu, which puts Herefordshire in the top quarter nationally.
- Nearly nine in ten were satisfied with their GP, more than four in five with Hereford & Worcester Fire and Rescue service, over three in four with the local hospital, seven in ten with their dentist, over half with West Mercia Constabulary and a third with the way Herefordshire Council runs things overall

At about the same time, the **joint council and NHS Herefordshire strategic options consultation** asked people to choose within limited budgets between *examples* of the kind of choices that we face over the coming years.

- For **council-led services** the improvements the public most wanted to see were:
 - measures to tackle traffic congestion
 - more support for families to protect vulnerable children
 - adult social care at least keeping up with increasing demand.
- To help pay for these, they were most prepared to see reductions in:
 - the arts, libraries and museums
 - concessionary leisure fees
 - subsidised bus services¹.
- Also to help pay for priority improvements, most people were prepared to see increases in charges for car parking and non-residential social care.
- But they did not want to see reductions in:
 - the maintenance of minor roads and footways

¹ This may seem to be at odds with people having said in the *Quality of Life Survey* that public transport was important and needed to improve. This is because the strategic options consultation required people to choose between options within a limited total budget.

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- youth services
- short-term re-ablement therapy and support
- support for carers
- dementia and other mental health services.

For **NHS Herefordshire services** the package preferred by the majority of people was:

- improved access to NHS dental care
- enhancements in services to prevent and treat stroke
- more people with long-term health conditions being supported at home
- increased support for those at risk of falls
- more people receiving end of life care at home
- an increase in alcohol education for children and young people
- no reductions in the current levels of other services, except for...
- ...10 per cent fewer people getting high cost drugs and cosmetic surgery that meets NHS criteria.

The main challenges we face that require action

- Addressing cost-effectively the needs and long-term prospects of areas and groups in the population suffering from multiple deprivation, including families with children, requires a co-ordinated approach to service commissioning and delivery
- The fall in under 16 year-olds poses major challenges to the sustainability of high quality children's services, especially in rural areas
- There are additional challenges to the provision of cost-effective services and access to facilities in rural areas that will require new approaches
- There is a continued need for long-term programmes to prevent the underlying conditions that cause coronary heart disease and stroke
- Efforts to discourage smoking and to support people to stop need to be re-doubled
- A more effective screening and a long-term prevention programme are needed to reduce the number of people getting skin cancer
- To reduce the numbers of overweight and obese children, programmes with prospective and actual parents and in schools need to be expanded
- More effective programmes are needed to reduce accidents
- And to reduce suicides, especially amongst 25-44 year-olds
- Action to promote breast-feeding needs to be intensified
- Access to NHS dental health care has improved but needs to be further enhanced
- Taking further measures to reduce the number of young people not in education, employment or training is important for the future strength of the county's economy, as well as producing social benefits
- More generally, the future strength of the county's economy and social cohesion require re-doubled efforts to raise skill levels
- Completing programmes to provide more cost-effective and personalised care for people that maximises their independence in their own homes and communities is vital, particularly in addressing the needs of the steadily increasing number of over 85s, including those with dementia
- In particular, re-ablement services need to be further developed

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- These programmes need to be complemented by effective action planning to give effect to the wider *Older People's Strategy*, so that older people's contributions to their communities are maximised and they are able to live fulfilled lives that sustain their health and well-being
- There is a need to provide more support via GPs for people with common mental health problems
- More supported housing is needed so that people with moderate to severe mental health problems are helped to live in the community
- Community services for people with learning disabilities need to develop to meet the distinctive needs of the much larger number who will live into old age
- Cost-effective approaches need to be developed with local communities to enable growing numbers of families and friends who provide care to cope and lead fulfilled lives
- Imaginative approaches will continue to be needed to boost the supply of affordable housing
- Perceived barriers to health care affecting migrant workers, gypsies and travellers need to be addressed
- There is a need to ensure adequate opportunities for migrants to gain quickly a reasonable ability to speak English
- A substantial number of additional authorised pitches for gypsies and travellers are likely to be needed in the future
- The severe educational under-achievement of gypsy and traveller children needs continued attention

What more we need to know

- Increased understanding of multiple deprivation and how best to combat it
- How people choose to meet their own needs if they have personalised rather than traditional services
- Enhanced financial analysis, comparing needs to existing service provision and expenditure patterns
- A fuller understanding of needs in specific parts of the county, including the main rural areas
- More extensive modelling of future trends affecting needs, including at ward level
- A fuller understanding of the needs and views of ethnic minorities, including educational achievement and the needs of pupils from different ethnic minority groups

MEETING:	CABINET
DATE:	18 DECEMBER 2009
TITLE OF REPORT:	INTERIM REPORT ON SHARED SERVICES
PORTFOLIO AREA:	CORPORATE & CUSTOMER SERVICES AND HUMAN RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To advise Cabinet of the progress of the two business transformation activities, namely Shared Services and Herefordshire Connects and proposed next steps.

Key Decision

This is not a Key Decision.

Recommendation

THAT Cabinet:

- a) **Note progress made on Shared Services; and**
- b) **Note that a further key decision report will be brought forward by the end of the financial year setting out options and timelines for the transition to shared services.**

Key Points Summary

This report outlines progress made since the previous report to Cabinet on 30 July.

- Actions taken to progress the recommendations of the Shared Services review include setting up a unified Programme Board bringing together the work of the Herefordshire Connects and Shared Services Programmes, conducting a soft market sounding and the setting up of a Centre of Excellence for Procurement.
- The report also sets out a number of next steps that need to take place. These include the need to build a multi-disciplinary, multi-skilled transition team that is drawn from all three partners. The team will focus on progressing the following:
 - Prepare for the procurement of a lead strategic partner for shared services. In order to secure the financial benefits as early as possible, specialist legal

Further information on the subject of this report is available from
Annie Faulder, Interim Deputy Chief Executive on (01432) 260037

advice is being sought in respect of innovative vehicles with the potential for shortening procurement lead times.

- Establish the Centre of Excellence for Procurement across the partnership
 - Conduct and support Business Process Improvement work across the in-scope services, including addressing legacy systems in HR, Finance and Payroll.
- This work will support the 'whole area' Total Place approach to the sustainability of public services in Herefordshire.

Alternative Options

- 1 Do nothing – This approach would prevent the partnership from realising any benefits identified in the Business Case. In order to achieve any savings it would be necessary to apportion cuts to budgets in an arbitrary way with the likelihood of serious negative impact on Service Performance.

Reasons for Recommendations

- 2 To ensure Cabinet are informed of progress.

Introduction and Background

- 3 The scope of this work is the implementation of a shared services strategy for the Council, NHS Herefordshire and Hereford Hospitals Trust (Herefordshire Shared Services Partnership, HSSP).

Key Considerations

Context

- 4 A number of key public service drivers underpin the Shared Services and Herefordshire Connects work, these include:
 - i. Making local public services more joined up, customer focused and responsive, so that they are easier to understand and access
 - ii. Maintaining a strong sense of place and sustainability for Public Services in Herefordshire
 - iii. Consideration of the likely outcomes of the Public Sector Finance settlement and need to secure efficiencies and provide value for money
 - iv. Increasing the quality of service with against a background of increasing demand for many front line services.

Background

- 5 Since May 2009, with support from PA Consulting, Herefordshire Shared Services Partnership (HSSP) has been assessing the viability of sharing corporate support services across Herefordshire Council, NHS Herefordshire and Herefordshire Hospitals NHS Trust. The work of the Shared Services Review has resulted in a credible case in support of making the change.
- 6 The shared services study identified that in scope services consume 526 full time equivalent resources and £19 million per annum.

- 7 Transforming these services to a Shared Services environment could release between 104-140 FTE's, producing savings of between £3.4 to £5.4M recurring savings. Further potential savings of approximately £890K per annum have been identified by adopting a joined-up strategic approach to contract management and procurement;
- 8 Each of the in-scope services were assessed by current performance (Both financial and non financial) using a series of benchmarks and metrics. The gap to top-quartile performance was then calculated which represents the potential saving possible.

Current Position

SOFT MARKET SOUNDING

- 9 The soft market sounding was conducted during October 2009. The prime purpose was to understand the feasibility, capability, maturity and capacity of the supply market to act as a Strategic Partner(s) for HSSP. The exercise has yielded useful information, which is helping to shape the recommendation to be made to Cabinet.
- 10 The key conclusions from the soft market sounding are:
 - There is a healthy appetite amongst the supply market for the Strategic Partner Contract.
 - Potential suppliers expressed a willingness to provide any services that HSSP would want to place in scope
 - 75% of suppliers expressed a preference for increasing the scope of the Strategic Partner role, potentially to include a range of services such as customer services, estates and transport.

SELECTION OF A LEAD PARTNER FOR SHARED SERVICES

- 11 The work to date on Shared Services has shown that whilst there is agreement on the range of services that are in-scope there is also potential for further services to be included.
- 12 It is clear that a 'one-size fits all' approach for the in-scope services may not be possible.
- 13 A number of the in-scope services may need to be grouped together as 'service clusters'. Each service cluster would then be evaluated to assess which shared service model is optimal.
- 14 Models for each service cluster could include: outsourcing of services, building an internal shared service centre, setting up of joint ventures, setting up an asset based partnership amongst others.
- 15 A report will be presented to Cabinet in the last quarter of this financial year which will set out the options and the timescales for selecting a lead partner and the subsequent transition to shared services.
- 16 Specialist Legal and Procurement advice is being sought to ensure that all options are considered for vehicles to help procure a strategic partner. A number of innovative arrangements and ventures, which help to achieve this, are being developed at a regional and national level by other public sector organisations.

HEREFORDSHIRE CONNECTS

- 17 A key recommendation of the ratified business case was to create a unified governance board for shared services, Herefordshire Connects and ICT strategy work. This has now happened and has also led to a single unified Programme Board, called the Business Transformation Board
- 18 Savings that were to be delivered by the Herefordshire Connects Programme remain on track to be achieved. The savings are £700k for this financial year and for an additional £1m for 2010/11. The Business Transformation Board will assume responsibility in ensuring that all of the projected Herefordshire Connects savings are made over the next three financial years.
- 19 The Connects Programme has also successfully completed the new integrated solution for Environment and Regeneration (APP from Civica). The new system was made operational on 28th September 2009 and the project was completed to time and within budget. In addition, the programme has implemented a new system for Performance Management (Performance Plus). The Cabinet Performance Report (formerly the Integrated Corporate Performance Report) is being produced using the new system. All service plans across the Council will be in Performance Plus by the end of the year.

NEW TRANSITION TEAM

- 20 A new transition team will be set up under the governance of the Business Transformation Board. This team will combine members of the Shared Services and Herefordshire Connects Team, together with colleagues from NHS Herefordshire and Hereford Hospital Trust.
- 21 In addition, a number of 'subject matter experts' will join the team. These experts will cover areas such as legal advice, procurement and technology advice.
- 22 The transition team will progress much of the work alluded to in this report.

PROCUREMENT CENTRE OF EXCELLENCE

- 23 The setting up of a HPSS Procurement Centre of Excellence was a key recommendation of the approved Shared Services business case, and is being progressed in advance of the move to shared services. A new Commercial Manager is in the process of being appointed, and the Business Transformation Board has agreed terms of reference for the new Procurement Centre of Excellence, which will:
- a. Manage procurement policy and compliance and develop best practice across HPSS;
 - b. Develop efficient and value for money sourcing of goods (category management), services and capital works;
 - c. Improve supplier relationship management;
 - d. Provide assisted buying to support integrated commissioning functions and the broader requisitioner community; and
 - e. Set up a procurement helpdesk to provide support across HPSS.

BUSINESS PROCESS IMPROVEMENT WORK

- 24 The transition team with external input will also commence business process improvement work, particularly in the areas of Human Resources, and Legal and Democratic Services. This work is seen as vital in helping to achieve overall efficiency savings.

COMMUNICATION WITH STAFF

- 25 A stakeholder and communications management plan has been developed. This activity has been stepped-up across all key stakeholder groups and includes:
- i. *Staff* – regular staff briefings, updates in Team Talk and First Press and a full website. The website, accessible to staff in all three organisations, explains the principles behind the shared services programme, as well as the timescales, news updates, frequently asked questions and provides an opportunity for staff to raise ideas or comments or even check any rumours they may have heard, with the programme team. The Interim Deputy Chief Executive has commenced a number of lunchtime sessions to promote dialogue with Council and NHS Herefordshire staff, with HHT undertaking their own arrangements.
 - ii. *Trade Unions* – In conjunction with updates through the Joint Consultative Forum (JCF) and Staff Partnership Board, briefings have already been held, with further briefings scheduled.
 - iii. *Members, Non-Executive Directors* – Updates through members' newsletter, political group briefings, briefings to board members, and Service Updates.
- 26 There are a number of key dependencies for the Shared Services programme, including; Herefordshire Connects, the Property Strategy, World Class Commissioning and the Comprehensive Area Assessment.

Community Impact

- 27 N/A.

Financial Implications

- 28 The financial climate in local government is predicted to decline over coming years, with minimal increases in government funding, alongside ever increasing efficiencies demands. This proposal is likely to facilitate a business transformation process for public services in Herefordshire, streamlining back office services and improving procurement processes, from which significant efficiencies should be delivered. This report does not make proposals for additional expenditure. Detailed financial analysis of the business case assumptions is being undertaken to inform the next report to Cabinet, ensuring the project remains robust and it continues to demonstrate delivery of value for money.
- 29 The costs of establishing both the Procurement Centre of Excellence and the Transition Team are being met from existing staff resources.

Legal Implications

- 30 None at this stage.

Risk Management

- 31 A full risk analysis has been undertaken and is subject to regular review. Current risks and mitigations include:
- a. *Programme Governance* - Strong leadership and sponsorship from the JMT, Hereford Hospitals Trust and the Programme Board will ensure that there is

effective governance for the programme. New arrangements have been identified for the next stage of the programme.

- b. Lack of alignment between this work and other major initiatives. The integration of the key transformation programmes with a single governing board has been progressed.
- c. Risk of the review having a negative impact on staff morale. This is being mitigated by a comprehensive communication strategy recognising the needs of staff and Trade Unions.
- d. Return on Investment (risk that the business case does not justify the investment). This is being mitigated by the regular review of the business case to test that it is viable.
- e. Outcome of Commissioner/Provider review (within Health) could impact on the 'critical mass' for shared services. This will be kept under regular review as part of governance processes and any risks can be mitigated through the commissioning process.

Consultees

- 32 Consultations have commenced and will continue to take place during the Shared Service Review with members, directors, heads of service, service managers, staff, non-executive directors (Health), Trade Unions and partners.

Appendices

None

Background Papers

None

MEETING:	CABINET
DATE:	18 DECEMBER 2009
TITLE OF REPORT:	BROADBAND IN HEREFORDSHIRE, DEVELOPING A COUNTY APPROACH
PORTFOLIO AREA:	ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES

CLASSIFICATION: Open

Wards Affected

County-wide.

Purpose

To approve the approach to addressing the challenges of Broadband in the county outlined in the attached Intentions Paper.

Key Decision

This is not a Key Decision.

Recommendation

THAT:

- (a) the approach to addressing the challenges of Broadband outlined in the Intentions Paper be agreed; and
- (b) it be noted that the document forms the basis of a paper for wider circulation.

Key Points Summary

- Herefordshire has a number of challenges regarding Broadband coverage and band width which can create disadvantage for individuals in not having equal access to services, and businesses losing advantage as companies maximise technologies.
- The attached Intentions Paper outlines the “intentions” for improving Broadband, including an ambitious vision for the future.
- Advances in technology mean that opportunities for improving Broadband are constantly

Further information on the subject of this report is available from Geoff Hughes,
Director of Regeneration on Tel: (01432) 260695

changing.

- As well as working with BT Openreach to generally improve Broadband infrastructure, the proposal to emerge is to instigate a community based solution based on pilot areas in a number of geographic locations.
- Improvement to Broadband coverage would support the delivery of Herefordshire's Public services, specifically in aiding access to information. It is also likely e-services will continue to grow which often creates a cost efficient, low carbon solution to access to services.

Alternative Options

- 1 That Herefordshire Council continues to lobby BT Openreach to invest in technology and does not pursue a community based solution that could be costly.

Reasons for Recommendations

- 2 To provide a framework to progress improving Broadband coverage in the county, and use the Intentions Paper to encourage involvement of other stakeholders / partners.

Introduction and Background

- 3 Herefordshire Council undertook a piece of work in early 2008 that identified the extent of broadband "not-spots" and "not-very-good spots" in Herefordshire. A separate survey of broadband issues was conducted in autumn 2008 which backed up the Research findings. A meeting was held in February 2009 with BT Openreach (which looks after BT's infrastructure) to discuss the findings, and as a result BT Openreach are looking at some issues affecting larger communities. Further discussions have taken place with BT Openreach in October.
- 4 The Delivering Digital Inclusion report commissioned by the Government this year found that about 75% of rural internet users say they use the internet for transactions; this is higher than the UK average of 69%. Only 1.5% of homes in villages and hamlets can access cable-based broadband services, compared with almost 60% of urban homes.
- 5 The shortcomings of Broadband coverage have been raised via the CAA (comprehensive area assessment), via Scrutiny Committee, businesses, are a priority of the Rural Access Partnership communities and individual members who are reflecting the concerns of the constituents in areas of no broadband or low bandwidth.

Key Considerations

- 6 The intentions paper attached outlines the need to improve Broadband in the county. At the moment Herefordshire has a number of 'not spots' and 'not very good spots' attributed to the rural profile of the county. Broadband is possible everywhere in the county via satellite, but it would be currently cost prohibitive to provide it in this way.
- 7 A number of rural areas are taking a community development approach where localised solutions are instigated. This has already happened in the county in some areas for example where a local solution is being implemented for Rotherwas, and Ross on Wye has its own wi-fi solution. BT Openreach are aware of the issues in rural areas, but infrastructure costs to every home is not achievable because of cost.
- 8 There are a few local companies who are keen to supply a Broadband solution, including Allpay who have been particularly active.

Community Impact

- 10 If a community approach is followed it is expected that local groups will take a key role in creating a Broadband solution. There are geographic based communities that are already active in trying to achieve better Broadband, though it is likely that some facilitation / support from Herefordshire Council would be needed. This approach has the added benefit of aiding community development that can lead to other neighbourhood initiatives.

Financial Implications

- 11 The intentions paper does not commit any finance but to achieve its ambitions some investment is needed. Economic and Community Services has committed £20,000 from existing budgets to conduct a pilot in one geographic area and the new European funded LEADER Programme can support community facilitation to aid local solutions. AWM are also making funds available for community schemes.

Legal Implications

- 12 None at this stage.

Risk Management

- 13 That any investment and activity has a limited impact which does not create improvement. Mitigation: to take a partnership approach to maximise opportunities and solutions.
- 14 That the vision for Broadband is over ambitious. Mitigation: that it is made clear that vision is aspirational and that achievement of improved Broadband is in phases.
- 15 That the investment needed is unknown and will not be cost effective in terms of level of return. Mitigation: that the cost of solution is tested through the pilot areas before a fuller commitment is made.

Consultees

- 16 Cross public services working group including JMT, PCT, ICT, Children Services and Economic and Community Services.








Appendices

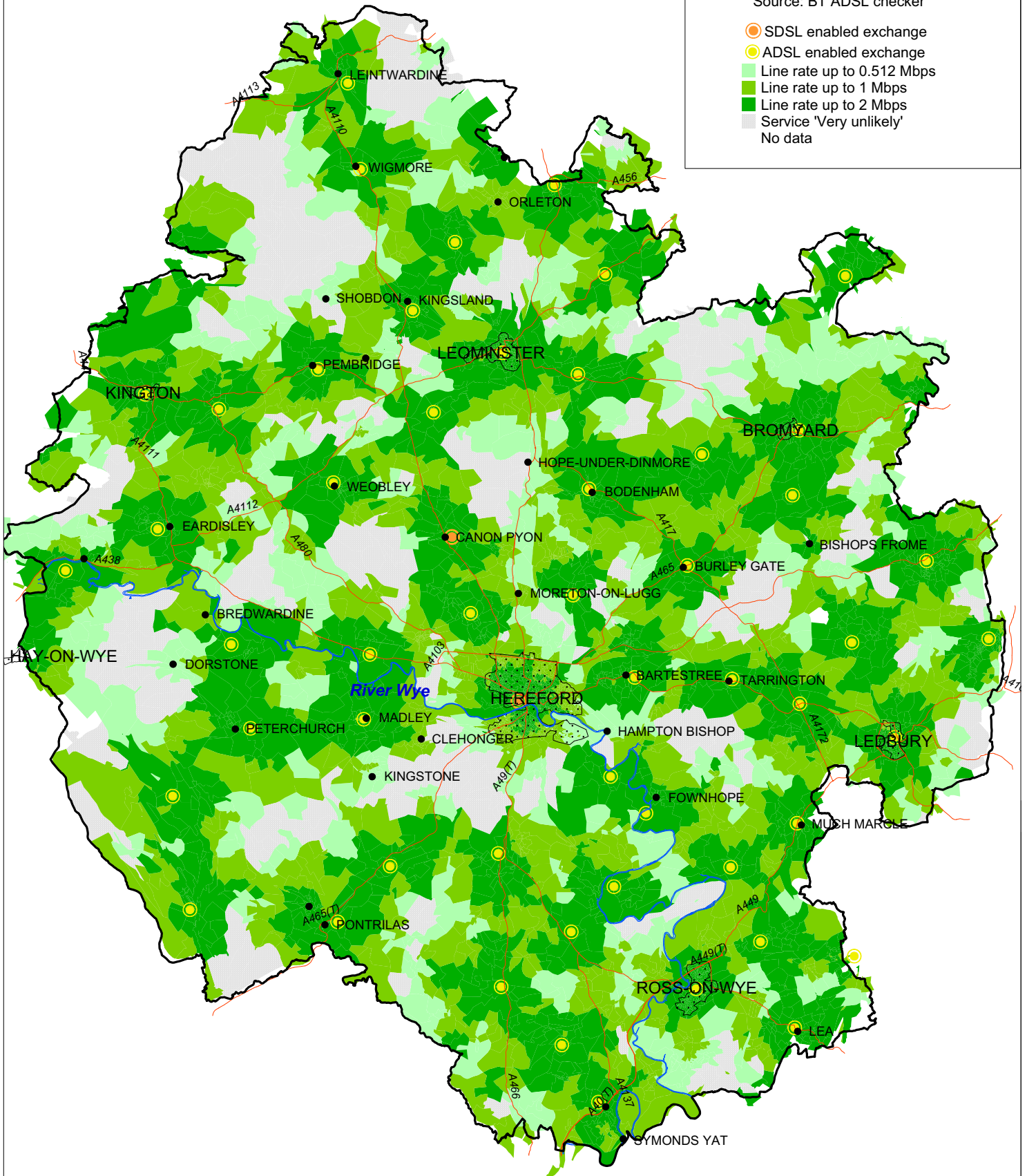
- 17 Intentions Paper – Broadband in Herefordshire, Developing a County Approach.
- 18 Not Spots paper.

Background Papers

- None identified

Broadband availability as of May 2008
Source: BT ADSL checker

-  SDSL enabled exchange
-  ADSL enabled exchange
-  Line rate up to 0.512 Mbps
-  Line rate up to 1 Mbps
-  Line rate up to 2 Mbps
-  Service 'Very unlikely'
-  No data



Broadband availability in Herefordshire by postcode
Source: BT ADSL broadband checker



SCALE 1: 286,000

Herefordshire Council
Research Team
PO Box 4, Plough Lane
Hereford, HR4 0XH
Tel.: (01432) 260000
E-mail: researchteam@herefordshire.gov.uk

Intentions Paper

Broadband in Herefordshire

Developing a County Approach



Intentions Paper

Broadband in Herefordshire – Developing a County Approach

Introduction

This paper aims to outline the options for improving Broadband in Herefordshire. The communities and businesses in the county are facing disadvantage in not having the same opportunities as other areas in the country to access information and wider services.

The paper, therefore, gives an outline of delivery options for further discussion that will shape the “intentions” of progressing broadband coverage and speed. The technology options linked to broadband seems to constantly change with new solutions emerging. However, the rewards of improved broadband for public services, communities, businesses and individuals is significant and as a result Herefordshire Public Services (HPS) intend to take a proactive approach to creating broadband solutions.

Vision and Objectives

The broadband vision for Herefordshire is to enable a fast and affordable broadband service that contributes to better outcomes for all people in the county, with greater range of service delivery, competitive advantage for businesses and escalated learning opportunities.

This will be achieved through the ambition of all homes and business premises being able to connect to a high speed broadband service offering at least 10Mbps download speed and 5Mbps upload speed, by 2015. In the short term, by 2012, all homes and premises to have affordable access to broadband at speeds of 2Mbps. By 2020 any home and business should have the opportunity to access 100Mbps download speed with a choice of upload speeds. Broadband services in Herefordshire must be affordable to the user and in most cases offer a choice of Internet Service Provider.

How the vision should be delivered is subject to a range of technical options, but the majority of homes and premises should be served by a county wide fibre optic infrastructure. New homes and new premises on business parks should be built by their developers with fibre optic connections.

Objectives

- To eliminate areas of no, and low speed, broadband coverage, to ensure that rural communities do not suffer disadvantage through only being able to access low speed broadband.
- To develop services that can maximise use of technology taking a long term view of public service delivery that can improve quality of service, increase value for money and extend reach into the community.
- To create equal competitive advantage for the county’s businesses to enable comparable broadband speeds elsewhere in Europe.
- To support communities to create their own solutions to address broadband coverage and speeds.
- To ensure cost, lack of skills and knowledge are not barriers to residents and businesses accessing electronically delivered services.

Context

The Herefordshire Council undertook a piece of work in early 2008 that identified the extent of broadband “not-spots” and “not-very-good spots” in Herefordshire. A separate survey of broadband issues was conducted in autumn 2008 backed up the Research findings. A meeting was held in February 2009 with BT Openreach (which looks after BT’s infrastructure) to discuss the findings, and as a result Openreach are looking at some issues affecting larger communities. BT is the only known provider of landline communications infrastructure in Herefordshire.

Two significant central government broadband consultations have taken place in the last year: Delivering Digital Inclusion and Digital Britain. In summary, the Delivering Digital Inclusion report findings were that about 75% of rural internet users say they use the internet for transactions; this is higher than the UK average of 69%. Only 1.5% of homes in villages and hamlets can access cable-based broadband services, compared with almost 60% of urban homes. 26% of Broadband users in rural areas receive broadband speeds less than 2Mbps, compared with 12% in market towns and 6% in towns of more than 10k inhabitants. Only 54% of rural households have a public internet access point within 2 km, compared to 90% in urban areas. 813,000 rural homes may not be able to receive a 2Mbps service on a commercial basis.

The Digital Britain report in June 2009 recommended a universal 2Mbps broadband service in the UK as a compromise between what would be desirable and what might be achievable by 2012. Mobile phone 3G coverage has been suggested as one way forward to achieve this objective, although this was only one of a range of solutions. Mobile phone coverage in Herefordshire is already patchy and the existing 3G broadband coverage is even more restricted. BT has also committed to further improvements in its network if the legislation is eased to allow it to make a return, but this may be focused on the urban areas where it is cheaper to implement. Some funding sources were identified but insufficient to pay for implementation of a long term solution such as fibre optic cabling.

The UK has been one of the most successful countries in opening its communications market and achieving a high level of take up in homes. However, this has come about through legislation from OFCOM that now inhibits private companies such as BT investing in new infrastructure, along with the public and business expectation of low charges for broadband services – thought without a clear financial business case it is unlikely they will invest heavily in infrastructure. AWM conducted an exercise funded in 2006 to enable all exchanges for broadband to achieve a 512Kb service, though this is now inadequate for recent applications. The Government and EU may put money into broadband but this is still uncertain.

Where do we want to go?

It is clear that the demand for broadband bandwidth is rising exponentially over time. Applications such as iPlayer are stretching the whole network, and streaming television services, Quad HD and even 3-dimensional television are in the labs and will be available in homes within the next few years. With the expense of maintaining services in rural areas it would save costs of delivery and travel for the HPS if more of these services could be made available interactively via the internet. Reducing travel would reduce CO₂, and this would be helped by more home-working – if suitable broadband connections were available. The Digital Region project in South Yorkshire is key for those councils’ teleworking policy as they foresee 25% savings in their property budgets as they move towards a universal teleworking policy. This is allied to a reduction in ‘lost days’ where someone is too ill to travel but might work from home, and provides greater flexibility for disabled workers. Having people working from home at a time when their children were around would increase demand on bandwidth even more. Young people are among the most demanding broadband users, running multiple applications at time, eg. downloading music, streaming videos and communicating with friends anywhere in the world at the same time as doing research for

homework. Applications for monitoring people's health in their homes are available now but depend on having suitably high bandwidth connections – and these applications could help people to live at home longer as well as save money.

Creative businesses, often working from home, need high bandwidth to move complex images around the world and allow on-line editing from any customer. This sort of application needs equally fast upload and download speeds rather than the asymmetrical service available now – with more demand on bandwidth. All businesses may benefit from running accounts or production software over the internet, avoiding the need to maintain software on their own computers and simplifying the use of computer systems. In a global environment just-in-time systems for production ordering may work across the world, with complex part specifications needing to be rapidly communicated between manufacturers and suppliers. Good quality video links can avoid the need for some business travel, saving CO₂, time and costs. Recent research has estimated that users would need an average download speed of 11.25Mbps and an upload speed of 5Mbps in order to be comfortably placed for future applications.

Herefordshire already has trouble providing 2Mbps to users and these issues need to be considered now. However, if the county is not to be left behind the rest of the world we need to look at implementing a communications infrastructure that will last for 50 years or longer, and provide a high quality service to all residents in the county. Once that infrastructure is in place, although it may sometimes lag behind the major urban areas, it should enable Herefordshire to keep up with the rest of the world and be add to the appeal of the county as somewhere to live and set up business. The most future proof technology to meet that need is currently considered to be fibre optic cabling, at least for the main backbone of all services. Appendix 1 outlines the technologies that are being considered for future broadband provision.

Strategic options for Herefordshire Council to consider

1. Do Nothing

Most parts of the UK now have a viable broadband service as a result of commercial market forces, and only in the more rural areas have subsidies been required from central government to deliver some form of broadband. With the Digital Britain report committing the government to providing a 2Mbps services to all homes and businesses by 2012 it could be argued that the Council needn't do anything. However, the funding identified for this is insufficient to provide a fibre infrastructure and a 2Mbps service will soon become insufficient for user needs. BT is the only significant infrastructure provider in Herefordshire and without competitive pressure and a good financial business case it has shown in the past that it is highly unlikely to invest heavily in new infrastructure, particularly for rural users, without some incentive.

Users without broadband could get a service via satellite (particularly expensive for an individual) or from a wireless broadband service provider. The local company, Allpay, is working to provide a wireless service for communities that are currently unable to get a good service, and other companies are operating in Herefordshire. However, the speed of these services will depend on the speed of the "backhaul" the provider can get to its initial transmitter. 20Mbps services are possible but will be expensive due to the cost of the backhaul, and would only be feasible with sufficient demand. None of the current wireless providers are proposing to use WIMAX, with the possible exception of a provider at Rotherwas.

2. Subsidise Broadband Connections

This is similar to the Do Nothing option, but with EU or Council funding being used to subsidise better broadband connections for individuals or communities. This is unlikely to lead to significant new infrastructure being provided, but if sufficient funding was available this might persuade BT to

undertake some major infrastructure work to fix problems in some communities. BT has announced its new BET technology that can enable 1 or 2Mbps broadband for users up to 12km from their exchange, but has a requirement of at least 10 users on an exchange taking the upgrade at a cost of £1,000 each. Alternatively funding could be used for a community satellite service, or help pay for a fast wireless service to be provided. Where the Council wanted to deliver services by broadband the subsidy would allow this to be arranged. The savings the Council and PCT might make could compensate for the subsidy costs in the long term, and the subsidy for individuals could be reduced over time as the service became more valued by them.

There are around 30,000 premises or homes in Herefordshire that can only receive 1Mbps broadband or less. To give a scale of cost a £200 subsidy for each to get an improved broadband service would cost £6M. Some funding may be possible through RDPE but overall the costs will still be high with no certainty of major improvement to the infrastructure.

3. Community led "Patchwork Quilt" Development

The Community Broadband Network has promoted the idea of communities developing their own Next Generation (ie fibre optic) Open Access Broadband Network (OABN). This was picked up by the Digital Britain report in a recommendation to create a standards body to ensure that all these OABNs used the same interconnection standards so they could all communicate and form a seamless "patchwork quilt" infrastructure across the UK. These OABNs are like mini-BT infrastructure networks and the owning communities sell access to the network and its users to any Internet Service Provider (ISP). The concept is working in Alston Moor and Rutland, and in these places the local Councils and PCT have also made use of the networks. Communities would need to raise some funding themselves but may be able to get EU funding. Costs can be less if the communities can carry out some work themselves, and particularly if farmers can be involved to lay ducting for the fibre along the edges of their fields. The technical solution could be fibre to the home or cabinet, and in the latter case the final mile could be by copper or wireless. A recent consultation has been announced to make it easier to string fibre optic cabling between posts, like phone lines, and this might reduce the costs of implementation. The income from usage charges from ISPs can eventually provide pay back but the period will depend on the number of users. The Council could act as a facilitator to help these schemes happen.

The risk of leaving this to communities is that they will require substantial local commitment to achieve anything, and we will inevitably end up with many areas where there is insufficient interest to make anything happen. Consequently many not-spots will remain, and the Council will be unable to exploit the availability of a universal broadband service to deliver services and save costs. Many individual homes and businesses that want higher speed broadband will remain unserved and will need to look to much more expensive alternatives.

4. Council owned OABN development

This is similar to option 3, except that the Council would provide a wholly owned OABN covering the county. This could provide the basis of the HPS network, with fibre being laid to public buildings, or other suitable locations, and then the final link to homes and businesses by wireless. Work would be contracted but fully funded by the Council. The Council could ensure that a satisfactory broadband service was available to every home that it required to have one for delivery of services. Some infrastructure providers have suggested that payments from ISPs could provide payback from 25 to 40 years depending on costs and usage, but in addition to this would be any savings the Council could make from use of broadband to deliver services and the overall economic benefits from more productive local businesses. Some funding might be found from EU sources to improve broadband for rural communities, reducing the cost.

Apart from the cost aspects this would take the Council into a whole new area of service provision that would probably need to be contracted out. It would be taking a risk that the costs would not be recovered if users chose not to use the service, for example if satellite broadband became substantially cheaper and the speed increased – or mobile phone broadband became more available.

5. Council/BT Joint Venture

The obvious partner for a joint venture to improve broadband is BT, since it owns the bulk of the infrastructure already in the county. BT have advised that all exchanges in the county are already connected by fibre optics, and Council, or EU funding (if legislation permitted), could be used to provide further fibre from the exchange to a cabinet in smaller communities to ensure that 99.9% of homes and businesses were served. BT's new BET technology, or a wireless service, would help extend a higher bandwidth service to homes and businesses several miles away from fibre optic termination points. Very remote homes might be served by a subsidised satellite service.

This is still an expensive option, but costs would be shared with BT, and there might be scope to share some income. However, there is no element of competition in the provision of the infrastructure, although the work of installing it could be competed. The OFCOM rules ensure that the BT network is open to other ISP's to use so there is an element of competition for the final provision of broadband (although OFCOM is considering this requirement in the light of the need to encourage infrastructure investment).

6. Council/Other Provider Joint Venture

Sub-loop unbundling means that BT must allow other providers access to their exchanges to fit equipment and provide services over the final link. The Council's network providers already use this ability to provide network services for the Council, in conjunction with other services provided by BT over its infrastructure. The Council could work with an independent network service provider to provide a fibre based OABN linked into BT's exchange network for the final link or providing services direct to the home/premises. This could be similar to option 4 except that the cost and risk would be shared, and the partner(s) would undertake management of the network and share in the income. There could be a competition to select a partner, and this might help in releasing EU funds to meet some costs. An example where this approach has been taken is the Baltic Business Quarter in Gateshead.

This option would still be expensive and would set up a parallel infrastructure to BT's in many areas – possibly providing competition but also involving extra cost. The Council would still be taking on the risk that the service failed to attract sufficient users to become economic.

Selecting a Strategic Option

All the options suggested would need much more work to clarify costs, opportunities and risks. There is the possibility of mixing options, for example supporting community led development of OABNs and providing a subsidy to those homes and business premises to that needed a better service but weren't served by a community service. The first issues will be to decide whether the Council should become involved at all in influencing the delivery of an improved broadband service and what the value of an improved broadband service would be to the Council.

The face of future broadband – the technologies

FIBRE TO THE HOME (FTTH)

Fibre to the home would bring speeds of between 50Mbps and 100Mbps, with the added benefit of being able to offer those speeds both upstream and downstream. This would make contributing back to the net - sending video files for instance - much easier. Unlike DSL technologies - which are carried along copper cables - it is not subject to noise issues. Fibre optics are encased in cable similar to an ordinary PC cable but inside are tiny, hair-size fibres of many colours. They are used to transmit digital information in the form of light signals. This means that a powered device is needed at most points where a signal needs to be taken off, unlike copper cabling which just requires a passive electrical connection. Fibre optic cables currently cost about the same as copper cables, but this may reduce over time. The fibre optic cables are normally laid in underground ducting in the UK but have been strung between poles in other countries, and there is a consultation underway that might make this approach easier. The fibre itself will have a long life but the active components will be subject to change over time and can fail. Providers such as BT would use the ethernet Internet Protocol over the fibre in order to provide broadband and telephone services. The biggest problem about FTTH is the cost of installing it everywhere. To provide fibre to the home across the UK would cost up to £15bn. BT is the most likely candidate to provide such a network and while it is involved in trial schemes of putting fibre in major new-build developments, nothing has been decided.

FIBRE TO THE CABINET (FTTC)

This is the cheaper option than fibre optics to the home - UK estimates are about £5bn for a nationwide rollout - and it is basically a hybrid solution utilising both copper and fibre. To provide FTTC across the UK will require the building of 90,000 new street cabinets - where wires from the telephone exchange are kept at street level. It is capable of supporting new high bandwidth applications such as HDTV, as well as telephone services such as voice-over IP and general internet access, over a single connection. It will not deliver the same speeds as fibre to the home, with a maximum of around 60Mbps. As with ADSL, speeds will be dependent on how close people live to the street cabinet. The final part of the connection to the home would run over ADSL or the latest flavour of ADSL, known as VDSL2. VDSL2 can provide data rates exceeding 100Mbps in both the upstream and downstream directions.

ADSL2+

This variant of existing DSL is being rolled out by BT in the UK with every exchange enabled by 2011. Hereford exchange has already been upgraded. The arrival of ADSL2+ is closely linked to work BT has been doing on its core network, upgrading it to an IP infrastructure in a project known as the 21 century network. ADSL2+ offers speeds of up to 24Mbps, but as it is distance-dependent a lot of people will not actually achieve those kind of speeds. Because the copper lines it operates on pick up electro-magnetic noise the line can be affected by some unusual issues, such as noisy fridges in the house or other problems en-route from the exchange. Old houses with old internal wiring will also affect the service, with possible breaks in service or speed slowdowns.

WIMAX

WIMAX stands for Worldwide Interoperability for Microwave Access and is the latest wireless broadband standard. It is based on the IEEE 802.16 standard, also known as WirelessMAN. It is often referred to as wi-fi on steroids, because of its ability to provide wireless data over much

longer distances, and more reliably, than wi-fi. In countries with good fixed line infrastructure, WIMAX acts as a filler but in some developing countries is the dominant infrastructure for broadband access. Countries such as Pakistan are planning nationwide WIMAX rollouts. It is possible for WIMAX to deliver speeds of up to 70Mbps and operate over distances of up to 50km, although not concurrently. It should be noted that in common with any wireless solution, including cell phones, this approach may raise health and safety fears about more radiation.

WiFi

WiFi broadband uses basically the same wireless standard as used in the home IEEE 802.11 b/g/n. It is a cheaper solution for smaller areas and with directional aerials can transmit over longer distances, from 15 to over 120 miles. It is not as good as WIMAX for bending round obstacles and is more prone to be affected by birds, foliage and bad weather. A range of different frequencies can be used to improve its characteristics and it can be configured to minimise interference problems with mesh, point-to-point and point-to-multipoint solutions. Maximum speeds are around 20Mbps and lower set up costs make it attractive for residential users.

CABLE

This is not worth reviewing as Herefordshire currently has no known cable provider.

SATELLITE

It is estimated that there are some 25 million rural homes around Europe with no broadband access. For some the answer could be satellite. Two broadband satellites are being launched in the next year - the first from UK firm Avanti, due to go up at the end of the year, which is promising to offer 2Mb for all UK homes for around £15 a month. The second is from French firm Eutelsat, which it says will offer the entire UK up to 10Mbps. Its Tooway satellite will use the Ka band of the microwave spectrum to offer faster speeds. The price tag will be welcome news to consumers as previously satellite broadband came with around a £50 a month fee. Set up costs - users will need a dish and a modem to send and receive data - will still be around £400. The delay as information is sent to the satellite and then out to the internet and back to the user - about 1.5 seconds for downloading a standard website - could cause frustration for some users. Upload speeds of around 384 kilobits could also be a problem.

MOBILE BROADBAND

Touted by many as the way to fill in the UK broadband gaps, mobile broadband comes either as a dongle or via a wireless router. Mobile broadband can be delivered from a range of technologies from 2G to 3G, with the highest speed currently possible in the UK being 7.2Mbps (megabits per second) With the advent of 4G technologies, and many are backing so-called LTE (Long-Term Evolution), which is due to come to the UK within the next two years, speeds are set to get faster. Most people will have some form of mobile coverage but it could be intermittent. For example, a lorry passing in front of a house could cut the signal off. The other big issue for mobile broadband is the amount of data available. While fixed broadband offers data allowances of up to 10Gb (gigabytes) a month or beyond, mobile data allowances are much smaller. A £10 a month fee may buy a user around 3Gb of data - if they exceed this they have to pay a premium which ranges from a few pounds per extra gigabyte to several hundred pounds. There are also concerns about whether mobile broadband can remain stable when many people are using the service.

BROADBAND ENABLING TECHNOLOGY (BET)

BET is a new exchange technology from BT that is capable of delivering a stable broadband service of ~1Mbps to homes that are up to 12km away from the exchange. This is more than

double the current 5km limit for broadband. Copper lines that are more than 5km long are generally unable to support a broadband service, as the broadband signal degrades with distance. BT have said that a national roll out of the technology would be dependent on securing funding and if successful, could be rolled out in 2010.

As part of the initial pilot, Openreach – the part of BT responsible for deploying the technology – will be rolling out the technology to a small number of lines in eight locations across the country, including in Berkshire, Worcestershire, and Northumberland. The pilot commenced on 30th September. Recent discussions with BT have suggested that it could be made available in Herefordshire, but would depend on at least 10 users of the exchange to be enabled agreeing to pay £1,000 each for the upgrade. These users need not all be in the same community – just using the same exchange. The payment would cover the cost of the exchange equipment and the equipment needed in each users home and part way along the line. By default this could provide a 1Mbps service to users 12 km from the exchange, but this could be upgraded to 2Mbps by using 2 connections; this should not increase the initial cost but would mean paying line rental on 2 lines.

MEETING:	CABINET
DATE:	18 DECEMBER 2009
TITLE OF REPORT:	JOINT CORPORATE PROPERTY STRATEGY (2009-2012)
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

The purpose of this report is to approve a Joint Corporate Property Strategy (2009-2012) for the Council and NHS Herefordshire (NHS).

Key Decision

This is a Key Decision because it is likely to result in the Council incurring expenditure above agreed budgets for the service or function (shown as a line in the budget book) to which the decision relates but allowing for virements between budget heads and savings within budget heads of up to £500,000; and it is likely to be significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards.

It was included in the Forward Plan.

Recommendation

THAT: the Joint Corporate Property Strategy be approved

Key Points Summary

- This is the first joint strategy covering the Council and NHS.
- The strategy supports the organisational improvement and greater efficiency requirements faced by the Council and NHS.
- It confirms that the Shire Hall and Town Hall will be retained in public ownership.
- The strategy will allow both organisations to respond to the anticipated further reduction in public sector funds.

Further information on the subject of this report is available from
Malcolm MacAskill, Head of Asset Management & Property Services on 01432 260227

Alternative Options

- 1 An alternative would be for the Council and NHSH to continue to have separate strategies. This would continue duplication of provision and not deliver efficiencies and improved outcomes.

Reasons for Recommendations

- 2 Both the Council and NHSH operate from facilities across the county. The strategy outlines the policy framework to increase co-location and deliver efficiencies.

Key Considerations

- 3 This is the first joint corporate property strategy between the Council and NHSH and it seeks to support the delivery of integrated public services across the county. It is worth noting this is also one of the first joint property strategies in the country. Whilst acknowledging the significant progress made to date the policy will provide a framework within which further progress can be made.
- 4 The strategy includes an overarching vision for property across the partnership. The vision states the strategy is **“to support the integrated delivery of public services across the county through highly accessible and adaptable community based, multi functional buildings, shared by public agencies”**.
- 5 The challenges arising from the rural nature of the county as well as the relatively few population centres mean the vision needs to be delivered by what is best described as a “hub and spoke” model. This sees a hub provided by the Plough Lane office and the spokes being a series of accessible locality offices based in the five market towns and the Golden Valley.
- 6 The vision will also be supported by the decisions arising from the extensive mapping exercise of public sector property in the county. Opportunities to co-locate and work more closely to deliver accommodation across organisations will be identified as a result of this work.
- 7 The changing nature of service provision means that the Joint Corporate Property Strategy will have to be flexible enough to support (as yet unknown) county-wide implications of significant shifts in models of service provision as the move to a commissioning organisation evolves. The integration of provider services is one such change that may result in different estate requirements to support changes to models of care.
- 8 As part of the preparation for the strategy’s production there has been an extensive mapping exercise of all public sector property in market towns. This mapping provides the first consolidated and comprehensive map of public sector property. The mapping is now being overlaid with current information about service demands to identify opportunities for shared provision as well as gaps in provision.
- 9 The approach taken in the strategy is to bring together a joint accommodation strategy covering operational properties, a disposals policy, a community asset transfer policy and a strategy for building maintenance. These will help the effective delivery of a long term sustainable accommodation framework.
- 10 The joint accommodation strategy supports the organisational improvement and greater efficiency requirements faced by the Council and NHSH. It sees a series of linked components that are key to its delivery. These are:
 - a. The joint back office at Plough Lane;

- b. A multi agency front office in Hereford City (The Hereford Centre);
 - c. A series of locality offices in the market towns and Golden Valley;
 - d. An integrated records management facility;
 - e. An integrated community equipment store and support service facility;
 - f. An acknowledgement of the potential future role of the Town Hall and Shire Hall;
 - g. The future development of the Victoria House site as a possible site for the children's development centre on the Ross Road.
- 11 Two key buildings for future service delivery are the Shire Hall and the Town Hall. Both will be retained in public ownership with the Shire Hall becoming a more flexible venue whilst being retained as a council/board meeting facility.
- 12 The strategy also brings forward for the first time, a community asset transfer strategy. Whilst there is a clear national policy context for this issue the approach taken is that any transfer being carried out must demonstrate the ability of the recipient to manage the asset effectively. The proposed strategy makes it clear that transfer can be at market price or alternatively at some concessionary rate.
- 13 The overall strategy also includes a buildings maintenance strategy so that all operational properties can have maintenance requirements priorities

Community Impact

- 14 The implementation of the strategy will identify potential opportunities for community organisations to work closely with public sector bodies to improve delivery of public and community services to our local communities in a joined-up and co-ordinated manner.
- 15 Rationalisation of the joint property portfolios will support regeneration opportunities.
- 16 Services will be delivered at point of contact where it is feasible and appropriate to do so.

Financial Implications

- 17 There are no direct financial implications arising from the approval of the joint strategy.
- 18 The rationalisation of property assets will create revenue savings in building running costs and improved efficiencies.
- 19 The projects identified in the Joint Accommodation Strategy will have development capital costs.
- 20 The programme of works will identify and quantify costs and savings as part of the options appraisal process.
- 21 The Disposal Policy, which is a part of the joint strategy, will identify buildings that are surplus to requirements. As and when these properties are identified, we will market them to optimise the capital receipts. We must ensure that this does not create a glut of properties on the market at any one time or when market values are depressed.

- 22 Funding for the various projects within the programme of works will come from existing capital receipt reserves, future capital receipts generated from disposals and from prudential borrowing.

Legal Implications

- 23 None in respect of this report.

Risk Management

- 24 The acquisition of Plough Lane removes major risks regarding development timescales.

Consultees

- 25 NHS Herefordshire Resources Directorate.

Appendices

- 26 Appendix 1 – Joint Corporate Property Strategy 2009 - 2012.

Background Papers

- 27 None identified.

JOINT CORPORATE PROPERTY STRATEGY 2009-2012



VISION

“To support the integrated delivery of Public Services across the County through highly accessible and adaptable, community based, multi functional buildings, shared by public agencies”



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Appendices

1. Joint Accommodation Strategy
2. Disposal Policy
3. Community Asset Transfer Strategy
4. Building Maintenance Strategy

Section 1 - Foreword

The council published its Corporate Asset Management Plan earlier this year. That document mapped out how the Council would address government expectations to achieve efficiencies, transform public services, give communities more power and address climate change.

Since preparation of the Asset Management Plan, the government has introduced the Operational Efficiency Programme (OEP) and the Total Place initiative to examine the totality of public sector expenditure within geographical areas. The OEP and Total Place challenge public sector organisations to examine asset ownership and usage with a view to identifying and exploring opportunities for shared service delivery.

In Herefordshire, we are taking that task forward. The council and NHS Herefordshire already operate a deep partnership and we have integrated a number of support and frontline services. We are continuing the process for further integration so that we improve our delivery of frontline services to our customers and clients.

Through the Hearts of Herefordshire initiative, in co-operation with our public sector partners in the emergency services, we are consulting with local communities to understand more fully the needs of those communities, to re-examine how we currently provide services and consider how we can improve our capability and capacity to deliver better services at the local level.

This is therefore an opportune time to bring forward this Joint Corporate Property Strategy for the Council and NHS Herefordshire to support delivery of integrated public services.

Section 2 – Executive Summary

- 2.1 The Joint Corporate Property Strategy aims to support and help deliver integrated public services across the county. It is clear that greater integration of service delivery is a national driver of policy that has been taken forward in Herefordshire. Significant progress has been made to date and co-location of teams and the sharing of accommodation for support staff is already in place. However, there is much more that can be done and this strategy sets the framework within which these decisions can be made.
- 2.2 At the time of writing the Council and NHS Herefordshire are embarking on a shared service review. The joint strategy is designed as a framework of strategies and policies which are flexible and robust enough to respond to changes in service delivery identified by this review and to meet future changes to models of service delivery.
- 2.3 The joint strategy also responds to the introduction or extension of mobile service delivery and flexibility of working practices.
- 2.4 The high level aims of the Joint Strategy are to: -
- Contribute to the Corporate Plan and other Corporate Strategies.
 - Provide a framework, which defines the role of property in support of service delivery.
 - Provide a rationale for the ownership, occupation and management of Council and NHS property assets, including its use, acquisition and disposal.
 - Optimise the property portfolio in terms of its efficiency, effectiveness and sustainability.
 - Respond to the expectations and aspirations of the Organisational Efficiency Programme and the Total Place agenda.
- 2.5 Within those high level aims, a number of initial strategic aims come forward, particularly related to rationalisation of office accommodation:
- A hub and spoke model of office provision, with the capacity and flexibility to accommodate the deep partnership and other public and third sector organisations.
 - The hub will provide a single, strong, shared administrative centre based around the current Plough Lane office in Hereford.
 - A network of accessible locality offices based in the five market towns will provide the spokes of the model.
 - The capacity and flexibility to provide integrated delivery of public sector services at a local level.
 - The retention of the Shire Hall and Town Hall in Hereford. These two landmark buildings will continue in beneficial public sector occupation and use. Public access and facilities will be improved.
- 2.6 The joint strategy indicates that we will challenge where we hold assets to ensure we achieve value for money. This is relevant given the indications about the future direction of national policy requirements for the public sector's considerable property estate.
- 2.7 The joint strategy will inform our future use of all land and property assets owned or occupied by the Council and NHS Herefordshire.

- 2.8 The joint strategy covers all operational and non-operational land and property, whether owned or leased and which provide either direct or indirect services to the public.
- 2.9 The joint strategy not only states our vision for our property but also contains a series of discrete but linked policy and strategies to supports its delivery. It includes a joint accommodation strategy covering how we will provide joint back office provision as well as integrated local facilities.
- 2.10 Included in the joint strategy is our approach to Community Asset Transfers. This is the first time a policy for this important element for managing our estate has been in place. It recognises that asset transfers play a role in sustaining service delivery and that it is not always appropriate that we keep and maintain existing assets.
- 2.11 Asset transfer also has a role within the Total Place agenda, as a way of supporting sustainable communities.
- 2.12 Mapping of the public sector asset ownership throughout the County has commenced. GIS maps showing such ownership is available for the market towns. Work is well underway to create the GIS mapping for assets in Hereford City.
- 2.13 Property is a valuable corporate asset. If managed well, it can enhance and improve service delivery.
- 2.14 It is worth noting the council owns two main categories of property: operational and non-operational properties whilst NHS Herefordshire only holds operational property. This is an important distinction
- 2.15 Operational property either provides:
- Frontline services direct to the public, e.g., schools, libraries, community hospitals, health clinics; or
 - Support services, e.g., administrative offices, vehicle depots
- 2.16 Non-operational property provides:
- Rental income which supports the council's revenue budgets, which helps to keep Council Tax levels down;
 - Capital receipts through disposal of surplus properties, which support the capital programme to build, e.g., new schools or extensions to existing properties.
- 2.17 This Joint Strategy highlights the corporate drivers to retain property assets so that we can provide more effective and efficient services to the public
- 2.18 This document also identifies a suite of underlying policy and strategy documents, which support and inform the decision making process.

Section 3 – Vision

Our vision for our joint corporate property strategy is as follows:

“To support the integrated delivery of Public Services across the County through highly accessible and adaptable, community based, multi functional buildings, shared by public agencies”

- 3.1 We believe that a number of key objectives support this vision. These objectives are central to any decision making around our properties and are as follows:
- To improve and simplify access to public services.
 - To enable service integration and agile working.
 - To enhance the working environment for employees and partnership staff.
 - To provide a catalyst for physical and social regeneration.
 - To release budget for reinvestment in frontline services.
 - Continue to ensure that the quality of the physical environment of NHS assets contribute to the wellbeing and recovery of patients.
- 3.2 Within the joint accommodation strategy in Section 4 and in Appendix 1, a number of strategic projects are identified, which will support the achievement of the objectives noted in 3.1 above. In particular, the rationalisation of office accommodation in Hereford will be a key part of the integration of public sector service delivery across Herefordshire.
- 3.3 We aim to achieve:
- A hub and spoke model of administrative office provision, with the capacity and flexibility to accommodate the deep partnership and other public and third sector organisations.
 - The hub will provide a single, strong, shared administrative centre based around the current Plough Lane office in Hereford.
 - The spokes of the model will be a network of accessible locality offices based in the five market towns and the Golden Valley.
 - The capacity and flexibility to provide integrated delivery of public sector services at a local level.
 - The retention of the Shire Hall and Town Hall in Hereford. These two landmark buildings will continue in beneficial public sector occupation and use. Public access and facilities will be improved.
 - Mapping of public sector ownership in Herefordshire.
 - Geographical reviews of all Council and NHS operational properties.
 - Identification of the investment needed to improve the condition and suitability of retained operational properties.
 - Identification of properties no longer suitable for service delivery and therefore surplus to operational requirements and available for disposal, either to achieve a capital receipt or a community asset transfer.

Section 4 – Accommodation Strategy for the Joint Administrative Estate

- 4.1 The main body of this section which provides the detail around the joint administrative estate is contained in **Appendix 1**.
- 4.2 The following principles have been adopted as part of the consolidation of the administrative estate:-
- A hub and spoke model for the countywide provision of services.
 - A strong central administrative hub, based around the existing Plough Lane office site.
 - The spokes of the model will be co-locality offices centred around the Market Towns and Golden Valley.
 - Where suitable, the co-location of compatible public sector partner activities in pursuance of the Operational Efficiency Programme and the “Total Place” Agenda.
 - Efficiency and delivering value for money
 - Improved outcomes for local people
 - Care closer to the patient
 - Excellence in service delivery
 - A focus on customers’/users’ experience
 - Incremental carbon reduction target delivery.
 - Better ways of working for staff
- 4.3 In addition:
- a. Any accommodation strategy must support and take into account other joint strategies and plans.
 - b. Opportunities to exploit Information Technology will be considered when planning new office layouts. Modern office and flexible working practices benefit from the introduction of IT solutions. The introduction of Wi-fi technology into office space wherever possible, with the in-built flexibility that this provides, should be considered.
 - c. Future flexibility needs to be built into any works undertaken in conjunction with office moves to facilitate and reduce future costs.
 - d. Implementation of an Electronic Document and Records Management System (EDRMS) and a policy on document retention is a necessity to reduce space requirements.

Section 5 – Approach to the Management of Operational and Non-Operational (tenanted non-residential) Property

5.9 Operational Property

The Council and NHS Herefordshire hold operational properties for the purpose of service delivery. The Council holds tenanted non-residential property (TNRP) for investment and socioeconomic purposes – or both.

- 5.2 The purpose of the approach for operational property is to identify those properties, which are key to the delivery of core services to the public.
- 5.3 Once identified, future investment of both capital and revenue expenditure will concentrate on those core properties.
- 5.4 The retained portfolio of operational properties will be maintained and improved to attain a level of physical condition, which is at least satisfactory. (See Appendix 4, paragraph 4.1)
- 5.5 The retained portfolio will be suitable for service delivery in terms of both condition and sufficiency.
- 5.6 The following paragraphs explain the process of identification of investment needs and prioritisation of capital and revenue expenditure.
- 5.7 The framework for the management of operation and non-operational property consists of five elements:-
- Strategic Objectives
 - Principles of Property Holding
 - Responsibilities of Owners
 - Property Review and Option Appraisal
 - Capital Investment Prioritisation
- 5.8 The strategic objectives for our corporate property are:
- Optimise the contribution property makes to the Council and NHH strategic and service objectives
 - Prioritise investment in our operational assets to meet service delivery needs
 - Seek innovative value for money solutions to our procurement and staff accommodation needs.
 - Ensure the maximum return from our investment property and land holdings
 - Reduce the environmental impact of our operational property assets
 - Use our assets to pump prime new development, re-development and urban regeneration
- 5.9 The principles behind holding property for service delivery are:
- All property is a shared corporate asset, owned by the Council or NHH not the service occupiers.
 - A cross service approach to agreeing property priorities and asset utilisation is adopted.
 - Property should only be held that meets the objectives of the Community Plan and/or the joint Corporate Plan.

- Council and NHS properties should be managed to satisfy defined service delivery needs while enhancing benefits and gains from the property portfolios.
- Over time, all Council and NHS premises are suitable and sufficient for their purpose, in a satisfactory condition, accessible to all and able to meet statutory requirements.
- Existing and new property assets are managed in an efficient, sustainable and cost effective way in terms of their use of energy and other resources, their property management and other running costs.
- The return from non-operational property is optimised.

5.10 Responsibilities:

Asset Management and Property Services (AMPS) are responsible for the maintenance and improvement of operational property assets including social care premises, schools and civic buildings for the Council. The Resources Directorate (NHS) has similar responsibilities for their operational properties. The joint strategy will support the prioritisation of investment in key assets taking into account service needs, levels of maintenance required, energy efficiency, health & safety issues and accessibility. The Corporate Buildings Maintenance Strategy is contained within **Appendix 4**.

5.11 To ensure that the above objectives are met, a systematic and cyclic programme of property reviews and option appraisal are undertaken.

5.12 Three Types of review are generally undertaken:

- **Single Service Review** - this will be an examination of some or all property holdings for an individual service.
- **Single Property Review** - an investigation into alternative uses of an individual building site no longer required for its original purpose.
- **Comprehensive Area Review** - a review of all property owned by the authority in a defined area which may include other structuring bodies.

5.13 Each of these reviews involves an assessment of “fitness for purpose” and incorporates the following:

- **Suitability:** How well the premises meet the need of the service, i.e. the customers and staff. The suitability survey looks at characteristics of each type of internal space and external area, plus some health and safety aspects.
- **Sufficiency:** Focuses on total areas in relation to known service requirements
- **Condition:** Concentrates on the physical state of the building elements and provides a basis for developing planned maintenance programmes (including health and safety considerations)

5.14 This process involves the engagement of service users and stakeholders and is undertaken in accordance with the governance arrangements set out in the Constitution.

5.15 Identified priorities from the review process are considered for capital investment through their prioritisation and option appraisal of capital projects scheme.

- a) Prioritisation and Option Appraisal for Capital Projects (Scheme Selection and Prioritisation) The prioritisation and option appraisal for capital projects within the Council is captured within the annual service planning cycle and referred to as “Scheme Selection and prioritisation” (SSP). This process is overseen by the Capital Strategy and Monitoring Group.

The Council follow the guidelines and principles contained in the CIPFA Local Government Directors of Finance Publication “Capital Planning and Option Appraisal – a Best Practice Guide for Councils” 2006.

- b) Prioritisation and Option Appraisal for Capital Projects are two distinct but interlinked processes. All bids for allocation of corporate capital funds require bids pro-forma to be completed before the schemes are assessed for prioritisation for financing within the Council's capital programme. Once funding has been allocated, further Option Appraisal is then undertaken to decide the most effective means for delivering a project.
- c) NHS capital is accessed by a business case process to the SHA. Capital in the next two comprehensive spending reviews is likely to be scarce. NHS receives a block allocation of circa £1m per annum which traditionally purchases equipment and contributes to backlog maintenance programmes. The NHS does not have any borrowing facility and the deeper partnership offers the opportunity for greater flexibility in how we use the estate and funding to support service delivery. Within the NHS there is a Scheme of Delegation which details at what level Outline Business Cases need SHA prior approval. Major capital schemes would also require Board approval.

5.16 The process of capital scheme prioritisation is undertaken by the CSMG with recommendations going to the Accommodation Board and then to JMT (Joint Management Team) and Cabinet or PCT Board. Further detailed option appraisal is then undertaken on the method of service delivery by the individual project management teams and boards.

5.17 **Non-Operational Property or Tenanted Non-Residential Property (TNRP)**

The term TNRP refers to local authority assets which are let to third parties e.g. retail, industrial or agricultural properties. Such assets may be held for investment or socioeconomic purposes. There are no non-operational assets held by NHS Herefordshire.

The portfolio plays a vital role in providing much needed rental income. The revenue received is used to offset the costs of providing direct and indirect services to the public. This in turn reduces the impact on Council Tax.

The general investment portfolio fulfils a wider economic well-being role by providing premises for new and established businesses to grow and bring prosperity to the County.

Work will commence in the New Year to review the Council's non-operational investment portfolio. Although the terms of reference and scope of the review are yet to be formally agreed, the following vision is proposed as the basis of this review:

- The Council should only continue to hold tenanted non-residential property if at least one of the following criteria applies:
 - i) The investment return from the premises meets or exceeds a target previously set under the MTFS process.
 - ii) There are other significant social, community or strategic advantages to retaining the premises.
 - iii) The legal tenure of the premises and/or any statutory constraints preclude disposal.

- On properties that are to be retained within the portfolio of tenanted non-residential properties the management principles adopted should be:
 - i) To maximise occupancy levels.
 - ii) To maximise rental levels consistent with a balanced tenant mix and prevailing market values.
 - iii) To continuously review the contribution that the premises make to social, community or strategic objectives and set tenant management policies (other than rent) to maximise these.

5.18 **Smallholdings Policy and Management Strategy**

It is important to acknowledge the Council has a significant number of farms. The Smallholdings Estate plays specific roles by providing opportunities for new entrants into the farming and agricultural industries and creating the framework for environmental protection and improvement of the countryside.

Details of the Smallholdings Policy are available on the Council's website at:

[http://intranet/mgintranet/Published/C00000251/M00002844/AI00015943/\\$SmallholdingsPolicyManagementPrinciplesfinal170609.docA.ps.pdf](http://intranet/mgintranet/Published/C00000251/M00002844/AI00015943/$SmallholdingsPolicyManagementPrinciplesfinal170609.docA.ps.pdf)

Section 6 – Operational Efficiency Programme, Total Place and Community Building Strategy

6.1 The **Operational Efficiency Programme** announced as part of the 2009 Budget proposals is a Government commissioned investigation into operational spending across the Public Sector. The aim of the programme is to make it possible to delivery efficiency savings alongside continuing to increase investment in frontline services. The programme consists of five main strands. These are:

- Back office operations and IT – which has recommended better management information, benchmarking and review of costs and better governance of IT-enabled change programmes to achieve £4 billion of savings a year on back office operations, and £3.2 billion of savings a year on IT spending;
- Collaborative procurement – which has identified that £6.1 billion of savings a year are possible through harnessing the public sector’s collective buying power by buying more goods in a collaborative way and driving more procurement spending through collaborative channels:
- Asset management and sales – which has concluded that there is potential for the Government to realise greater value from its commercial asset base, and reports progress on studies into specific assets (including British Waterways, the Dartford Crossing, Land Registry and the QE II Conference Centre) that were launched in 2008 Pre-Budget Report. It was also identified that a number of further assets that will be the subject of a second wave of studies to ensure that their commercial potential is being considered and fully harnessed:
- Property – which has found that up to £1.5 billion of annual running cost efficiencies could be achieved by 2013-14, rising to £5 billion a year over a ten year period. Furthermore, £20 billion of proceeds from property sales (excluding council housing) may be possible over a ten year period. To achieve this, it is recommended a series of specific incentives and mechanisms, including the creation of a small, strategic central property function to drive the efficiency and rationalisation agenda across the public sector:
- Local incentives and empowerment – which has made a series of recommendations aimed at empowering professionals to collaborate and innovate, and creating the space for this by reducing burdens on the frontline. This includes taking forward the new “**Total Place**” programme that will map flows of public spending in local areas and make links between services to identify where public money can be spend more efficiently.

6.2 **Total Place**

The Council and NHS Herefordshire together with organisations in the wider Herefordshire Partnership are working to establish solid foundations for their approach to Total Place. This is being done through a number of key themes and associated projects. Funding from DCLG and the West Midlands RIEP, for instance, in relation to developing fresh approaches to customer insight is playing an important part.

- The Herefordshire Partnership vision of “Herefordshire being a place where people, organisations, business work together, within an outstanding natural environment, bring about sustainable prosperity and wellbeing for all,” is a central theme of all the Partnership’s work in this area.
- Herefordshire’s approach to Total Place which derives directly from the Herefordshire Partnership’s vision identifies five themes for development:
 - Getting a much more complete, rounded view of the needs and wishes of individual customers and groups that is shared by partners.
 - In particular, understanding the needs and wishes of individual localities.
 - Using that understanding to prioritise and commission flexible, cost effective services that will meet those needs.
 - Empowering and supporting communities and individuals to take maximum and possible responsibility for their own health and well being.
 - Ensuring that all public sector expenditure and assets are directed to the achievement of these ends and provide excellent value for money.
- To inform the Total Place agenda, the Strategic Asset Management team of Asset Management and Property Services has mapped all publicly owned assets in the County. This has been done on a Geographical basis, initially around Hereford City and the 5 principal market towns, although of late has been extended to the Golden Valley and Mortimer Ward areas to support the work around ‘reaching the hearts of Herefordshire’.

The work involves plotting all publicly owned land and property alongside those properties in which we have a leasehold interest.

The aim of the work is to provide a platform upon which a dialogue can be undertaken with partners to identify co location and shared premises opportunities. By seeking cooperation in the planning of locality bases where the costs of front line public service provision can be shared across partners, we will be better able to support improvements in customer service and demonstrate value for money. There are also significant opportunities for delivering on partners carbon reduction commitment targets (NI 185 & NI 186).

The work will also help to inform the wider accommodation strategy, facilitate discussions with the 3rd sector over potential community asset transfers and contribute to the Use of Resources Assessment, in particular KLOE’s 3.1 and 3.2 (use of National Resources and Management of Assets).

6.3 **Community Building Strategy**

Carrying forward the Total Place agenda and in particular “empowering and supporting communities and individuals to take the maximum possible responsibility for their own health and wellbeing” theme is assisted by the Community Building Strategy.

The Council in consultation with the Herefordshire Partnership are developing a Framework for a Partnership Strategy for Community Buildings in Herefordshire. The Rural Access Partnership will be responsible for the strategy with progress and updates also being provided to the Herefordshire Community Development Partnership. Both Partnerships report into the Stronger Communities Policy and Delivery Group and hence the Herefordshire Partnership Board. The Community Buildings Strategy will form an integral element of the emerging Total Place Agenda for Herefordshire and its principles are already influencing the thinking around the "Reaching the Hearts of Herefordshire" pilot initiatives.

Section 7 - Disposal of Property Assets

- 7.1 The Council and NHS hold land and buildings solely for, or in support of, the efficient and effective delivery of services to the local community. The Joint Strategy will identify, over time, properties that no longer serve a need for operational service delivery. When a property is no longer required for this purpose the procedures in the Disposal Policy will apply. **(see Appendix 2)**. NHS is subject to a different financial regime namely the capital receipts from the sale of surplus property cannot be assumed to be retained as currently discussions are required with the SHA.

Section 8 – Community Asset Transfer

- 8.1 The Local Government White Paper – Strong and Prosperous Communities published in October 2006 includes Community Management and the ownership of Assets and states "managing or owning assets particularly on the basis of a longer-term lease or through transfer of the freehold can revive under utilised assets and provide a foundation for other community action". The Quirk Review, "Making Assets Work," examined the effectiveness of existing powers and policies and considers how they might be better promoted. The review has considered any safeguards necessary to review assets being taken over by unrepresentative groups who might not act in the interests of the local community. Communities who wish to take over the management or ownership of a local asset will be able to use the Community Code for Action (CCFA) to ensure that their Local Authority considers their request seriously. The Council therefore required a strategy for making community based asset decisions, with written policies on the opportunities for community transfers. This policy **(see Appendix 3)** closely aligns to the Disposal Policy.

JOINT CORPORATE PROPERTY STRATEGY - APPENDIX 1

Joint Accommodation Strategy



JOINT ACCOMMODATION STRATEGY

1.0 Background

1.1 When Herefordshire Council came into being as a result of Local Government reorganisation in 1997, it was faced with the prospect of having to deliver its services through a large number of disparate offices of poor quality and suitability for at least the medium term. The problem of corporate accommodation was highlighted as a weakness in a number of performance inspections in recent years, and as the management of assets now forms part of the Comprehensive Area Assessment Use of Resources Judgement for both the Council and NHS Herefordshire, the imperative to deliver a long term sustainable accommodation framework is now increasingly important for the future credibility of both organisations. The interim Accommodation Strategy, rolled out of the summer of 2008, laid down the basis of joint working and established a number of integrated teams across the “deep partnership” alongside the sharing of premises to improve organisational efficiency. The long term Joint Accommodation Strategy builds on these principles and introduces opportunities for shared service provision not only across the “deep partnership” but also across the wider public sector by responding to the Operational Efficiency Programme (OEP) and developing the concept of “Total Place”.

2.0 Principles underpinning the Strategy

2.2 In formulating the proposed strategy, the following principles have been applied:-

- Single location for support service roles (Plough Lane)
- Improved outcomes for local people
- Excellence in service delivery
- A focus on customers'/users' experience
- Efficiency and delivering value for money
- Incremental carbon reduction target delivery.
- Better ways of working for staff
- A hub and spoke model to the countywide provision of services
- Where suitable, the co-location of compatible public sector partner activities in pursuance of the OEP and the “Total Place” Agenda.
- Care closer to the patient.

The strategy also strongly supports the theme of “organisational improvement and greater efficiency” as identified in the Vision for Herefordshire and Corporate Plan.

- Staff will have the right access to workstations and support to do their jobs.
- Accommodation will be shared by services where possible.
- Workstations will offer a standard specification where possible.
- Office layouts will be flexible and allow staff to move without reconfiguration.
- More meeting and breakout space will be provided.
- Most on-floor storage will be replaced with electronic and fast retrieval archiving.

- Staff location will be planned carefully by service and working need.
- There will be a single corporate landlord.
- Recharges will be appropriate to service requirement and services will have the opportunity to influence those charges based on appropriate usage of space.
- Measures and charges must incentivise teams to use space better.
- Facilities must be available to maintain client confidentiality.
- Facilities will be considered to allow staff to work outside traditional office space.
- The Council and NHSH will invest in making the working environment attractive to staff.
- Office accommodation must contribute towards meeting the objectives of the business and community plans.
- Service needs change over time and office accommodation has to be able to satisfy these.
- Poor, not fit for purpose accommodation leads to user dissatisfaction.
- Underused property is an unnecessary drain on resources.
- Office ownership and running costs are a major and rising expense to the Council and NHSH.

3.0 Scope of the Strategy

3.1 The strategy aims to cover in-scope, all operational properties of the Council and NHS Herefordshire excepting the following categories:-

- Investment properties (other than those currently used for operational service delivery)
- Smallholdings (which are subject to a separate policy and strategy).
- Schools
- Other educational accommodation where it forms an integral part of buildings used primarily for delivering the school curriculum.

4.0 Dependencies which will influence the Strategy

4.1 At the time of drafting, 4 significant programmes yet to report were deemed to have an unquantified and unqualified impact on the strategy. These were:-

- The Customer Services Strategy
- The Shared Services Review (Partnership)
- The Provider Services Review/Transforming Community Services (TCS) (NHS Herefordshire)
- The Estates Strategy incorporating Primary Care estate (NHS Herefordshire)
- The Integrated Commissioning Strategy

4.2 Once these programmes are concluded, the Joint Strategy will address any issues raised.

5.0 A Framework for the Joint Accommodation Strategy

5.1 This framework should be considered in association with the detail contained within the Council's Corporate Asset Management Plan 2009/2012, and the Joint Corporate Property Strategy 2009/2012.

5.2 Elements of the Framework

- a) A joint back office provision at Plough Lane, Hereford and consideration of the future of the Belmont Abbey site.
- b) A multi agency front office in Hereford City (The Hereford Centre).
- c) A series of locality offices in the Market Towns and the Golden Valley which provide both customer service points and other frontline services such as health and social care, library services and tourist information.
- d) An Integrated Records Management facility to incorporate a modern customer facing archive service, a modern records store, data centre and other complimentary services.
- e) An integrated Community Equipment Store and support service facility for use by the “deep partnership” and potentially other 3rd sector partners.
- f) The potential use and development potential of the Town Hall and Shire Hall.
- g) Other significant corporate properties.
- h) “Total Place” and Community Asset Transfer
- i) Joint Commissioning Strategy
- j) Mental Health Services procurement
- k) Review of the provision of Health and Social Care services
- l) Future development of the Victoria House site

5.3 Proposed Office Accommodation Standards

The Council and NHS aim to achieve a space allocation of 8m² per person (FTE) within any new open plan office buildings. Where cellular buildings are retained, the target will be 10m² per person (FTE).

6.0 The Framework in Detail

6.1 The Joint back office provision at Plough Lane Hereford.

- 6.1.1 The purchase of the Plough Lane offices, along with some 4 acres of adjoining land will provide an integrated back office solution. Subject to final Council approval and planning consent being obtained, the plan is to provide a back office solution to accommodate approximately 1700 non-front facing staff in a combination of new build and refurbishment which will supply 1200 flexible work stations and associated support facilities. An initial scoping of staff intended to reside in these offices was undertaken in 2007/2008 and will now be updated in early 2010 as improvements in ICT technology will impact on the ability to work more flexibly across different locations and settings. In addition, NHS currently has a lease with Belmont Abbey General Trust which commenced originally in August 1994 and is due to end 2014. The lease is due for renegotiation in 2013. The Joint Accommodation Strategy and the outcome of the Provider Services Review will impact upon NHS decision to extend the lease or consider vacating the property.

6.2 A Multi Agency Front Office in Hereford City (The Hereford Centre)

- 6.2.1 A Multi Agency front office is planned to replace the current Garrick House Info in Herefordshire facility when it is incorporated into the Edgar Street Grid development in early 2011. A Project Board has been formed under the Chairmanship of the Director of Regeneration which includes the Council, NHS Herefordshire and West Mercia Constabulary (Herefordshire Division). Work has been undertaken to scope the potential massing footprint, services to be incorporated within the facility and options for location. The Board will use the Customer Services Strategy to formulate proposals. There is also consideration being given to enlarging the scope of the provision to

incorporate other front facing activity such as the Connexions Service when it transfers to Council control in April 2010.

6.3 A series of locality offices in the Market Towns and Golden Valley which provide both customer service points and other front line services such as Health and Social Care, library services and Tourist Information.

6.3.1 The former Herefordshire Customer Services Strategy established the principle of integrated customer service points in the Market Towns as part of the Info in Herefordshire programme. Whereas this programme enabled significant integration of Council services at a local level, especially at Bromyard where leisure and Cultural services have been included, the model is yet to be fully established in both Ross-on-Wye and Ledbury (although plans are well advanced in each location). In Leominster, where the first Info in Herefordshire was established, there still remains a significant challenge to further rationalise front facing customer services in the Town. The Golden Valley area also provides its own challenges for front line service delivery due to the sparsity of population settlements and the lack of suitable infrastructure from which to locate operations. (This area is currently being focused upon as part of the "Reaching the Hearts of Herefordshire" initiative).

6.3.2 Other aspects of locality provision involve intervention services such as Children Services, Health and Social Care and other provider services. With the support of external funding from the Department of Children Schools and Families, the Children and Young Peoples Directorate (CYPD) are fairly well advanced in their planning and delivery of Multi Agency colocation locality centres in the Market Towns as part of the "No Wrong Door" initiative. These are planned to be located alongside existing educational establishments or other CYPD occupied premises. Whereas the Provider Services Review will be considering the future of Health and Social Care provision, some significant progress has already been made in rationalisation and consolidating Adult and Social Care teams within Council owned accommodation. There is, however, some scope for further economies and efficiencies in this area, especially in Leominster where staff are spread across a number of unsuitable locations.

6.3.3 The remaining elements of locality provision largely involve cultural or leisure provision. The Regeneration Directorate are currently reviewing future Tourist Information Centre provision and the Environment and Culture Directorate have undertaken some preliminary work around the feasibility of a Cultural Services Trust. Many cultural and leisure facilities now require significant investment to bring them up to a level of today's market expectations and every effort will be made to seek opportunities for investment or replacement on the back of the recovery of the housing market. Due to the age and legacy of some of those facilities which predate this Council, serious consideration should be given to relocation if and when commercial opportunities present themselves.

6.4 An Integrated Records Management Facility to incorporate a modern customer facing archive service, a modern records store, data centre and other complimentary services.

6.4.1 The current County Archive Service base at Harold Street, Hereford has recently had its accommodation inspected by The National Archive Inspectors. Although an interim solution has been commissioned, the requirements of the Archive Inspectors for an ongoing license will require a new facility to be commissioned.

6.4.2 The Modern Records Unit currently housed at Merchant House and Blueschool House in Hereford, although able to satisfy the environmental conditions for storage is now reaching capacity. Even with a tightening of the Document Management Policy and the roll out of Electronic Document Records Management, the demand for space currently outstrips supply. This position will be further pressured with the service taking responsibility for the Records of the “deep partnership”. In addition to the current demand, 3 critical issues face its ability to operate from its existing premises. These are:-

- a) The current Merchant House facility is leased, with the lease expiring in 2014. It does not represent value for money to renew the lease when the building is not sufficiently “fit for purpose”.
- b) The Blueschool House facility will (at a timescale yet to be confirmed) be lost to the Edgar Street Grid development. Again, this property is rented with the lease income going to ESG. The operational staff based there will move to Plough Lane when constructed.
- c) In order to move back office staff from the 12 or more offices that they currently occupy to Plough Lane, it has been estimated that the current storage capacity will need to double in the first instance. Although this will reduce overtime, the expansion of the archive service and partner demand may well fill any spare capacity created.

6.4.3 The 3rd major element of this proposal involves the Data Centre currently housed and being upgraded at the Thorn offices. The current solution will only be effective for up to 5 years, a period that is co terminus with the present lease on the building. This adds to the business case to consider a more permanent Council owned solution.

6.4.4 Should the business case for a new facility be approved, there is a strong rationale behind relocating the Civil Registers (currently based at the Town Hall in poor storage conditions) and the Local Collections Service (currently inadequately stored in the Broad Street Library basement) to be housed in this new facility. Other considerations for storage at this base could be the library store and Mobile Library Service which are currently based at the Shire Hall.

6.4.5 A site for this potential facility has been identified at Rotherwas, and should the Data Centre be incorporated into the proposal, there is the opportunity to install a combined heat and power unit which would further reduce the carbon footprint of the site. The current buildings housing the various services outlined above are among the worst performing energy consumers in the corporate portfolio.

6.5 An integrated community equipment store and support service facility for use by the “deep partnership” and potentially other 3rd sector partners.

6.5.1 A need has been identified to relocate the existing community equipment store from Unit 3, Thorn Depot to a Council owned, more fit for purpose facility. The lease costs represent poor value for money and staff have to share facilities with Amey for which they pay a high service cost. Sharing the building with Amey also prevents reassignment of the building lease in full to Amey.

6.5.2 As part of the discussions to scope the requirements, it was found that there were a number of similar type operations undertaken by NHS Herefordshire in numerous leased properties. Some initial work was undertaken by a project manager from the Primary Care Trust, but he has since moved to a different role and a new project lead is needed to take the project forward. The initial massing work identified a structure of some 18,000 sq feet being needed to house the various services proposed and a suitable vacant Council owned property (in need of refurbishment) has been identified for this purpose. The offset rental expenditure would cover the prudential borrowing needed to realise the accommodation and additionally improve the value of a significant Council owned asset.

6.6 The potential future use and development potential of the Town Hall and Shire Hall

6.6.1 As a consequence of other aspects of the accommodation programme already mentioned, the reliance upon the Town Hall and Shire Hall to provide space to house back office services will be significantly reduced. As there is a Council commitment to retain both buildings in freehold ownership, a study was undertaken during the summer of 2009 to identify potential future uses of both buildings.

6.6.2 The Shire Hall currently has approximately 50% of its floor area leased on a long term basis to the Ministry of Justice. The Court Service has expressed a desire to extend their use of the first floor area due to the practical issues around witness security. The library service occupies the area below the Assembly Hall and the CCTV control room is located on the upper floor. The Assembly Hall is underutilised due to poor access and marketing and represents a real opportunity to create a vibrant City Centre entertainment venue with flexible use to include a refurbished Council Chamber and public meeting place. For this to be realised appropriate access will need to be created alongside a new entrance and visitor support services. This will need to be carried out with a recognition that capital funding is limited.

6.6.3 When Plough Lane is completed, the Town Hall will no longer need to house Benefits and Exchequer Service and thus significant spare capacity will be created. The other significant occupants are the Registration Service, Children's Social Care, the Citizens Advice Bureau and the Hereford City Council. The capacity created could accommodate the remainder of the Democratic Services Team, enhanced accommodation of Hereford City Council and a range of cultural services such as Museum Collections and the City Tourist Information Service. Discussions have taken place with Hereford City Council Town Clerk to identify the potential space and accommodation needs for the City Council. This dialogue has identified suitable opportunities to improve their accommodation.

6.6.4 Further work will need to be undertaken to fully scope the opportunities and challenges for future use of these buildings.

6.6.5 The aim is to retain both of these landmark buildings and to increase the usage of the buildings by the public, through improving public access and providing additional facilities or services in these buildings.

6.6.6 In preparation for potential adaptation of these buildings, updated condition surveys have been commissioned. These surveys will identify any areas of inadequacy with particular reference to disabled access, fire risk assessment, other statutory compliance and improvement to customer facilities.

6.7 OEP and Total Place

- 6.7.1 The Hearts of Herefordshire initiative is helping to address the Operational Efficiency Programme and Total Place Agenda.
- 6.7.2 The Herefordshire Council has the upper tier Local Authority for the area has undertaken a mapping exercise of all public sector ownership in the County on a geographical basis. This includes the principle Market Towns and the Golden Valley areas. This exercise will form the basis for informed decision making on how to move forward with the Total Place agenda.
- 6.7.3 The proposals for the rationalisation of office and support buildings in Hereford have partly addressed the OEP and Total Place and we have begun the mapping of wider public sector ownership in Hereford.

6.8 Other significant Corporate Properties

- 6.8.1 Outside the principal accommodation venues to house Council Services, there will remain a number of significant properties which due to their heritage status will not be used for service delivery. These include the Old Priory in Leominster and the Ledbury Heritage Store. Such buildings are not immediately marketable and extremely expensive to adapt for community use. Consideration will need to be given as to how the Council would wish to deploy these properties as they will be very expensive to upkeep and have a high carbon footprint.
- 6.8.2 Also needed to be retained for the foreseeable future are the Thorn Unit 3 Depot and associated land and structures (leasehold) and the land at the former Grafton Depot for delivery of frontline services by Service Delivery Partners Amey and Focsa. In the long term, our interests in these facilities could be disposed of.

6.9 Total Place and Community Asset Transfer

- 6.9.1 Earlier this year the Council and NHS Herefordshire began considering how they might approach the OEP and the “Total Place” agenda and pilot projects badged as “Reaching the Hearts of Herefordshire” were initiated. As the work in this area develops, and communities begin to engage with the empowerment aspects of the programme, it is possible that approaches will be made to the Council and PCT to consider Community Asset Transfer of assets considered as potentially surplus to service delivery. To support this process, Asset Management and Property Services have drafted both Asset Disposal and Community Asset Transfer Policies for consideration. In adopting these policies, potential capital receipts may not be realised as a result of transfer of assets.

6.10 Joint Commissioning Strategy

- 6.10.1 A Joint Commissioning Strategy will aim for more integration (both vertical and horizontal) and maximise co-location of service provision to provide seamless packages of care. This is unlikely to be achievable within the existing traditional estate provision.

6.11 Mental Health Services Procurement

6.11.1 NHS is currently preparing to tender for the provision of Mental Health services from specialist Mental Health providers. The preferred provider is anticipated to be known by December 2009. Currently NHS provides Mental Health services from the Stonebow Unit which is a NHS owned property. It is envisaged that NHS will continue to own this property and will as part of the contractual process grant a licence to operate to the preferred provider. However, given this is a complex procurement there are a number of issues still to be addressed regarding this decision.

6.12 Review of Provision of Health and Social Care Services

6.12.1 NHS estate within Herefordshire is worth millions of pounds and also generates significant costs – money which therefore cannot be spent on direct patient care. Therefore we need to get maximum use and value from our buildings, and keep overheads efficient. It also means improving energy efficiency and our environmental impact. NHS, Hereford Hospital Trust and the Strategic Health Authority supported by KPMG are working on opportunities to deliver through the redesign of care pathways to deliver patient care closer to home whilst still ensuring services remain of high quality and clinically safe. This may result in a rationalisation of estate across the health economy in Herefordshire within the context of the joint corporate property strategy. Conversely the redesign of care pathways which will result in a greater volume and range of services being provided in primary care and community settings which may require some investment in primary and community care buildings. The work is clinically led by a Transition Board. A consultation will take place in late spring 2010 around options for the integration of services the outcome of which may result in significant estate management issues.

6.13 Future Development of the Victoria House Site, Eign Street

6.13.1 The Victoria House site has significant backlog maintenance issues. The building was used until November 2008 to accommodate a small number of administrative staff. However the building was vacated due to the deteriorating condition of the building. The Victoria House site is well placed to deliver patient care services with good transport links, parking and accessibility. The future options around the site are being finalised but one option may be for a new facility to deliver children's services in a more integrated way. Given the backlog maintenance and security management issues at the children's development centre on the Ross Road, new premises on the Victoria House site may be a preferred option.

7.0 Resources needed to deliver the programme

The above Strategy and resulting programme of works, if approved in whole or part, will need significant resourcing beyond the existing revenue and budgets and staffing compliment of Council and NHS Herefordshire Officers. Examples of such transformation programme where undertaken by other Authorities has involved some form of partnering with an industry sector specialist in construction and space management. There is no shortage of competent specialists in the market able to provide us with the bespoke support needed.

The total cost of the programme and the timescale for delivery has yet to be calculated. The only proposals that have been substantially worked up are

those for the Plough Lane and back office. It is anticipated that the programme will be phased although some decisions will be forced up upon the Council by external forces e.g. lease expiry and ESG development. Sources of funding are expected to be capital receipts, prudential borrowing and savings from both lease rentals and efficiencies from smarter working practices.

JOINT CORPORATE PROPERTY STRATEGY – APPENDIX 2

Disposal Policy



APPENDIX 2

ASSET DISPOSAL STRATEGY

1.0 INTRODUCTION

Where property assets are not meeting the Partnership objectives then a process of rationalisation and disposal should be adopted for surplus/under-performing assets to comply with the DCLG Guidance on Asset Management.

(The latest DCLG publication is “Building on Strong Foundations – A framework for Local Authority Asset Management”:

<http://communities.gov.uk/documents/localgovernment/pdf/20.pdf>)

The development of a strategy for the rationalisation or disposal of surplus or under-performing assets is also necessary to achieve Level 4 under the CAA Use of Resources Key Lines of Enquiry (KLOEs).

(There is full guidance at the OGC site:

http://www.ogc.gov.uk/news_2005_4330.asp).

2.0 OBJECTIVES

The objectives of the strategy are to:-

- 1) Complement the Asset Management Plan policy of only holding assets that meet the Authority's objectives for operational property and socio-economic or investment estates;
- 2) Enable actual and latent capital value tied up in potentially surplus assets to be realised;
- 3) Reduce or remove liabilities;
- 4) Unlock the benefits of regeneration;
- 5) Enable local Development Plan/Framework policies to be realised, and;
- 6) Optimise the proceeds or land use benefits of particular disposals for the benefit of the Authority and its community.

3.0 DEFINITION OF A DISPOSAL

“The transfer of the freehold, or a leasehold interest for a period greater than seven years, to a third party or a Private Finance Initiative (PFI) scheme”.

4.0 STATUTORY POWERS

In most cases the Authority's power of disposal is a general power contained in Section 123 of the Local Government Act 1972. This provides that the consideration should not (except with the consent of the Secretary of State) be for less than that can reasonably be obtained.

For regeneration schemes appropriation for Planning Purposes may be considered.

For Housing Accommodation the Local Government Act 1988 Section 25 and its general consent regime apply (General Housing Consents 2005). Under these powers, disposals of land for the development of housing accommodation to registered social landlords may take place at less than the best price .provided this is

a Freehold transfer or a Leasehold interest with 99 years or more remaining. The accommodation to be developed must be provided for the elderly or vulnerable, and the Authority must not enter into any service level agreement or management arrangement for the accommodation. There is however, an overall cap of £10m upon the "gratuitous benefit" that may be granted (the aggregate value of combined transfers and disposals at below market value in any financial year).

The recent 'Wellbeing' powers to economic, social and environment wellbeing in the Authorities area can be supported by disposals at an undervalue in accordance with the provisions of the Local Government Act 1972, General Disposal Consent (Circular 06-2003 England).
<http://www.communities.gov.uk/publications/planningandbuilding/circularlocalgovernment>

Some property disposals are compulsory transfers driven by statute rather than through the identification of surplus assets. Examples are the creation of Academies, Foundation and Voluntary Aided Schools, Right-to-Buy provisions in the Housing Acts, and the transfer of the whole of the housing stock. Whereas the Housing provisions are no longer relevant to this Authority, it is recommended that specific policies are created to cover other forms of statutory transfer.

5.0 DEFINITION OF SURPLUS/UNDER-PERFORMING ASSETS

Property should be declared surplus if: -

- 1) It makes a poor or zero contribution to the delivery of the Authority's services, either directly or indirectly, or generates insufficient income and has little or no potential for future service delivery or community regeneration purposes;
- 2) An alternative site has been identified which would achieve a lower cost and/or more cost effective service delivery (i.e. has lower opportunity cost);
- 3) Following vacation there is no potential for future alternative service delivery or regeneration;
- 4) It suffers unsatisfactory condition, suitability, sufficiency, or environmental standards for service delivery, or has adverse running costs, and the problems cannot be rectified by economic capital investment, so replacement is required;
- 5) A change in service delivery methods results in the property no longer being required.

Property should be deemed to be under-performing if:

- 1) Part of it is vacant and likely to remain vacant for some time;
- 2) The alternative use value is higher and the service can be relocated elsewhere and still leave a net capital receipt;
- 3) The beneficial use or financial return (both revenue and capital growth) generated from it is below that which could be achieved from an alternative use, or a disposal and alternative investment opportunity;
- 4) It repeatedly scores poorly in property performance assessments, owing to unsatisfactory condition, suitability, sufficiency, or environmental standards for service delivery or has adverse running costs.

6.0 IDENTIFICATION OF ASSETS FOR DISPOSAL

6.1 The identification of a property asset for potential disposal will arise in a number of ways as follows: -

- Local Plan designation and development of a Local Development Framework;
- Asset Management reviews;
- Value for Money reviews;
- Service reviews declaring property no longer meeting operational needs;
- It has potential for development or redevelopment and service can be relocated;
- The five yearly asset valuation process identifies development/alternative use;
- Approaches from outside parties (Eg: developers, adjoining owners);
- Entering into development partnerships such as Local Asset Backed Vehicles (LABVs) or Local Housing Companies (LHCs);
- Request from a community group or public body to the transfer of an asset;
- Statutory duty to transfer arises;
- Land registry searches;
- Monitoring planning applications;
- Request for variation of covenants.

6.2 Property Performance Reports

The assessment of property performance differs according to the property type concerned. The nature of the assessment is explained below:-

Operational Property:

Assessed against criteria for condition, suitability, sufficiency, or environmental standards for service delivery, and appropriate benchmarks (see Appendix One for template);

Socio - Economic Property:

Assessed against criteria for corporate goals and objectives for fostering sustainable communities, economic development and regeneration;

Investment Property:

Assessed against criteria for income and capital growth yield, rent arrears, property voids and appropriate benchmarks.

6.3 Incentives to identify surplus assets

Property should be held centrally, and managed as a corporate resource. Proceeds from disposals should go to the centre, but services could be given incentives to identify and release assets, for example by being able to retain a portion of the running costs if paid for by the service area. This portion should however, reduce over a period of years.

Asset Management & Property Services will work directly with service providers to provide targeted professional property skills, as this has also been found to be a successful method of identifying surplus property assets.

6.4 External consents and formal notification of a disposal

External consents are required to effect the sale of certain types of surplus properties (Eg: DCFS consent for the disposal of school playing fields and potential Academy land and public open space that has to be advertised). These consents should be identified, and the process commenced at the earliest opportunity, as it can take some considerable time to obtain these consents.

(School site restrictions:
<http://www.teachernet.gov.uk/docbank/index.cfm?id=10943>).

Ownership in a trustee capacity needs to be carefully considered as it may need the consent of the Charity Commission.

6.5 Decision making process

The Herefordshire Council and NHS Herefordshire Constitutions clearly explain their governance arrangements in particular the property decision-making process, both to declare property surplus, and to deal with commercial procedure.

7.0 MANAGEMENT OF SURPLUS ASSETS

7.1 Data collection

A corporate schedule of the use and allocation of all property is maintained in accordance with CIPFA guidance on local authority asset registers and as contained in the Statement of Recommended Practice. It is held by the Strategic Asset Management's Land and Property Information Service.

All surplus and potentially surplus property is identified within the Asset Register (and held by the Property Terrier). The schedule is updated on a continuous basis to reflect any developments.

7.2 Property holding costs

The costs of holding the property between declaration as surplus and disposal are met by the service directorate. Where an alternative use is identified from a third party, the property may be transferred to the Resources Directorate and appropriated for use as an investment asset as opposed to an operational property.

7.3 Suitability for other Council uses

Before land and buildings are formally declared surplus, the requirements for use for other Authority purposes should be considered. A procedure is being developed to inform other of the Authority's service deliverers and partner agencies where appropriate, as soon as possible, that a property is to become surplus.

7.4 Site investigation and Town Planning

Once a property has been identified as potentially surplus, the Head of Asset Management & Property Services should establish whether there are any constraints on the site (Eg: Title, legal, planning, statutory authorities, etc).

8.0 DISPOSAL POLICY

8.1 Property disposals

All disposals should be arranged and managed by the respective Directors of Resources of the Council and NHH. The Authority should obtain the best consideration by the most appropriate method of disposal, but consideration does not necessarily need to be financial.

There should be regular liaison with all stakeholders between a property being declared surplus and the completion of a disposal. In particular, the party responsible for the day-to-day management of the property should be kept regularly informed of developments to an agreed timetable.

Consideration should be given at all times, to the confidentiality of a disposal particularly until a property is formally declared surplus and until exchange of contracts.

8.2 Disposal at less than best consideration

The General Disposal Consent makes provision for an Authority to dispose of land at less than full market value, where it considers that the purpose for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of the whole or part of its community (or any person resident or present in its community); and the difference between the unrestricted or market value of the land to be disposed of and the disposal consideration or 'undervalue' (sale price plus monetary value of voluntary conditions imposed) does not exceed £2 million.

A valuation should be undertaken to identify the 'undervalue', and best effort should be made to financially value the economic, social or environmental benefits to the Authority and community, which justify a disposal at less than best price. (The supporting evidence for such justification should come from a "sponsoring service").

In cases where the 'undervalue' exceeds £2 million then the consent of the Secretary of State will need to be obtained.

If the disposal is to be at less than best price then this shall be considered within the context of the Authority's Capital Programme as the opportunity cost of a foregone open market disposal.

Where a disposal is undertaken at less than best price, then to protect the Authority's interest in the event of subsequent disposals, there should be included where appropriate, an asset lock, claw-back or uplift clause, restrictive covenants, ransom strip retention, user rights, or right of pre-emption.

The overriding factor to be considered for disposals at below best price is whether it is within the Authority's powers to do so, and the reasons should be well documented and transparent. To avoid the possibility of a challenge to a decision to sell at less than best price (for example by a Council Tax payer or other interested party) it is important that there is evidence of a clear link to the furtherance of Corporate objectives.

8.3 Method of disposal

The most appropriate method of disposal, for the majority of cases, should be adopted from the following and dependant upon a formal options appraisal.

OPEN MARKET

Method	When to use
Private Treaty	Limited interest and a narrow valuation band. A disposal can have a closing date and be by way of sealed bids in cases where considerable interest is shown after marketing;
Auction	Wide interest, no obvious purchaser and easy to allocate a reserve. Speed and best price can also be demonstrated;
Tender - Formal	Wide interest, land ownership not complex, no uncertainties regarding the grant of planning consent with obligations to be placed on a purchaser that are clear and capable of specification in advance. Also appropriate where there is a wide valuation band;
Tender – Informal	To identify a preferred bidder and enable further detailed terms or proposals for development to be negotiated. Appropriate for sales where there are uncertainties, particularly planning, and for large or complex development or regeneration sites, and where proposal may need to be developed in co-operation with the authority to meet corporate objectives and to achieve best consideration. Allows for the use of conditional contracts, including clauses which provide for further sums to become payable (claw-back) upon the grant of planning in the future, or improvement in market conditions (overage). Legal advice should be sought at the outset in respect of major disposals to ensure that they meet the Authority's internal and external procurement rules and regulations.

SPECIAL PURCHASER

Sale to adjoining owners or lessees where special circumstances appertain. Typical examples are a conditional disposal where the Authority is selling for a particular purpose (e.g.: to a developer for regeneration, to a nominated housing association for social housing development) or where it is of limited size and value, and the adjoining or local landowner is the only potential or likely purchaser (e.g.: garden extensions).

Exchange of land may be appropriate where it will achieve the best consideration for an authority and is advantageous to both parties.

Sales to former owners under the Criche Down rules:

<http://www.communities.gov.uk/publications/planningandbuilding/circularcompulsorypurchase2>

8.4 Disposal of non-surplus or under-performing assets for Community Regeneration

The Authority may also dispose of property that is not formally classified as surplus or considered to be under-performing: To developers for community regeneration schemes by way of Local Asset Backed Vehicles (LABVs), or to Local Community Housing Companies (LHCs) or nominated registered housing associations for the development of affordable housing and extra care schemes.

In these cases it is recommended that appropriate policies be developed, in particular to determine whether disposals will take place at the best price that can be reasonably obtained, or whether prices are to be discounted to achieve the targeted outcomes of the proposed schemes. For example, the Authority may choose to sell land to housing associations for a nominal sum to maximise the use of the housing corporation grant monies in exchange for nomination rights. Or it may choose to sell to a Registered Social Landlord at market value but provide a grant by way of subsidy so that the level of grant is transparent.

It is also beneficial in some circumstances to transfer land for a development by way of a building licence agreement transferring the legal interest in the land and taking the capital receipt upon completion of the development; or alternatively transferring the legal interest at the outset but reserving a right of pre-emption at historic cost should the development not proceed by a certain date.

One of the benefits of such disposals is that through appropriately worded conditions or covenants greater control can be exercised through the land transaction than through the Authority's planning controls.

8.5 Private Finance Initiatives (PFI)

PFI is another form of disposal in which the control of the land and building asset together with risks relating to availability and maintenance, etc., are transferred to the contractor for the length of the contract. The local authority has service use of the asset and a reversionary property interest. Disposals of property under major PFI or other similar public sector works contracts will be subject to European Procurement rules.

8.6 Transfer to the community

The Herefordshire Council has developed a separate strategy for the transfer of assets to the community, a charity or another public body. Such a transfer will only take place if it is supported by a robust business case, the transferee has sound long-term management and governance arrangements, the proposed use for the property meets the Authority's objectives and community strategy, and there is an agreed time-scale within which a disposal is expected to be completed, and certainty of funding.

Disposals under the Community Assets Transfer scheme (see the 'Quirk' Report) will need to comply with the scheme as advised by DCLG. (The Development Trust Association web site is: <http://www.dta.org.uk/>)

8.7 Tenure

In cases where the Council does not wish to exercise any control over the future use of the property (other than through the planning process) then the disposal of the freehold will obtain the best price. However, in most instances the Council will want to exercise some control of the future use of the land, and in such cases a leasehold disposal is recommended for a term necessary to ensure the satisfactory completion of the scheme. (Eg: A leasehold transfer to the community may need to be for at least 25 years to obtain the necessary grant funding). Additional control can be exercised through a Service Level Agreement (SLA) between the Authority and the operator.

It is now becoming standard practice for major regeneration disposals to be negotiated by dedicated teams of valuation, finance and legal professionals representing the Authority, the developer and funding bodies. Unless the Council has the necessary skills in-house, it is recommended that it considers the use of appropriate private sector specialists for these types of disposals.

8.8 Late Bids

Guidance from the Local Authority Ombudsman recognises the problems caused by late bids. The Guidance states that difficulties are less likely if exchange of contracts takes place as quickly as possible after a disposal decision is made. Until a legally binding contract has been entered into, the Authority has a duty to consider a late bid. This should be explained to any purchaser when disposing of land by private sale or negotiated/informal tender.

In considering late bids, the Authority should assess the likelihood of the late bid proceeding to completion in a timely manner, and consider the possibility of it being used as a spoiling or delaying tactic. It may in some cases be appropriate to ask the late bidder and other interested parties to submit their best and final bids in a sealed envelope by a set time.

A late bid may be rejected for sound commercial reasons. (Eg: If there is no real certainty of it leading speedily to a conclusion, or a contractor is suspected of using it as a spoiling tactic).

9.0 DISPOSAL PROCESS

9.1 Timing

This needs to be considered against the background of the Council's budget and capital programme requirements, the prevailing state of the market, local and regional planning frameworks, and the potential of property values increasing in the future. Consideration should also be given to the prospect of obtaining planning consent, particularly where there is potential for redevelopment, or investment in the property prior to disposal, to enhance its value and make it more attractive to the market.

In times when market conditions are not appropriate for a disposal, a temporary use should be found for a property as the Authority will otherwise have to pay void rates, and occupation will help with security. In cases where there is an external letting then this should be by way of a contracted-out lease under the Landlord and Tenant Act 1954, so that vacant possession can be easily obtained.

9.2 Marketing strategy

An appropriate marketing strategy will need to be developed for use by either the in-house or external consultants undertaking a disposal, with all costs (legal, consultants, marketing and agency) being charged to the appropriate property cost centre. Costs should also be recovered from the purchaser whenever possible.

9.3 Valuations

A valuation of the property for disposal should be undertaken at the earliest opportunity in the process and continually reviewed throughout the disposal process. Where it is decided to negotiate in-house a disposal to a single party, rather than offer the property on the open market, it may be appropriate to obtain a valuation from a third party (e.g. The District Valuer).

9.4 Negotiations

All negotiations for disposal should be conducted by a suitably qualified property professional, preferably a member of the Royal Institution of Chartered Surveyors.

Ombudsman guidance recommends that all negotiations should be conducted at the offices of the Authority, and with two people negotiating. Clearly both conditions may be unrealistic for every case, but often there will be circumstances when one or both are appropriate to ensure and demonstrate that the Authority's disposal policy is being adhered to.

10. PERFORMANCE MANAGEMENT

A disposal strategy should set milestones, manage risks and regularly report progress; and each individual disposal should form part of a wider programme of disposals aimed at achieving Corporate Plan objectives.

11. EQUAL OPPORTUNITIES

The Council must ensure that any disposal complies with their equal opportunities policy.

JOINT CORPORATE PROPERTY STRATEGY – APPENDIX 3

Community Asset Transfer Policy



COMMUNITY ASSET TRANSFER STRATEGY

1.0 Purpose of the strategy

- 1.1 The purpose of the strategy is to set a transparent, positive and proactive framework to enable asset transfer from the Council to the third sector to happen and be successful in the long-term.
- 1.2 The term 'asset transfer' here relates primarily to leasehold or freehold arrangements at less than best consideration, or in giving Third Sector Organisations (TSOs) 'first-refusal' on a commercially-based disposal.

2.0 Policy statement on community asset transfer and third sector organizations (TSOs)

- 2.1 The Council supports strong and sustainable TSOs as key partners in the delivery of services and in providing a link with local communities. Working in partnership with thriving TSOs can greatly help the Council in achieving the outcomes as enshrined in its Sustainable Community Strategy and Local Area Agreement that will be of great benefit to local communities.
- 2.2 The Council recognises that the way its physical assets are managed can have a positive impact on the long-term strength of the third sector and local communities more generally. Through asset ownership, TSOs can grow and become more secure, gaining access to sources of additional investment that the Council itself may not be able to access. The Council's aim is to ensure that the way assets are managed strongly underpins the wider corporate aims and where appropriate, will use asset transfer as a means of enabling TSOs to become sustainable on a long-term basis. To be successful, asset transfer requires a long-term partnership approach on the part of the Council and the receiving TSO.

3.0 What is Asset Transfer?

- 3.1 For the purpose of asset transfer, an asset is defined as land or buildings in the freehold ownership of the Council. The asset will need to be identified within the Council's Asset Register, assigned a valuation from a professionally accredited source and be identified for potential transfer under the Asset Management Strategy.
- 3.2 Asset transfer covers both transfer of management as well as transfer of ownership. The level of asset transfer may vary from:
 - Community management;
 - Short/medium term lease;
 - Long leasehold;
 - Freehold.
- 3.3 "Transfer" is generally considered to relate primarily to leasehold or freehold arrangements at less than best consideration, or in giving community-led organisations "first refusal" on a commercially-based disposal.

- 3.4 It can cover both transfer at market price (in the case of first refusal) or transfer at some concession. There are also several possible categories of asset transfer:

	Surplus property	Non Surplus property
Nil consideration/with endowment	Transfer for social value and/or better management	Generally as part of a partnering or procurement arrangements
Less than market value	Social value creates a discount in sale or lease cost	Generally as part of a partnering or procurement arrangements
Off market sale	A community purchaser may provide opportunities for gaining greater social value	Service agreement to deliver council services or within a partnership (e.g. co-location)
Open market sale	N/A	N/A

- 3.5 There will be conditions under which the asset must revert to the Council under the terms of a leasehold arrangement, for example:

- In the case of bankruptcy;
- In the case of corruption;
- If the anticipated benefits of transfer are not realised.

- 3.6 Each disposal will include an asset lock (where this does not prevent the third party body from leveraging in additional funding). This prevents the asset being sold on for pure financial gain – unless this was the intention of both parties and disposal will assist with the delivery of intended benefits.

- 3.7 There may be other constraints on the rights or responsibilities which are transferred along with the asset. These will be assessed on a case by case basis.

4.0 Aims of Community Asset Transfer

- 4.1 The Council's physical assets include land, buildings and other structures used for a variety of different social, community and public purposes. For some of these assets community management and ownership could deliver.

- Benefits to the local community; Benefits to the community can arise from: building confidence and capacity; attracting new investment and reinvigorating the local economy; and securing stronger, more cohesive and sustainable communities (See Quirk Review Section 4)
- Benefits to public sector providers can arise from: the creation of a new partner able to tap into additional resources; the ability to engage with a more cohesive local community; new service provision complementing and augmenting statutory services (See Quirk Review section 4)
- Benefits to the organisation include: financial security; increased recognition; power; management capacity and organisational development; and through having a secure base opportunities to expand and diversify. (See Quirk Review Section 4)

- 4.2 Public assets are rarely used by everyone, their 'value' being locked-in to a particular use or a particular group of people. Changing ownership or

management offers opportunities to extend the use of a building or piece of land, increasing its value in relation to the numbers of people that benefit and the range of opportunities it offers. Community-led ownership offers additional opportunities to secure resources within a local area and to empower local citizens and communities.

4.3 Assets will be transferred to community groups by the Council in order to promote the widest public value that can be achieved in relation to, for example:

- Community empowerment;
- Area-wide benefits;
- Building the capacity of the third sector and encouraging a sustainable third-sector;
- Economic development and social enterprise;
- Improvements to local services;
- Value for money.

5.0 National policy context

5.1 The 2006 *Local Government White Paper* confirmed the Government's intention to increase opportunities for community asset ownership and management, and promoted asset transfer as part of a local authority's 'place-shaping' role. The Secretary of State for Communities commissioned Barry Quirk, Chief Executive of LB Lewisham to carry out a review into the barriers preventing community asset transfer. It also indicated that a fund would be established to help with this, later announced as the £30 million Community Assets Fund managed by the Big Lottery Fund.

5.2 The 'Quirk Review's' findings *Making Assets Work* were published in May 2007. All the Review's recommendations were accepted by the Government and published a week later as an implementation plan in *Opening the transfer window: the government's response to the Quirk Review*. The Government's plan for taking the review forward included a demonstration programme with local authorities and their partners, a guide to managing risks in asset transfer and a series of regional awareness-raising workshops.

5.3 The Quirk Review found that a careful increase in the community's stake in an asset can bring a wide range of additional benefits for the community, the organisation receiving the asset and the local authority facilitating the transfer. The benefits of community ownership and management can outweigh risks and opportunity costs.

5.4 The Government's Empowerment Action Plan published in 2007 includes actions relating to the transfer of assets and to a programme of support for community anchors, including the availability of further funding to support the development of anchors.

5.5 In July 2008 CLG White Paper "Communities in Control: real people real power" confirmed ongoing support for the Quirk review, announced the establishment of a national Asset Transfer Unit, extended the Advancing Assets programme by a further year and announced a £70mn community builders fund. The origins of this agenda go back to the ODPM's 2003 *Communities Plan (Sustainable Communities: Building for the future)*. This acknowledged that sustainability is only possible where local communities play a leading role in determining their own future development.

6.0 Local policy context and links to other strategies

6.1 The Council's Asset Management and Transfer policy documents related to Community Asset Transfer include:

- Sustainable Community Strategy for Herefordshire;
- Corporate Plan;
- Regeneration strategy;
- Local Development Framework;
- Asset Management Plan;
- Local Area Agreement.
- The Herefordshire Compact.
- The Herefordshire Community Development Strategy.

7.0 Principles underpinning the Council's asset transfer policy

7.1 The Council's policy on community asset transfer is underpinned by the following principles which are divided into three sections:

- A) Principles for a proactive strategy;
- B) Principles of responding strategically to a disposal opportunity;
- C) Principles of good process.

A) A proactive strategy:

- The Council will seek to implement the policy *proactively* (through awareness raising, outreach and support, etc) to encourage appropriate groups to take on an asset, linked to its ongoing programmes of support to the third sector;
- Any proposed asset transfer must support the aims and priorities of the Council as set out in adopted policy;
- The Council views its policy on community asset disposal positively as part of a long-term programme of support to, and partnership with, the third sector.

B) Responding strategically to asset transfer:

- The Council will take a Strategic approach to Asset Transfer through regular reviews of the asset transfer potential of its assets, and the establishment of priorities linked for example, to priority neighbourhoods, the exit-strategies from regeneration programmes, or the potential of particular high-profile cases;
- Once the policy framework has been established within the Council, opportunities to extend the approach to other public bodies through the Local Strategic Partnership will be sought.

C) Establishing a good process:

- The Council will have a transparent corporate process for asset transfer which includes a clear point of first contact and clear stages and timescales for each party;
- The Council will adopt an agreed method of assessing the benefits of the transfer (linked to corporate priorities) which allows a comparison with market disposal;

- Any disposal at less than best consideration will be accompanied by a service level agreement (SLA) identifying the benefits and how these will be monitored and measured, together with the remedies available to both parties if the SLA is not met.

8.0 Assessing asset transfers

8.1 The asset transfer decision is essentially a choice between:

- Maintaining existing position (i.e. retention of the asset);
- Expenditure on other services or priorities made possible as a result of a 'commercial' disposal;
- The benefits generated by the transfer of the asset to a TSO and local communities more widely

8.2 In assessing proposals for asset transfer, the Council will attempt to measure the relative benefits and risks of these three options in order to justify its decision and the level or discount proposed; as well as benefits to Council priorities such as objectives from the Sustainable Community Plan.

8.3 Critical to the success of any transfer is having a clear rationale backed by a robust business-case demonstrating the ability of the recipient to manage the asset effectively, including an assessment of the financial and organisational capacity of the organisation. A social benefit assessment framework will be applied by the Council. Further details of this framework are available from the Council's Community Regeneration or Strategic Asset Management services.

8.4 The organisation wishing to take on an asset would also need to provide a 'business case' for transfer at the outset and would be advised to contact the Council before preparing their business case.

Elements of the business case

- What needs will the transfer meet?
- What benefits will result from the transfer?
- What will be different and how will it be measured?
- Capacity of the TSO to manage the asset – to be assessed using framework contained in DTA 'health-check' (see Appendix 2)
- Business case for future uses of the asset e.g. cash-flow forecasts
- Type of transfer sought and why
- Statement from sponsoring department supporting the proposal
- Terms of any Service Level Agreement
- Capacity building plan and how this will be delivered
- Details of 'fall back' arrangements should the transfer prove to be not sustainable

9.0 Risks of Community Asset Transfer

9.1 The assessment framework (contained in full in Appendix 1) identifies the potential risks of transfer and the forms of mitigation that may be taken to reduce these. In summary these are:

- Lack of capacity within the third sector organisation;
- The community empowerment objectives proposed by the asset may be weak or under developed;
- Lack of knowledge of the asset (especially where a listed building is concerned);

- Asset may not be used in the public interest, or access may be limited;
- Lack of clarity between respective roles of the Council and Third Sector Organisation.

10. The asset transfer process

10.1 In considering the potential for asset transfer the Council will follow the process as set out in the diagram attached as appendix 1. Key milestones in this process are set out in the table below with indicative timescales.

Applications for Asset Transfer from community groups will be progressed through the following stages:

Asset transfer process – key stages

Stage	Who is responsible	Timescale for completion (to be added following further discussion)
Identify need in community for physical base	Council and local partners and community	
Assets for potential transfer identified	Third Sector Organisation (TSO) or Council following asset review	
TSO identifies building for transfer. Complete business case for transfer	Community (with sponsoring department assistance)	
Complete initial assessment using assessment framework –establish level of discount (if applicable)	Sponsoring directorate in consultation with Asset Management and Property Services of Resources Directorate.	
Recommendation on transfer –yes refer to Members; no, provide full feedback. Identify alternative solution.	Council cross-departmental group on assets. (Accommodation Board via Shared Property Review Group).	
Decision on transfer	Member Cabinet Group	
If yes, negotiate terms	Council legal and property departments and TSO	
Agree SLA (if required) and monitoring arrangements - successfully transfer asset	Council Asset Management and Property Services division in consultation with Legal Services and sponsoring directorate and TSO.	
Total transfer process		

Note: Appendices mentioned in the above text are for scheme evaluation purposes only.

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JOINT CORPORATE PROPERTY STRATEGY – APPENDIX 4

Corporate Buildings Maintenance Strategy



APPENDIX 4

Corporate Buildings Maintenance Strategy

1.0 Introduction

- 1.1 The purpose of the buildings maintenance strategy is to set out a strategic framework within which to identify, prioritise, plan, manage and monitor the maintenance of the Council and NHS operational property portfolios. It will identify how we can move from the current position in terms of identified maintenance backlog to an agreed standard of repair for the property portfolios in the future. This recognises that not all buildings can or necessarily should be maintained at the highest standard of repair, in terms of their importance to service delivery, or if it has been agreed they have a limited life span.
- 1.2 It will attempt to balance the customers' aspirations for the suitability of premises to which they have access and the ability of the Council and NHS to resource that need.
- 1.3 This strategy is reliant on the information that the Operational Property Strategy (OPS) provides. The OPS identifies the core properties for service delivery and identifies their suitability in terms of condition and sufficiency.
- 1.4 The strategy relates to maintenance of the retained operational portfolio. There must be a clear division between maintenance and capital works. The OPS process will identify maintenance and capital items.
- 1.5 Maintenance should ensure:-
 - meeting department service delivery needs which reflect the standards to which assets are maintained;
 - priorities based on the impact of condition on service delivery and risk;
 - minimising the whole-of-life costs of assets;
 - ensuring the most effective use of maintenance resources to meet the Audit Commission's benchmark of 70% planned, 30% reactive spend;
 - appropriate information exists for service users.

2.0 Key Aspects

- 2.1 The building maintenance strategy will inform the decision making process with respect to required expenditure:
 - to maintain retained properties to an agreed standard.
 - to reduce backlog maintenance.
 - to ensure statutory compliance.

2.2 Statutory compliance has a major influence on how the Council and NHHSH utilises its properties. The Council and NHHSH has a legal duty to protect its employees and customers. Amongst other statutory regulations, the Control of Asbestos Regulations, the Control of Legionella Bacteria Regulations and the Regulatory Reform (Fire Safety) Order place the onus on the employer and building managers to ensure compliance.

3.0 Specific Compliance

3.1 Asbestos Register

3.1.1 The Council and NHHSH will maintain an Asbestos Register. The Register details the location and type of asbestos present in premises, including an assessment of the risk, according to the location and type of asbestos identified. It requires:-

- To provide an assessment of the risk of the likelihood of anyone being exposed to fibres from these and preparation of a plan setting out how the risks from the materials are to be managed.
- Take the necessary steps to put the plan into action.
- Review and monitor the plan periodically.
- Provide information on the location and condition of the materials to anyone likely to be working on or disturb them.

3.1.2 With respect to the Council's non-operational (investment) portfolio, the responsibility for compliance lies with the tenant. The tenants are advised of their responsibilities under the Regulations.

3.2 Legionella

3.2.1 The regulations require a Risk Assessment to be carried out on all buildings managed by an employer to identify areas of high risk. The regulations also require a re-assessment of all properties every two years.

3.2.2 A comprehensive survey of Council and NHHSH properties has been undertaken. Identified works are included in the annual expenditure programme.

3.2.3 As with the Asbestos Regulations, the responsibility for compliance with the Legionella Regulations lies with the tenants for the Council's non-operational portfolio. NHHSH is responsible for compliance with the Legionella Regulations for its estate.

3.3 Fire Safety

3.3.1 The Regulatory Reform (Fire Safety Order) 2005 places responsibility for fire safety on the employer or appointed person for each building.

3.3.2 The Order places the responsibility for fire safety firmly on the employer or "responsible person" for that building. There is a requirement for the "responsible person" to assess the risks of fire and take steps to reduce or remove them. The order makes employers responsible for everyone inside and outside their premises, not just employees.

3.3.3 As with the Asbestos Regulations, the responsibility for compliance with the Fire Safety Order lies with the tenants for the Council's non-operational

portfolio. NHSH is responsible for compliance with the Fire Safety Order Regulations for its estate.

3.4 While the above regulations have been highlighted due to their high profile public impact, all statutory regulations are equally important and the Council and NHSH have obligations to ensure compliance.

3.5 The Council and NHSH will ensure that processes and procedures are in place to comply with statutory legislation and will respond to the introduction of future legislation as required.

4.0 **Targets**

4.1 In conjunction with the Operational Property Strategy (OPS):

- All Council and NHSH owned and managed operational properties will be surveyed as part of an ongoing five-year rolling programme.
- All operational properties will be allocated a Condition Rating based on the survey reports:
 - A – Good, B – Satisfactory, C – Fair, D – Poor.
- All planned maintenance to operational buildings will be prioritised using the matrices in the OPS.
- 80% of all operational properties rated as “essential to service delivery” are to have an overall property rating of A or B by 2012. The SPRG will monitor and review these targets annually and update as required.
- NHS guidance on maintaining estates stipulates that there should be a methodology in place to establish and manage the physical conditions of buildings as based on the condition rankings stated in the Estate Code (NHS Estates 2001). This states that all NHS buildings should be maintained to Category B standard as a minimum.

4.2 By continuing to survey each of our assets on a rolling five-year programme we aim to develop five year programmes of preventative works which have been prioritised on a consistent basis. This will allow us to more accurately predict future funding requirements and ensure that available funds are targeted to the right buildings allowing us to control further increases in our reported required maintenance.

4.3 Maintenance standards will produce like for like replacement or will update materials, fixtures and fittings to comply with statutory standards.

5.0 **The EU Energy Performance of Buildings Directive 2002**

5.1 The Energy Performance of Buildings Directive 2002/91/EC which came into force in January 2006 placed a responsibility upon public bodies to comply with articles 7, 8 and 9 within 3 years of the inception date. These involved the issue of Display Energy Certificates (DECs), Energy Performance Certificates (EPCs), the inspection of boilers and the inspection of air conditioning systems.

5.2 Display Energy Certificates show the actual energy usage of a building, the operational rating, and help the public to see the energy efficiency of the

building. This based on the energy consumption of the building as recorded by gas, electricity and other meters. The DEC must be clearly displayed at all times and clearly visible to the public. A DEC is always accompanied by an Advisory Report that lists cost effective measures to improve the energy rating of the building. DECs are only required for buildings with a total useful floor area over 1,000m² that are occupied by a public authority and institution providing a public service to a large number of persons and therefore visited by those persons. They are valid for one year. The accompanying Advisory Report is valid for seven years.

- 5.3 Energy Performance Certificates were introduced as part of Home Information Packs which first came into effect in August 2007 in England and Wales for domestic properties with four or more bedrooms. Rental properties, which have a certificate valid for 10 years, required an EPC on any new tenancy commencing on or after 1st October 2008. There is also a requirement for EPCs on the sale, rent or construction of buildings other than dwellings with a floor area greater than 500m² from April 2008.
- 5.4 Inspections: from January 2009 the inspection of boilers and air conditioning systems were introduced in accordance with articles 8 and 9 of the Directive.
- 6.0 **Compliance**
- 6.1 The Council and NHSH will ensure statutory compliance.

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